## **BEFORE THE OIL CONSERVATION DIVISION EXAMINER HEARING JULY 20, 2023**

# APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23448:

Mighty Pheasant 5-8 Fed Com 204H Well Mighty Pheasant 5-8 Fed Com 304H Well

Case No. 23449:

Mighty Pheasant 5-8 Fed Com 301H Well

Case No. 23450:

Mighty Pheasant 5-8 Fed Com 302H Well

Case No. 23451:

Mighty Pheasant 5-8 Fed Com 303H Well

**CIMAREX ENERGY CO.** 

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# TAB 1

Reference for Case Nos. 23448-23451 Applications Case Nos. 23448-23451:

> Mighty Pheasant 5-8 Fed Com 204H Well Mighty Pheasant 5-8 Fed Com 304H Well Mighty Pheasant 5-8 Fed Com 301H Well Mighty Pheasant 5-8 Fed Com 302H Well Mighty Pheasant 5-8 Fed Com 303H Well

NMOCD Checklists Case Nos. 23448-23451 Prehearing Statement Case Nos. 23448-23451

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

# APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23448

#### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.09-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 5 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

Cimarex proposes and dedicates to the HSU the Mighty Pheasant 5-8 Fed Com
 204H Well and the Mighty Pheasant 5-8 Fed Com 304H Well, as the initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 204H Well,** an oil well, to be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 32, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 8, Township 20 South, Range 34 East, NMPM.

4. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 304H Well,** an oil well, to be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 32, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 8, Township 20 South, Range 34 East, NMPM.

5. The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under the statewide rules.

6. Cimarex's review of the land records did not reveal any overlapping units.

7. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the wells or the commitment of their interests to the wells for their development within the proposed HSU.

8. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

9. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal wells and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

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A. Establishing a standard 320.09-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;

C. Approving the Mighty Pheasant 5-8 Fed Com 204H Well and the Mighty Pheasant 5-8 Fed Com 304H Well as the wells for the HSU.

D. Designating Cimarex as operator of this HSU and the horizontal wells to be drilled thereon;

E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the wells;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the wells in the event a working interest owner elects not to participate in the wells.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky Andrew D. Schill 214 McKenzie Street

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Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com andrew@abadieschill.com

# Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.09-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 5 is an irregular section containing correction lots. The proposed wells to be dedicated to the horizontal spacing unit are the Mighty Pheasant 5-8 Fed Com 204H Well and the Mighty Pheasant 5-8 Fed Com 304H Well, both oil wells, to be horizontally drilled from surface locations in the SW/4 SE/4 (Unit O) of Section 32, Township 19 South, Range 34 East, NMPM, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 8, Township 20 South, Range 34 East, NMPM. The wells will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

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

## APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23449

#### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.01-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 5 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

Cimarex proposes and dedicates to the HSU the Mighty Pheasant 5-8 Fed Com
 301H Well, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 301H Well,** an oil well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of Section 5 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 8.

4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

5. Cimarex's review of the land records did not reveal any overlapping units.

6. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing of a standard 320.01-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU.

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C. Approving the **Mighty Pheasant 5-8 Fed Com 301H Well** as the well for the HSU.

D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;

E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky Andrew D. Schill 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.01-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 5 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Mighty Pheasant 5-8 Fed Com 301H Well, an oil well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of Section 5 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 8. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

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

## APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23450

#### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.04-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 5 and the E/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 5 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

Cimarex proposes and dedicates to the HSU the Mighty Pheasant 5-8 Fed Com
 302H Well, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 302H Well,** an oil well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8.

4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

5. Cimarex's review of the land records did not reveal any overlapping units.

6. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 320.04-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 5 and the E/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;

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C. Approving the **Mighty Pheasant 5-8 Fed Com 302H Well** as the well for the HSU.

D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;

E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky Andrew D. Schill 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com andrew@abadieschill.com

Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) creating a standard 320.04-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 5 and the E/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 5 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Mighty Pheasant 5-8 Fed Com 302H Well, an oil well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of Section 5 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 8. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

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

## APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 23451

#### **APPLICATION**

Cimarex Energy Co. ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, hereby files this Application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, Section 70-2-17, seeking an order (1) establishing a standard 320.06-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying said unit. Section 5 is an irregular section with correction Lots.

In support of its Application, Cimarex states the following:

1. Cimarex is a working interest owner in the proposed horizontal spacing and proration unit ("HSU") and has a right to drill a well thereon.

Cimarex proposes and dedicates to the HSU the Mighty Pheasant 5-8 Fed Com
 303H Well, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation.

3. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 303H Well,** an oil well, to be horizontally drilled from a surface location in SW/4 SE/4 (Unit O) of Section 32, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 8, Township 20 South, Range 34 East, NMPM.

4. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under the statewide rules.

5. Cimarex's review of the land records did not reveal any overlapping units.

6. Cimarex has sought in good faith but has been unable to obtain voluntary agreement from all interest owners to participate in the drilling of the well or the commitment of their interests to the well for their development within the proposed HSU.

7. The pooling of all interests in the Bone Spring formation within the proposed HSU will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to provide for its just and fair share of the oil and gas underlying the subject lands, Cimarex requests that all uncommitted interests in this HSU be pooled and that Cimarex be designated the operator of the proposed horizontal well and HSU.

WHEREFORE, Cimarex requests that this Application be set for hearing on April 6, 2023, before an Examiner of the Oil Conservation Division, and after notice and hearing as required by law, the Division enter an order:

A. Establishing a standard 320.06-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico;

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B. Pooling all uncommitted mineral interests in the Bone Spring formation underlying the proposed HSU;

C. Approving the **Mighty Pheasant 5-8 Fed Com 303H Well** as the well for the HSU.

D. Designating Cimarex as operator of this HSU and the horizontal well to be drilled thereon;

E. Authorizing Cimarex to recover its costs of drilling, equipping, and completing the well;

F. Approving actual operating charges and costs of supervision, to the maximum extent allowable, while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

G. Setting a 200% charge for the risk assumed by Cimarex in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

William E. Zimsky Andrew D. Schill 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com bill@abadieschill.com andrew@abadieschill.com

# Attorneys for Cimarex Energy Co.

Application of Cimarex Energy Co. for a Horizontal Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order from the Division: (1) establishing a standard 320.06-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 5 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Mighty Pheasant 5-8 Fed Com 303H Well, an oil well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 32, Township 19 South, Range 34 East, NMPM, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 8, Township 20 South, Range 34 East, NMPM. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

# **COMPULSORY POOLING APPLICATION CHECKLIST**

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

#### Case: 23448 **APPLICANT'S RESPONSE** Date: July 20, 2023 (Scheduled hearing) Applicant Cimarex Energy Co. Designated Operator & OGRID (affiliation if applicable) 215099 Applicant's Counsel: Darin C. Savage, Abadie & Schill, P.C. Case Title: APPLICATION OF CIMAREX ENERGY CO., FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO Read & Stevens, Inc., / Permian Resources Operating, LLC Entries of Appearance/Intervenors: Sandstone Properties, LLC Northern Oil and Gas, Inc. Well Family Mighty Pheasant Formation/Pool 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: Quail Ridge, Bone Spring Pool [Code: 50460] Well Location Setback Rules: Statewide Rules Spacing Unit Type (Horizontal/Vertical) Horizontal Size (Acres) 320.09-acre, more or less **Building Blocks:** Quarter-Quarter Sections (40 Acre Blocks) Orientation: North to South Description: TRS/County Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico Standard Horizontal Well Spacing Unit (Y/N), If No, describe Yes, Standard Spacing Unit and is approval of non-standard unit requested in this **Other Situations** Depth Severance: Y/N. If yes, description No, N/A Proximity Tracts: If yes, description No Proximity Defining Well: if yes, description No Applicant's Ownership in Each Tract See Exhibit A-2.1, breakdown of ownership Well(s) Name & API (if assigned), surface and bottom hole location, Add wells as needed footages, completion target, orientation, completion status (standard or non-standard) Well #1 Mighty Pheasant 5-8 Fed Com 204H Well (API No. 30-015-Pending), SHL: Unit O, 281' FSL, 1443' FEL, Section 32, T19S-R34E; BHL: Unit P, 100' FSL, 708' FEL, Section 8, T20S-R34E, NMPM; Lea County, New Mexico, standup, standard location

| Received by OCD: 7/13/2023 6:11:56 PM<br>Horizontal Well First and Last Take Points                             | Mighty Pheasant 5-8 Fed Com 204H Well: FTP: 100' FNL,   |
|---|---|
|   | 708' FEL, Section 5; LTP 100' FSL, 708' FEL, Section 8  |
| Completion Target (Formation, TVD and MD)   | Mighty Pheasant 5-8 Fed Com 204H Well: TVD approx.  |
|   | 10,308', TMD 20,465'; Bone Spring formation, See Exhibit A,<br>A-1,B-5  |
| Well #2   | Mighty Pheasant 5-8 Fed Com 304H Well <u>(API No. 30-015-</u><br>Pending), SHL: Unit O, 281' FSL, 1423' FEL, Section 32, T19S-<br>R34E; BHL: Unit P, 100' FSL, 708' FEL, Section 8, T20S-R34E,<br>NMPM; Lea County, New Mexico, standup, standard<br>location |
| Horizontal Well First and Last Take Points  | Mighty Pheasant 5-8 Fed Com 304H Well: FTP 100' FNL, 708'<br>FEL, Section 5; LTP 100' FSL, 708' FWL, Section 8  |
| Completion Target (Formation, TVD and MD)   | Mighty Pheasant 5-8 Fed Com 304H Well: TVD approx.<br>10,840', TMD 21,040'; Bone Spring formation, See Exhibit A,<br>A-1 & B-2  |
| AFE Capex and Operating Costs   |   |
| Drilling Supervision/Month \$   | \$8000, Exhibit A   |
| Production Supervision/Month \$   | \$800, Exhibit A  |
| Justification for Supervision Costs   | Exhibit A   |
| Requested Risk Charge   | 200%, Exhibit A   |
| Notice of Hearing   |   |
| Proposed Notice of Hearing  | Exhibit D, D-1  |
| Proof of Mailed Notice of Hearing (20 days before hearing)  | Exhibit D-2   |
|   | Exhibit D-3   |
|   |   |
| Ownership Determination   | Exhibit A-2.1   |
| Land Ownership Schematic of the Spacing Unit  |   |
| Tract List (including lease numbers and owners)<br>If approval of Non-Standard Spacing Unit is requested, Tract | Exhibit A-2.1   |
| List (including lease numbers and owners) of Tracts subject to notice requirements.                             | N/A   |
| Pooled Parties (including ownership type)   | All uncommitted WI owners; including as shown on Exhibit A-2.1  |
| Unlocatable Parties to be Pooled  | Exhibit A   |
| Ownership Depth Severance (including percentage above & below)  | N/A   |
| Joinder   |   |
| Sample Copy of Proposal Letter  | Exhibit A-3   |
| List of Interest Owners (ie Exhibit A of JOA)   | Exhibit A-2.1   |
| Chronology of Contact with Non-Joined Working Interests   | Exhibit A-4   |
| Overhead Rates In Proposal Letter   | Exhibit A-3   |
| Cost Estimate to Drill and Complete   | Exhibit A-3   |
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|---|--|--|--|
| Cost Estimate for Production Facilities                 | Exhibit A-3  |  |  |
| Geology   |  |  |  |
| Summary (including special considerations)              | Exhibit B  |  |  |
| Spacing Unit Schematic                                  | Exhibit B-5, B-6, B-8, B-11, B-12,B-16, B-17       |  |  |
| Gunbarrel/Lateral Trajectory Schematic                  | Exhibit B-3, B-4,                                  |  |  |
| Well Orientation (with rationale)                       | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17  |  |  |
| Target Formation  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |  |  |
| HSU Cross Section                                       | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |  |  |
| Depth Severance Discussion                              | N/A  |  |  |
| Forms, Figures and Tables                               |  |  |  |
| C-102   | Exhibit A-1  |  |  |
| Tracts  | Exhibit A-2.1                                      |  |  |
| Summary of Interests, Unit Recapitulation (Tracts)      | Exhibit A-2.1                                      |  |  |
| General Location Map (including basin)                  | Exhibit A-2.1                                      |  |  |
| Well Bore Location Map                                  | Exhibit A-1, B-2, B-3                              |  |  |
| Structure Contour Map - Subsea Depth                    | Exhibit B-5, B-6, B-11, B-16                       |  |  |
| Cross Section Location Map (including wells)            | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |  |  |
| Cross Section (including Landing Zone)                  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |  |  |
| Additional Information                                  |  |  |  |
| Special Provisions/Stipulations                         |  |  |  |
| CERTIFICATION: I hereby certify that the information pr | ovided in this checklist is complete and accurate. |  |  |
| Printed Name (Attorney or Party Representative):        | Darin C. Savage                                    |  |  |
| Signed Name (Attorney or Party Representative):         | /s/Darín Savage                                    |  |  |
| Date:   | Date 7-13-2023                                     |  |  |

# **COMPULSORY POOLING APPLICATION CHECKLIST**

# ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

| Case: 23449  | APPLICANT'S RESPONSE   |  |  |
|--|--|--|--|
| Date: July 20, 2023 (Scheduled hearing)  |  |  |  |
| Applicant  | Cimarex Energy Co.   |  |  |
| Designated Operator & OGRID (affiliation if applicable)  | 215099   |  |  |
| Applicant's Counsel:<br>Case Title:  | Darin C. Savage, Abadie & Schill, P.C.<br>APPLICATION OF CIMAREX ENERGY CO., FOR A<br>HORIZONTAL SPACING UNIT AND COMPULSORY   |  |  |
| Entries of Appearance/Intervenors:   | POOLING, LEA COUNTY, NEW MEXICO<br>Read & Stevens, Inc., / Permian Resources Operating, LLC<br>Sandstone Properties, LLC<br>Northern Oil and Gas, Inc.                     |  |  |
| Well Family  | Mighty Pheasant  |  |  |
| Formation/Pool   |  |  |  |
| 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:   | Quail Ridge, Bone Spring Pool [Code: 50460]  |  |  |
| Well Location Setback Rules:   | Statewide Rules  |  |  |
| Spacing Unit   |  |  |  |
| Type (Horizontal/Vertical)   | Horizontal   |  |  |
| Size (Acres)   | 320.01-acre, more or less  |  |  |
| Building Blocks:   | Quarter-Quarter Sections (40 Acre Blocks)  |  |  |
| Orientation:   | North to South   |  |  |
| Description: TRS/County  | Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico |  |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe<br>and is approval of non-standard unit requested in this<br>application?                   | Yes, Standard Spacing Unit   |  |  |
| Other Situations   |  |  |  |
| Depth Severance: Y/N. If yes, description  | No, N/A  |  |  |
| Proximity Tracts: If yes, description  | No   |  |  |
| Proximity Defining Well: if yes, description   | No   |  |  |
| Applicant's Ownership in Each Tract  | See Exhibit A-2.2, breakdown of ownership  |  |  |
| Well(s)  |  |  |  |
| Name & API (if assigned), surface and bottom hole location,<br>footages, completion target, orientation, completion status<br>(standard or non-standard) | Add wells as needed  |  |  |

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|--|---|-------|
| Well #1  | Mighty Pheasant 5-8 Fed Com 301H Well (API No. 30-015-<br>Pending), SHL: Lot 4, 483' FNL, 1272' FWL, Section 5, T20S-<br>R34E; BHL: Unit M, 100' FSL, 330' FWL, Section 8, T20S-<br>R34E, NMPM; Lea County, New Mexico, standup,<br>standard location | y / U |
| Horizontal Well First and Last Take Points   | Mighty Pheasant 5-8 Fed Com 301H Well: FTP: 100' FNL,<br>330' FWL, Section 5; LTP: 100' FSL, 330' FWL, Section 8  |       |
| Completion Target (Formation, TVD and MD)  | Mighty Pheasant 5-8 Fed Com 301H Well: TVD approx.<br>10,870', TMD 21,057'; Bone Spring formation, See<br>Exhibit A, A-1 & B-2  |       |
|  |   |       |
| AFE Capex and Operating Costs  |   |       |
| Drilling Supervision/Month \$  | \$8000, Exhibit A   |       |
| Production Supervision/Month \$  | \$800, Exhibit A  |       |
| Justification for Supervision Costs  | Exhibit A   |       |
| Requested Risk Charge  | 200%, Exhibit A   |       |
| Notice of Hearing  |   |       |
| Proposed Notice of Hearing   | Exhibit D, D-1  |       |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit D-2   |       |
| Proof of Published Notice of Hearing (10 days before hearing   | Exhibit D-3   |       |
| Ownership Determination  |   |       |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-2.2   |       |
| Tract List (including lease numbers and owners)  | Exhibit A-2.2   |       |
| If approval of Non-Standard Spacing Unit is requested, Tract<br>List (including lease numbers and owners) of Tracts subject<br>to notice requirements. | N/A   |       |
| Pooled Parties (including ownership type)  | All uncommitted WI owners; including as shown on Exhibit A-2.2  |       |
| Unlocatable Parties to be Pooled   | Exhibit A   |       |
| Ownership Depth Severance (including percentage above & below)   | N/A   |       |
| Joinder  |   |       |
| Sample Copy of Proposal Letter   | Exhibit A-3   |       |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-2.2   |       |
| · · · ·  |   |       |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-4   |       |
| Overhead Rates In Proposal Letter  | Exhibit A-3   |       |
| Cost Estimate to Drill and Complete  | Exhibit A-3   |       |
| Cost Estimate to Equip Well  | Exhibit A-3   |       |
| Cost Estimate for Production Facilities  | Exhibit A-3   |       |
| Geology  |   |       |
| Summary (including special considerations)   | Exhibit B   |       |

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|--|--|
| Spacing Unit Schematic                                   | Exhibit B-5, B-6, B-8, B-11, B-12,B-16, B-17       |
| Gunbarrel/Lateral Trajectory Schematic                   | Exhibit B-3, B-4,                                  |
| Well Orientation (with rationale)                        | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17  |
| Target Formation   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| HSU Cross Section  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| Depth Severance Discussion                               | N/A  |
| Forms, Figures and Tables                                |  |
| C-102  | Exhibit A-1  |
| Tracts   | Exhibit A-2.2                                      |
| Summary of Interests, Unit Recapitulation (Tracts)       | Exhibit A-2.2                                      |
| General Location Map (including basin)                   | Exhibit A-2.2                                      |
| Well Bore Location Map                                   | Exhibit A-1, B-2, B-3                              |
| Structure Contour Map - Subsea Depth                     | Exhibit B-5, B-6, B-11, B-16                       |
| Cross Section Location Map (including wells)             | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| Cross Section (including Landing Zone)                   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18       |
| Additional Information                                   |  |
| Special Provisions/Stipulations                          |  |
| CERTIFICATION: I hereby certify that the information pro | ovided in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative):         | Darin C. Savage                                    |
| Signed Name (Attorney or Party Representative):          | /s/ Darín Savage                                   |
| Date:  | Date 7-13-2023                                     |

# **COMPULSORY POOLING APPLICATION CHECKLIST**

| Case: 23450  | APPLICANT'S RESPONSE   |  |  |
|--|--|--|--|
| Date: July 20, 2023 (Scheduled hearing)  |  |  |  |
| Applicant  | Cimarex Energy Co.   |  |  |
| Designated Operator & OGRID (affiliation if applicable)  | 215099   |  |  |
| Applicant's Counsel:<br>Case Title:  | Darin C. Savage, Abadie & Schill, P.C.<br>APPLICATION OF CIMAREX ENERGY CO., FOR A<br>HORIZONTAL SPACING UNIT AND COMPULSORY POOLING,<br>LEA COUNTY, NEW MEXICO  |  |  |
| Entries of Appearance/Intervenors:   | Read & Stevens, Inc., / Permian Resources Operating, LLC<br>Sandstone Properties, LLC<br>Northern Oil and Gas, Inc.  |  |  |
| Well Family  | Mighty Pheasant  |  |  |
| Formation/Pool   |  |  |  |
| 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:   | Quail Ridge, Bone Spring Pool [Code: 50460]  |  |  |
| Well Location Setback Rules:   | Statewide Rules  |  |  |
| Spacing Unit   |  |  |  |
| Type (Horizontal/Vertical)   | Horizontal   |  |  |
| Size (Acres)   | 320.04-acre, more or less  |  |  |
| Building Blocks:   | Quarter-Quarter Sections (40 Acre Blocks)  |  |  |
| Orientation:   | North to South   |  |  |
| Description: TRS/County  | Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4<br>of Section 5 and the E/2 W/2 of Section 8, in Township 20<br>South, Range 34 East, NMPM, Lea County, New Mexico   |  |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is  | Yes, Standard Spacing Unit   |  |  |
| approval of non-standard unit requested in this application?   |  |  |  |
| Other Situations   | No. N/A  |  |  |
| Depth Severance: Y/N. If yes, description  | No, N/A  |  |  |
| Proximity Tracts: If yes, description  | No   |  |  |
| Proximity Defining Well: if yes, description   | No   |  |  |
| Applicant's Ownership in Each Tract  | See Exhibit A-2.3, breakdown of ownership  |  |  |
| Well(s)  |  |  |  |
| Name & API (if assigned), surface and bottom hole location,<br>footages, completion target, orientation, completion status<br>(standard or non-standard) | Add wells as needed  |  |  |
| Well #1  | Mighty Pheasant 5-8 Fed Com 302H Well (API No. 30-015-<br>Pending), SHL: Lot 4, 484' FNL, 1312' FWL, Section 5, T20S-<br>R34E; BHL: Unit N, 100' FSL, 1744' FWL, Section 8, T20S-<br>R34E, NMPM; Lea County, New Mexico, standup, standard<br>location |  |  |

| Received by OCD: 7/13/2023 6:11:56 PM<br>Horizontal Well First and Last Take Points | Mighty Pheasant 5-8 Fed Com 302H Well: FTP: 100' FNL,<br>1744' FWL, Section 5; LTP: Unit N, 100' FSL, 1744' FWL,         |  |  |
|---|--|--|--|
|   | Section 8  |  |  |
| Completion Target (Formation, TVD and MD)   | Mighty Pheasant 5-8 Fed Com 302H Well: TVD approx.<br>10,860', TMD 20,992'; Bone Spring formation, See Exhibit<br>A, A-1 |  |  |
|   |  |  |  |
| AFE Capex and Operating Costs   |  |  |  |
| Drilling Supervision/Month \$   | \$8000, Exhibit A  |  |  |
| Production Supervision/Month \$   | \$800, Exhibit A   |  |  |
| Justification for Supervision Costs   | Exhibit A  |  |  |
| Requested Risk Charge   | 200%, Exhibit A  |  |  |
| Notice of Hearing   |  |  |  |
| Proposed Notice of Hearing  | Exhibit D, D-1   |  |  |
| Proof of Mailed Notice of Hearing (20 days before hearing)                          | Exhibit D-2  |  |  |
| Proof of Published Notice of Hearing (10 days before hearing)                       | Exhibit D-3  |  |  |
| Ownership Determination   |  |  |  |
| Land Ownership Schematic of the Spacing Unit  | Exhibit A-2.3  |  |  |
| Tract List (including lease numbers and owners)                                     | Exhibit A-2.3  |  |  |
| If approval of Non-Standard Spacing Unit is requested, Tract List                   |  |  |  |
| (including lease numbers and owners) of Tracts subject to notice requirements.      | N/A  |  |  |
|   |  |  |  |
| Pooled Parties (including ownership type)   | All uncommitted WI owners; including as shown on Exhibit A-2   |  |  |
| Unlocatable Parties to be Pooled  | Exhibit A  |  |  |
| Ownership Depth Severance (including percentage above & below)                      |  |  |  |
|   | N/A  |  |  |
| Joinder   |  |  |  |
| Sample Copy of Proposal Letter  | Exhibit A-3  |  |  |
| List of Interest Owners (ie Exhibit A of JOA)                                       | Exhibit A-2.3  |  |  |
| Chronology of Contact with Non-Joined Working Interests                             | Exhibit A-4  |  |  |
| Overhead Rates In Proposal Letter   | Exhibit A-3  |  |  |
| Cost Estimate to Drill and Complete   | Exhibit A-3  |  |  |
| Cost Estimate to Equip Well   | Exhibit A-3  |  |  |
| Cost Estimate for Production Facilities   | Exhibit A-3  |  |  |
| Geology   |  |  |  |
| Summary (including special considerations)  | Exhibit B  |  |  |
| Spacing Unit Schematic  | Exhibit B-5, B-6, B-8, B-11, B-12,B-16, B-17   |  |  |
| Gunbarrel/Lateral Trajectory Schematic  | Exhibit B-3, B-4,  |  |  |
| Well Orientation (with rationale)   | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17  |  |  |
|   |  |  |  |
| Target Formation  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18   |  |  |
| Target Formation<br>HSU Cross Section   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18<br>Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18                             |  |  |

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| Forms, Figures and Tables                                  |   |
|--|---|
| C-102  | Exhibit A-1                                     |
| Tracts   | Exhibit A-2.3                                   |
| Summary of Interests, Unit Recapitulation (Tracts)         | Exhibit A-2.3                                   |
| General Location Map (including basin)                     | Exhibit A-2.3                                   |
| Well Bore Location Map                                     | Exhibit A-1, B-2, B-3                           |
| Structure Contour Map - Subsea Depth                       | Exhibit B-5, B-6, B-11, B-16                    |
| Cross Section Location Map (including wells)               | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18    |
| Cross Section (including Landing Zone)                     | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18    |
| Additional Information                                     |   |
| Special Provisions/Stipulations                            |   |
| CERTIFICATION: I hereby certify that the information provi | ded in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative):           | Darin C. Savage                                 |
| Signed Name (Attorney or Party Representative):            | /s/ Darín Savage                                |
| Date:  | Date 7-13-2012                                  |

# **COMPULSORY POOLING APPLICATION CHECKLIST**

| Case: 23451   | APPLICANT'S RESPONSE  |  |
|---|---|--|
| Date: July 20, 2023 (Scheduled hearing)   |   |  |
| Applicant   | Cimarex Energy Co.  |  |
| Designated Operator & OGRID (affiliation if applicable)   | 215099  |  |
| Applicant's Counsel:<br>Case Title:   | Darin C. Savage, Abadie & Schill, P.C.<br>APPLICATION OF CIMAREX ENERGY CO., FOR A<br>HORIZONTAL SPACING UNIT AND COMPULSORY POOLING,<br>LEA COUNTY, NEW MEXICO   |  |
| Entries of Appearance/Intervenors:  | Read & Stevens, Inc., / Permian Resources Operating, LLC<br>Sandstone Properties, LLC<br>Northern Oil and Gas, Inc.   |  |
| Well Family   | Mighty Pheasant   |  |
| Formation/Pool  |   |  |
| 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:  | Quail Ridge, Bone Spring Pool [Code: 50460]   |  |
| Well Location Setback Rules:  | Statewide Rules   |  |
| Spacing Unit  |   |  |
| Type (Horizontal/Vertical)  | Horizontal  |  |
| Size (Acres)  | 320.06-acre, more or less   |  |
| Building Blocks:  | Quarter-Quarter Sections (40 Acre Blocks)   |  |
| Orientation:  | North to South  |  |
| Description: TRS/County   | Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4<br>of Section 5 and the W/2 E/2 of Section 8, in Township 20<br>South, Range 34 East, NMPM, Lea County, New Mexico  |  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is</u> approval of non-standard unit requested in this application?                             | Yes, Standard Spacing Unit  |  |
| Other Situations  |   |  |
| Depth Severance: Y/N. If yes, description   | No, N/A   |  |
| Proximity Tracts: If yes, description   | No  |  |
| Proximity Defining Well: if yes, description  | No  |  |
| Applicant's Ownership in Each Tract   | See Exhibit A-2.4, ownership breakdown  |  |
| Well(s)<br>Name & API (if assigned), surface and bottom hole location,<br>footages, completion target, orientation, completion status<br>(standard or non-standard) | Add wells as needed   |  |
| Well #1   | Mighty Pheasant 5-8 Fed Com 303H Well (API No. 30-015-<br>Pending), SHL: Unit O, 281' FSL, 1463' FEL, Section 32, T19S-R34E;<br>BHL: Unit O, 100' FSL, 2122' FEL, Section 8, T20S-R34E, NMPM;<br>Lea County, New Mexico, standup, standard location |  |

| Received by OCD: 7/13/2023 6:11:56 PM<br>Horizontal Well First and Last Take Points                | Page 32 of<br>Mighty Pheasant 5-8 Fed Com 303H Well: FTP: 100' FNL,   |  |
|--|---|--|
| Completion Target (Formation, TVD and MD)  | 2122' FEL, Section 5; LTP: 100' FSL, 2122' FEL, Section 8<br>Mighty Pheasant 5-8 Fed Com 303H Well: TVD approx.<br>10,860', TMD 21,019'; Bone Spring formation, See Exhibit |  |
|  | A, A-1  |  |
| AFE Capex and Operating Costs  |   |  |
| Drilling Supervision/Month \$  | \$8000, Exhibit A   |  |
| Production Supervision/Month \$  | \$800, Exhibit A  |  |
| Justification for Supervision Costs  | Exhibit A   |  |
| Requested Risk Charge  | 200%, Exhibit A   |  |
| Notice of Hearing  |   |  |
| Proposed Notice of Hearing   | Exhibit D, D-1  |  |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit D-2   |  |
| Proof of Published Notice of Hearing (10 days before hearing)                                      | Exhibit D-3   |  |
| Ownership Determination  |   |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-2.4   |  |
| Tract List (including lease numbers and owners)  | Exhibit A-2.4   |  |
| If approval of Non-Standard Spacing Unit is requested, Tract List                                  |   |  |
| (including lease numbers and owners) of Tracts subject to notice requirements.                     | N/A   |  |
|  |   |  |
|  | All uncommitted WI owners; including as shown on  |  |
| Pooled Parties (including ownership type)  | Exhibit A-2   |  |
| Unlocatable Parties to be Pooled<br>Ownership Depth Severance (including percentage above & below) | Exhibit A   |  |
|  | N/A   |  |
| Joinder  |   |  |
| Sample Copy of Proposal Letter   | Exhibit A-3   |  |
| List of Interest Owners (ie Exhibit A of JOA)  | Exhibit A-2.4   |  |
| Chronology of Contact with Non-Joined Working Interests  | Exhibit A-4   |  |
| Overhead Rates In Proposal Letter  | Exhibit A-3   |  |
| Cost Estimate to Drill and Complete  | Exhibit A-3   |  |
| Cost Estimate to Equip Well  | Exhibit A-3   |  |
| Cost Estimate for Production Facilities  | Exhibit A-3   |  |
| Geology  |   |  |
| Summary (including special considerations)   | Exhibit B   |  |
| Spacing Unit Schematic   | Exhibit B-5, B-6, B-8, B-11, B-12,B-16, B-17  |  |
| Gunbarrel/Lateral Trajectory Schematic   | Exhibit B-3, B-4,   |  |
| Well Orientation (with rationale)  | Exhibit A-1, B-5, B-6, B-8, B-11, B-12,B-16, B-17   |  |
| Target Formation   | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18  |  |
| HSU Cross Section  | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18  |  |
| Depth Severance Discussion   | N/A   |  |
| Forms, Figures and Tables  |   |  |
| C-102<br>Ceteased to Imaging: 7/14/2023 8:08:00 AM   | Exhibit A-1   |  |

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|--|---|
| Tracts   | Exhibit A-2.4                                   |
| Summary of Interests, Unit Recapitulation (Tracts)         | Exhibit A-2.4                                   |
| General Location Map (including basin)                     | Exhibit A-2.4                                   |
| Well Bore Location Map                                     | Exhibit A-1, B-2, B-3                           |
| Structure Contour Map - Subsea Depth                       | Exhibit B-5, B-6, B-11, B-16                    |
| Cross Section Location Map (including wells)               | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18    |
| Cross Section (including Landing Zone)                     | Exhibit B-3, B-4, B-6, B-7, B-13, B-14, B-18    |
| Additional Information                                     |   |
| Special Provisions/Stipulations                            |   |
| CERTIFICATION: I hereby certify that the information provi | ded in this checklist is complete and accurate. |
| Printed Name (Attorney or Party Representative):           | Darin C. Savage                                 |
| Signed Name (Attorney or Party Representative):            | /s/ Darín Savage                                |
| Date:  | Date 7-13-2023                                  |

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

# APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

#### Case Nos. 23448, 23449, 23450 & 23451

#### **PREHEARING STATEMENT**

Cimarex Energy Co., ("Cimarex"), OGRID No. 215099, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division") for the above referenced Cases which are consolidated with the Case Nos. 23452-23455, 23594 – 23601 and 23508 – 23523 for a contested hearing pursuant to that certain "Further Amended Pre-Hearing Order" issued on June 8, 2023. This Prehearing Statement describes Cimarex's Case Nos. 23448 - 23451, which propose to pool the Bone Spring formation underlying Sections 5 and 8, in Township 20 South, Range 34 East, NMPM, Lea County ("Subject Lands") and which compete directly against Case Nos. 23516 – 23519 filed by Read & Stevens, Inc., in association with Permian Resources Operating, LLC (collectively referred to herein as "Permian Resources") which also propose to pool the Bone Spring formation underlying the Subject Lands.

APPEARANCES

APPLICANT

Cimarex Energy Co.

#### ATTORNEY

Darin C. Savage Andrew D. Schill William E. Zimsky Abadie & Schill, PC 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901

darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

# COMPETING PARTY

Read & Stevens, Inc., in association with Permian Resources Operating, LLC

Michael H. Feldewert Adam G. Rankin Julia Broggi Paula M. Vance Holland & Hart LLP Post Office Box 2208 Santa Fe, NM 87504 505-988-4421 Facsimile: 505-983-6043 mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com

#### ADDITIONAL PARTIES

Sandstone Properties, LLC

Sealy Cavin, Jr. Scott S. Morgan Brandon D. Hajny P.O. Box 1216 Albuquerque, NM 87103 505-243-5400 scavin@cilawnm.com smorgan@cilawnm.com bhajny@cilawnm.com

Blake C. Jones Steptoe & Johnson PLLC 1780 Hughes Landing Blvd., Ste 750 The Woodlands, TX 77380 281-203-5730 Facsimile: 281-203-5701 blake.jones@steptoe-johnson.com

Northern Oil and Gas, Inc.

#### APPLICANT'S STATEMENT OF THE CASES

Cimarex provides this Prehearing Statement to provide a summary of Case Nos. 23448, 23449, 23450 and 23451. These four cases seek to develop the Bone Spring formation in the Subject Lands (i.e., Sections 5 and 8), and these cases are grouped and organized in a logical manner to present to the Division an intelligible overview of the cases that can be readily followed.

In Case No. 23448, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.09-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Mighty Pheasant 5-8 Fed Com 204H Well** and the **Mighty Pheasant 5-8 Fed Com 304H Well**, as the initial wells, to be drilled to a sufficient depth to test the Bone Spring formation The proposed wells are orthodox in their locations, and the take points and completed intervals comply with setback requirements under statewide rules.

In Case No. 23449, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone

Spring formation, designated as an oil pool, underlying a standard 320.01-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Mighty Pheasant 5-8 Fed Com 301H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

In Case No. 23450, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.04-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 5 and the E/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Mighty Pheasant 5-8 Fed Com 302H Well**, as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

In Case No. 23451, Cimarex seeks an order pooling all uncommitted mineral interests in the Bone Spring formation, more specifically, from a stratigraphic equivalent of 9,373 feet (that being the top of 1<sup>st</sup> Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a

stratigraphic equivalent of 10,845 feet, as defined by same Well, that being the base of the Bone Spring formation, designated as an oil pool, underlying a standard 320.06-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex proposes and dedicates to the unit the **Mighty Pheasant 5-8 Fed Com 303H Well,** as the initial well, to be drilled to a sufficient depth to test the Bone Spring formation. The proposed well is orthodox in its location, and the take points and completed interval comply with setback requirements under statewide rules.

Cimarex's four cases described herein and its plans for development compete directly with Case Nos. 23516, 23517, 23518, and 23519 filed by Permian Resources for the Subject Lands. In Case No. 23516, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Joker 5-8 Federal Com 111H, 121H, 122H, 171H, and 131H wells to said unit.

In Case No. 23517, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 5 and the E/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Joker 5-8 Federal Com 112H, 123H, 124H, 172H, and 132H wells to said unit.

In Case No. 23518, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Joker 5-8 Federal Com 113H, 125H, 126H, 173H, and 133H wells to said unit.

In Case No. 23519, Permian Resources seeks to pool all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, dedicating the Joker 5-8 Federal Com 114H, 127H, 128H, 174H, and 134H wells to said unit.

#### APPLICANT'S PROPOSED EVIDENCE AND WITNESS QUALIFICATIONS

WITNESS

#### ESTIMATED TIME

EXHIBITS

Landman: John Coffman Approx. 45 min Approx. 9 Qualifications: I graduated in 2018 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 4 years. My credentials as an expert witness in petroleum land matters have been accepted by the Division and made a matter of record.

Geologist: Staci MeullerApprox. 45 minApprox. 21Qualifications: I have a Bachelor of Science Degree in Geophysical Engineering from ColoradoSchool of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines.I have worked on New Mexico Oil and Gas matters since July 2018. My credentials as an expertwitness in geology have been accepted by the Division and made a matter of record.

Reservoir Engineer: Eddie Behm Approx. 45 minutes Approx. 17 Qualifications: I attended the University of Tulsa and graduated with a bachelor's in petroleum engineering in 2011. I have worked for Occidental, California Resources prior to working for Cimarex and have been employed as a Production and Reservoir engineer for Cimarex for the last 6 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I have previously testified before the Division as an expert reservoir engineer, and my credentials have been accepted of record. Facilities Engineer: Calvin Boyle Available for questions (15 min) Approx. 1 Qualifications: I attended the University of Oklahoma and graduated with a bachelor's in petroleum engineering in 2016 followed by Oklahoma State University where I graduated with a Master of Business Administration in 2018. I worked for Halliburton prior to working for Cimarex Energy Co. ("Cimarex") and have been employed as a Field, Production, and Facilities engineer for Cimarex for the last 4 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I am familiar with the subject applications filed in the above-referenced Cases and the engineering involved. I have not testified previously before the Division and am providing a one-page resume.

#### LIST OF MATERIAL FACTS NOT IN DISPUTE

Parties are in general agreement that the Bone Spring formation underlying the Subject Lands would be productive if developed and should be developed; however, there are factual differences regarding the best way to achieve optimum development and productivity of the Bone Spring.

#### LIST OF DISPUTED FACTS AND ISSUES

The central issue in Cimarex's Case Nos. 23448-23451 and Permian Resources' competing Case Nos. 23516 – 23519 is which party should be the designated operator for the Bone Spring formation in the Subject Lands. In addition, there are specific disagreements between the parties regarding (1) the number of wells that should be used to develop the Bone Spring, (2) the depths and spacing of the wells, (3) the costs of developing the Bone Spring underlying the Subject Lands; and (4) a dispute about whether the Upper Wolfcamp should be drilled and developed (Cimarex asserts that the drilling of the Upper Wolfcamp would result in waste and harm to correlative rights and should not be done; while Permian Resources proposes to drill the Upper Wolfcamp).

#### PROCEDURAL MATTERS

This contested hearing includes Cimarex's Case Nos. 23448-23451 and Permian Resources' competing applications in Case Nos. 23516 – 23519, as described herein, but the

hearing also includes numerous additional cases for the Bone Spring in Sections 4 and 9, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and consideration of whether to drill the Wolfcamp formation. In all, the Division will need to review and consider 32 cases addressing both the Bone Spring and Wolfcamp in Sections 5 and 8 and Sections 4 and 9, all in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. The Prehearing Statements submitted in these matters, three Prehearing Statements in all, are organized in an effort to provide a manageable approach to reviewing the cases by addressing (1) the 8 competing cases in the Bone Spring for Sections 5 and 8; (2) the 8 competing cases in the Bone Spring for Sections 4 and 9; and finally (3) the status of the competing cases filed for the Wolfcamp formation in both Sections 4 and 9 and Sections 5 and 8.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill William E. Zimsky 214 McKenzie Street Santa Fe, New Mexico 87501 Telephone: 970.385.4401 Facsimile: 970.385.4901 darin@abadieschill.com andrew@abadieschill.com bill@abadieschill.com

Attorneys for Cimarex Energy Co.

## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico

Oil Conservation Division and was served on counsel of record via electronic mail on July 13,

2023:

Michael H. Feldewert – mfeldewert@hollandhart.com Adam G. Rankin – agrankin@hollandhart.com Julia Broggi – jbroggi@hollandhart.com Paula M. Vance – pmvance@hollandhart.com

Attorneys for Read & Stevens, Inc.; and Permian Resources Operating, LLC

Blake C. Jones - blake.jones@steptoe-johnson.com

Attorney for Northern Oil and Gas, Inc.

Sealy Cavin, Jr. – scavin@cilawnm.com Scott S. Morgan – smorgan@cilawnm.com Brandon D. Hajny – bhajny@cilawnm.com

Attorneys for Sandstone Properties, LLC

/s/ Darin C. Savage

Darin C. Savage

# **TAB 2**

#### Case Nos. 23448-23451

- Exhibit A: Self-Affirmed Statement of John Coffman Landman
- Exhibit A-1: C-102 Forms
- Exhibit A-2.1: Ownership and Sectional Map
- Exhibit A-2.2: Ownership and Sectional Map
- Exhibit A-2.3: Ownership and Sectional Map
- Exhibit A-2.4: Ownership and Sectional Map
- Exhibit A-3: Well Proposal Letters and AFEs
- Exhibit A-4: Chronology of Contacts with Uncommitted Owners
- Exhibit A-5: Support Letters from Interest Owners
- Exhibit A-6: Read and Stevens Original Well Proposal

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

## APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

#### Case Nos. 23448, 23449, 23450 & 23451

#### **SELF-AFFIRMED STATEMENT OF JOHN COFFMAN**

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

1. I am over the age of eighteen years and have the capacity to execute this Self-Affirmed Statement, which is based on my personal knowledge.

2. I am employed as a Landman with Coterra Energy, Inc., and its subsidiary Cimarex Energy Co. ("Cimarex"), the applicant in this case, and I am familiar with the subject application and the lands involved.

3. I graduated in 2018 from Texas Tech University with a bachelor's degree in Business Administration with an emphasis on Energy Commerce. I have worked at Cimarex for approximately 4 years, and I have been working in New Mexico for 5 years. My credentials as an expert witness in petroleum land matters have been accepted by the New Mexico Oil Conservation Division ("Division") and made a matter of record.

4. This Statement is submitted in connection with the filing by Cimarex of the abovereferenced compulsory pooling applications pursuant to 19.15.4.12.A(1).

5. The above-referenced cases (Case Nos. 23448 – 23451) all seek to develop the Bone Spring formation underlying Sections 5 and 8, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico ("Subject Lands"); and therefore, we have grouped them together for



this presentation to the Division as a logical way to organize and present the cases being reviewed in this contested hearing.

6. Under <u>Case No. 23448</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.09-acre, more or less, spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4 and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit two initial wells: the **Mighty Pheasant 5-8 Fed Com 204H Well**, and the **Mighty Pheasant 5-8 Fed Com 304H Well**.

7. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 204H Well** (API pending) to be horizontally drilled from a surface location 281' FSL and 1443' FEL of Section 32, Township 19 South, Range 34 East to a bottom hole location 100' FSL and 708' FEL of Section 8, Township 20 South, Range 34 East; approximate TVD of 10,308'; approximate TMD of 20,465'; FTP in Section 5: 100' FNL, 708' FEL; LTP in Section 8: 100' FSL, 708' FEL.

8. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 304H Well** (API pending) to be horizontally drilled from a surface location 281' FSL and 1423' FEL of Section 32 to a bottom hole location 100' FSL and 708' FEL of Section 8; approximate TVD of 10,840'; approximate TMD of 21,040'; FTP in Section 5: 100' FNL, 708' FEL; LTP in Section 8: 100' FSL, 708' FWL.

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9. Under <u>Case No. 23449</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.01-acre, more or less, spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4 and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Mighty Pheasant 5-8 Fed Com 301H Well**.

10. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 301H Well** (API pending) to be horizontally drilled from a surface location 483' FNL and 1272' FWL of Section 5, Township 20 South, Range 34 East, to a bottom hole location 100' FSL and 330' FWL of Section 8 Township 20 South, Range 34 East; approximate TVD of 10,870'; approximate TMD of 21,057'; FTP in Section 5: 100' FNL, 330' FWL; LTP in Section 8: 100' FSL, 330' FWL.

11. Under <u>Case No. 23450</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.04-acre, more or less, spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4 and the E/2 SW/4 of Section 5 and the E/2 W/2 of Section 8, in Township 20 South, Range 34 East,

NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Mighty Pheasant 5-8 Fed Com 302H Well**.

12. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 302H Well** (API pending) to be horizontally drilled from a surface location 484' FNL and 1312' FWL of Section 5 Township 20 South, Range 34 East, to a bottom hole location in the 100' FSL and 1744' FWL of Section 8, Township 20 South, Range 34 East; with an approximate TVD of 10,860'; approximate TMD of 20,992'; FTP in Section 5: 100' FNL, 1,744' FWL; LTP in Section 8: 100' FSL, 1,744' FWL.

13. Under <u>Case No. 23451</u>, Cimarex seeks an order pooling all uncommitted mineral interest in the Bone Spring formation, more specifically, the Quail Ridge; Bone Spring formation [Pool Code 50460], designated as an oil pool, from a stratigraphic equivalent of 9,373 feet (that being the top of the 1<sup>st</sup> Bone Spring), a depth as defined on the log for the Hudson Federal #1 Well (API No. 30-025-32819), to a stratigraphic equivalent of 10,845 feet, as defined by the same Well, that being the base of the Bone Spring formation, underlying a standard 320.06-acre, more or less, spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4 and the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico. Cimarex intends to dedicate to the unit the **Mighty Pheasant 5-8 Fed Com 303H Well**.

14. Cimarex proposes the **Mighty Pheasant 5-8 Fed Com 303H Well** (API pending) to be horizontally drilled from a surface location 281' FSL and 1463' FEL of Section 5, to a bottom hole location 100' FSL and 2122' FEL of Section 8; approximate TVD of 10,860'; approximate TMD of 21,019'; FTP in Section 5: 100' FNL, 2,122' FEL; LTP in Section 8: 100' FSL, 2,122' FEL.

15. The proposed C-102 for each well is attached as **Exhibit A-1**.

16. A general location plat and a plat outlining the units being pooled is attached hereto as **Exhibit A-2.1** through **Exhibit A-2.4**, which show the location of the proposed wells within the units. The location of each well is orthodox, and it meets the Division's offset requirements.

17. The parties being pooled, the nature of their interests, and their last known addresses are listed in **Exhibit A-2.1** through **Exhibit A-2.4** attached hereto. These Exhibits include information regarding working interest owners. In a Successor Operator Ballot sent to working interest owners in February of 2020 and subsequent letter dated August 31, 2020, Magnum Hunter Production Inc., a subsidiary of Cimarex, received the affirmative vote under the 1979 Estoril Operating Agreement that covers the S/2 of Sections 4 and 5 and all of Sections 8 and 9, Township 20 South, Range 34 East. At the time, a total of 14 working interest owners collectively owning 59.405672% of the interest in the contract area from the Top of the Bone Spring formation to the Base of the Bone Spring formation, and 54.758783% of the interest covering from the Base of the Bone Spring formation to the Base of the Bone Spring formation. Under the terms of said Operating Agreement, because two or more of the parties owning a majority interest have voted to elect Magnum Hunter Production Inc. as Operator, Magnum Hunter Production Inc. is the operator of said lands described above covered by the Operating Agreement.

There are no depth severances in the Bone Spring formation in this acreage.
 Cimarex's review of the lands shows no overlapping units.

19. Cimarex operates around 15,000 acres and operate ~50 wellbores in the immediate vicinity in Township 19 South, Ranges 33 and 34 East, in Lea County. I believe that Cimarex is a top-tier operator especially regarding the knowledge it takes to drill in this area. We have been able to come to agreements with multiple owners in the area to effectively and efficiently develop a large portion of this area.

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20. I provided the law firm of Abadie & Schill P.C. a list of names and addresses for the uncommitted working interest owners shown on **Exhibits A-2.1 through A-2.4**. In compiling these addresses, I conducted a diligent search of the public records in **Lea** County, New Mexico, where the wells are located, and of phone directories and did computer searches to locate the contact information for parties entitled to notification. All working interest owners were locatable and noticed. Cimarex published notice in the Hobbs News-Sun, a newspaper of general circulation in Lea County, New Mexico, to account for any unlocatable parties and cover any contingencies regarding notice.

21. Cimarex has made a good faith effort to negotiate with the interest owners, but has been unable to obtain, voluntary agreement from all interest owners to participate in the drilling of the well or in the commitment of their interests to the well for its development within the proposed horizontal spacing unit. Exhibits A-4 provides a chronology and history of contacts with the owners. Prior to the acquisition by Permian Resources of Read and Stevens, Cimarex had made good faith efforts to communicate and get a plan of development in place for these four sections. No meetings with Read and Stevens had ever come to fruition, instead, we found out that they had spud wells in the middle of a 2-mile development in order to save their expiring permits. We were never notified or proposed by Read and Steven's in this action although we do own in the lands that were involved. I have personally worked for over 2 years and Cimarex has worked for over 4 years to get to a resolution so that this acreage can be developed. The majority of the working interest owners in these sections are excited for development and have been long awaiting a return on their investment. Cimarex has constantly been trying to obtain term assignments, vetting out trades with other working interest owners, and has made offers to purchase in this area. We believe in this area and have shown our earnestness in development for years. Cimarex was the first

operator to do the groundwork and file applications for the Subject Lands, filing well before Read & Stevens.

22. The interest owners being pooled have been contacted regarding the proposed wells but have failed or refused to voluntarily commit their interest in the wells. However, Cimarex has been in ongoing discussions with some of the interest owners to voluntarily enter into a Joint Operating Agreement. If a mutually agreeable Joint Operating Agreement is reached between Cimarex and another interest owner or owners, Cimarex requests that the voluntary agreement become operative and supersede the Division's order for said parties, except to the extent the Division deems it necessary to maintain spacing criteria for the purpose of conservation, the prevention of waste, and protection of correlative rights.

23. For any unleased open acreage being pooled, Cimarex requests that the acreage be pooled pursuant to statutory one-eighth (1/8) royalty.

24. **Exhibit A-3** is a sample proposal letter and the AFEs for each proposed well. The estimated cost of the wells set forth in the AFEs is fair, reasonable, and comparable to the costs of other wells of similar depths and lengths drilled in this area of New Mexico.

25. Not including the Wolfcamp development proposed by Permian Resources, Cimarex's full development of the acreage is far, far less expensive, by more than \$130MM, for 2 mile wellbores to develop the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> Bone Spring formations (~Permian's cost of \$400MM vs. Cimarex's lower cost of \$266MM). Permian not only proposes to over-drill the Subject Lands, but it will incur unnecessary costs that will substantially burden smaller working interest owners. Working interest owners should get the best wells at the most economic prices, and we feel that our development provides the most efficient and cost-saving plan. See **Exhibit A-5** which provides

letters of support from working interest owners in the units who support Cimarex's development plan, based on excellent prior experiences working with Cimarex as an operator.

26. Cimarex requests overhead and administrative rates of \$8000/month for drilling each well and \$800/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Cimarex requests that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

27. Cimarex requests the maximum cost, plus 200% risk charge be assessed against non-consenting working interest owners.

28. Cimarex requests that it be designated operator of the units and wells.

29. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my direct supervision.

30. The granting of this Application is in the best interests of conservation, the prevention of waste, and the protection of correlative rights, and will avoid the drilling of unnecessary wells. Due to Cimarex's operational footprint and expertise in the area, we are able to utilize our drilling efficiencies, relationships with working interest owners, and third party takeaway to cost-effectively develop this acreage. We understand the geology of this area and do not need to over-drill the Subject Lands in order to fully develop the acreage.

31. The foregoing is correct and complete to the best of my knowledge and belief.

#### [Signature page follows]

## Signature page of Self-Affirmed Statement of John Coffman:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448, 23449, 23450 and 23451, and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

John Coffman

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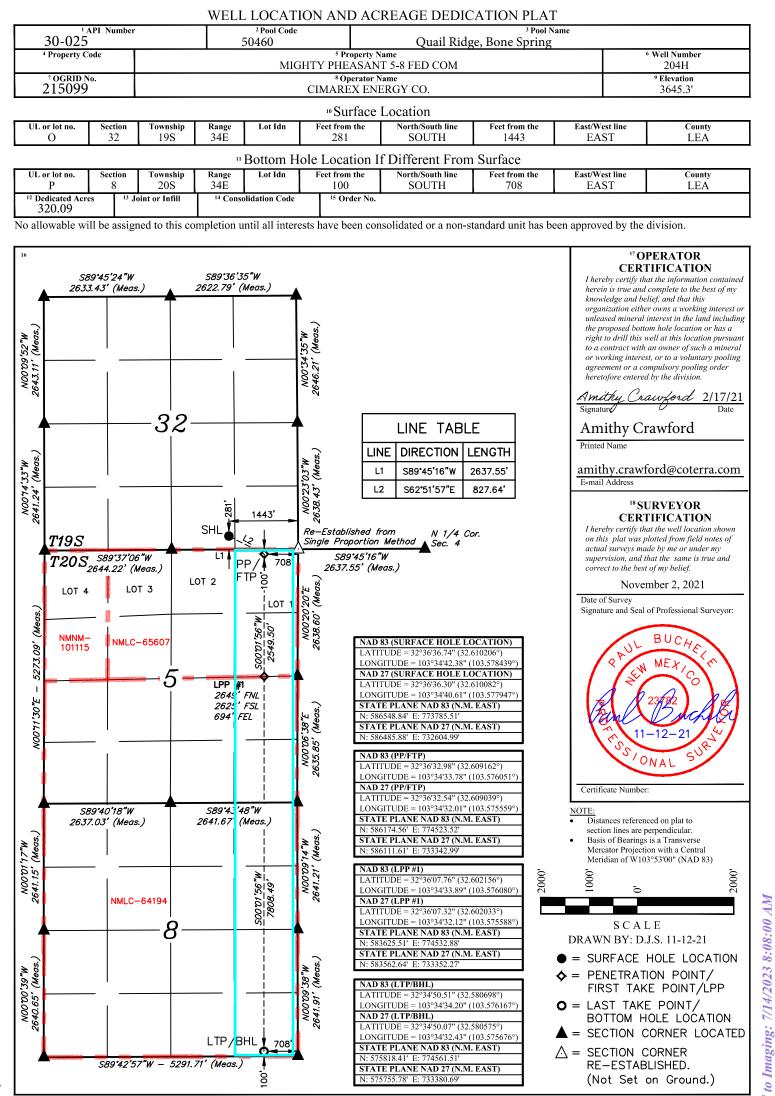
Date Signed

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Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT



EXHIBIT

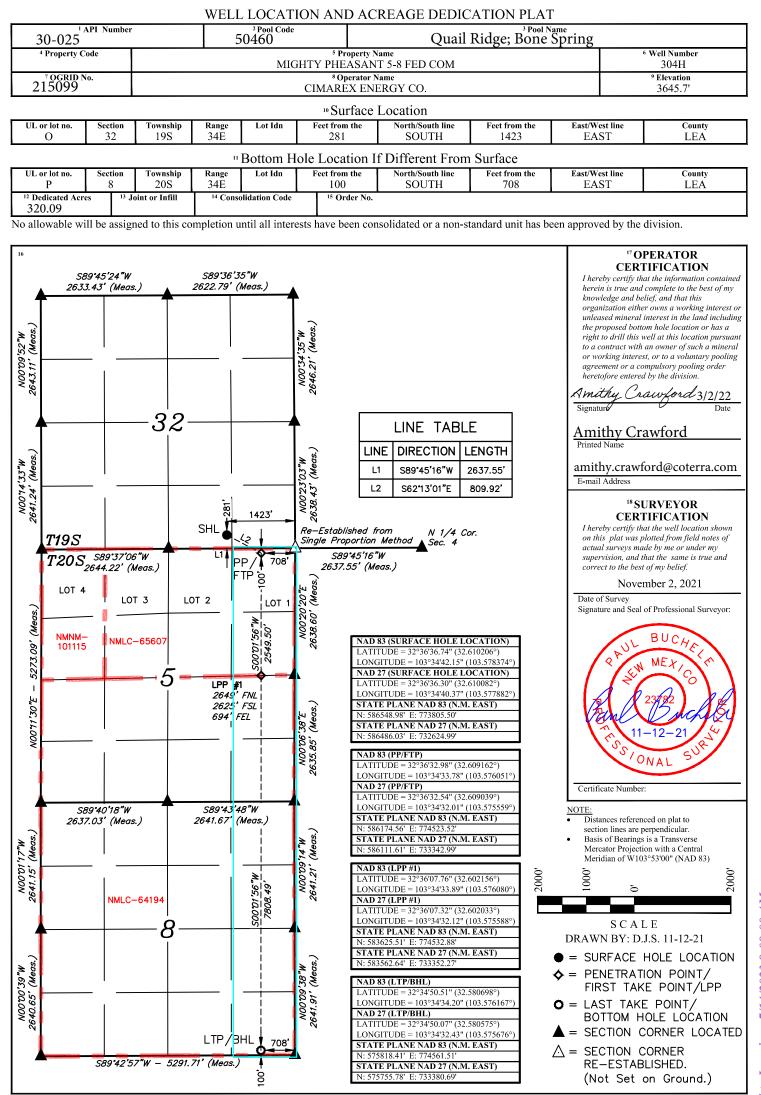
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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## Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

State of New Mexico

AMENDED REPORT

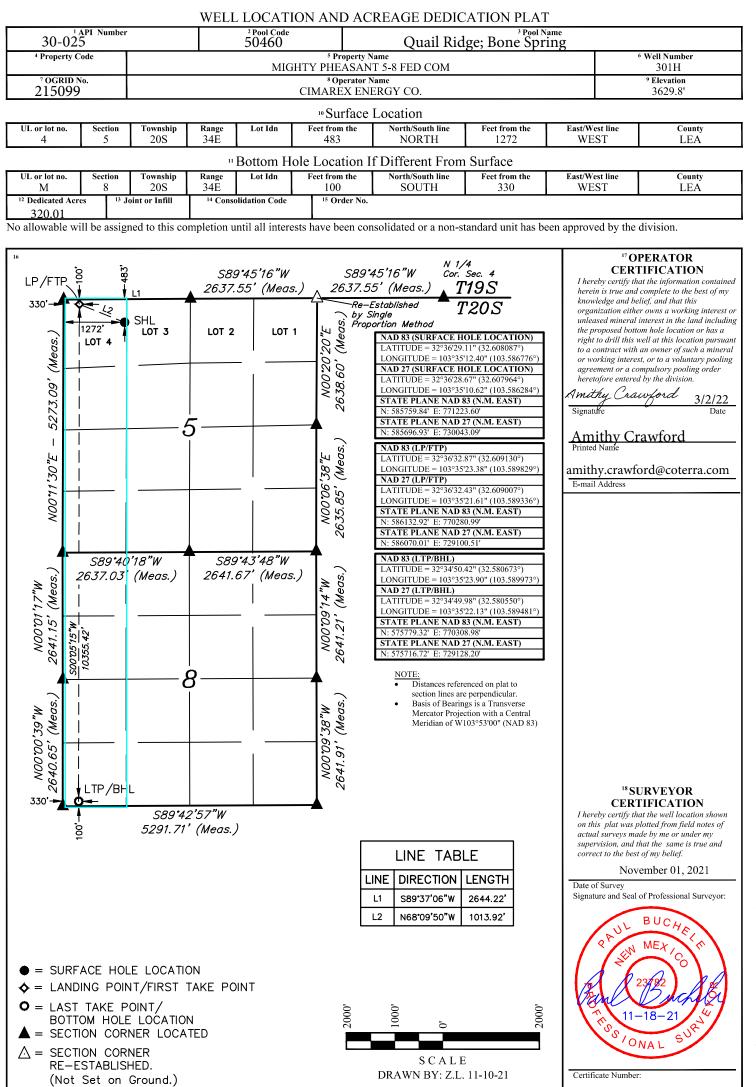


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District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT



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 District I

 1625 N. French Dr., Hobbs, NM 88240

 Phone: (575) 393-6161 Fax: (575) 393-0720

 District II

 811 S. First St., Artesia, NM 88210

 Phone: (575) 748-1283 Fax: (575) 748-9720

 District III

 1000 Rio Brazos Road, Aztec, NM 87410

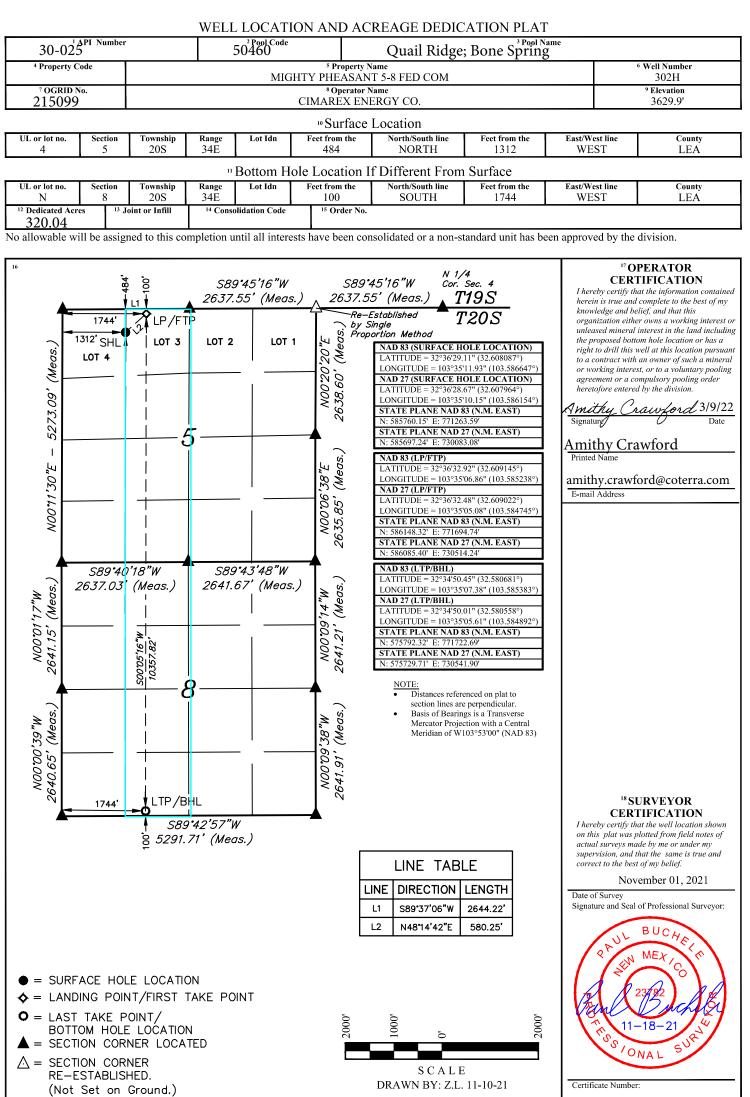
 Phone: (505) 334-6178 Fax: (505) 334-6170

#### District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

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## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT



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#### Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

AMENDED REPORT

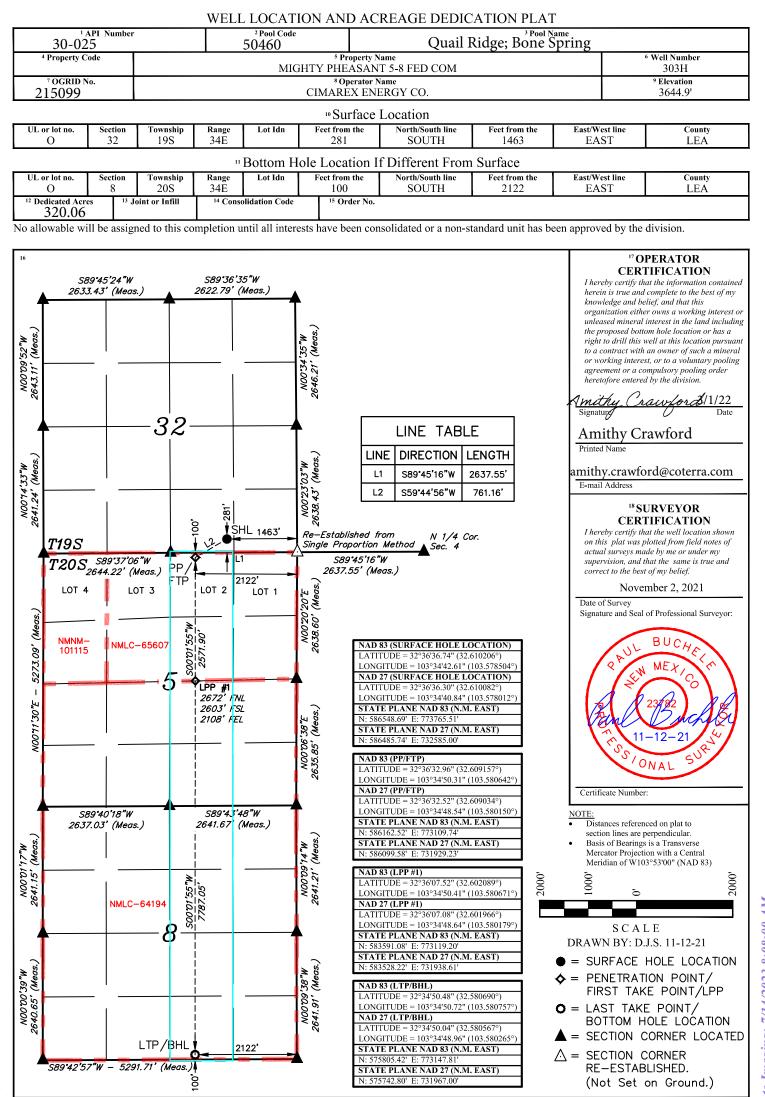
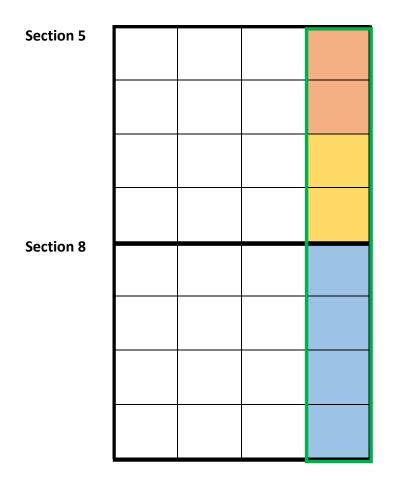


Exhibit "A-2"

## E/2E/2 of Section 5 and the E/2E/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



**Tract 1:** USA NMLC-0064194 (80 acres) **Tract 2:** USA NMLC-0064194 (160 acres)





Tract 3: USA NMLC-0065607 (80.09 acres)





#### Mighty Pheasant 5-8 Fed Com 204H

SHL: Sec. 32-19S-34E; 281' FSL and 1443' FEL BHL: Sec. 8-20S-34E; 100' FSL and 708' FEL

#### Mighty Pheasant 5-8 Fed Com 304H

SHL: Sec. 32-19S-34E; 281' FSL and 1423' FEL BHL: Sec. 8-20S-34E; 100' FSL and 708' FEL

#### Exhibit "A-2"

#### **OWNERSHIP BREAKDOWN – Bone Spring formation**

E/2E/2 of Section 5 and the E/2E/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM

#### Mighty Pheasant 5-8 Fed Com 204H and 304H

#### TRACT 1 OWNERSHIP (E/2SE/4 of Section 5-T20S-R34E, being 80 acres)

Lease: USA NMLC-0064194

| Owner                            | Net Acres | Unit WI    | Status      |
|----------------------------------|-----------|------------|-------------|
| Moore and Shelton Co., LTD       | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                    |           |            |             |
| Galveston, TX 77552              |           |            |             |
|                                  |           |            |             |
| HOG Partnership, LP              | 2.6853    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242 |           |            |             |
| Dallas, TX 75235                 |           |            |             |
|                                  |           |            |             |
| Challenger Crude, Ltd.           | 2.3346    | 0.02918245 | Committed   |
| 3525 Andrews Highway             |           |            |             |
| Midland, TX 79703                |           |            |             |
|                                  |           |            |             |

| Cimarex Energy Co.                    | 8.5075 | 0.10634446  | Committed   |
|---------------------------------------|--------|-------------|-------------|
| 6001 Deauville Blvd., Ste. 300N       |        |             |             |
| Midland, TX 79706                     |        |             |             |
|                                       |        |             |             |
| Avalon Energy Corporation             | 0.4545 | 0.00568184  | Uncommitted |
| 310 W. Wall Street, Ste. 305          |        |             |             |
| Midland, TX 79701                     |        |             |             |
|                                       |        |             |             |
| Wilbanks Reserve Corporation          | 3.8893 | 0.04861611  | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave. Ste. 220 |        |             |             |
| Denver, CO 80203                      |        |             |             |
|                                       |        |             |             |
| Marks Oil, Inc.                       | 0.4754 | 0.00594271  | Uncommitted |
| 1775 Sherman St., Ste. 2990           |        |             |             |
| Denver, CO 80203                      |        |             |             |
|                                       |        |             |             |
| William A. Hudson, II                 | 0.2517 | 0.00314684  | Committed   |
| 616 Texas St.                         |        |             |             |
| Fort Worth, TX 76102                  |        |             |             |
|                                       |        |             |             |
| Union Hill Oil and Gas Co. Inc.       | 2.4193 | 0.03024090  | Uncommitted |
| 7712 Glanshannon Cir.                 |        |             |             |
| Dallas, TX 75225                      |        |             |             |
|                                       |        |             |             |
| TRACT 1 TOTAL                         | 80     | 0.249929707 |             |

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## TRACT 2 OWNERSHIP (E/2E/2 of Section 8-T20S-R34E, being 160 acres)

#### Lease: USA NMLC-0064194

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 3.3231    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 5.3706    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 4.6692    | 0.02918247 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 48.4063   | 0.30253931 | Uncommitted |
| 5400 LBJ Freeway, Suite 1500           |           |            |             |
| Dallas, TX 75240                       |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 9.4874    | 0.05929631 | Committed   |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Zorro Partners, Ltd.                   | 5.1615    | 0.03225959 | Committed   |
| 616 Texas St.                          |           |            |             |
| Fort Worth, TX 76102                   |           |            |             |
|  |           |            |             |
| Magnum Hunter Production Inc.          | 44.9510   | 0.28094406 | Committed   |
| 6001 Deauville Blvd., Ste. 300N        |           |            |             |

Midland, TX 79706

| Frost Bank, Trustee of the Josephine T.      | 0.9385  | 0.00586541 | Committed   |
|--|---------|------------|-------------|
| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 2.8154  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Chase Oil Corporation                        | 2.8813  | 0.01800820 | Uncommitted |
| 11344 Lovington Hwy.                         |         |            |             |
| Artesia, NM 88210                            |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                           | 17.0151 | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Avalon Energy Corporation                    | 0.9091  | 0.00568182 | Uncommitted |
| 310 W. Wall St., Ste. 305                    |         |            |             |
| Midland, TX 79701                            |         |            |             |
|  |         |            |             |
| Wilbanks Reserve Corporation                 | 7.7786  | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220       |         |            |             |
| Denver, CO 80203                             |         |            |             |
|  |         |            |             |
| Marks Oil, Inc.                              | 0.9508  | 0.00594271 | Committed   |
| 1775 Sherman St., Ste. 2990                  |         |            |             |

Denver, CO 80203

| William A. Hudson, II           | 0.5035 | 0.00314684 | Committed   |
|---------------------------------|--------|------------|-------------|
| 616 Texas St.                   |        |            |             |
| Fort Worth, TX 76102            |        |            |             |
|                                 |        |            |             |
| Union Hill Oil and Gas Co. Inc. | 4.8385 | 0.03024090 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |
|                                 |        |            |             |
| TRACT 2 TOTAL                   | 160.00 | 0.49985941 |             |

TRACT 3 OWNERSHIP (Lot 1 and SE/4NE/4 of Section 5-T20S-R34E, being 80.09 acres)

| Lease: USA NMLC-0065607                |           |            |             |
|--|-----------|------------|-------------|
| Owner                                  | Net Acres | Unit WI    | Status      |
| Cimarex Energy Co.                     | 4.7508    | 0.05931848 | Committed   |
| 6001 Deauville Blvd., Ste. 300N        |           |            |             |
| Midland, TX 79706                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 4.5050    | 0.05625003 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 10.3472   | 0.12919490 | Committed   |
| 616 Texas St.                          |           |            |             |
| Fort Worth, TX 76102                   |           |            |             |
|  |           |            |             |
| Zorro Partners, Ltd.                   | 10.3472   | 0.12919490 | Committed   |
| 616 Texas St.                          |           |            |             |

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| Fort Worth, T | X 76102 |
|---------------|---------|
|---------------|---------|

| Frost Bank, Trustee of the Josephine T.      | 1.2723  | 0.01588544 | Committed   |
|--|---------|------------|-------------|
| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Magnum Hunter Production Inc.                | 35.0394 | 0.43750000 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 3.8168  | 0.04765624 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| HOG Partnership LP                           | 10.0113 | 0.12500000 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242             |         |            |             |
| Dallas, TX 75235                             |         |            |             |
|  |         |            |             |
| TRACT 3 TOTAL                                | 80.09   | 0.25021088 |             |

## Complete List of Parties/Persons to be Pooled:

## **Working Interest Owners**

Moore & Shelton Co., Ltd HOG Partnership, LP Challenger Crude, Ltd. Permian Resources LLC Bank of America, N.A., Successor Trustee of the Delmar Hudson Lewis Living Trust Magnum Hunter Production Zorro Partners, Ltd. Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard Ard Oil, LTD Chase Oil Corporation Cimarex Energy Co. Avalon Energy Corporation Wilbanks Reserve Corporation Marks Oil, Inc. Javelina Partners William A. Hudson, II Union Hill Oil & Gas Co. Inc.

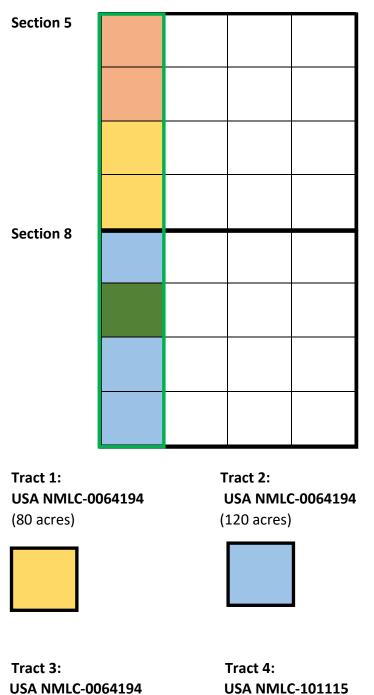
#### **UNIT RECAPITULATION:**

#### E/2E/2 of Section 5 and E/2E/2 of Section 8; all in T20S-R34E; 320.06 acres

Moore & Shelton Co., Ltd – 1.557255% HOG Partnership, LP – 5.644411% Challenger Crude, Ltd. – 2.188069% Permian Resources LLC / Read and Stevens – 24.091505% Magnum Hunter Production – 32.011605% Zorro Partners, Ltd. – 5.651386% Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard -0.837253% Ard Oil, LTD – 2.511751% Chase Oil Corporation – 1.350236% Cimarex Energy Co. – 9.457805% Avalon Energy Corporation – 0.426017% Wilbanks Reserve Corporation - 3.645182% Marks Oil, Inc. - 0.445578% Javelina Partners – 7.678570% William A. Hudson, II - 0.235947% Union Hill Oil & Gas Co. Inc. - 2.267430% UNIT TOTAL: 100% WI

### Exhibit "A-2"

## W/2W/2 of Section 5 and the W/2W/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) - Bone Spring formation



(80.01 acres)





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(40 acres)

#### Mighty Pheasant 5-8 Fed Com 301H

### SHL: Sec. 5-20S-34E; 483' FNL and 1272' FWL BHL: Sec. 8-20S-34E; 100' FSL and 330' FWL

## Exhibit "A-2" OWNERSHIP BREAKDOWN – Bone Spring formation

## W/2W/2 of Section 5 and the W/2W/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM

#### Mighty Pheasant 5-8 Fed Com 301H

#### TRACT 1 OWNERSHIP (W/2SW/4 of Section 5-T20S-R34E, being 80 acres)

#### Lease: USA NMLC-0064194

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 1.6615    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 2.6853    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 7.0038    | 0.02188616 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 22.0938   | 0.27617294 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |

| Javelina Partners                            | 4.7437  | 0.05929631 | Committed   |
|--|---------|------------|-------------|
| 616 Texas St.                                |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Zorro Partners, Ltd.                         | 2.5808  | 0.03225960 | Committed   |
| 616 Texas St.                                |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Magnum Hunter Production Inc.                | 22.4755 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Frost Bank, Trustee of the Josephine T.      | 0.4692  | 0.00586541 | Committed   |
| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 1.4077  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Chase Oil Corporation                        | 1.4407  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                         |         |            |             |
| Artesia, NM 88210                            |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                           | 8.5075  | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |

| Avalon Energy Corporation              | 0.4545 | 0.00568182 | Uncommitted |
|--|--------|------------|-------------|
| 310 W. Wall St., Ste. 305              |        |            |             |
| Midland, TX 79701                      |        |            |             |
|  |        |            |             |
| Wilbanks Reserve Corporation           | 3.8892 | 0.04861609 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314685 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
| TRACT 1 TOTAL                          | 80     | 0.24999219 |             |

# TRACT 2 OWNERSHIP (NW/4NW/4 and W/2SW/4 of Section 8-T20S-R34E, being 120 acres)

#### Lease: USA NMLC-0064194

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 2.4923    | 0.02076924 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 4.0279    | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 3.5018    | 0.02918246 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 36.3047   | 0.30253927 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |
| Javelina Partners                      | 7.1156    | 0.05929631 | Committed   |
| 616 Texas St.                          |           |            |             |
| Fort Worth, TX 76102                   |           |            |             |
|  |           |            |             |
| Zorro Partners, Ltd.                   | 3.8712    | 0.03225962 | Committed   |
| 616 Texas St.                          |           |            |             |
| Fort Worth, TX 76102                   |           |            |             |
|  |           |            |             |
| Magnum Hunter Production Inc.          | 33.7133   | 0.28094406 | Committed   |
| 6001 Deauville Blvd., Ste. 300N        |           |            |             |
| Midland, TX 79706                      |           |            |             |
|  |           |            |             |

| Frost Bank, Trustee of the Josephine T.      | 0.7039  | 0.00586541 | Committed   |
|--|---------|------------|-------------|
| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 2.1115  | 0.01759615 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Chase Oil Corporation                        | 2.1609  | 0.01800822 | Uncommitted |
| 11344 Lovington Hwy.                         |         |            |             |
| Artesia, NM 88210                            |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                           | 12.7613 | 0.10634444 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Avalon Energy Corporation                    | 0.6818  | 0.00568183 | Uncommitted |
| 310 W. Wall St., Ste. 305                    |         |            |             |
| Midland, TX 79701                            |         |            |             |
|  |         |            |             |
| Wilbanks Reserve Corporation                 | 5.8339  | 0.04861608 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220       |         |            |             |
| Denver, CO 80203                             |         |            |             |
|  |         |            |             |
| Marks Oil, Inc.                              | 0.7131  | 0.00594272 | Uncommitted |
| 1775 Sherman St., Ste. 2990                  |         |            |             |
| Denver, CO 80203                             |         |            |             |

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| William A. Hudson, Il           | .3776  | 0.00314685 | Committed   |
|---------------------------------|--------|------------|-------------|
| 616 Texas St.                   |        |            |             |
| Fort Worth, TX 76102            |        |            |             |
|                                 |        |            |             |
| Union Hill Oil and Gas Co. Inc. | 3.6289 | 0.03024092 | Uncommitted |
| 7712 Glanshannon Cir.           |        |            |             |
| Dallas, TX 75225                |        |            |             |
|                                 |        |            |             |
| TRACT 2 TOTAL                   | 120.00 | 0.37498828 |             |

## TRACT 3 OWNERSHIP (SW/4NW/4 of Section 8-T20S-R34E, being 40 acres)

### Lease: USA NMLC-0064194

| Owner                                  | Net Acres | Unit WI    | Status      |
|--|-----------|------------|-------------|
| Moore and Shelton Co., LTD             | 0.8308    | 0.02076921 | Committed   |
| P.O. Box 3070                          |           |            |             |
| Galveston, TX 77552                    |           |            |             |
|  |           |            |             |
| HOG Partnership, LP                    | 1.3427    | 0.03356641 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242       |           |            |             |
| Dallas, TX 75235                       |           |            |             |
|  |           |            |             |
| Challenger Crude, Ltd.                 | 1.1673    | 0.02918243 | Committed   |
| 3525 Andrews Hwy.                      |           |            |             |
| Midland, TX 79703                      |           |            |             |
|  |           |            |             |
| Permian Resources LLC/Read and Stevens | 12.1016   | 0.30253921 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000       |           |            |             |
| Midland, TX 79701                      |           |            |             |
|  |           |            |             |

| Javelina Partners                            | 2.3719  | 0.05929633     | Committed   |
|--|---------|----------------|-------------|
| 616 Texas St.                                |         |                |             |
| Fort Worth, TX 76102                         |         |                |             |
|  |         |                |             |
| Zorro Partners, Ltd.                         | 1.2904  | 0.03225957     | Committed   |
| 616 Texas St.                                |         |                |             |
| Fort Worth, TX 76102                         |         |                |             |
|  |         |                |             |
| Magnum Hunter Production Inc.                | 11.2378 | 0.28094406     | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |                |             |
| Midland, TX 79706                            |         |                |             |
|  |         |                |             |
| Frost Bank, Trustee of the Josephine T.      | 0.2346  | 0.00586538     | Committed   |
| Hudson Testamentary Trust FBO J. Terrell Ard |         |                |             |
| P.O. Box 1600                                |         |                |             |
| San Antonio, TX 78296                        |         |                |             |
|  |         |                |             |
| Ard Oil, LTD                                 | 0.7038  | 0.01759615     | Uncommitted |
| 222 West Forth St., Ph5                      |         |                |             |
| Fort Worth, TX 76102                         |         |                |             |
|  |         |                |             |
| Chase Oil Corporation                        | 0.7203  | 0.01800824     | Uncommitted |
| 11344 Lovington Hwy.                         |         |                |             |
| Artesia, NM 88210                            |         |                |             |
|  | 2 9464  | 0 1000 4 4 4 4 | Committed   |
| Cimarex Energy Co.                           | 2.8461  | 0.10634444     | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |                |             |
| Midland, TX 79706                            |         |                |             |

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| Avalon Energy Corporation   | 0.2273                                 | 0.00568186  | Uncommitted           |
|---|--|---|-----------------------|
| 310 W. Wall St., Ste. 305   |  |   |                       |
| Midland, TX 79701   |  |   |                       |
|   |  |   |                       |
| Wilbanks Reserve Corporation  | 1.9446                                 | 0.04861616  | Uncommitted           |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220  |  |   |                       |
| Denver, CO 80203  |  |   |                       |
|   |  |   |                       |
| Marks Oil, Inc.   | 0.2377                                 | 0.00594275  | Uncommitted           |
| 1775 Sherman St., Ste. 2990   |  |   |                       |
| Denver, CO 80203  |  |   |                       |
|   |  |   |                       |
| William A. Hudson, II   | .1259                                  | 0.00314682  | Committed             |
| 616 Texas St.   |  |   |                       |
| Fort Worth, TX 76102  |  |   |                       |
|   |  |   |                       |
|   |  |   |                       |
| Union Hill Oil and Gas Co. Inc.   | 1.2096                                 | 0.03024095  | Uncommitted           |
| Union Hill Oil and Gas Co. Inc.<br>7712 Glanshannon Cir.  | 1.2096                                 | 0.03024095  | Uncommitted           |
|   | 1.2096                                 | 0.03024095  | Uncommitted           |
| 7712 Glanshannon Cir.   | 1.2096                                 | 0.03024095  | Uncommitted           |
| 7712 Glanshannon Cir.   | 1.2096<br>40.00                        | 0.03024095<br>0.12499609                          | Uncommitted           |
| 7712 Glanshannon Cir.<br>Dallas, TX 75225   | 40.00                                  | 0.12499609  |                       |
| 7712 Glanshannon Cir.<br>Dallas, TX 75225<br>TRACT 3 TOTAL  | 40.00                                  | 0.12499609  |                       |
| 7712 Glanshannon Cir.<br>Dallas, TX 75225<br>TRACT 3 TOTAL<br><b>TRACT 4 OWNERSHIP (Lot 4 and SW/4NW/4</b>  | 40.00                                  | 0.12499609  |                       |
| 7712 Glanshannon Cir.<br>Dallas, TX 75225<br>TRACT 3 TOTAL<br><b>TRACT 4 OWNERSHIP (Lot 4 and SW/4NW/4</b><br>Lease: USA NMLC-101115  | 40.00<br>of Section 5-T20              | 0.12499609<br><b>0S-R34E, being 80</b>            | ).01 acres)           |
| 7712 Glanshannon Cir.<br>Dallas, TX 75225<br>TRACT 3 TOTAL<br><b>TRACT 4 OWNERSHIP (Lot 4 and SW/4NW/4</b><br>Lease: USA NMLC-101115<br>Owner   | 40.00<br>of Section 5-T20<br>Net Acres | 0.12499609<br><b>)S-R34E, being 80</b><br>Unit WI | ).01 acres)<br>Status |
| 7712 Glanshannon Cir.<br>Dallas, TX 75225<br>TRACT 3 TOTAL<br><b>TRACT 4 OWNERSHIP (Lot 4 and SW/4NW/4</b><br>Lease: USA NMLC-101115<br>Owner<br>Permian Resources LLC/Read and Stevens                                     | 40.00<br>of Section 5-T20<br>Net Acres | 0.12499609<br><b>)S-R34E, being 80</b><br>Unit WI | ).01 acres)<br>Status |
| 7712 Glanshannon Cir.<br>Dallas, TX 75225<br>TRACT 3 TOTAL<br><b>TRACT 4 OWNERSHIP (Lot 4 and SW/4NW/4</b><br>Lease: USA NMLC-101115<br>Owner<br>Permian Resources LLC/Read and Stevens<br>300 N. Marienfeld St., Ste. 1000 | 40.00<br>of Section 5-T20<br>Net Acres | 0.12499609<br><b>)S-R34E, being 80</b><br>Unit WI | ).01 acres)<br>Status |

| 11886 Greenville Ave., Ste. 106  |        |            |             |
|----------------------------------|--------|------------|-------------|
| Dallas, TX 75243                 |        |            |             |
|                                  |        |            |             |
| Richardson Oil Company, LLC      | 0.9449 | 0.01180953 | Committed   |
| 11886 Greenville Ave., Ste. 106  |        |            |             |
| Dallas, TX 75243                 |        |            |             |
|                                  |        |            |             |
| Carolyn R. Beall                 | 1.6002 | 0.02000001 | Uncommitted |
| P.O. Box 3098                    |        |            |             |
| Midland, TX 79702                |        |            |             |
|                                  |        |            |             |
| Diamond Star Production Co., LLC | 1.6002 | 0.02000001 | Uncommitted |
| P.O. Box 638                     |        |            |             |
| Ardmore, OK 73402                |        |            |             |
|                                  |        |            |             |
| Tierra Encantada, LLC            | 1.6002 | 0.02000001 | Uncommitted |
| P.O. Box 3098                    |        |            |             |
| Midland, TX 79702                |        |            |             |
|                                  |        |            |             |
| David Luna                       | 1.6002 | 0.02000001 | Uncommitted |
| P.O. Box 1518                    |        |            |             |
| Roswell, NM 88202                |        |            |             |
|                                  |        |            |             |
|                                  |        |            |             |
| TRACT 4 TOTAL                    | 80.01  | 0.25002344 |             |

# Complete List of Parties/Persons to be Pooled:

# Working Interest Owners

Moore & Shelton Co., LTD HOG Partnership, LP Challenger Crude, Ltd. Permian Resources, LLC Zorro Partners, Ltd. Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard Ard Oil, LTD **Chase Oil Corporation** Avalon Energy Corporation Wilbanks Reserve Corporation Marks Oil, Inc. Javelina Partners William A. Hudson, II Union Hill Oil & Gas Co. Inc. Highland (Texas) Energy Company Richardson Oil Company, LLC Carolyn R. Beall **Diamond Star Production Co., LLC** Tierra Encantada, LLC David Luna

### **UNIT RECAPITULATION:**

### W/2W/2 of Section 5 and W/2W/2 of Section 8; all in T20S-R34E; 320.01 acres

Moore & Shelton Co., Ltd – 1.557644% HOG Partnership, LP – 2.517404% Challenger Crude, Ltd. – 2.188616% Permian Resources LLC / Read and Stevens – 44.191751% Magnum Hunter Production – 21.070146% Zorro Partners, Ltd. – 2.419395%

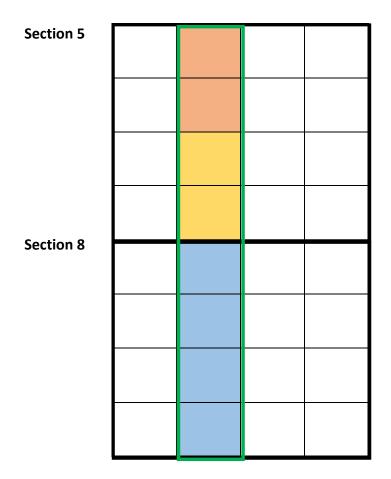
Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard -0.439892% Ard Oil, LTD – 1.319670% Chase Oil Corporation – 1.350574% Cimarex Energy Co. – 7.975584% Avalon Energy Corporation – 0.426124% Wilbanks Reserve Corporation – 3.646093% Marks Oil, Inc. - 0.445690% Javelina Partners – 4.447084% William A. Hudson, II - 0.236006% Union Hill Oil & Gas Co. Inc. - 2.267998% Highland (Texas) Energy Company – 1.204875% Richardson Oil Company, LLC – 0.295266% Carolyn R. Beall – 0.500047% Diamond Star Production Co., LLC - 0.500047% Tierra Encantada, LLC – 0.500047% David Luna – 0.500047%

#### UNIT TOTAL:

100% WI

## Exhibit "A-2"

## E/2W/2 of Section 5 and the E/2W/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



**Tract 1:** USA NMLC-0064194 (80 acres) **Tract 2:** USA NMLC-0064194 (160 acres)





**Tract 3:** USA NMLC-0065607 (80.04 acres)





### Mighty Pheasant 5-8 Fed Com 302H

## SHL: Sec. 5-20S-34E; 484' FNL and 1312' FWL BHL: Sec. 8-20S-34E; 100' FSL and 1744' FWL Exhibit "A-2"

## **OWNERSHIP BREAKDOWN – Bone Spring formation**

## E/2W/2 of Section 5 and the E/2W/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM

### Mighty Pheasant 5-8 Fed Com 302H

### TRACT 1 OWNERSHIP (E/2SW/4 of Section 5-T20S-R34E, being 80 acres)

#### Lease: USA NMLC-0064194

| Owner                                 | Net Acres  | Unit WI    | Status      |
|---------------------------------------|------------|------------|-------------|
| Moore and Shelton Co., LTD            | 1.6615     | 0.02076924 | Committed   |
| P.O. Box 3070                         |            |            |             |
| Galveston, TX 77552                   |            |            |             |
|                                       |            |            |             |
| HOG Partnership, LP                   | 2.6853     | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242      |            |            |             |
| Dallas, TX 75235                      |            |            |             |
|                                       |            |            |             |
| Challenger Crude, Ltd.                | 2.3346     | 0.02918245 | Committed   |
| 3525 Andrews Hwy.                     |            |            |             |
| Midland, TX 79703                     |            |            |             |
|                                       |            |            |             |
| Permian Resources LLC/Read and Steven | ns 24.2031 | 0.30253930 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000      |            |            |             |
| Midland, TX 79701                     |            |            |             |
|                                       |            |            |             |

| Javelina Partners                            | 4.7437  | 0.05929629 | Committed   |
|--|---------|------------|-------------|
| 616 Texas St.                                |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Zorro Partners, Ltd.                         | 2.5808  | 0.03225963 | Committed   |
| 616 Texas St.                                |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Magnum Hunter Production Inc.                | 22.4755 | 0.28094408 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Frost Bank, Trustee of the Josephine T.      | 0.4692  | 0.00586541 | Committed   |
| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 1.4077  | 0.01759616 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Chase Oil Corporation                        | 1.4407  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                         |         |            |             |
| Artesia, NM 88210                            |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                           | 8.5075  | 0.10634445 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |

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| Avalon Energy Corporation              | 0.4545 | 0.00568183 | Uncommitted |
|--|--------|------------|-------------|
| 310 W. Wall St., Ste. 305              |        |            |             |
| Midland, TX 79701                      |        |            |             |
|  |        |            |             |
| Wilbanks Reserve Corporation           | 3.8893 | 0.04861608 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594270 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314683 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024090 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
|  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
|  | 80     | 0.24996875 |             |

## TRACT 2 OWNERSHIP (E/2W/2 of Section 8-T20S-R34E, being 160 acres)

### Lease: USA NMLC-0064194

| Owner | Net Acres | Unit WI | Status |  |
|-------|-----------|---------|--------|--|
|       |           |         |        |  |

| Moore and Shelton Co., LTD              | 3.3231  | 0.02076924 | Committed   |
|---|---------|------------|-------------|
| P.O. Box 3070                           |         |            |             |
| Galveston, TX 77552                     |         |            |             |
|   |         |            |             |
| HOG Partnership, LP                     | 5.3706  | 0.03356644 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242        |         |            |             |
| Dallas, TX 75235                        |         |            |             |
|   |         |            |             |
| Challenger Crude, Ltd.                  | 4.6692  | 0.02918247 | Committed   |
| 3525 Andrews Hwy.                       |         |            |             |
| Midland, TX 79703                       |         |            |             |
|   |         |            |             |
| Permian Resources LLC/Read and Stevens  | 48.4063 | 0.30253929 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000        |         |            |             |
| Midland, TX 79701                       |         |            |             |
|   |         |            |             |
| Javelina Partners                       | 9.4874  | 0.05929631 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 5.1615  | 0.03225959 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 44.9510 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.9385  | 0.00586541 | Committed   |
|   |         |            |             |

| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
|--|---------|------------|-------------|
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 2.8154  | 0.01759614 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Chase Oil Corporation                        | 2.8813  | 0.01800821 | Uncommitted |
| 11344 Lovington Hwy.                         |         |            |             |
| Artesia, NM 88210                            |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                           | 17.0151 | 0.10634447 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Avalon Energy Corporation                    | 0.9091  | 0.00568181 | Uncommitted |
| 310 W. Wall St., Ste. 305                    |         |            |             |
| Midland, TX 79701                            |         |            |             |
|  |         |            |             |
| Wilbanks Reserve Corporation                 | 7.7786  | 0.0486161  | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220       |         |            |             |
| Denver, CO 80203                             |         |            |             |
|  |         |            |             |
| Marks Oil, Inc.                              | 0.9508  | 0.00594270 | Uncommitted |
| 1775 Sherman St., Ste. 2990                  |         |            |             |
| Denver, CO 80203                             |         |            |             |
|  |         |            |             |
| William A. Hudson, II                        | 0.5035  | 0.00314685 | Committed   |

| 616 Texas St.                         |                  |                   |             |
|---------------------------------------|------------------|-------------------|-------------|
| Fort Worth, TX 76102                  |                  |                   |             |
|                                       |                  |                   |             |
| Union Hill Oil and Gas Co. Inc.       | 4.8385           | 0.03024092        | Uncommitted |
| 7712 Glanshannon Cir.                 |                  |                   |             |
| Dallas, TX 75225                      |                  |                   |             |
|                                       |                  |                   |             |
| TRACT 2 TOTAL                         | 160.00           | 0.49993751        |             |
|                                       |                  |                   |             |
| TRACT 3 OWNERSHIP (Lot 3 and SE/4NW/4 | of Section 5-T20 | S-R34E, being 80. | 04 acres)   |
| Lease: USA NMLC-0065607               |                  |                   |             |
| Owner                                 | Net Acres        | Unit WI           | Status      |
| Cimarex Energy Co.                    | 4.7479           | 0.05931848        | Committed   |
| 6001 Deauville Blvd., Ste. 300N       |                  |                   |             |
| Midland, TX 79706                     |                  |                   |             |

| Permian Resources LLC/Read and Stevens | 9.8374 | 0.12290556 | Uncommitted |  |
|--|--------|------------|-------------|--|
| 300 N. Marienfeld St., Ste. 1000       |        |            |             |  |
| Midland, TX 79701                      |        |            |             |  |

| Javelina Partners                       | 10.3408 | 0.12919492 | Committed |
|---|---------|------------|-----------|
| 616 Texas St.                           |         |            |           |
| Fort Worth, TX 76102                    |         |            |           |
|   |         |            |           |
| Zorro Partners, Ltd.                    | 10.3408 | 0.12919492 | Committed |
| 616 Texas St.                           |         |            |           |
| Fort Worth, TX 76102                    |         |            |           |
|   |         |            |           |
| Frost Bank, Trustee of the Josephine T. | 1.2715  | 0.01588544 | Committed |

| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
|--|---------|------------|-------------|
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 3.8144  | 0.04765625 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| MRC Permian Company                          | 14.4048 | 0.17997000 | Committed   |
| 5400 LBJ Freeway, Suite 1500                 |         |            |             |
| Dallas, TX 75240                             |         |            |             |
|  |         |            |             |
| Northern Oil and Gas, Inc. (CM Resources)    | 9.9425  | 0.12421882 | Uncommitted |
| 4350 Baker Road, Suite 400                   |         |            |             |
| Minnetonka, MN 55343                         |         |            |             |
|  |         |            |             |
| CBR Oil Properties, LLC                      | 1.2628  | 0.03157067 | Uncommitted |
| 400 N. Pennsylvania, Suite 1080              |         |            |             |
| Roswell, NM 88201                            |         |            |             |
|  |         |            |             |
| General Partnership, 2023 Permian Basin JV   | 1.0670  | 0.01333116 | Uncommitted |
| P.O. Box 10                                  |         |            |             |
| Folsom, LA 70437                             |         |            |             |
|  |         |            |             |
| HOG Partnership LP                           | 10.0050 | 0.12500001 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242             |         |            |             |
| Dallas, TX 75235                             |         |            |             |
|  |         |            |             |
| TRACT 3 TOTAL                                | 80.04   | 0.25009374 |             |

# Complete List of Parties/Persons to be Pooled:

# **Working Interest Owners**

| Moore & Shelton Co., Ltd                |
|---|
| HOG Partnership, LP                     |
| Challenger Crude, Ltd.                  |
| Permian Resources LLC                   |
| Bank of America, N.A., Successor        |
| Trustee of the Delmar Hudson Lewis      |
| Living Trust                            |
| Magnum Hunter Production                |
| Zorro Partners, Ltd.                    |
| Frost Bank, Trustee of the Josephine T. |
| Hudson Testamentary Trust FBO J.        |
| Terrell Ard                             |
| Ard Oil, LTD                            |
| Chase Oil Corporation                   |
| Cimarex Energy Co.                      |
| Avalon Energy Corporation               |
| Wilbanks Reserve Corporation            |
| Marks Oil, Inc.                         |
| Javelina Partners                       |
| William A. Hudson, II                   |
| Union Hill Oil & Gas Co. Inc.           |
| MRC Permian Company                     |
| Northern Oil and Gas, Inc.              |
| CBR Oil Properties, LLC                 |
| General Partnership, 2023 Permian       |
| Basin JV                                |
|   |

### **UNIT RECAPITULATION:**

### E/2W/2 of Section 5 and E/2W/2 of Section 8; all in T20S-R34E; 320.04 acres

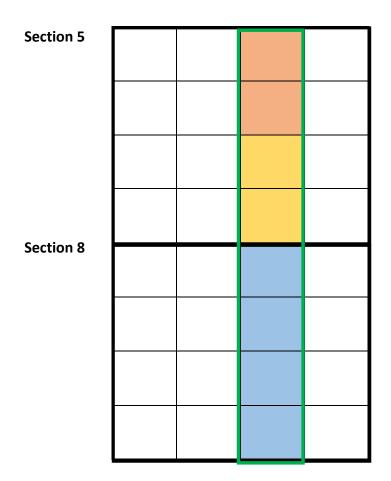
Moore & Shelton Co., Ltd – 1.557644% HOG Partnership, LP – 5.643340% Challenger Crude, Ltd. – 2.188411% Permian Resources LLC / Read and Stevens – 25.761402% Magnum Hunter Production – 21.068171% Zorro Partners, Ltd. – 5.650252% Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard – 0.837136% Ard Oil, LTD - 2.511399%Chase Oil Corporation - 1.350447%Cimarex Energy Co. - 9.458356%Avalon Energy Corporation - 0.426083%Wilbanks Reserve Corporation - 3.645751%Marks Oil, Inc. - 0.445647%Javelina Partners - 7.677751%William A. Hudson, II - 0.235984%Union Hill Oil & Gas Co. Inc. - 2.267785%MRC Permian Company - 4.500937%Northern Oil and Gas Inc. - 3.106635%CBR Oil Properties, LLC - 1.333611%General Partnership, 2023 Permian Basin JV - 0.333404%

UNIT TOTAL:

100% WI

## Exhibit "A-2"

## W/2E/2 of Section 5 and the W/2E/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM (PERMIAN/DELAWARE BASIN) – Bone Spring formation



**Tract 1:** USA NMLC-0064194 (80 acres) Tract 2: USA NMLC-0064194 (160 acres)





Tract 3: USA NMLC-0065607 (80.06 acres)





### Mighty Pheasant 5-8 Fed Com 303H

# SHL: Sec. 32-19S-34E; 281' FSL and 1463' FEL BHL: Sec. 8-20S-34E; 100' FSL and 2122' FWL Exhibit "A-2"

## **OWNERSHIP BREAKDOWN – Bone Spring formation**

## W/2E/2 of Section 5 and the W/2E/2 of Section 8, Township 20 South, Range 34 East of Lea County, NM

### Mighty Pheasant 5-8 Fed Com 303H

#### TRACT 1 OWNERSHIP (W/2SE/4 of Section 5-T20S-R34E, being 80 acres)

#### Lease: USA NMLC-0064194

| Owner        |                              | Net Acres | Unit WI    | Status      |
|--------------|------------------------------|-----------|------------|-------------|
| Moore and    | Shelton Co., LTD             | 1.6615    | 0.02076925 | Committed   |
| P.O. Box 30  | 70                           |           |            |             |
| Galveston,   | TX 77552                     |           |            |             |
|              |                              |           |            |             |
| HOG Partne   | ership, LP                   | 2.6853    | 0.03356645 | Uncommitted |
| 5950 Cedar   | Springs Rd., Ste. 242        |           |            |             |
| Dallas, TX 7 | 5235                         |           |            |             |
|              |                              |           |            |             |
| Challenger   | Crude, Ltd.                  | 2.3346    | 0.02918247 | Committed   |
| 3525 Andre   | ws Hwy.                      |           |            |             |
| Midland, TX  | ( 79703                      |           |            |             |
|              |                              |           |            |             |
| Permian Re   | sources LLC/Read and Stevens | 24.2031   | 0.30253928 | Uncommitted |
| 300 N. Mari  | ienfeld St., Ste. 1000       |           |            |             |
| Midland, TX  | ( 79701                      |           |            |             |
|              |                              |           |            |             |

| Javelina Partners                            | 4.7437  | 0.05929632 | Committed   |
|--|---------|------------|-------------|
| 616 Texas St.                                |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Zorro Partners, Ltd.                         | 2.5808  | 0.03225961 | Committed   |
| 616 Texas St.                                |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Magnum Hunter Production Inc.                | 22.4755 | 0.28094403 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Frost Bank, Trustee of the Josephine T.      | 0.4692  | 0.00586542 | Committed   |
| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 1.4077  | 0.01759614 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Chase Oil Corporation                        | 1.4407  | 0.01800822 | Uncommitted |
| 11344 Lovington Hwy.                         |         |            |             |
| Artesia, NM 88210                            |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                           | 8.5075  | 0.10634446 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |

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| Avalon Energy Corporation              | 0.4545 | 0.00568183 | Uncommitted |
|--|--------|------------|-------------|
| 310 W. Wall St., Ste. 305              |        |            |             |
| Midland, TX 79701                      |        |            |             |
|  |        |            |             |
| Wilbanks Reserve Corporation           | 3.8893 | 0.04861608 | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220 |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| Marks Oil, Inc.                        | 0.4754 | 0.00594271 | Uncommitted |
| 1775 Sherman St., Ste. 2990            |        |            |             |
| Denver, CO 80203                       |        |            |             |
|  |        |            |             |
| William A. Hudson, II                  | 0.2517 | 0.00314683 | Committed   |
| 616 Texas St.                          |        |            |             |
| Fort Worth, TX 76102                   |        |            |             |
|  |        |            |             |
| Union Hill Oil and Gas Co. Inc.        | 2.4193 | 0.03024091 | Uncommitted |
| 7712 Glanshannon Cir.                  |        |            |             |
| Dallas, TX 75225                       |        |            |             |
|  |        |            |             |
| TRACT 1 TOTAL                          | 80     | 0.24995313 |             |
|  | 80     | 0.24555515 |             |

TRACT 2 OWNERSHIP (W/2E/2 of Section 8-T20S-R34E, being 160 acres)

Lease: USA NMLC-0064194

| Owner | Net Acres | Unit WI | Status |  |
|-------|-----------|---------|--------|--|
|       |           |         |        |  |

| Moore and Shelton Co., LTD              | 3.3231  | 0.02076923 | Committed   |
|---|---------|------------|-------------|
| P.O. Box 3070                           |         |            |             |
| Galveston, TX 77552                     |         |            |             |
|   |         |            |             |
| HOG Partnership, LP                     | 5.3706  | 0.03356643 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242        |         |            |             |
| Dallas, TX 75235                        |         |            |             |
|   |         |            |             |
| Challenger Crude, Ltd.                  | 4.6692  | 0.02918245 | Committed   |
| 3525 Andrews Hwy.                       |         |            |             |
| Midland, TX 79703                       |         |            |             |
|   |         |            |             |
| Permian Resources LLC/Read and Stevens  | 48.4063 | 0.30253930 | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000        |         |            |             |
| Midland, TX 79701                       |         |            |             |
|   |         |            |             |
| Javelina Partners                       | 9.4874  | 0.05929632 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Zorro Partners, Ltd.                    | 5.1615  | 0.03225959 | Committed   |
| 616 Texas St.                           |         |            |             |
| Fort Worth, TX 76102                    |         |            |             |
|   |         |            |             |
| Magnum Hunter Production Inc.           | 44.9510 | 0.28094405 | Committed   |
| 6001 Deauville Blvd., Ste. 300N         |         |            |             |
| Midland, TX 79706                       |         |            |             |
|   |         |            |             |
| Frost Bank, Trustee of the Josephine T. | 0.9385  | 0.00586541 | Committed   |
|   |         |            |             |

| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
|--|---------|------------|-------------|
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 2.8154  | 0.01759616 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| Chase Oil Corporation                        | 2.8813  | 0.01800822 | Uncommitted |
| 11344 Lovington Hwy.                         |         |            |             |
| Artesia, NM 88210                            |         |            |             |
|  |         |            |             |
| Cimarex Energy Co.                           | 17.0151 | 0.10634448 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Avalon Energy Corporation                    | 0.9091  | 0.00568183 | Uncommitted |
| 310 W. Wall St., Ste. 305                    |         |            |             |
| Midland, TX 79701                            |         |            |             |
|  |         |            |             |
| Wilbanks Reserve Corporation                 | 7.7786  | 0.0486161  | Uncommitted |
| 450 E. 17 <sup>th</sup> Ave., Ste. 220       |         |            |             |
| Denver, CO 80203                             |         |            |             |
|  |         |            |             |
| Marks Oil, Inc.                              | 0.9508  | 0.00594271 | Committed   |
| 1775 Sherman St., Ste. 2990                  |         |            |             |
| Denver, CO 80203                             |         |            |             |
|  |         |            |             |
| William A. Hudson, II                        | 0.5035  | 0.00314685 | Committed   |

| 616 Texas St.                            |                  |                  |             |
|--|------------------|------------------|-------------|
| Fort Worth, TX 76102                     |                  |                  |             |
|  |                  |                  |             |
| Union Hill Oil and Gas Co. Inc.          | 4.8385           | 0.03024091       | Uncommitted |
| 7712 Glanshannon Cir.                    |                  |                  |             |
| Dallas, TX 75225                         |                  |                  |             |
|  |                  |                  |             |
| TRACT 2 TOTAL                            | 160.00           | 0.49990627       |             |
|  |                  |                  |             |
| TRACT 3 OWNERSHIP (Lot 2 and SW/4NE/4 of | Section 5-T20S-I | R34E, being 80.0 | )6 acres)   |
| Lease: USA NMLC-0065607                  |                  |                  |             |
| Owner                                    | Net Acres        | Unit WI          | Status      |
| Cimarex Energy Co.                       | 4.7479           | 0.05931848       | Committed   |
| 6001 Deauville Blvd., Ste. 300N          |                  |                  |             |
| Midland, TX 79706                        |                  |                  |             |
|  |                  |                  |             |
| Permian Resources LLC/Read and Stevens   | 4.5034           | 0.05625001       | Uncommitted |
| 300 N. Marienfeld St., Ste. 1000         |                  |                  |             |
| Midland, TX 79701                        |                  |                  |             |
|  |                  |                  |             |
| Javelina Partners                        | 10.3433          | 0.12919490       | Committed   |
| 616 Texas St.                            |                  |                  |             |
| Fort Worth, TX 76102                     |                  |                  |             |
|  |                  |                  |             |
| Zorro Partners, Ltd.                     | 10.3433          | 0.12919490       | Committed   |
| 616 Texas St.                            |                  |                  |             |
| Fort Worth, TX 76102                     |                  |                  |             |
|  |                  |                  |             |

Frost Bank, Trustee of the Josephine T.1.27180.01588547Committed

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| Hudson Testamentary Trust FBO J. Terrell Ard |         |            |             |
|--|---------|------------|-------------|
| P.O. Box 1600                                |         |            |             |
| San Antonio, TX 78296                        |         |            |             |
|  |         |            |             |
| Magnum Hunter Production Inc.                | 35.0262 | 0.43749999 | Committed   |
| 6001 Deauville Blvd., Ste. 300N              |         |            |             |
| Midland, TX 79706                            |         |            |             |
|  |         |            |             |
| Ard Oil, LTD                                 | 3.8154  | 0.04765624 | Uncommitted |
| 222 West Forth St., Ph5                      |         |            |             |
| Fort Worth, TX 76102                         |         |            |             |
|  |         |            |             |
| HOG Partnership LP                           | 10.0075 | 0.12500002 | Uncommitted |
| 5950 Cedar Springs Rd., Ste. 242             |         |            |             |
| Dallas, TX 75235                             |         |            |             |
|  |         |            |             |
| TRACT 3 TOTAL                                | 80.06   | 0.25014060 |             |

# **Complete List of Parties/Persons to be Pooled:**

## **Working Interest Owners**

Moore & Shelton Co., Ltd HOG Partnership, LP Challenger Crude, Ltd. Permian Resources LLC Bank of America, N.A., Successor Trustee of the Delmar Hudson Lewis Living Trust Magnum Hunter Production Zorro Partners, Ltd. Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard Ard Oil, LTD Chase Oil Corporation Cimarex Energy Co. Avalon Energy Corporation Wilbanks Reserve Corporation Marks Oil, Inc. Javelina Partners William A. Hudson, II Union Hill Oil & Gas Co. Inc.

### **UNIT RECAPITULATION:**

#### W/2E/2 of Section 5 and W/2E/2 of Section 8; all in T20S-R34E; 320.06 acres

Moore & Shelton Co., Ltd - 1.557401% HOG Partnership, LP – 5.643769% Challenger Crude, Ltd. – 2.188274% Permian Resources LLC / Read and Stevens – 24.093234% Magnum Hunter Production – 32.010504% Zorro Partners, Ltd. – 5.650705% Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard – 0.837183% Ard Oil, LTD - 2.511540% Chase Oil Corporation – 1.350363% Cimarex Energy Co. – 9.458136% Avalon Energy Corporation – 0.426057% Wilbanks Reserve Corporation - 3.645523% Marks Oil, Inc. - 0.445620% Javelina Partners – 7.678079% William A. Hudson, II - 0.235969% Union Hill Oil & Gas Co. Inc. - 2.267643% UNIT TOTAL: 100% WI

Cimarex Energy Co. Permian Business Unit 600 N. Marienfeld Street Suite 600 Midland, Texas 79701 MAIN 432.571.7800



August 25, 2022

Ard Oil, Ltd. 222 West Forth St., Ph5 Fort Worth, TX 76102

### Re: Proposal to Drill Mighty Pheasant 5-8 Fed Com 101H-104H, 201H-204H & 301H-304H Sections 5 & 8, Township 20 South, Range 34 East Lea County, NM

Dear Working Interest Owner,

Cimarex Energy Co. hereby proposes to drill the Mighty Pheasant 5-8 Fed Com 101H-104H, 201H-204H & 301H-304H Wells at a legal location in Section 5, Township 20 South, Range 34 East, NMPM, Lea Co., NM.

<u>Mighty Pheasant 5-8 Fed Com 101H</u> - The intended surface hole location for the well is 330' FNL and 1090' FWL of Section 5, Township 20 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 102H</u> - The intended surface hole location for the well is 330' FNL and 1130' FWL of Section 5, Township 20 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FWL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 103H</u> - The intended surface hole location for the well is 340' FSL and 1640' FEL of Section 32, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2122' FEL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 104H</u> - The intended surface hole location for the well is 340' FSL and 1600' FEL of Section 32, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 708' FEL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 9,530' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.



<u>Mighty Pheasant 5-8 Fed Com 201H</u> - The intended surface hole location for the well is 330' FNL and 1110' FWL of Section 5, Township 20 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,310' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 202H</u> - The intended surface hole location for the well is 330' FNL and 1150' FWL of Section 5, Township 20 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FWL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,310' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 203H</u> - The intended surface hole location for the well is 340' FSL and 1620' FEL of Section 32, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2122' FEL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,308' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 204H</u> - The intended surface hole location for the well is 280' FSL and 1520' FEL of Section 32, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 708' FEL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,308' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 301H</u> - The intended surface hole location for the well is 390' FNL and 1190' FWL of Section 5, Township 20 South, Range 34 East, and the intended bottom hole location is 100' FSL and 330' FWL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,870' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 302H</u> - The intended surface hole location for the well is 390' FNL and 1230' FWL of Section 5, Township 20 South, Range 34 East, and the intended bottom hole location is 100' FSL and 1744' FWL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,860' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 303H</u> - The intended surface hole location for the well is 280' FSL and 1540' FEL of Section 32, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 2122' FEL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,850' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

<u>Mighty Pheasant 5-8 Fed Com 304H</u> - The intended surface hole location for the well is 280' FSL and 1500' FEL of Section 32, Township 19 South, Range 34 East, and the intended bottom hole location is 100' FSL and 708' FEL of Section 8, Township 20 South, Range 34 East. The well is proposed to be drilled vertically to a depth of approximately 10,840' to the Bone Spring formation and laterally within the formation to the referenced bottom hole location.

It should be understood that compliance with topography or cultural or environmental concerns, among others, might require modification of Cimarex's intended procedure. Cimarex will advise you of any such modifications.

Enclosed is (i) our detailed AFE reflecting estimated costs associated with this proposal, and; (ii) our proposed form of Operating Agreement to govern operations of the Mighty Pheasant 5-8 Fed Com Wells. If you intend to participate, please approve and return one (1) original of the enclosed AFE, one (1) original of the signature page to the Operating Agreement, along with the contact information to receive your well data, to the undersigned within thirty (30) days of receipt of this proposal. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance to Cimarex prior to commencement of drilling operations; otherwise, you will be covered by insurance procured by Cimarex and will be responsible for your share of the cost.

Cimarex will file for force pooling for the Mighty Pheasant 5-8 Fed Com 101H-104H, 201H-204H & 301H-304H wells 30 days after the receipt of these proposals.

Please call the undersigned with any questions or comments.

Respectfully,

John Coffman 432.571.7883 John.Coffman@Coterra.com

Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 204H

AFE # XXXXXXX

| Company Entity                      |   |  |                              | Date Prepared<br>8/17/2022 |
|-------------------------------------|---|--|------------------------------|----------------------------|
| Exploration Region<br>Permian Basin | Well Name<br>Mighty Pheasant 5-8 Fed Com 204H   | Prospect<br>New Mexico Bone Spring       | Property Nu<br>xxxxxx-xxx.0  |                            |
| County, State<br>Lea, NM            | Location<br>Section 5-8 T20S-R34E Lea, NM   |  | Estimated Spud               | Estimated Completion       |
| X New<br>Supplement<br>Révision     | Formation<br>2nd Sand   | Well Type<br>DEV                         | Ttl Measured Depth<br>19808  | Ttl Vetical Deoth<br>10308 |
| Purpose Drill<br>Description        | and complete well   |  |                              |                            |
| 10                                  | ne intended surface hold location for the well i<br>30 FSL and 708 FEL of Section 8, T20S-R34E. Th<br>30 Wherly direction within the formation to the r | ne well is proposed to be drilled vertic | cally to the 2nd Sand format | tion and laterally in a    |

approximately 10308 feet.

| Intangible            | Dry Hole    | After Casing Point | Completed Well Cost |
|-----------------------|-------------|--------------------|---------------------|
| Drilling Costs        | \$2,475,500 |                    | \$2,475,500         |
| Completion Casts      |             | \$4,646,761        | \$4,646,761         |
| Total Intangible Cost | \$2,475,500 | \$4,646,761        | \$7,122,261         |
| Tangible              | Dry Hole    | After Casing Point | Completed Well Cost |
| Well Equipment        | \$393,000   | \$1,125,000        | \$1,518,000         |
| Lease Equipment       |             | \$790,428          | \$790,428           |
| Total Tangible Cost   | \$393,000   | \$1,915,428        | \$2,308,428         |
| Total Well Cost       | \$2,868,500 | \$6,562,189        | \$9,430,689         |
|                       |             |                    |                     |

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

#### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator 's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

#### I elect to purchase my own well control insurance policy.

#### Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

#### I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

#### Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

| Nonoperator Approval            |  |   |      |
|---------------------------------|--|---|------|
| Company                         | Approved By (Print Name)                     | Approved By (Signature)   | Date |
|                                 |  |   |      |
| NOTICE TO NONOPERATOR:          | Costs shown on this form are estimates only. | By executing this AFE, the consenting party agrees to pay its proportionate |      |
| share of actual costs incurred. | Overhead will be charged in accordance with  | the Joint Operating Agreement.  | 9160 |

7/6/2022

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 204H

| Description                             | BCP - Dri            | illing           | ACP - D                   | Irilling | Com  | p/Stim    | Productio      | on Equip | Post Com   |         | Total     |
|---|----------------------|------------------|---------------------------|----------|--|-----------|----------------|----------|--|---------|-----------|
| Description                             | Codes                | Amount           | Codes                     | Amount   | 1  | Amount    | Codes          | Amount   | Codes  | Amount  | Cos       |
| Roads & Location                        | DIDC,100             | 20,000           |                           |          | STIM.100   | 3,000     | CON.100        | 48,637   | PCOM.100   | 3,000   | 74,63     |
| Damages                                 | DIDC.105             | 16,500           |                           |          | 1000   |           | CON.105        | 15807    | Vanner   |         | 32,30     |
| Mud/Fluids Disposal                     | DIDC.255             | 200,000          | 10.00                     |          | STIM.255   | 51,000    |                |          | PCOM.255   | 0       | 251,00    |
| Day Rate                                | DIDC.115             | 468,000          | DICC.120                  | 96,000   |  |           |                |          |  |         | 564,00    |
| Misc Preparation                        | DIDC.120             | 30,000           |                           |          |  |           |                |          |  |         | 30.00     |
| Bits                                    | DIDC.125             | 97,000           | DICC.125                  | 0        | STIM.125   | 0         |                |          | PCOM.125   | 0       | 97,00     |
| Fuel                                    | DIDC.135             | 119,000          | DICC.130                  | 0        |  |           |                |          | PCOM.130   | 0       | 119,00    |
| Water for Drilling Rig (Not Frac Water) | DIDC.140             | 5,000            | DICC.135                  | 0        | STIM.135   | 20,000    |                |          | PCOM.135   | 0       | 25,00     |
| Mud & Additives                         | DIDC.145             | 300,000          | a second second           |          |  |           |                |          |  |         | 300,000   |
| SWD PIPED TO 3RD PARTY SWD WELL         | 0100.145             | 500,000          |                           |          |  |           |                |          | PCOM.257   | 109,193 | 109,19    |
|   | DIDC.150             | 97,000           | DICC.140                  | 0        | STIM.140   | 137,000   | CON.140        | 1,378    | PCOM.140   | 60,000  | 295,37    |
| Surface Rentals                         |                      |                  | DICC.140                  | U        | STIM.140   |           | CON.140        | 1,570    | PCOM.145   | 00,000  | 166,000   |
| Downhole Rentals                        | DIDC.155             | 131,000          |                           |          |  | 35,000    |                |          | and the state of the second seco   |         | 30,000    |
| Flowback Labor                          |                      |                  |                           |          | STIM.141   | 0         |                |          | PCOM.141   | 30,000  |           |
| Automation Labor                        |                      |                  |                           |          |  |           | CON.150        | 36,558   | PCOM.150   | 5,000   | 41,55     |
| Mud Logging                             | DIDC.170             | 5,000            |                           |          |  |           |                |          |  |         | 5,000     |
| IPC & EXTERNAL PAINTING                 |                      |                  | 5.0.0                     |          |  |           | CON.165        | 18,888   |  |         | 18,88     |
| Cementing & Float Equipment             | DIDC.185             | 70,000           | DICC.155                  | 140,000  |  |           |                |          |  |         | 210,000   |
| Tubular Inspections                     | DIDC.190             | 38,000           | DICC.160                  | 8,000    | STIM.160   | 4,000     |                |          | PCOM.160   | 0       | 50,000    |
| Casing Crews                            | DIDC.195             | 15,000           | DICC.165                  | 13,000   | STIM.165   | 0         |                |          |  |         | 28,000    |
| Mechanical Labor                        | DIDC.200             | 20,000           | DICC.170                  | 3,000    | STIM.170   | 0         | CON.170        | 139,588  | PCOM.170   | 5,000   | 167,58    |
| Trucking/Transportation                 | DIDC.205             | 30,000           | DICC.175                  | 8,000    | and the second second  | 4,000     | CON.175        | 17,833   | PCOM.175   | 0       | 59,833    |
|   |                      |                  | DICC.180                  | 13,000   | And and a second second  | 47,000    | CON.180        | 21,238   | PCOM.180   | 0       | 162,23    |
| Supervision                             | DIDC.210<br>DIDC.280 | 81,000<br>36,000 | DICC.255                  | 5,000    | and the second sec | 31,000    | 0011100        | 61,630   |  |         | 72,000    |
| Trailer House/Camp/Catering             |                      |                  | Contraction of the second |          | Conversion 2   |           | CONTRO         | 24.240   | PCON 100   | 0       | 114,31    |
| Other Misc Expenses                     | DIDC.220             | 5,000            | DICC.190                  | 0        | STIM.190   | 85,000    | CON.190        | 24,318   | PCOM.190   | U       |           |
| Overhead                                | DIDC.225             | 5,000            | DICC.195                  | 5,000    |  |           |                |          |  |         | 10,000    |
| MOB/DEMOB                               | DIDC.240             | 115,000          |                           |          |  |           |                |          |  |         | 115,00    |
| Directional Drilling Services           | DIDC.245             | 307,000          |                           |          |  |           |                |          |  |         | 307,00    |
| Solids Control                          | DIDC.260             | 46,000           | 1                         |          |  |           |                |          | Sec. 2   |         | 46,00     |
| Well Control Equip (Snubbing Services)  | DIDC.265             | 84,000           | DICC.240                  | 0        | STIM.240   | 64,000    |                |          | PCOM.240   | 0       | 148,000   |
| Completion Rig                          |                      |                  |                           |          | STIM.115   | 21,000    |                |          | PCOM.115   | 0       | 21,000    |
| Coil Tubing Services                    |                      |                  |                           |          | STIM.260   | 0         |                |          | PCOM 260   | 0       |           |
| Completion Logging/Perforating/Wireline |                      |                  |                           |          | STIM.200   | 257,000   |                |          | PCOM.200   | 0       | 257,00    |
| Composite Plugs                         |                      |                  |                           |          | STIM.390   | 39,000    |                |          | PCOM.390   | 0       | 39,000    |
| Stimulation                             |                      |                  |                           |          | STIM.210   | 2,245,000 |                |          | PCOM.210   | 0       | 2,245,000 |
|   |                      |                  |                           |          |  |           |                |          | 1 CONLETO  |         | 191,000   |
| Stimulation Water/Water Transfer/Water  |                      |                  |                           |          | STIM.395   | 191,000   |                |          | 00011305   | 0       | 60,00     |
| Cimarex Owned Frac/Rental Equipment     | atore and            | Sector           |                           |          | STIM.305   | 60,000    | and the second |          | PCOM.305   | 0       |           |
| Legal/Regulatory/Curative               | DIDC.300             | 10,000           |                           |          |  |           | CON.300        | 0        |  |         | 10,000    |
| Well Control Insurance                  | DIDC.285             | 7,000            |                           |          |  |           |                |          |  |         | 7,00      |
| Major Construction Overhead             |                      |                  |                           |          |  |           | CON.305        | 26,507   |  |         | 26,50     |
| FL/GL - ON PAD LABOR                    |                      |                  |                           |          |  |           | CON.495        | 37,613   |  |         | 37,61     |
| FL/GL - Labor                           |                      |                  |                           |          |  |           | CON.500        | 94,842   |  |         | 94,84     |
| FL/GL - Supervision                     |                      |                  |                           |          |  |           | CON.505        | 14,429   |  |         | 14,42     |
| Survey                                  |                      |                  |                           |          |  |           | CON.515        | 2,351    |  |         | 2,35      |
| SWD/Other - Labor                       |                      |                  |                           |          |  |           | CON.600        | 0        |  |         |           |
| SWD/Other - Supervision                 |                      |                  |                           |          |  |           | CON.605        | 0        |  |         |           |
| Aid In Construct/3rd Party Connect      |                      |                  |                           |          |  |           | CON.701        | 40,531   | -  | _       | 40,53     |
| Contingency                             | DIDC.435             | 118,000          | DICC.220                  | 15 000   | STIM.220   | 165,000   |                | 105,542  | PCOM.220   | 0       | 403,54    |
|   | 0100.435             | 110,000          | DICC.220                  | 13,000   | 31111.220  | 163,000   |                |          | reomeeo  | 0       | 23,50     |
| Contingency                             |                      |                  |                           |          |  |           | CON.221        | 23,508   | -  | 212.122 |           |
| Total Intangible Cost                   |                      | 2,475,500        |                           | 306,000  |  | 3,459,000 |                | 669,568  |  | 212,193 | 7,122,26  |
| Conductor Pipe                          | DWEB.130             | 0                |                           |          |  |           |                |          |  |         |           |
| Water String                            | DWEB.135             | 104,000          |                           |          |  |           |                |          |  |         | 104,00    |
| Surface Casing                          | DWEB.140             | 251,000          |                           |          |  |           |                |          |  |         | 251,00    |
| Intermediate Casing 1                   | DWEB.145             | 0                |                           |          |  |           |                |          |  |         |           |
| Production Casing or Liner              |                      |                  | DWEA.100                  | 792,000  |  |           |                |          | 1.000  |         | 792,00    |
| Tubing                                  |                      |                  | and a state               |          | STIMT.105  | 139,000   |                |          | PCOMT.105  | 0       | 139,00    |
| Wellhead, Tree, Chokes                  | DWEB.115             | 38,000           | DWEA.120                  | 18.000   | STIMT.120  | 38,000    |                |          | PCOMT.120  | 10,000  | 104,00    |
| Liner Hanger, Isolation Packer          | DWEB.100             | 0                | DWEA.125                  | 0        |  | 201000    |                |          | and a state of the |         | 1.000     |
| Packer, Nipples                         | 21120.100            | U                | arrive real               | U        | STIMT.400  | 28,000    |                |          | PCOMT.400  | 0       | 28,00     |
|   |                      |                  |                           |          | 51101.400  | 20,000    | CONT.380       | 10,538   | . commod   | U       | 10,53     |
| SHORT ORDERS                            |                      |                  |                           |          |  |           |                |          |  |         |           |
| PUMPS                                   |                      |                  |                           |          |  |           | CONT.385       | 30,804   |  |         | 30,80     |
| WALKOVERS                               |                      |                  |                           |          | in the second  |           | CONT.390       | 4,053    | and the second   |         | 4,05      |
| Downhole Lift Equipment                 |                      |                  |                           |          | STIMT.410  | 80,000    |                |          | PCOMT.410  | 0       | 80,00     |
| Surface Equipment                       |                      |                  |                           |          |  |           |                |          | PCOMT.420  | 15,000  | 15,00     |
| Well Automation Materials               |                      |                  |                           |          |  |           |                |          | PCOMT.455  | 5,000   | 5,00      |
| N/C Lease Equipment                     |                      |                  |                           |          |  |           | CONT.400       | 184,334  |  |         | 184,33    |
| Tanks, Tanks Steps, Stairs              |                      |                  |                           |          |  |           | CONT.405       | 51,879   |  |         | 51,87     |
| Battery Equipment                       |                      |                  |                           |          |  |           | CONT.410       | 214,003  |  |         | 214,00    |
| Secondary Containments                  |                      |                  |                           |          |  |           | CONT.415       | 19,292   |  |         | 19,29     |
| Overhead Power Distribution             |                      |                  |                           |          |  |           | CONT.420       | 64.038   |  |         | 64,03     |
| Facility Electrical                     |                      |                  |                           |          |  |           | CONT.425       | 32,100   |  |         | 32,10     |
|   |                      |                  |                           |          |  |           | CONT.425       | 486      |  |         | 48        |
| Telecommunication Equipment             |                      |                  |                           |          |  |           |                |          |  |         |           |
| Meters and Metering Equipment           |                      |                  |                           |          |  |           | CONT.445       | 45,232   |  |         | 45,23     |
| Facility Line Pipe                      |                      |                  |                           |          |  |           | CONT.450       | 31,208   |  | _       | 31,20     |
| Lease Automation Materials              |                      |                  |                           |          |  |           | CONT.455       | 32,424   |  |         | 32,42     |
| FL/GL - Materials                       |                      |                  |                           |          |  |           | CONT.550       | 21,400   |  |         | 21,40     |
| FL/GL - Line Pipe                       |                      |                  |                           |          |  |           | CONT.555       | 48,637   |  |         | 48,63     |
| SWD/Other - Materials                   |                      |                  |                           |          |  |           | CONT.650       | 0        |  |         |           |
| SWD/Other - Line Pipe                   |                      |                  |                           |          |  |           | CONT.655       | 0        |  |         |           |
|   |                      | 202.020          |                           | No.      | -  |           |                |          |  | 20.000  | 2,308,42  |
| Total Tangible Cost                     |                      | 393,000          |                           | 810,000  |  | 285,000   |                | 790,428  |  | 30,000  | 2.308.42  |

#### Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 204H

| Description   |                      | BCP   | - Drilling   |           | ACP - Drilling |  | Comp        | /Stim         | 1              |
|---|----------------------|---|--|-----------|----------------|--|-------------|---------------|----------------|
| Description   | Codes                |   | Amount   | Codes     |                | Amount                                   | Codes       | in the second | Amoun          |
| Roads & Location  | DIDC.100             |   | 20,000   |           |                |  | STIM.100    | CON.100       | 3,00           |
| Damages   | DIDC.105             |   | 16,500   |           |                |  |             |               | and the second |
| Mud/Fluids Disposal   | DIDC.255             |   | 200,000  |           |                |  | STIM.255    |               | 51,00          |
| Day Rate  | DIDC.115             | DICC 120  | 468,000  | DICC.120  |                | 96,000                                   |             |               |                |
| Misc Preparation  | DIDC.120             |   | 30,000   |           |                |  |             |               |                |
| Bits  | DIDC.125             | DICC 125  |  | DICC.125  | STIM 125       | 0  | STIM.125    |               |                |
| Fuel  | DIDC.135             |   | 119,000  |           | o think the    | 0  |             |               |                |
|   |                      |   | and the second sec | DICC.135  | CTINATOR       | 0  | STIM.135    |               | 20,000         |
| Water for Drilling Rig (Not Frac  | DIDC.140             | DICC 135  | and the second sec | DICC, 135 | STIM.135       | 0  | 311111.133  |               | 20,000         |
| Mud & Additives   | DIDC.145             |   | 300,000  |           |                | 1  |             |               |                |
| SWD PIPED TO 3RD PARTY SWD  |                      |   |  |           |                |  |             | Sec. Sec.     |                |
| Surface Rentals   | DIDC.150             | DICC.140  | 97,000   | DICC.140  | STIM.140       | 0  | STIM.140    | CON.140       | 137,00         |
| Downhole Rentals  | DIDC.155             |   | 131,000  |           |                |  | STIM.145    | 1 m m         | 35,00          |
| Flowback Labor  |                      |   | 1000   |           |                | 1  | STIM.141    |               |                |
| Automation Labor  |                      |   |  |           |                |  |             |               |                |
| Mud Logging   | DIDC.170             |   | 5,000  |           |                |  |             |               |                |
| PC & EXTERNAL PAINTING  | Dibeling             |   | 5,000  |           |                |  |             |               |                |
|   | DIDC.185             | DICCASE   | 70.000   | DICC.155  |                | 140,000                                  |             |               |                |
| Cementing & Float Equipment   |                      |   |  |           |                | 1. |             |               | 4,00           |
| Fubular Inspections   |                      | DICC.160  |  | DICC.160  | STIM.160       | 8,000                                    | STIM.160    |               |                |
| Casing Crews  | DIDC.195             |   | 10,000,000   | DICC.165  |                | 13,000                                   | STIM.165    |               |                |
| Mechanical Labor  | DIDC.200             | DICC.170  | 20,000   | DICC.170  | STIM.170       | 3,000                                    | STIM.170    | CON.170       |                |
| Trucking/Transportation   | DIDC.205             | DICC.175  | 30,000   | DICC.175  | STIM.175       | 8,000                                    | STIM.175    | CON.175       | 4,00           |
| Supervision   | DIDC.210             | DICC.180  | 81,000   | DICC.180  | STIM 180       | 13,000                                   | STIM.180    | CON.180       | 47,00          |
| frailer House/Camp/Catering   | DIDC.280             | DICC.255  | 36,000   | DICC.255  | STIM 280       | 5,000                                    | STIM.280    |               | 31,00          |
| Other Misc Expenses   | DIDC.220             | DICC.190  |  | DICC.190  | STIM 190       | 0  | STIM.190    | CON.190       | 85,00          |
| Overhead  | DIDC 225             | Alternative states  |  | DICC.195  |                | 5,000                                    |             | 11111         |                |
| MOB/DEMOB   | DIDC.223<br>DIDC.240 |   | 115,000  |           |                | 5,000                                    |             |               |                |
|   |                      |   |  |           |                |  |             |               |                |
| Directional Drilling Services   | DIDC.245             |   | 307,000  |           |                |  |             |               |                |
| Solids Control  | DIDC.260             |   | 46,000   |           | Long to h      |  | Sec. and    |               | -              |
| Well Control Equip (Snubbing  | DIDC.265             | DICC.240  | 84,000   | DICC.240  | STIM.240       | 0  | STIM.240    |               | 64,00          |
| Completion Rig  |                      |   |  |           |                |  | STIM.115    |               | 21,00          |
| Coil Tubing Services  |                      |   |  |           |                |  | STIM.260    |               |                |
| Completion  |                      |   |  |           |                | 1  | STIM.200    |               | 257,00         |
| Composite Plugs   |                      |   |  |           |                | 1  | STIM.390    |               | 39,00          |
| Stimulation   |                      |   |  |           |                |  | STIM.210    |               | 2,245,00       |
| Stimulation Water/Water   |                      |   |  |           |                | 1  | STIM.395    |               | 191,00         |
|   |                      |   |  |           |                |  |             |               |                |
| Cimarex Owned Frac/Rental   |                      |   | 251295   |           |                |  | STIM.305    |               | 60,00          |
| Legal/Regulatory/Curative   | DIDC.300             |   | 10,000   |           |                |  |             |               |                |
| Well Control Insurance  | DIDC.285             |   | 7,000  |           |                |  |             |               |                |
| Major Construction Overhead   | E.M.                 |   |  |           |                |  |             |               |                |
| FL/GL - ON PAD LABOR  |                      |   |  |           |                |  |             |               |                |
| FL/GL - Labor   |                      |   |  |           |                | -  |             |               |                |
| FL/GL - Supervision   |                      |   |  |           |                |  |             |               |                |
| Survey  |                      |   |  |           |                | 1  |             |               |                |
| SWD/Other - Labor   |                      |   | 1  |           |                |  |             |               |                |
|   |                      |   | 1  |           |                |  |             |               | -              |
| SWD/Other - Supervision   |                      |   | 1  |           |                |  |             |               |                |
| Aid In Construct/3rd Party Connect  |                      | Constant of the second s | Land   |           | stokasz        | Jane                                     |             | 12230 2220    |                |
| Contingency   | DIDC.435             | DICC.220  | 118,000  | DICC.220  | STIM.220       | 15,000                                   | STIM.220    | CON.220       | 165,00         |
| Contingency   |                      |   |  |           |                |  |             |               |                |
| Total Intangible Cos  |                      |   | 2,475,500  |           |                | 306,000                                  |             |               | 3,459,00       |
| Conductor Pipe  | DWEB.130             |   | 0  |           |                | 10.00                                    |             |               |                |
| Water String  | DWEB.135             |   | 104,000  |           |                |  |             |               |                |
| Surface Casing  | DWEB.140             |   | 251,000  |           |                | 1  |             |               |                |
| Intermediate Casing 1   | DWEB.145             |   | 0  |           |                | 1  |             |               |                |
| and the second se | DIVED.145            | -   | 0  |           |                | 703 000                                  |             |               |                |
| Production Casing or Liner  |                      |   |  | DWEA.100  |                | 792,000                                  |             |               | 130.00         |
| Tubing  | -                    |   |  | -         |                |  | STIMT.105   |               | 139,00         |
| Wellhead, Tree, Chokes  |                      | DWEA.120  |  | DWEA.120  | STIMT.120      | 18,000                                   | STIMT.120   |               | 38,00          |
| Liner Hanger, Isolation Packer  | DWEB.100             | DWEA.125  | 0  | DWEA.125  |                | 0  |             |               | -              |
| Packer, Nipples   |                      |   |  |           |                |  | STIMT.400   |               | 28,00          |
| SHORT ORDERS  |                      |   |  |           |                |  |             |               |                |
| PUMPS   |                      |   |  |           |                |  |             |               |                |
| WALKOVERS   |                      |   |  |           |                |  |             |               |                |
| Downhole Lift Equipment   |                      |   |  |           |                |  | STIMT.410   |               | 80,00          |
| Surface Equipment   |                      |   |  |           |                |  | 1999 A 1996 |               |                |
| Well Automation Materials   |                      |   |  |           |                |  |             |               |                |
| N/C Lease Equipment   |                      |   |  |           |                |  |             |               |                |
|   |                      |   |  |           |                |  |             |               |                |
| Tanks, Tanks Steps, Stairs  |                      |   |  |           |                |  |             |               |                |
| Battery Equipment   |                      |   |  |           |                |  |             |               |                |
| Secondary Containments  |                      |   |  |           |                |  |             |               |                |
| Overhead Power Distribution   |                      |   |  |           |                |  |             |               |                |
| Facility Electrical   |                      |   |  |           |                |  |             |               |                |
| Telecommunication Equipment   |                      |   |  |           |                |  |             |               |                |
| Meters and Metering Equipment   |                      |   |  |           |                |  |             |               |                |
| Facility Line Pipe  |                      |   |  |           |                |  |             |               |                |
| Lease Automation Materials  |                      | -   |  |           |                |  |             |               |                |
| Ease Automation Materials<br>FL/GL - Materials  |                      |   |  |           |                | 1  |             |               |                |
|   |                      |   |  |           |                |  |             |               |                |
| L/GL - Materials  |                      |   |  |           |                |  |             |               |                |
| SWD/Other - Materials   |                      |   |  |           |                |  |             |               |                |
| SWD/Other - Line Pipe   |                      |   |  |           |                |  |             |               |                |
|   |                      |   | 393,000  |           |                | 810,000                                  |             |               | 285,00         |
| Total Tangible Cost   |                      |   | 333,000  |           |                | 010,000                                  |             |               | 205,00         |

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 204H

| Description<br>Roads & Location<br>Jamages<br>Mud/Fluids Disposal<br>Jay Rate<br>Misc Preparation<br>Bits   | Codes<br>CON.100<br>CON.105  | Amount 48,637 | Codes<br>PCOM.100  | Repair any roads post D&C   | Amount<br>3,000  | Co<br>74,63 |
|---|--|---------------|--|---|--|-------------|
| Damages<br>Mud/Fluids Disposal<br>Day Rate<br>Misc Preparation<br>Bits  |  |               | PCOM.100   | Repair any roads post D&C   | 3,000  | 14.6        |
| Mud/Fluids Disposal<br>Day Rate<br>Misc Preparation<br>Sits   | CON.105  | 10007         |  | the second se   |  |             |
| Day Rate<br>Misc Preparation<br>Bits  |  | 15807         |  |   |  | 32,3        |
| Misc Preparation<br>Bits  |  |               | PCOM.255   |   | 0  | 251,0       |
| Bits  |  |               |  |   |  | 564,0       |
|   |  |               |  |   |  | 30,0        |
|   |  | 1 1           | PCOM.125   |   | 0  | 97,0        |
| Fuel  |  | 1             | PCOM.130   |   | 0  | 119,0       |
| Water for Drilling Rig (Not Frac Water)   |  | 1             | PCOM.135   |   | 0  | 25,0        |
| Mud & Additives   |  |               | i comitos  | the second se   |  | 300,0       |
|   |  |               | PCOM.257   | Water for 60 days (270K barrels)  | 109,193  | 109,1       |
| SWD PIPED TO 3RD PARTY SWD WELL   | 001110   | 1.270         |  | the second se   | 60,000   | 295,3       |
| Surface Rentals   | CON.140  | 1,378         | PCOM.140   | Iron. XEC Own 5K. No 10K. \$1,100 per day   | and a second sec |             |
| Downhole Rentals  |  | 1             | PCOM.145   | the state of a course state   | 0  | 166,0       |
| Flowback Labor  |  | 1             | PCOM.141   | 3 Flowback Hands (60 days). 25%   | 30,000   | 30,0        |
| Automation Labor  | CON.150  | 36,558        | PCOM.150   |   | 5,000  | 41,5        |
| Mud Logging   |  | 1.000         |  |   |  | 5,0         |
| PC & EXTERNAL PAINTING  | CON.165  | 18,888        |  |   |  | 18,8        |
| Cementing & Float Equipment   |  | 1             |  |   |  | 210,0       |
| Tubular Inspections   |  |               | PCOM.160   |   | 0  | 50,0        |
|   |  | a summer of   | r com roo  |   |  | 28,0        |
| Casing Crews  | 0011470  | 120 500       | 00011170   | RU Flowback Iron & Automation   | 5,000  | 167,5       |
| Mechanical Labor  | CON.170  | 139,588       | PCOM.170   | RU HOWDACK Iron & Automation  |  |             |
| Trucking/Transportation   | CON.175  | 17,833        | PCOM.175   |   | 0  | 59,8        |
| Supervision   | CON.180  | 21,238        | PCOM.180   |   | 0  | 162,2       |
| Frailer House/Camp/Catering   |  | 1             |  |   |  | 72.0        |
| Other Misc Expenses   | CON.190  | 24,318        | PCOM.190   |   | 0  | 114,3       |
| Dverhead  | 1000   |               |  |   |  | 10,0        |
| MOB/DEMOB   |  |               |  |   |  | 115,0       |
| Directional Drilling Services   |  |               |  |   |  | 307,0       |
| and the second  |  |               |  |   |  | 46,0        |
| Solids Control  |  |               | DCOLLOUS   |   | 0  | 148,0       |
| Well Control Equip (Snubbing Services)  |  |               | PCOM.240   |   |  |             |
| Completion Rig  |  |               | PCOM.115   |   | 0  | 21,0        |
| Coil Tubing Services  |  |               | PCOM.260   |   | 0  |             |
| Completion Logging/Perforating/Wireline   |  |               | PCOM.200   |   | 0  | 257,0       |
| Composite Plugs   |  |               | PCOM.390   |   | 0  | 39,0        |
| Stimulation   |  |               | PCOM.210   |   | 0  | 2,245,0     |
| Stimulation Water/Water Transfer/Water  |  |               |  |   |  | 191,0       |
| Cimarex Owned Frac/Rental Equipment   |  |               | PCOM.305   |   | 0  | 60.0        |
| Legal/Regulatory/Curative   | CON.300  | 0             |  |   | 1  | 10,0        |
| Well Control Insurance  | CONTROL  | 0             |  |   |  | 7,0         |
| And a second  | CON 1905   |               |  |   |  | 26,5        |
| Major Construction Overhead   | CON.305  | 26,507        |  |   |  |             |
| FL/GL - ON PAD LABOR  | CON.495  | 37,613        |  |   | 1.000  | 37,6        |
| FL/GL - Labor   | CON.500  | 94,842        |  |   |  | 94,8        |
| FL/GL - Supervision   | CON.505  | 14,429        |  |   |  | 14,4        |
| Survey  | CON.515  | 2351          |  |   |  | 2,3         |
| SWD/Other - Labor   | CON.600  | 0             |  |   |  |             |
| SWD/Other - Supervision   | CON.605  | 0             |  |   |  |             |
| Aid In Construct/3rd Party Connect  | CON.701  | 40,531        |  |   |  | 40,5        |
| Contingency   | CON.220  | 105,542       |  |   | ( n  | 403,5       |
| Contingency   | CON.221  | 23,508        |  |   |  | 23.5        |
|   | CONSET   |               |  |   | 212,193  | 7,122,      |
| Total Intangible Cost   |  | 669,568       |  |   | 5151132  | 1,122,      |
| Conductor Pipe  |  |               |  |   |  |             |
| Water String  |  |               |  |   |  | 104,0       |
| Surface Casing  |  |               |  |   |  | 251,0       |
| Intermediate Casing 1   |  |               |  |   |  |             |
| Production Casing or Liner  |  |               |  |   |  | 792,0       |
| Tubing  |  |               | PCOMT.105  |   | 0  | 139,0       |
| Wellhead, Tree, Chokes  |  | 1.0           |  | Replace worn chokes and valves during FB  | 10,000   | 104,0       |
| Liner Hanger, Isolation Packer  |  |               |  | the second se   |  |             |
| and the second se |  |               | DCOLIT 100   |   | 0  | 28,0        |
| Packer, Nipples   | CONTRAC  |               | PCOMT.400  |   | U  |             |
| SHORT ORDERS  | CONT.380   | 10,538        |  |   |  | 10,5        |
| PUMPS   | CONT.385   | 30,804        |  |   |  | 30,8        |
| WALKOVERS   | CONT.390   | 4.053         |  |   |  | 4,0         |
| Downhole Lift Equipment   |  |               | PCOMT.410  |   | 0  | 80,0        |
| Surface Equipment   |  |               | PCOMT.420  | Replacing Chokes, Stuffing Boxes, and all   | 15,000   | 15,0        |
| Well Automation Materials   |  |               |  | PTs, and replacing meters   | 5,000  | 5,0         |
| N/C Lease Equipment   | CONT.400   | 184,334       | and a second | and the second se | and the second   | 184,        |
| Tanks, Tanks Steps, Stairs  | CONT.405   | 51,879        |  |   |  | 51,8        |
| Battery Equipment   |  |               |  |   |  | 214,0       |
|   | CONT.410   | 214,003       |  |   |  |             |
| Secondary Containments  | CONT.415   | 19,292        |  |   |  | 19,2        |
| Overhead Power Distribution   | CONT.420   | 64,038        |  |   |  | 64,0        |
| Facility Electrical   | CONT.425   | 32,100        |  |   |  | 32,         |
| Telecommunication Equipment   | CONT.426   | 486           |  |   |  |             |
| Meters and Metering Equipment   | CONT.445   | 45,232        |  |   |  | 45,         |
| Facility Line Pipe  | CONT.450   | 31,208        |  |   |  | 31,         |
|   | and the second sec | 10000         |  |   |  | 32,         |
| Lease Automation Materials  | CONT.455   | 32,424        |  |   |  |             |
| FL/GL - Materials   | CONT.550   | 21,400        |  |   |  | 21,         |
| FL/GL - Line Pipe   | CONT.555   | 48,637        |  |   | 1  | 48,         |
| SWD/Other - Materials   | CONT.650   | 0             |  |   |  |             |
| SWD/Other - Line Pipe   | CONT.655   | 0             |  |   |  |             |
| Total Tangible Cost   |  | 790,428       |  | -   | 30,000   | 2,308,      |

**COTERRA** Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 301H

AFE # XXXXXXX

| Company-Entity                      |   |   |                                  | Date Prepared<br>8/17/2022 |
|-------------------------------------|---|---|----------------------------------|----------------------------|
| Exploration Region<br>Permian Basin | Well Name<br>Mighty Pheasant 5-8 Fed Com 301H   | Prospect<br>New Mexico Bone Spring      | Property Num<br>XXXXXX-XXX.01    | der AFE<br>XXXXXXXX        |
| County, State<br>Lea, NM            | Location<br>Section 5-8 T20S-R34E Lea, NM   |   | Estimated Spud                   | Estimated Completion       |
| X New<br>Supplement<br>Revision     | Formation<br>3rd Sand   | Well Type<br>DEV                        | Tt  Measured Depth<br>20370      | Ttl Vetical Depth<br>10870 |
| Purpose Drill<br>Description        | and complete well   |   |                                  |                            |
| 1                                   | he intended surface hold location for the well i<br>00 FSL and 330 FWL of Section 8, T20S-R34E. T<br>outherly direction within the formation to the r | The well is proposed to be drilled vert | ically to the 3rd Sand formation | on and laterally in a      |

approximately 10870 feet.

| \$4,595,289<br><b>\$4,595,289</b> |  |
|-----------------------------------|--|
|                                   | \$4,595,289<br><b>\$7,070,789</b>              |
| \$4,595,289                       | \$7,070,789                                    |
|                                   |  |
| After Casing Point                | Completed Well Cost                            |
| \$1,125,000                       | \$1,518,000                                    |
| \$840,065                         | \$840,065                                      |
| \$1,965,065                       | \$2,358,065                                    |
| \$6,560,354                       | \$9,428,854                                    |
|                                   | \$1,125,000<br>\$840,065<br><b>\$1,965,065</b> |

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

#### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator 's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

#### I elect to purchase my own well control insurance policy.

#### Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

#### I elect to take my gas in kind.

#### I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

| Nonoperator Approval<br>Company | Approved By (Print Name)   | Approved By (Signature)                                     | Date       |
|---------------------------------|--|---|------------|
|                                 | Costs shown on this form are estimates only. By exec<br>Overhead will be charged in accordance with the Join | uting this AFE, the consenting party agrees to pay its proj | portionate |

7/6/2022

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 301H

| Description   | BCP - Dri                          |               |          | Drilling |                   | np/Stim         |                      | on Equip                     | Post Com<br>Codes  | Amount  | Total     |
|---|------------------------------------|---------------|----------|----------|-------------------|-----------------|----------------------|------------------------------|--|---|-----------|
| Roads & Location  | Codes<br>DIDC.100                  | Amount 20,000 | Codes    | Amount   | Codes<br>STIM.100 | Amount<br>3,000 | Codes<br>CON.100     | Amount<br>44,205             |  | 3,000   | 70,20     |
| and the second | DIDC.100                           | 16,500        |          |          | 311M.100          | 5,000           | CON.105              | 3215                         | 1 Com. Too   | 2,000   | 19,71     |
| Damages   | DIDC.255                           | 200,000       |          |          | STIM.255          | 51,000          | CONTROS              | 52.15                        | PCOM.255   | 0   | 251.00    |
| Mud/Fluids Disposal   | DIDC.233<br>DIDC.115               | 468,000       | DICC 120 | 96,000   | 311111.2.33       | 51,000          |                      |                              | 1 comess   |   | 564,00    |
| Day Rate  | DIDC.113                           | 30,000        | DICC.120 | 30,000   |                   |                 |                      |                              |  |   | 30,00     |
| Misc Preparation  | DIDC.120<br>DIDC.125               | 97,000        | DICC 125 | 0        | STIM.125          | 0               |                      |                              | PCOM.125   | 0   | 97.00     |
| Bits  | and an an an an and a start of the | 119,000       | DICC 125 | 0        | 511WL125          | U               |                      |                              | PCOM.120   | 0   | 119,00    |
| Fuel  | DIDC.135                           |               | DICC 135 | 0        | STIM.135          | 20,000          |                      |                              | PCOM.135   | 0   | 25,00     |
| Water for Drilling Rig (Not Frac Water)   | DIDC.140                           | 5,000         | DICC 155 | 0        | 511M, 135         | 20,000          |                      |                              | PCOM 155   | 0   | 300,000   |
| Mud & Additives   | DIDC.145                           | 300,000       |          |          |                   |                 |                      |                              | PCOM.257   | 87,354  | 87,35     |
| SWD PIPED TO 3RD PARTY SWD WELL   | -                                  | 07.000        | DICC 110 |          | CTULLO            | 127.000         | CON.140              | 6.012                        |  | 60,000  | 300,91    |
| Surface Rentals   | DIDC.150                           | 97,000        | DICC.140 | 0        | STIM.140          | 137,000         | CON.140              | 6,912                        |  |   | 166,000   |
| Downhole Rentals  | DIDC.155                           | 131,000       |          |          | STIM.145          | 35,000          |                      |                              | PCOM.145   | 0   |           |
| Flowback Labor  |                                    |               |          |          | STIM.141          | 0               |                      |                              | PCOM.141   | 30,000  | 30,000    |
| Automation Labor  | in a second                        |               |          |          |                   |                 | CON.150              | 45,010                       | PCOM.150   | 5,000   | 50,010    |
| Mud Logging   | DIDC.170                           | 5,000         |          |          |                   |                 |                      |                              |  |   | 5,000     |
| IPC & EXTERNAL PAINTING   | And the second second              |               |          |          |                   |                 | CON.165              | 5,144                        |  |   | 5,14      |
| Cementing & Float Equipment   | DIDC.185                           | 70,000        | DICC.155 | 140,000  |                   |                 |                      |                              |  |   | 210,000   |
| Tubular Inspections   | DIDC.190                           | 38,000        | DICC.160 | 8,000    | STIM.160          | 4,000           |                      |                              | PCOM.160   | 0   | 50,000    |
| Casing Crews  | DIDC.195                           | 15,000        | DICC.165 | 13,000   | STIM.165          | 0               |                      |                              |  |   | 28,000    |
| Mechanical Labor  | DIDC.200                           | 20,000        | DICC.170 | 3,000    | STIM.170          | 0               | CON.170              | 185,663                      | PCOM.170   | 5,000   | 213,66    |
| Trucking/Transportation   | DIDC.205                           | 30,000        | DICC.175 | 8,000    | STIM.175          | 4,000           | CON.175              | 16,075                       | PCOM.175   | 0   | 58.07     |
| Supervision   | DIDC.210                           | 81,000        | DICC 180 | 13,000   |                   | 47,000          | CON.180              | 11,574                       |  | 0   | 152,57    |
| Trailer House/Camp/Catering   | DIDC.280                           | 36,000        | DICC.255 | 5,000    |                   | 31,000          |                      |                              |  |   | 72,000    |
| Other Misc Expenses   | DIDC.220                           | 5,000         | DICC 190 | 0        | STIM.190          | 85,000          | CON.190              | 19,290                       | PCOM.190   | 0   | 109,29    |
| Overhead  | DIDC.225                           | 5,000         | DICC 195 | 5,000    |                   | 50,000          |                      |                              |  |   | 10,000    |
| MOB/DEMOB   | DIDC.240                           | 115,000       |          | 5,000    |                   |                 |                      |                              |  |   | 115,00    |
| Directional Drilling Services   | DIDC.245                           | 307,000       |          |          |                   |                 |                      |                              |  |   | 307,00    |
| Solids Control  | DIDC.243                           | 46,000        |          |          |                   |                 |                      |                              |  |   | 46,000    |
| Well Control Equip (Snubbing Services)  | DIDC.265                           | 46,000        | DICC.240 | 0        | STIM.240          | 64,000          |                      |                              | PCOM.240   | 0   | 148,000   |
| and the part of the second s | DIDC.203                           | 04,000        | DICC.240 | 0        |                   |                 |                      |                              | PCOM.115   | 0   | 21,000    |
| Completion Rig  | _                                  |               |          |          | STIM.115          | 21,000          |                      |                              | Defension and Street   | 0   | 21,000    |
| Coil Tubing Services  |                                    |               |          |          | STIM.260          | 0               |                      |                              | PCOM.260   |   |           |
| Completion Logging/Perforating/Wireline   |                                    |               |          |          | STIM.200          | 257,000         |                      |                              | PCOM.200   | 0   | 257,000   |
| Composite Plugs   |                                    |               |          |          | STIM.390          | 39,000          |                      |                              | PCOM.390   | 0   | 39,000    |
| Stimulation   |                                    |               |          |          | STIM.210          | 2,245,000       |                      |                              | PCOM.210   | 0   | 2,245,00  |
| Stimulation Water/Water Transfer/Water  |                                    |               |          |          | STIM.395          | 191,000         |                      |                              |  |   | 191,000   |
| Cimarex Owned Frac/Rental Equipment   |                                    |               |          |          | STIM.305          | 60,000          |                      |                              | PCOM.305   | 0   | 60,000    |
| Legal/Regulatory/Curative   | DIDC.300                           | 10,000        |          |          |                   |                 | CON.300              | 0                            |  |   | 10,000    |
| Well Control Insurance  | DIDC.285                           | 7,000         |          |          |                   |                 |                      |                              |  |   | 7,000     |
| Major Construction Overhead   |                                    |               |          |          |                   |                 | CON.305              | 0                            |  |   | (         |
| FL/GL - ON PAD LABOR  |                                    |               |          |          |                   |                 | CON.495              | 33,114                       |  |   | 33,114    |
| FL/GL - Labor   |                                    |               |          |          |                   |                 | CON.500              | 113,970                      |  |   | 113,970   |
| FL/GL - Supervision   |                                    |               |          |          |                   |                 | CON.505              | 12,056                       |  |   | 12,056    |
| Survey  |                                    |               |          |          |                   |                 | CON.515              | 6,590                        |  |   | 6,590     |
| SWD/Other - Labor   |                                    |               |          |          |                   |                 | CON.600              | 0,550                        |  |   | (         |
|   |                                    |               |          |          |                   |                 | CON.605              | 0                            | -  | 1 million (1997)  |           |
| SWD/Other - Supervision   |                                    |               |          |          |                   |                 |                      | 0                            |  |   |           |
| Aid In Construct/3rd Party Connect  |                                    |               |          |          | -                 |                 | CON.701              | and the second second second |  |   |           |
| Contingency   | DIDC.435                           | 118,000       | DICC 220 | 15,000   | STIM.220          | 165,000         | CON.220              | 106,737                      | PCOM.220   | 0   | 404,737   |
| Contingency   |                                    |               |          |          |                   |                 | CON.221              | 30,381                       |  |   | 30,381    |
| Total Intangible Cost   |                                    | 2,475,500     |          | 306,000  |                   | 3,459,000       |                      | 639,935                      |  | 190,354   | 7,070,789 |
| Conductor Pipe  | DWEB.130                           | 0             |          |          |                   |                 |                      |                              |  |   | (         |
| Water String  | DWEB.135                           | 104,000       |          |          |                   |                 |                      |                              |  |   | 104,000   |
| Surface Casing  | DWEB.140                           | 251,000       |          |          |                   |                 |                      |                              |  | -   | 251,000   |
| Intermediate Casing 1   | DWEB.145                           | 0             |          |          |                   |                 |                      |                              |  |   | (         |
| Production Casing or Liner  |                                    |               | DWEA.100 | 792,000  |                   |                 |                      |                              |  |   | 792.000   |
| Tubing  |                                    |               |          |          | STIMT.105         | 139,000         |                      |                              | PCOMT.105  | 0   | 139,000   |
| Wellhead, Tree, Chokes  | DWEB.115                           | 38,000        | DWEA.120 | 18,000   | STIMT.120         | 38,000          |                      |                              | PCOMT.120  | 10,000  | 104,000   |
| Liner Hanger, Isolation Packer  | DWEB.100                           | 0             | DWEA.125 |          |                   | 1.1.1.1.1.1     |                      |                              |  |   | (         |
| Packer, Nipples   |                                    |               |          |          | STIMT.400         | 28,000          |                      |                              | PCOMT.400  | 0   | 28,000    |
| SHORT ORDERS  |                                    |               |          |          |                   | 20,000          | CONT.380             | 11,253                       | Constraint States  |   | 11,253    |
| PUMPS   |                                    |               |          |          |                   |                 | CONT.385             | 26,362                       |  |   | 26,362    |
| WALKOVERS   |                                    |               |          |          |                   |                 | CONT.390             | 6,430                        |  |   | 6,430     |
| Downhole Lift Equipment   |                                    |               |          |          | STIMT.410         | 80,000          |                      | 0,430                        | PCOMT.410  | 0   | 80,000    |
| Concernance and the second second   |                                    |               |          |          | 51101.410         | 60,000          |                      |                              | PCOMT.410<br>PCOMT.420   | 15,000  | 15,000    |
| Surface Equipment   |                                    |               |          |          |                   |                 |                      |                              | and the second sec | and the second se |           |
| Well Automation Materials   |                                    |               |          |          |                   |                 |                      |                              | PCOMT.455  | 5,000   | 5,000     |
| N/C Lease Equipment   |                                    |               |          |          |                   |                 | CONT.400             | 279,861                      |  |   | 279,861   |
| Tanks, Tanks Steps, Stairs  |                                    |               |          |          |                   |                 | CONT.405             | 0                            |  |   | (         |
| Battery Equipment   |                                    |               |          |          |                   |                 | CONT.410             | 229,386                      |  |   | 229,386   |
| Secondary Containments  |                                    |               |          |          |                   |                 | CONT.415             | 12,859                       |  |   | 12,859    |
| Overhead Power Distribution   |                                    |               |          |          |                   |                 | CONT.420             | 10,288                       |  |   | 10,288    |
| Facility Electrical   |                                    |               |          |          |                   |                 | CONT.425             | 48,224                       |  |   | 48,224    |
| Telecommunication Equipment   |                                    |               |          |          |                   |                 | CONT.426             | 0                            |  |   | (         |
| Meters and Metering Equipment   |                                    |               |          |          |                   |                 | CONT.445             | 42,758                       |  |   | 42,75     |
| Facility Line Pipe  |                                    |               |          |          |                   |                 | CONT.450             | 28,935                       |  |   | 28,93     |
| Lease Automation Materials  |                                    |               |          |          |                   |                 | CONT.455             | 36,972                       |  |   | 36,97     |
| FL/GL - Materials   |                                    |               |          |          |                   |                 | CONT.550             | 26,684                       |  |   | 26,68     |
| FL/GL - Line Pipe   |                                    |               |          |          |                   |                 | CONT.555             | 80,052                       |  |   | 80,05     |
| SWD/Other - Materials   |                                    |               |          |          |                   |                 | CONT.555<br>CONT.650 | 80,052                       |  |   | 80,03     |
|   |                                    |               |          |          |                   |                 |                      | 0                            |  |   |           |
| SWD/Other - Line Pipe   |                                    |               |          |          |                   |                 | CONT.655             | 0                            |  |   |           |
| Total Tangible Cost   | 1                                  | 393,000       |          | 810,000  |                   | 285,000         |                      | 840,065                      |  | 30,000  | 2,358,06  |

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 301H

|   |                      |           | 393,000           | -        |                      | 810,000 |           |         | 285,000     |
|---|----------------------|-----------|-------------------|----------|----------------------|---------|-----------|---------|-------------|
| SWD/Other - Materials<br>SWD/Other - Line Pipe                |                      |           |                   |          |                      |         |           |         |             |
| SWD/Other - Materials   |                      |           |                   |          |                      |         |           |         |             |
|   |                      |           |                   |          |                      |         |           |         |             |
| FL/GL - Materials   |                      |           | 1000              |          |                      |         |           |         |             |
| FL/GL - Materials   |                      |           |                   |          |                      |         |           |         |             |
| Lease Automation Materials                                    |                      |           |                   |          |                      |         |           |         |             |
| Meters and Metering Equipment<br>Facility Line Pipe           |                      |           |                   |          |                      |         |           |         |             |
| Telecommunication Equipment                                   |                      |           |                   |          |                      |         |           |         |             |
| Facility Electrical   |                      |           |                   |          |                      |         |           |         |             |
| Overhead Power Distribution                                   |                      |           |                   |          |                      |         |           |         |             |
| Secondary Containments  |                      |           |                   |          | 1                    |         |           | 1       |             |
| Battery Equipment   |                      |           |                   |          |                      |         |           |         |             |
| Tanks, Tanks Steps, Stairs                                    |                      |           |                   |          |                      | 1       |           |         |             |
| N/C Lease Equipment   |                      |           |                   |          |                      |         |           |         |             |
| Well Automation Materials                                     |                      |           | 1                 |          | 100                  |         |           |         |             |
| Downhole Lift Equipment<br>Surface Equipment                  |                      |           |                   |          |                      |         | a11W1.410 |         | 60,000      |
| WALKOVERS   |                      |           |                   |          |                      |         | STIMT.410 |         | 80,000      |
| PUMPS   |                      |           |                   |          |                      |         |           |         |             |
| SHORT ORDERS  |                      |           |                   |          |                      |         |           |         |             |
| Packer, Nipples   |                      |           | 1                 |          |                      |         | STIMT.400 |         | 28,000      |
| Liner Hanger, Isolation Packer                                | DWEB.100             | DWEA.125  | 0                 | DWEA.125 |                      | 0       |           |         | 20.005      |
| Wellhead, Tree, Chokes  |                      | DWEA.120  |                   |          | STIMT.120            | 18,000  | STIMT.120 |         | 38,000      |
| Tubing  | bran and             |           | 1. Participa      |          | 1                    |         | STIMT.105 |         | 139,000     |
| Production Casing or Liner                                    |                      |           |                   | DWEA.100 |                      | 792,000 |           |         |             |
| Intermediate Casing 1   | DWEB.145             |           | 0                 |          |                      | di lan  |           |         |             |
| Surface Casing  | DWEB.140             |           | 251,000           |          | In the second second |         |           |         |             |
| Water String  | DWEB.135             |           | 104,000           |          |                      |         |           |         |             |
| Conductor Pipe  | DWEB.130             |           | 0                 |          | -                    |         |           |         |             |
| Total Intangible Cos  | 1                    |           | 2,475,500         |          |                      | 306,000 |           |         | 3,459,000   |
| Contingency   |                      | 1000000   |                   |          |                      |         |           |         | 10000       |
| Contingency   | DIDC.435             | DICC220   | 118.000           | DICC.220 | STIM.220             | 15,000  | STIM.220  | CON.220 | 165,000     |
| SWD/Other - Supervision<br>Aid In Construct/3rd Party Connect |                      |           |                   |          |                      |         |           |         |             |
| SWD/Other - Labor   |                      |           |                   |          |                      |         |           |         |             |
| Survey<br>SWD/Other - Labor                                   |                      |           |                   |          |                      |         |           |         |             |
| FL/GL - Supervision   |                      |           |                   |          |                      |         |           |         |             |
| FL/GL - Labor   |                      |           |                   |          |                      |         |           |         |             |
| FL/GL - ON PAD LABOR  |                      |           |                   |          |                      |         |           |         |             |
| Major Construction Overhead                                   |                      |           |                   |          |                      |         |           |         |             |
| Well Control Insurance  | DIDC.285             |           | 7,000             |          |                      |         |           |         |             |
| Legal/Regulatory/Curative                                     | DIDC.300             |           | 10,000            |          |                      |         |           |         |             |
| Cimarex Owned Frac/Rental                                     | -                    |           |                   |          |                      |         | STIM.305  |         | 60,000      |
| Stimulation Water/Water                                       |                      |           |                   |          |                      |         | STIM.395  |         | 191,000     |
| Stimulation   |                      |           |                   |          |                      |         | STIM.210  |         | 2,245,000   |
| Composite Plugs   |                      |           |                   |          |                      |         | STIM.390  |         | 39,000      |
| Completion  |                      |           |                   |          |                      |         | STIM.200  |         | 257,000     |
| Coil Tubing Services  |                      |           |                   |          |                      |         | STIM.260  |         | 0           |
| Completion Rig  |                      |           |                   |          |                      |         | STIM.115  |         | 21,000      |
| Well Control Equip (Snubbing                                  | DIDC 265             | DICC240   | 84,000            | DICC.240 | STIM 240             | 0       | STIM.240  |         | 64,000      |
| Solids Control  | DIDC 260             |           | 46,000            |          |                      |         |           |         | 1. State 1. |
| Directional Drilling Services                                 | DIDC 245             |           | 307,000           |          |                      |         |           |         | -           |
| MOB/DEMOB   | DIDC.240             |           | 115,000           |          |                      |         |           |         |             |
| Overhead  | DIDC.225             | DICC.195  | 5,000             | DICC.195 |                      | 5,000   |           |         | -           |
| Other Misc Expenses   |                      | DICC.190  | 5,000             | DICC.190 | STIM.190             | 0       | STIM.190  | CON.190 | 85,000      |
| Trailer House/Camp/Catering                                   | DIDC.280             |           | 36,000            | DICC.255 | STIM.280             | 5,000   | STIM.280  |         | 31,000      |
| Supervision   | DIDC.210             |           | 81,000            |          | STIM.180             | 13,000  | STIM.180  | CON.180 | 47,000      |
| Trucking/Transportation                                       | DIDC.205             | DICC.175  | 30,000            |          | STIM.175             | 8,000   | STIM.175  | CON.175 | 4,000       |
| Mechanical Labor  | DIDC.200             |           | 20,000            | DICC.170 | STIM.170             | 3,000   | STIM.170  | CON.170 | 0           |
| Casing Crews  | DIDC.195             |           | 15,000            | DICC.165 | STIM.165             | 13,000  | STIM.165  |         | 0           |
| Tubular Inspections   |                      | DICC.160  | 38,000            | DICC.160 | STIM.160             | 8,000   | STIM.160  |         | 4,000       |
| Cementing & Float Equipment                                   | DIDC.185             | DICC 155  | 70,000            | DICC.155 |                      | 140,000 |           |         |             |
| Mud Logging<br>IPC & EXTERNAL PAINTING                        | DIDC.170             |           | 5,000             |          |                      |         |           |         |             |
| Automation Labor  | DIDC 170             |           | 5 000             |          |                      |         |           |         |             |
| Flowback Labor  |                      |           |                   |          |                      |         | STIM.141  |         | 0           |
| Downhole Rentals  | DIDC.155             |           | 131,000           |          |                      |         | STIM.145  |         | 35,000      |
| Surface Rentals   | DIDC.150             | DICC.140  | 97,000            | DICC.140 | STIM.140             | - 0     | STIM.140  | CON.140 | 137,000     |
| SWD PIPED TO 3RD PARTY SWD                                    |                      |           |                   |          |                      |         |           |         | 1 minuted   |
| Mud & Additives   | DIDC.145             |           | 300,000           |          |                      |         |           |         |             |
| Water for Drilling Rig (Not Frac                              |                      | DICC.135  | 5,000             |          | STIM.135             | 0       | STIM.135  |         | 20.000      |
| Fuel  | DIDC.125             |           | 119,000           | DICC.130 |                      | 0       |           |         |             |
| Misc Preparation<br>Bits                                      |                      | DICC.125  |                   | DICC.125 | STIM.125             | 0       | STIM.125  |         | 0           |
| Day Rate<br>Misc Preparation                                  | DIDC.115<br>DIDC.120 | DICC. 120 | 30,000            | 0100.120 |                      | 50,000  |           |         |             |
| Mud/Fluids Disposal   | DIDC.255<br>DIDC.115 | DICC 120  |                   | DICC.120 |                      | 96,000  | 3101.233  |         | 51,000      |
| Damages   | DIDC.105             |           | 16,500<br>200,000 |          |                      |         | STIM.255  |         | 51,000      |
| Roads & Location  | DIDC.100             |           | 20,000            |          |                      | 1.000   | STIM.100  | CON.100 | 3,000       |
|   | Codes                |           | Amount            | Codes    |                      | Amount  | Codes     | 0011100 | Amount      |
| Description   |                      | В         | CP - Drilling     |          | ACP - Drilling       |         | Comp      | /Stim   | 1           |

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 301H

| Description  | Production Equip   |         |            | Post Completion  |  | Total   |
|--|--|---------|------------|--|--|---------|
| Description  | Codes  | Amount  | Codes      | 1  | Amount   | Co      |
| Roads & Location   | CON.100  | 44,205  | PCOM.100   | Repair any roads post D&C  | 3,000  | 70,20   |
| Damages  | CON.105  | 3215    |            |  |  | 19,7    |
| Mud/Fluids Disposal  |  |         | PCOM.255   |  | 0  | 251,0   |
| Day Rate   |  |         |            |  |  | 564,0   |
| Misc Preparation   |  |         |            |  |  | 30,0    |
| Bits   |  |         | PCOM.125   |  | 0  | 97,0    |
| fuel   |  |         | PCOM.130   |  | 0  | 119,0   |
| Water for Drilling Rig (Not Frac Water)  |  |         | PCOM.135   |  | 0  | 25.0    |
| Mud & Additives  |  |         | 1 6011.155 | the second se  |  | 300,0   |
| SWD PIPED TO 3RD PARTY SWD WELL  |  |         | PCOM.257   | Water for 60 days (270K barrels)   | 87,354   | 87,3    |
|  | and the second se  |         |            | Iron. XEC Own 5K. No 10K. \$1,100 per day  | 60,000   | 300,9   |
| Surface Rentals  | CON.140  | 6,912   |            | Iron. XEC Own SK. No Tok. \$1,100 per day  | and the second sec   | 166,0   |
| Downhole Rentals   |  | C       | PCOM.145   | and the second second second   | 0  |         |
| Flowback Labor   | Contract (   | 1.0     | PCOM.141   | 3 Flowback Hands (60 days). 25%  | 30,000   | 30,0    |
| Automation Labor   | CON.150  | 45,010  | PCOM.150   |  | 5,000  | 50,0    |
| Mud Logging  |  |         |            |  |  | 5,0     |
| PC & EXTERNAL PAINTING   | CON 165  | 5,144   |            |  |  | 5,1     |
| Cementing & Float Equipment  |  |         |            |  |  | 210,0   |
| Tubular Inspections  |  |         | PCOM. 160  |  | 0  | 50,0    |
| Casing Crews   |  |         | , comitor  |  |  | 28,0    |
|  | CON 170  | 105.000 | 00011170   | PH Flowbook loss & Automation  | E 000  | 213,6   |
| Mechanical Labor   | CON.170  | 185,663 | PCOM.170   | RU Flowback Iron & Automation  | 5,000  | 58.0    |
| Trucking/Transportation  | CON.175  | 16,075  | PCOM.175   |  | 0  |         |
| Supervision  | CON.180  | 11,574  | PCOM.180   |  | 0  | 152,5   |
| Trailer House/Camp/Catering  | 1. Aug 200   |         |            |  |  | 72,0    |
| Other Misc Expenses  | CON.190  | 19,290  | PCOM.190   |  | 0  | 109,2   |
| Overhead   |  |         |            |  |  | 10,0    |
| MOB/DEMOB  |  |         |            |  | 1  | 115,0   |
| Directional Drilling Services  |  |         |            |  |  | 307,0   |
| Solids Control   |  |         |            |  |  | 46,0    |
| Well Control Equip (Snubbing Services)   |  |         | PCOM.240   |  | 0  | 148.0   |
| Construction and the second  |  |         |            |  | 0  | 21,0    |
| Completion Rig   |  |         | PCOM.115   |  |  | 21,0    |
| Coil Tubing Services   |  |         | PCOM.260   |  | 0  |         |
| Completion Logging/Perforating/Wireline  |  |         | PCOM.200   |  | 0  | 257,0   |
| Composite Plugs  |  |         | PCOM.390   |  | 0  | 39,0    |
| Stimulation  |  |         | PCOM.210   |  | 0  | 2,245,0 |
| Stimulation Water/Water Transfer/Water   | and the second sec   |         |            |  |  | 191,0   |
| Cimarex Owned Frac/Rental Equipment  |  |         | PCOM.305   |  | 0  | 60,0    |
| Legal/Regulatory/Curative  | CON.300  | 0       |            |  |  | 10,0    |
| Well Control Insurance   | 2011300  | 0       |            |  |  | 7,0     |
|  | CON 205  |         |            |  |  | 7,0     |
| Major Construction Overhead  | CON.305  | 0       |            |  |  |         |
| FL/GL - ON PAD LABOR   | CON.495  | 33,114  |            |  |  | 33,1    |
| FL/GL - Labor  | CON.500  | 113,970 |            |  |  | 113,9   |
| FL/GL - Supervision  | CON.505  | 12,056  |            |  |  | 12,0    |
| Survey   | CON.515  | 6590    |            |  |  | 6,5     |
| SWD/Other - Labor  | CON.600  | 0       |            |  |  |         |
| SWD/Other - Supervision  | CON.605  | 0       |            |  | 1.000  |         |
|  | CON.701  | 0       |            |  |  |         |
| Aid In Construct/3rd Party Connect   |  | 0       |            |  |  | 1017    |
| Contingency  | CON.220  | 106,737 |            |  |  | 404,7   |
| Contingency  | CON.221  | 30,381  |            |  |  | 30,3    |
| Total Intangible Cost  |  | 639,935 |            |  | 190,354  | 7,070,7 |
| Conductor Pipe   |  |         |            |  |  |         |
| Water String   |  |         |            |  |  | 104,0   |
| Surface Casing   |  |         |            |  |  | 251,0   |
| ntermediate Casing 1   |  |         |            |  |  |         |
| Production Casing or Liner   |  |         |            |  |  | 792,0   |
|  |  |         | DCOLIT     |  | 0  |         |
| Tubing   |  |         | PCOMT.105  |  | and the second s | 139,0   |
| Wellhead, Tree, Chokes   |  |         | PCOMT.120  | Replace worn chokes and valves during FB   | 10,000   | 104,0   |
| Liner Hanger, Isolation Packer   |  |         |            |  |  |         |
| Packer, Nipples  | the second secon |         | PCOMT.400  |  | 0  | 28,0    |
| SHORT ORDERS   | CONT.380   | 11,253  |            |  |  | 11,2    |
| PUMPS  | CONT.385   | 26,362  |            |  |  | 26,3    |
| WALKOVERS  | CONT.390   | 6,430   |            |  |  | 6,4     |
| Downhole Lift Equipment  | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1  | 0,100   | PCOMT.410  | the second se  | 0  | 80,0    |
| Surface Equipment  |  |         | PCOMT.420  | Replacing Chokes, Stuffing Boxes, and all  | 15,000   | 15,0    |
| Well Automation Materials  |  |         |            | and the second | 5,000  | 5,0     |
|  | CONT 100   |         | PCOMT.455  | r is, and replacing meters   | 5,000  |         |
| V/C Lease Equipment  | CONT.400   | 279,861 |            |  |  | 279,8   |
| Tanks, Tanks Steps, Stairs   | CONT.405   | 0       |            |  |  |         |
| Battery Equipment  | CONT.410   | 229,386 |            |  |  | 229,3   |
| econdary Containments  | CONT.415   | 12,859  |            |  |  | 12,8    |
| Overhead Power Distribution  | CONT.420   | 10,288  |            |  |  | 10,2    |
| acility Electrical   | CONT.425   | 48,224  |            |  |  | 48,2    |
| felecommunication Equipment  | CONT.426   | 0       |            |  |  |         |
|  | and the appropriate the second s   |         |            |  |  | 42,7    |
| Meters and Metering Equipment  | CONT.445   | 42,758  |            |  |  |         |
| acility Line Pipe  | CONT.450   | 28,935  |            |  |  | 28,9    |
| ease Automation Materials  | CONT.455   | 36,972  |            |  |  | 36,9    |
| L/GL - Materials   | CONT.550   | 26,684  |            |  |  | 26,6    |
| L/GL - Line Pipe   | CONT.555   | 80,052  |            |  |  | 80,0    |
| WD/Other - Materials   | CONT.650   | 0       |            |  |  |         |
| SWD/Other - Line Pipe  | CONT.655   | 0       |            |  |  |         |
| and the second sec |  |         |            |  |  |         |
| Total Tangible Cost  |  | 840,065 |            |  | 30,000   | 2,358,0 |

### **OCOTERRA** Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 302H

AFE # XXXXXXX

| Company Entity.                     |  |  |                               | Date Prepared<br>8/17/2022 |
|-------------------------------------|--|--|-------------------------------|----------------------------|
| Exploration Region<br>Permian Basin | Well Name<br>Mighty Pheasant 5-8 Fed Com 302H  | Prospect<br>New Mexico Bone Spring     | Property Nur<br>XXXXXX-XXX.0  |                            |
| County, State<br>Lea, NM            | Location<br>Section 5-8 T20S-R34E Lea, NM  |  | Estimated Spud                | Estimated Completion       |
| X New<br>Supplement<br>Revision     | Formation<br>3rd Sand  | Well Type<br>DEV                       | Ttl Measured Depth<br>20360   | Ttl Vetical Deoth<br>10860 |
| Purpose Drill<br>Description        | and complete well  |  |                               |                            |
| 10<br>so                            | e intended surface hold location for the well i<br>00 FSL and 1744 FWL of Section 8, T20S-R34E.<br>utherly direction within the formation to the r<br>pproximately 10860 feet. | The well is proposed to be drilled ver | tically to the 3rd Sand forma | ation and laterally in a   |

| Intangible            | Dry Hole    | After Casing Point | Completed Well Cost |
|-----------------------|-------------|--------------------|---------------------|
| Drilling Costs        | \$2,475,500 |                    | \$2,475,500         |
| Completion Costs      |             | \$4,595,289        | \$4,595,289         |
| Total Intangible Cost | \$2,475,500 | \$4,595,289        | \$7,070,789         |
| Tangible              | Dry Hole    | After Casing Point | Completed Well Cost |
| Well Equipment        | \$393,000   | \$1,125,000        | \$1,518,000         |
| Lease Equipment       |             | \$840,065          | \$840,065           |
| Total Tangible Cost   | \$393,000   | \$1,965,065        | \$2,358,065         |
| Total Well Cost       | \$2,868,500 | \$6,560,354        | \$9,428,854         |
|                       |             |                    |                     |

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator 's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

### I elect to purchase my own well control insurance policy.

### Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

### I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

#### Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

| Company | Approved By (Print Name)   | Approved By (Signature)                                     | Date       |
|---------|--|---|------------|
|         | Costs shown on this form are estimates only. By exect<br>Overhead will be charged in accordance with the Joint | iting this AFE, the consenting party agrees to pay its prop | portionate |

7/6/2022

# Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 302H

| Description  | BCP - Di  |           |            | Drilling              |  | np/Stim   |          | on Equip              | Post Com   |   | Total     |
|--|-----------|-----------|------------|-----------------------|--|-----------|----------|-----------------------|--|---|-----------|
|  | Codes     | Amount    | Codes      | Amount                |  | Amount    |          | Amount                | Codes  | Amount  | Co        |
| Roads & Location   | DIDC.100  | 20,000    |            |                       | STIM.100                                 | 3,000     | CON.100  | 44,205                | PCOM.100   | 3,000   | 70,2      |
| Damages  | DIDC.105  | 16,500    |            |                       |  |           | CON.105  | 3215                  |  |   | 19,7      |
| Aud/Fluids Disposal  | DIDC.255  | 200,000   |            |                       | STIM.255                                 | 51,000    |          |                       | PCOM.255   | 0   | 251,0     |
| Day Rate   | DIDC.115  | 468,000   | DICC.120   | 96,000                |  |           |          |                       | 1.2.2.2.2  |   | 564.0     |
| Aisc Preparation   | DIDC.120  | 30,000    |            |                       |  |           |          |                       |  |   | 30,0      |
| lits   | DIDC.125  | 97,000    | DICC.125   | 0                     | STIM 125                                 | 0         |          |                       | PCOM 125   | 0   | 97.0      |
| uel  | DIDC.135  | 119,000   | DICC.130   | 0                     |  |           |          |                       | PCOM.130   | 0   | 119,0     |
| Nater for Drilling Rig (Not Frac Water)  | DIDC.140  | 5,000     | DICC 135   | 0                     | STIM.135                                 | 20,000    |          |                       | PCOM.135   | o   | 25.0      |
|  |           | 300,000   | DICC 135   |                       | 511141.155                               | 20,000    |          |                       | Contras  |   | 300,0     |
| Mud & Additives  | DIDC.145  | 300,000   |            |                       |  |           |          |                       | PCOM.257   | 87,354  | 87,3      |
| SWD PIPED TO 3RD PARTY SWD WELL  |           |           |            |                       |  |           |          |                       | and the second sec | and the second second   |           |
| Surface Rentals  | DIDC.150  | 97,000    | DICC.140   | 0                     |  | 137,000   | CON.140  | 6,912                 | PCOM 140   | 60,000  | 300,9     |
| Downhole Rentals   | DIDC 155  | 131,000   |            |                       | STIM.145                                 | 35,000    |          |                       | PCOM.145   | 0   | 166.0     |
| lowback Labor  |           |           |            |                       | STIM.141                                 | 0         |          |                       | PCOM.141   | 30,000  | 30,0      |
| Automation Labor   |           |           |            |                       |  |           | CON.150  | 45,010                | PCOM.150   | 5,000   | 50,0      |
| Mud Logging  | DIDC.170  | 5,000     |            |                       |  |           |          |                       |  |   | 5,0       |
| PC & EXTERNAL PAINTING   |           |           |            |                       |  |           | CON.165  | 5,144                 |  |   | 5,        |
| Cementing & Float Equipment  | DIDC.185  | 70,000    | DICC.155   | 140,000               | 1.000                                    |           |          |                       |  |   | 210,0     |
| Fubular Inspections  | DIDC.190  | 38,000    | DICC.160   | 8,000                 |  | 4,000     |          |                       | PCOM.160   | 0   | 50,0      |
|  |           |           |            |                       |  |           |          |                       | r.com.roo  | 0   | 28,0      |
| Casing Crews   | DIDC.195  | 15,000    | DICC.165   | 13,000                |  | 0         | -        |                       |  | 5 000   |           |
| Mechanical Labor   | DIDC.200  | 20,000    | DICC.170   | 3,000                 |  | 0         | CON.170  | 185,663               | PCOM.170   | 5,000   | 213,      |
| Trucking/Transportation  | DIDC.205  | 30,000    | DICC.175   | 8,000                 |  | 4,000     | CON.175  | 16,075                | PCOM.175   | 0   | 58,0      |
| Supervision  | DIDC.210  | 81,000    | DICC 180   | 13,000                | STIM.180                                 | 47,000    | CON.180  | 11,574                | PCOM.180   | 0   | 152,5     |
| Frailer House/Camp/Catering  | DIDC.280  | 36,000    | DICC.255   | 5,000                 | STIM.280                                 | 31,000    |          |                       | Acres 199  |   | 72,0      |
| Other Misc Expenses  | DIDC.220  | 5,000     | DICC.190   | 0                     | STIM.190                                 | 85,000    | CON.190  | 19,290                | PCOM.190   | 0   | 109,3     |
| Overhead   | DIDC 225  | 5,000     | DICC.195   | 5,000                 |  |           |          |                       | and the second second  | 18  | 10,0      |
| MOB/DEMOB  | DIDC 240  | 115,000   | COTT       |                       |  |           |          |                       |  |   | 115,      |
| Directional Drilling Services  | DIDC.245  | 307,000   |            |                       |  |           |          |                       |  |   | 307,0     |
| and a second second a second second  |           |           |            |                       |  |           |          |                       |  |   | 46,0      |
| Solids Control   | DIDC.260  | 46,000    | DICCON     |                       | minur                                    |           |          |                       | 00011010   |   |           |
| Well Control Equip (Snubbing Services)   | DIDC.265  | 84,000    | DICC240    | 0                     | 1. | 64,000    |          |                       | PCOM.240   | 0   | 148,0     |
| Completion Rig   |           |           |            |                       | STIM.115                                 | 21,000    |          |                       | PCOM.115   | 0   | 21,0      |
| Coil Tubing Services   |           |           |            |                       | STIM.260                                 | 0         |          |                       | PCOM.260   | 0   |           |
| Completion Logging/Perforating/Wireline  |           |           |            |                       | STIM.200                                 | 257,000   |          |                       | PCOM.200   | 0   | 257,0     |
| Composite Plugs  |           |           |            |                       | STIM.390                                 | 39,000    |          |                       | PCOM.390   | 0   | 39,0      |
| Stimulation  |           |           |            |                       | STIM.210                                 | 2,245,000 |          |                       | PCOM.210   | 0   | 2,245,0   |
| Stimulation Water/Water Transfer/Water   |           |           |            |                       | STIM.395                                 | 191,000   |          |                       |  | 1   | 191,0     |
|  |           |           |            |                       | STIM.305                                 | 60,000    |          |                       | PCOM,305   | 0   | 60,0      |
| Cimarex Owned Frac/Rental Equipment  | DIDC 200  | 10.000    |            |                       | 31110.303                                | 60,000    | CON 200  | 0                     | r compos   | v   | 10,0      |
| Legal/Regulatory/Curative  | DIDC.300  | 10,000    |            |                       |  |           | CON.300  | 0                     |  |   |           |
| Well Control Insurance   | DIDC 285  | 7,000     |            |                       |  |           |          |                       |  |   | 7,        |
| Major Construction Overhead  |           |           |            |                       |  |           | CON.305  | 0                     |  |   |           |
| FL/GL - ON PAD LABOR   |           |           |            |                       |  |           | CON.495  | 33,114                |  |   | 33,1      |
| FL/GL - Labor  |           |           |            |                       |  |           | CON.500  | 113,970               |  |   | 113,9     |
| FL/GL - Supervision  |           |           |            |                       |  |           | CON.505  | 12,056                |  |   | 12,0      |
| Survey   |           |           |            |                       |  |           | CON.515  | 6,590                 |  |   | 6,5       |
| SWD/Other - Labor  |           |           |            |                       |  |           | CON.600  | 0                     |  |   |           |
| SWD/Other - Supervision  |           |           |            |                       |  |           | CON.605  | 0                     | -  |   |           |
|  |           |           |            |                       |  |           | CON.701  | 0                     |  |   |           |
| Aid In Construct/3rd Party Connect   |           |           | DICC 222   | 15 000                |  |           |          |                       | 00011000   | 0   | 101       |
| Contingency  | DIDC.435  | 118,000   | DICC.220   | 15,000                | STIM.220                                 | 165,000   |          | 106,737               | PCOM.220   | 0   | 404,7     |
| Contingency  |           |           |            |                       |  |           | CON.221  | 30,381                | -  |   | 30,3      |
| Total Intangible Cost  |           | 2,475,500 |            | 306,000               |  | 3,459,000 |          | 639,935               | s  | 190,354   | 7,070,    |
| Conductor Pipe   | DWEB.130  | 0         |            |                       |  |           |          |                       |  |   |           |
| Water String   | DWEB.135  | 104,000   |            |                       |  |           |          |                       |  |   | 104.0     |
| Surface Casing   | DWEB.140  | 251,000   |            |                       |  |           |          |                       |  |   | 251.0     |
| ntermediate Casing 1   | DWEB.145  | 0         |            |                       |  |           |          |                       |  |   |           |
| Contraction of the second s  | 01120.145 | 0         | DIALEA 100 | 702.000               |  |           |          |                       |  |   | 707       |
| Production Casing or Liner   |           |           | DWEA.100   | 792,000               |  |           |          |                       | 000117-000   |   | 792,0     |
| Tubing   | and the   | a dana    | - maker    | - Same                | STIMT.105                                | 139,000   |          |                       | PCOMT.105  | 0   | 139,0     |
| Wellhead, Tree, Chokes   | DWEB.115  | 38,000    | DWEA.120   |                       | STIMT.120                                | 38,000    |          |                       | PCOMT.120  | 10,000  | 104,0     |
| Liner Hanger, Isolation Packer   | DWEB.100  | 0         | DWEA.125   | 0                     |  |           |          |                       |  |   |           |
| Packer, Nipples  |           |           |            |                       | STIMT.400                                | 28,000    |          |                       | PCOMT.400  | 0   | 28,       |
| SHORT ORDERS   |           |           |            |                       |  |           | CONT.380 | 11,253                |  |   | 11,       |
| PUMPS  |           |           |            |                       |  |           | CONT.385 | 26,362                |  | S.C.  | 26,       |
| WALKOVERS  |           |           |            |                       |  |           | CONT.390 | 6,430                 | · · · · · · · · · · · · · · · · · · ·  |   | 6,-       |
| Downhole Lift Equipment  |           |           |            |                       | STIMT.410                                | 80,000    |          | 0,450                 | PCOMT.410  | 0   | 80,       |
| and the second   |           |           |            |                       | STIML 410                                | 50,000    |          |                       | PCOMT.410  | 15,000  | 15,       |
| Surface Equipment  |           |           |            |                       |  |           |          |                       |  | and the second se |           |
| Well Automation Materials  |           |           |            |                       |  |           |          |                       | PCOMT.455  | 5,000   | 5,        |
| V/C Lease Equipment  |           |           |            |                       |  |           | CONT.400 | 279,861               |  |   | 279,      |
| Fanks, Tanks Steps, Stairs   |           |           |            |                       |  |           | CONT.405 | 0                     |  |   |           |
| Battery Equipment  |           |           |            |                       |  |           | CONT.410 | 229,386               |  |   | 229,      |
| Secondary Containments   |           |           |            |                       |  |           | CONT.415 | 12,859                |  |   | 12,       |
| Overhead Power Distribution  |           |           |            |                       |  |           | CONT.420 | 10,288                |  |   | 10,       |
| acility Electrical   |           |           |            |                       |  |           | CONT.425 | 48,224                |  |   | 48,       |
| Felecommunication Equipment  |           |           |            |                       |  |           | CONT.426 | 40,224                |  |   |           |
|  |           |           |            |                       |  |           | CONT.426 | and the second second |  |   | 42,       |
| Meters and Metering Equipment  |           |           |            |                       |  |           |          | 42,758                |  |   |           |
| Facility Line Pipe   |           |           |            |                       |  |           | CONT.450 | 28,935                |  |   | 28,       |
| ease Automation Materials  |           |           |            |                       |  |           | CONT.455 | 36,972                |  |   | 36,       |
| L/GL - Materials   |           |           |            |                       |  |           | CONT.550 | 26,684                |  |   | 26,       |
| L/GL - Line Pipe   |           |           |            |                       |  |           | CONT.555 | 80,052                | 1  |   | 80,       |
| SWD/Other - Materials  |           |           |            |                       |  |           | CONT.650 | 0                     |  |   |           |
| SWD/Other - Line Pipe  |           |           |            |                       |  |           | CONT.655 | 0                     |  | -   |           |
| and a second sec |           |           |            | and the second second |  |           |          |                       |  |   | 10 A.L.A. |
| Total Tangible Cost  |           | 393,000   |            | 810,000               |  | 285,000   |          | 840,065               |  | 30,000  | 2,358,    |

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 302H

| Description   |           |  | BCP - Drilling   |          | ACP - Drilling   |                                       | Comp      | /sum      |   |
|---|-----------|--|--|----------|--|---------------------------------------|-----------|-----------|---|
| Description   | Codes     |  | Amount   | Codes    |  | Amount                                | Codes     | actives . | Amount  |
| Roads & Location  | DIDC.100  |  | 20,000   |          |  | 1.0                                   | STIM.100  | CON.100   | 3,000   |
| Damages   | DIDC.105  |  | 16,500   |          |  |                                       |           |           |   |
| Mud/Fluids Disposal   | DIDC.255  | and the second second  | 200,000  |          |  |                                       | STIM.255  |           | 51,000  |
| Day Rate  | DIDC.115  | DICC.120   | 468,000  | DICC,120 |  | 96,000                                |           |           |   |
| Misc Preparation  | DIDC.120  |  | 30,000   |          |  |                                       |           |           |   |
| Bits  | DIDC.125  | DICC.125   | 97,000   | DICC.125 | STIM.125   | 0                                     | STIM.125  |           | C   |
| Fuel  | DIDC.135  |  | 119,000  | DICC.130 |  | 0                                     |           |           |   |
| Water for Drilling Rig (Not Frac  | DIDC.140  | DICC.135   | 5,000  | DICC.135 | STIM 135   | 0                                     | STIM.135  |           | 20,000  |
|   | DIDC.145  | Dicc.155   | 300,000  | Dicarios | 51111122   | -                                     |           |           |   |
| Mud & Additives   | DIDC.143  |  | 300,000  |          |  |                                       |           |           |   |
| SWD PIPED TO 3RD PARTY SWD  |           |  |  |          | -  |                                       | STIM.140  | 001110    | 137,000   |
| Surface Rentals   | DIDC.150  | DICC.140   | 1 2 2 2 3 3 3  | DICC.140 | STIM.140   | 0                                     |           | CON.140   | and the second se |
| Downhole Rentals  | DIDC.155  |  | 131,000  |          |  |                                       | STIM.145  | -         | 35,000  |
| Flowback Labor  |           |  |  |          |  |                                       | STIM.141  |           | (   |
| Automation Labor  |           |  |  |          |  |                                       |           |           |   |
| Mud Logging   | DIDC.170  |  | 5,000  |          |  | 10000                                 |           |           |   |
| IPC & EXTERNAL PAINTING   |           |  |  |          |  |                                       |           |           |   |
| Cementing & Float Equipment   | DIDC.185  | DICC.155   | 70.000   | DICC.155 |  | 140,000                               |           |           |   |
| Tubular Inspections   | DIDC.190  | Change Contract  | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1  | DICC.160 | STIM.160   | 8,000                                 | STIM.160  |           | 4,000   |
| and the second  | DIDC.195  |  |  | DICC.165 | 1200 Colorest 250  | 13,000                                | STIM.165  | 1000      | C   |
| Casing Crews  |           | All Derror Angel A   |  |          | ************************************   | 3,000                                 | STIM.170  | CON.170   | 0   |
| Mechanical Labor  | DIDC.200  | and a second sec | and the second sec | DICC.170 | and the second se  | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 |           |           | and the second se |
| Trucking/Transportation   | DIDC 205  | A Destruction of the second  |  | DICC.175 |  | 8,000                                 | STIM.175  | CON.175   | 4,000   |
| Supervision   | DIDC.210  | and the second se  |  | DICC.180 | and the second sec | 13,000                                | STIM.180  | CON.180   | 47,000  |
| Trailer House/Camp/Catering   | DIDC.280  | DICC.255   |  | DICC.255 | STIM.280   | 5,000                                 | STIM.280  |           | 31,000  |
| Other Misc Expenses   | DIDC.220  | DICC.190   | 5,000  | DICC.190 | STIM 190   | 0                                     | STIM.190  | CON.190   | 85,000  |
| Overhead  | DIDC.225  | DICC.195   | 5,000  | DICC.195 |  | 5,000                                 |           |           |   |
| MOB/DEMOB   | DIDC.240  |  | 115,000  |          |  |                                       |           |           |   |
| Directional Drilling Services   | DIDC.245  |  | 307,000  |          |  |                                       |           |           |   |
| Solids Control  | DIDC 260  |  | 45,000   |          |  |                                       |           |           |   |
|   |           | DICC 240   | and the second se  | DICCOM   | STIM 240   | 0                                     | STIM.240  |           | 64,000  |
| Well Control Equip (Snubbing  | DIDC.265  | DICC.240   | 84,000   | DICC.240 | 311M.240   | 0                                     |           |           | 21,000  |
| Completion Rig  |           |  |  |          |  |                                       | STIM.115  |           |   |
| Coil Tubing Services  |           |  |  |          |  |                                       | STIM.260  |           | C   |
| Completion  |           |  |  |          |  |                                       | STIM.200  |           | 257,000   |
| Composite Plugs   |           |  |  |          |  |                                       | STIM.390  |           | 39,000  |
| Stimulation   |           |  |  |          |  |                                       | STIM.210  |           | 2,245,000   |
| Stimulation Water/Water   |           |  |  |          |  |                                       | STIM.395  |           | 191,000   |
| Cimarex Owned Frac/Rental   |           |  |  |          |  |                                       | STIM.305  |           | 60,000  |
| Legal/Regulatory/Curative   | DIDC.300  |  | 10,000   |          |  | 1000                                  |           |           |   |
|   |           |  |  |          |  |                                       |           |           |   |
| Well Control Insurance  | DIDC.285  |  | 7,000  |          |  |                                       |           |           |   |
| Major Construction Overhead   |           |  |  |          |  |                                       |           |           |   |
| FL/GL - ON PAD LABOR  |           |  |  |          |  |                                       |           |           |   |
| FL/GL - Labor   |           |  |  |          |  |                                       |           |           |   |
| FL/GL - Supervision   |           |  |  |          |  |                                       |           |           |   |
| Survey  |           |  |  |          |  | 1.000                                 |           |           |   |
| SWD/Other - Labor   |           |  |  |          |  |                                       |           |           |   |
| SWD/Other - Supervision   |           |  |  |          |  |                                       |           |           |   |
| Aid In Construct/3rd Party Connect  |           |  |  |          |  |                                       |           |           |   |
| and the second  | 0000 435  | 0100 220   | 110.000  | DICC 220 | STIL 4 220   | 15.000                                | STIM.220  | CON.220   | 165,000   |
| Contingency   | DIDC.435  | DICC.220   | 118,000  | DICC.220 | STIM.220   | 15,000                                | 511M.220  | CUN-220   | 165,000   |
| Contingency   |           |  |  |          |  |                                       |           |           |   |
| Total Intangible Cos  |           |  | 2,475,500  |          |  | 306,000                               |           |           | 3,459,000   |
| Conductor Pipe  | DWEB.130  |  | 0  |          |  | -                                     |           |           |   |
| Water String  | DWEB.135  |  | 104,000  |          |  |                                       |           |           |   |
| Surface Casing  | DWEB.140  |  | 251,000  |          |  |                                       |           |           |   |
| Intermediate Casing 1   | DWEB.145  |  | 0  |          |  |                                       |           |           |   |
|   |           |  |  | DWEA.100 |  | 792,000                               |           |           |   |
| Production Casing or Liner<br>Tubing  |           |  |  |          |  | 1 32,000                              | STIMT.105 |           | 139,000   |
| and the second | DW/ED 115 | DWEA.120   | 30,000   | DWEA 100 | STILLT 120   | 10.000                                |           |           | 38,000  |
| Wellhead, Tree, Chokes  |           | A Charles To supercraft and a constraint   |  |          | STIMT.120  |                                       | STIMT.120 |           | 56,000  |
| Liner Hanger, Isolation Packer  | DWEB.100  | DWEA.125   | 0  | DWEA.125 |  | 0                                     | -         |           |   |
| Packer, Nipples   |           |  |  |          |  |                                       | STIMT.400 |           | 28,000  |
| SHORT ORDERS  |           |  |  |          |  |                                       |           |           |   |
| PUMPS   |           |  |  |          |  |                                       |           |           |   |
| WALKOVERS   |           |  |  |          |  |                                       |           |           |   |
| Downhole Lift Equipment   |           |  |  |          |  |                                       | STIMT.410 | 100       | 80,000  |
| Surface Equipment   |           |  |  |          |  |                                       |           |           |   |
| Well Automation Materials   |           |  |  |          |  |                                       |           |           |   |
| N/C Lease Equipment   |           |  |  |          |  |                                       |           |           |   |
| Tanks, Tanks Steps, Stairs  |           |  |  |          |  | 1.0                                   |           |           |   |
| A MARK AND AND A MARK A MARK AND A MARK   |           |  |  |          |  |                                       |           |           |   |
| Battery Equipment   |           |  |  |          |  |                                       |           |           |   |
| Secondary Containments  |           |  |  |          |  |                                       |           |           |   |
| Overhead Power Distribution   |           |  |  |          |  |                                       |           |           |   |
| Facility Electrical   |           |  |  |          |  | 1                                     |           |           |   |
| Telecommunication Equipment   |           |  |  |          |  |                                       |           |           |   |
| Meters and Metering Equipment   |           | 1.0  |  |          |  |                                       |           |           |   |
| Facility Line Pipe  |           |  |  |          |  |                                       |           |           |   |
| Lease Automation Materials  |           |  |  |          |  |                                       |           |           |   |
| FL/GL - Materials   |           |  |  |          |  |                                       |           |           |   |
|   |           |  |  |          |  |                                       |           |           |   |
| FL/GL - Materials   |           |  |  |          |  |                                       |           |           |   |
| SWD/Other - Materials   |           |  |  |          |  |                                       |           |           |   |
| SWD/Other - Line Pipe   |           |  |  |          |  | 1 and the second                      |           |           |   |
| Total Tangible Cost   |           |  | 393,000  |          |  | 810,000                               |           |           | 285,000   |
| Total Estimated Cost  |           |  |  |          |  |                                       |           |           | 3,744,000   |

# Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 302H

| Description                                     | colum 1   | Production Equip | 1 12000                                  | Cader                  | Post Completion  | Amount  | Total  |
|---|---|------------------|--|------------------------|--|---------|--------|
|   | Codes<br>CON.100  |                  | Amount<br>44,205                         | Codes<br>PCOM.100      | Repair any roads post D&C  | 3,000   | 70,2   |
| Roads & Location                                | CON.100   |                  | 3215                                     | PCOM. TOU              | Repair any roads post oute   | 5,000   | 19,1   |
| Damages   | CON.TOS   |                  | 5215                                     | PCOM.255               |  | 0       | 251,   |
| Mud/Fluids Disposal                             |   |                  |  | rcont.233              |  |         | 564,   |
| Day Rate<br>Misc Preparation                    |   |                  |  |                        |  |         | 30,0   |
| Bits  |   |                  |  | PCOM.125               |  | 0       | 97,0   |
|   |   |                  | 1  | PCOM.130               |  | 0       | 119,0  |
| Fuel<br>Water for Drilling Rig (Not Frac Water) |   |                  |  | PCOM.135               |  | 0       | 25.0   |
| Mud & Additives                                 |   |                  |  | FCOM. 155              | and the second se  |         | 300.0  |
| SWD PIPED TO 3RD PARTY SWD WELL                 |   |                  |  | PCOM.257               | Water for 60 days (270K barrels)   | 87,354  | 87.3   |
| Surface Rentals                                 | CON.140   |                  | 6,912                                    |                        | Iron. XEC Own 5K. No 10K. \$1,100 per day  | 60,000  | 300,9  |
| Downhole Rentals                                | CON.140   |                  | 0,912                                    | PCOM.145               | non see our se no role si roo per osy  | 0       | 166.0  |
|   |   |                  |  | PCOM.143               | 3 Flowback Hands (60 days). 25%  | 30,000  | 30,0   |
| Flowback Labor                                  | 011150  |                  | 45.010                                   | PCOM. 141              | 5 Flowback Hallds (00 days). 2576  | 5,000   | 50,0   |
| Automation Labor                                | CON.150   |                  | 45,010                                   | PCOM. 130              |  | 5,000   | 5,0    |
| Mud Logging                                     | CONTRE  |                  |  |                        |  |         | 5,1    |
| IPC & EXTERNAL PAINTING                         | CON.165   |                  | 5,144                                    |                        |  |         | 210,0  |
| Cementing & Float Equipment                     |   |                  |  |                        |  | 0       | 50,0   |
| Tubular Inspections                             |   |                  |  | PCOM.160               |  | U       | 28,0   |
| Casing Crews                                    | 10000   |                  |  |                        |  | F 000   |        |
| Mechanical Labor                                | CON.170   |                  | 185,663                                  | PCOM.170               | RU Flowback Iron & Automation  | 5,000   | 213,6  |
| Trucking/Transportation                         | CON.175   |                  | 16,075                                   | PCOM.175               |  |         | 58,0   |
| Supervision                                     | CON.180   |                  | 11,574                                   | PCOM.180               |  | 0       | 152,5  |
| Trailer House/Camp/Catering                     |   |                  |  |                        |  |         | 72,0   |
| Other Misc Expenses                             | CON.190   |                  | 19,290                                   | PCOM.190               |  | 0       | 109,   |
| Overhead  |   |                  |  |                        |  |         | 10,    |
| MOB/DEMOB                                       |   |                  |  |                        |  |         | 115,0  |
| Directional Drilling Services                   |   |                  |  |                        |  |         | 307,0  |
| Solids Control                                  |   |                  |  |                        |  |         | 46,0   |
| Well Control Equip (Snubbing Services)          |   |                  |  | PCOM.240               |  | 0       | 148,0  |
| Completion Rig                                  |   |                  |  | PCOM.115               |  | 0       | 21,0   |
| Coil Tubing Services                            |   |                  |  | PCOM.260               |  | 0       |        |
| Completion Logging/Perforating/Wireline         |   |                  |  | PCOM.200               |  | 0       | 257,0  |
| Composite Plugs                                 | _   |                  |  | PCOM.390               |  | 0       | 39,0   |
| Stimulation                                     |   |                  |  | PCOM.210               |  | 0       | 2.245, |
| Stimulation Water/Water Transfer/Water          |   |                  |  |                        |  |         | 191,0  |
| Cimarex Owned Frac/Rental Equipment             |   |                  |  | PCOM.305               |  | 0       | 60,0   |
| Legal/Regulatory/Curative                       | CON.300   |                  | 0  |                        |  |         | 10,0   |
| Well Control Insurance                          |   |                  |  |                        |  |         | 7,0    |
| Major Construction Overhead                     | CON.305   |                  | 0  |                        |  |         |        |
| FL/GL - ON PAD LABOR                            | CON.495   |                  | 33,114                                   |                        |  |         | 33,1   |
| FL/GL - Labor                                   | CON.500   |                  | 113,970                                  |                        |  |         | 113,9  |
| FL/GL - Supervision                             | CON.505   |                  | 12,056                                   |                        |  |         | 12,0   |
| Survey  | CON.515   |                  | 6590                                     |                        |  |         | 6,5    |
| SWD/Other - Labor                               | CON.600   |                  | 0  |                        |  |         |        |
| SWD/Other - Supervision                         | CON.605   |                  | 0  |                        |  |         |        |
| Aid In Construct/3rd Party Connect              | CON.701   |                  | 0  |                        |  |         |        |
| Contingency                                     | CON.220   |                  | 106,737                                  |                        |  | 1       | 404,7  |
| Contingency                                     | CON.221   |                  | 30,381                                   |                        |  |         | 30,3   |
| Total Intangible Cost                           |   |                  | 639.935                                  |                        |  | 190,354 | 7,070, |
| Conductor Pipe                                  |   |                  |  |                        |  | 1       |        |
| Water String                                    |   |                  |  |                        |  |         | 104,0  |
| Surface Casing                                  | _   |                  |  |                        |  |         | 251,0  |
| Intermediate Casing 1                           |   |                  |  |                        |  |         |        |
| Production Casing or Liner                      |   |                  |  |                        |  | 1       | 792,0  |
| Tubing  |   |                  |  | PCOMT.105              |  | 0       | 139.0  |
| Wellhead, Tree, Chokes                          |   |                  |  | PCOMT.120              | Replace worn chokes and valves during FB   | 10,000  | 104,0  |
| Liner Hanger, Isolation Packer                  |   |                  |  |                        | 1 and a state of the state of t |         |        |
| Packer, Nipples                                 |   |                  |  | PCOMT.400              |  | 0       | 28,0   |
| SHORT ORDERS                                    | CONT.380  |                  | 11,253                                   |                        |  | 5       | 11,2   |
| PUMPS   | CONT.385  |                  | 26,362                                   |                        |  |         | 26.    |
| WALKOVERS                                       | CONT.390  |                  | 6,430                                    |                        |  |         | 6,-    |
| Downhole Lift Equipment                         |   |                  | 0,430                                    | PCOMT.410              | and the second se  | 0       | 80,0   |
| Surface Equipment                               |   |                  |  | PCOMT.410<br>PCOMT.420 | Replacing Chokes, Stuffing Boxes, and all  | 15,000  | 15,0   |
| Well Automation Materials                       |   |                  |  | PCOMT.420<br>PCOMT.455 | a second s  | 5,000   | 5,0    |
| N/C Lease Equipment                             | CONT.400  |                  | 279.861                                  | / CONT.435             | rist one represend meters  | 5,000   | 279,1  |
| Tanks, Tanks Steps, Stairs                      | CONT.400  |                  | 279,861                                  |                        |  |         | 213,0  |
| Battery Equipment                               | CONT.405<br>CONT.410  |                  | 229,386                                  |                        |  |         | 229,   |
| Secondary Containments                          | CONT.410  |                  | 10 10 10 10 10 10 10 10 10 10 10 10 10 1 |                        |  |         | 12,    |
| Statute and a second statute statute statute    | and the second se |                  | 12,859                                   |                        |  |         | 10,    |
| Overhead Power Distribution                     | CONT.420  |                  | 10,288                                   |                        |  |         |        |
| Facility Electrical                             | CONT.425  |                  | 48,224                                   |                        |  |         | 48,    |
| Telecommunication Equipment                     | CONT.426  |                  | 0  |                        |  |         |        |
| Meters and Metering Equipment                   | CONT.445  |                  | 42,758                                   |                        |  |         | 42,    |
| Facility Line Pipe                              | CONT.450  |                  | 28,935                                   |                        |  |         | 28,    |
| Lease Automation Materials                      | CONT.455  |                  | 36,972                                   |                        |  |         | 36,    |
| FL/GL - Materials                               | CONT.550  |                  | 26,684                                   |                        |  |         | 26,    |
| FLIGH IT IN                                     | CONT.555  |                  | 80,052                                   |                        |  |         | 80.    |
|   | Construction of the second  |                  | 1000                                     |                        |  |         |        |
| FL/GL - Line Pipe<br>SWD/Other - Materials      | CONT.650  |                  | 0  |                        | 1  |         |        |
|   | CONT.650<br>CONT.655  |                  | 0  |                        |  | 30,000  | 2,358, |

### COTERRA

Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 303H

AFE # XXXXXXX

| Company Entity                      |  |   |                              | Date Prepared<br>8/17/2022 |
|-------------------------------------|--|---|------------------------------|----------------------------|
| Exploration Region<br>Permian Basin | Well Name<br>Mighty Pheasant 5-8 Fed Com 303H  | Prospect<br>New Mexico Bone Spring      | Property Nur<br>XXXXXX-XXX.0 |                            |
| County, State<br>Lea, NM            | Location<br>Section 5-8 T20S-R34E Lea, NM  |   | Estimated Spud               | Estimated Completion       |
| X New<br>Supplement<br>Revision     | Formator<br>3rd Sand   | Well Type<br>DEV                        | Ttl Measured Deoth<br>20350  | Ttl Vetical Deoth<br>10850 |
| Purpose Drill<br>Description        | and complete well  |   |                              |                            |
| 10                                  | ne intended surface hold location for the well i<br>20 FSL and 2122 FEL of Section 8, T20S-R34E. T<br>putherly direction within the formation to the r | The well is proposed to be drilled vert | ically to the 3rd Sand forma | tion and laterally in a    |

approximately 10850 feet.

| Intangible            | Dry Hole    | After Casing Point | Completed Well Cost |
|-----------------------|-------------|--------------------|---------------------|
| Drilling Costs        | \$2,475,500 |                    | \$2,475,500         |
| Completion Costs      |             | \$4,624,922        | \$4,624,922         |
| Total Intangible Cost | \$2,475,500 | \$4,624,922        | \$7,100,422         |
| Tangible              | Dry Hole    | After Casing Point | Completed Well Cost |
| Well Equipment        | \$393,000   | \$1,125,000        | \$1,518,000         |
| Lease Equipment       |             | \$790,428          | \$790,428           |
| Total Tangible Cost   | \$393,000   | \$1,915,428        | \$2,308,428         |
| Total Well Cost       | \$2,868,500 | \$6,540,350        | \$9,408,850         |
|                       |             |                    |                     |

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

### I elect to purchase my own well control insurance policy.

### Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

### I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

#### Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well

| Nonoperator Approval            |  |   |           |
|---------------------------------|--|---|-----------|
| Company                         | Approved By (Print Name)                             | Approved By (Signature)                                     | Date      |
| NOTICE TO NONOPERATOR:          | Costs shown on this form are estimates only. By exec | uting this AFE, the consenting party agrees to pay its prop | ortionate |
| share of actual costs incurred. | Overhead will be charged in accordance with the Join | Operating Agreement.  | 7.02.02   |

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 303H

| Description   | BCP - Dr | illing    | ACP - D   | Drilling |   | np/Stim   | Productio                   |         | Post Com  | pletion  | Total     |
|---|----------|-----------|---|----------|---|-----------|-----------------------------|---------|---|----------|-----------|
| Description   | Codes    | Amount    | Codes   | Amount   |   | Amount    | Codes                       | Amount  | Codes   | Amount   | Cost      |
| Roads & Location  | DIDC.100 | 20,000    |   |          | STIM.100  | 3,000     |                             | 48,637  | PCOM.100  | 3,000    | 74,637    |
| Damages   | DIDC.105 | 16,500    |   |          | 1000  |           | CON.105                     | 15807   | Section and   |          | 32,307    |
| Mud/Fluids Disposal   | DIDC.255 | 200,000   | 1.000   |          | STIM.255  | 51,000    |                             |         | PCOM.255  | 0        | 251,000   |
| Day Rate  | DIDC.115 | 468,000   | DICC.120  | 96,000   |   |           |                             |         |   |          | 564,000   |
| Misc Preparation  | DIDC.120 | 30,000    |   |          |   |           |                             |         |   |          | 30,000    |
| Bits  | DIDC.125 | 97,000    | DICC 125  | 0        | STIM.125  | 0         |                             |         | PCOM.125  | 0        | 97,000    |
| Fuel  | DIDC.135 | 119,000   | DICC.130  | 0        |   |           |                             |         | PCOM.130  | 0        | 119,000   |
| Water for Drilling Rig (Not Frac Water)   | DIDC.140 | 5,000     | DICC 135  | 0        | STIM.135  | 20,000    |                             |         | PCOM.135  | 0        | 25,000    |
|   | DIDC.145 | 300,000   | Dige 155  | 0        | 51110.125   | 20,000    |                             |         |   |          | 300.000   |
| Mud & Additives   | DIDC.145 | 300,000   |   |          |   |           |                             |         | PCOM.257  | 87,354   | 87,354    |
| SWD PIPED TO 3RD PARTY SWD WELL   |          |           |   |          | -   |           |                             | 1.770   | and the second se | 60,000   | 295,378   |
| Surface Rentals   | DIDC.150 | 97,000    | DICC.140  | 0        | STIM.140  | 137,000   | CON.140                     | 1,378   | PCOM.140  | 19.9 - 9 | 100000    |
| Downhole Rentals  | DIDC.155 | 131,000   | A Could   |          | STIM.145  | 35,000    |                             |         | PCOM.145  | 0        | 166,000   |
| Flowback Labor  |          |           | 2   |          | STIM.141  | 0         |                             |         | PCOM.141  | 30,000   | 30,000    |
| Automation Labor  |          |           |   |          |   |           | CON.150                     | 36,558  | PCOM.150  | 5,000    | 41,558    |
| Mud Logging   | DIDC.170 | 5,000     | Contract (  |          |   |           |                             |         |   |          | 5,000     |
| IPC & EXTERNAL PAINTING   |          |           |   |          |   |           | CON.165                     | 18,888  |   |          | 18,888    |
| Cementing & Float Equipment   | DIDC.185 | 70,000    | DICC.155  | 140,000  |   |           |                             |         | and the second second   | 1        | 210,000   |
| Tubular Inspections   | DIDC.190 | 38,000    | DICC.160  | 8,000    | STIM.160  | 4,000     |                             |         | PCOM.160  | 0        | 50,000    |
|   | DIDC.195 | 15,000    | DICC.165  | 13,000   |   | 0         |                             |         |   |          | 28,000    |
| Casing Crews  |          |           | DICC.170  | 3,000    |   | 0         |                             | 139,588 | PCOM.170  | 5,000    | 167,588   |
| Mechanical Labor  | DIDC.200 | 20,000    | and the second se |          | Part Cold   |           | and the second state of the |         | and the second se |          |           |
| Trucking/Transportation   | DIDC.205 | 30,000    | DICC.175  | 8,000    |   | 4,000     |                             | 17,833  | PCOM.175  | 0        | 59,833    |
| Supervision   | DIDC.210 | 81,000    | DICC.180  | 13,000   |   | 47,000    |                             | 21,238  | PCOM.180  | 0        | 162,238   |
| Trailer House/Camp/Catering   | DIDC.280 | 36,000    | DICC.255  | 5,000    | STIM.280  | 31,000    |                             |         | 1.000   |          | 72,000    |
| Other Misc Expenses   | DIDC.220 | 5,000     | DICC 190  | 0        | STIM.190  | 85,000    | CON.190                     | 24,318  | PCOM.190  | 0        | 114,318   |
| Overhead  | DIDC.225 | 5,000     | DICC.195  | 5,000    |   |           |                             |         |   |          | 10,000    |
| MOB/DEMOB   | DIDC.240 | 115,000   |   |          |   |           |                             |         |   |          | 115,000   |
| Directional Drilling Services   | DIDC.245 | 307,000   |   |          |   |           |                             |         |   |          | 307,000   |
| Solids Control  | DIDC.260 | 46,000    |   |          |   |           |                             |         |   |          | 46,000    |
| Well Control Equip (Snubbing Services)  | DIDC.265 | 84,000    | DICC.240  | 0        | STIM.240  | 64,000    |                             |         | PCOM.240  | 0        | 148,000   |
|   | 0100.200 | 04,000    | UICC.240  | 0        | a second second second  |           |                             |         | PCOM.240  | 0        | 21,000    |
| Completion Rig  |          |           |   |          | STIM.115  | 21,000    |                             |         | Contraction of the  | 0        | 21,000    |
| Coil Tubing Services  |          |           |   |          | STIM.260  | 0         |                             |         | PCOM.260  |          |           |
| Completion Logging/Perforating/Wireline   |          |           |   |          | STIM.200  | 257,000   |                             |         | PCOM.200  | 0        | 257,000   |
| Composite Plugs   |          |           |   |          | STIM.390  | 39,000    |                             |         | PCOM.390  | 0        | 39,000    |
| Stimulation   |          |           |   |          | STIM.210  | 2,245,000 |                             |         | PCOM.210  | 0        | 2,245,000 |
| Stimulation Water/Water Transfer/Water  |          |           |   |          | STIM.395  | 191,000   |                             |         |   |          | 191,000   |
| Cimarex Owned Frac/Rental Equipment   |          |           |   |          | STIM.305  | 60,000    |                             |         | PCOM.305  | 0        | 60,000    |
| Legal/Regulatory/Curative   | DIDC.300 | 10,000    |   |          |   |           | CON.300                     | 0       |   |          | 10,000    |
| Well Control Insurance  | DIDC.285 | 7,000     |   |          |   |           | conso                       |         |   |          | 7,000     |
|   | DIDC.203 | 7,000     |   |          |   |           | CON 205                     | 76 607  |   | _        | 26,507    |
| Major Construction Overhead   |          |           |   |          |   |           | CON.305                     | 26,507  |   |          |           |
| FL/GL - ON PAD LABOR  |          |           |   |          |   |           | CON.495                     | 37,613  |   |          | 37,613    |
| FL/GL - Labor   |          |           |   |          |   |           | CON.500                     | 94,842  |   |          | 94,842    |
| FL/GL - Supervision   |          |           |   |          |   |           | CON.505                     | 14,429  |   |          | 14,429    |
| Survey  |          |           |   |          |   |           | CON.515                     | 2,351   |   |          | 2,351     |
| SWD/Other - Labor   |          |           |   |          |   |           | CON.600                     | 0       |   |          | 0         |
| SWD/Other - Supervision   |          |           |   |          |   |           | CON.605                     | 0       |   |          | 0         |
| Aid In Construct/3rd Party Connect  |          |           |   |          |   |           | CON.701                     | 40,531  |   |          | 40,531    |
|   | DIDC.435 | 118,000   | DICC 220  | 15 000   | STIM.220  | 165,000   |                             | 105,542 | PCOM.220  | 0        | 403,542   |
| Contingency   | DIDC.433 | 118,000   | DICC.220  | 13,000   | 511WI.220   | 165,000   |                             |         | FCOM.220  | 0        |           |
| Contingency   |          |           |   |          |   |           | CON.221                     | 23,508  |   |          | 23,508    |
| Total Intangible Cost   |          | 2,475,500 |   | 305,000  |   | 3,459,000 |                             | 669,568 |   | 190,354  | 7,100,422 |
| Conductor Pipe  | DWEB.130 | 0         |   |          |   |           |                             |         |   |          | 0         |
| Water String  | DWEB.135 | 104,000   |   |          |   |           |                             |         |   |          | 104,000   |
| Surface Casing  | DWEB.140 | 251,000   |   |          |   |           |                             |         |   |          | 251,000   |
| Intermediate Casing 1   | DWEB.145 | 0         |   |          |   |           |                             |         |   |          | 0         |
| Production Casing or Liner  |          |           | DWEA.100  | 792.000  |   |           |                             |         | -   |          | 792.000   |
| Tubing  |          |           | Constantes.   |          | STIMT.105   | 139,000   |                             |         | PCOMT.105   | 0        | 139,000   |
| and the second se | DWEB.115 | 38,000    | DWEA 120  | 10 000   | a second s |           |                             |         | and the second states of  | 10,000   | 104,000   |
| Wellhead, Tree, Chokes  |          |           | DWEA.120  | 10,000   | STIMT.120   | 38,000    |                             |         | PCOMT.120   | 10,000   | 104,000   |
| Liner Hanger, Isolation Packer  | DWEB.100 | 0         | DWEA.125  | 0        | -   | 1100      |                             |         | 00011001100   |          | 0         |
| Packer, Nipples   |          |           |   |          | STIMT.400   | 28,000    |                             |         | PCOMT.400   | 0        | 28,000    |
| SHORT ORDERS  |          |           |   |          |   |           | CONT.380                    | 10,538  |   |          | 10,538    |
| PUMPS   |          |           |   |          |   |           | CONT.385                    | 30,804  |   |          | 30,804    |
| WALKOVERS   |          |           |   |          |   |           | CONT.390                    | 4,053   |   |          | 4,053     |
| Downhole Lift Equipment   |          |           |   |          | STIMT.410   | 80,000    |                             |         | PCOMT.410   | 0        | 80,000    |
| Surface Equipment   |          |           |   |          |   | 0.000     |                             |         | PCOMT.420   | 15,000   | 15,000    |
| Well Automation Materials   |          |           |   |          |   |           |                             |         | PCOMT.455   | 5,000    | 5,000     |
|   |          |           |   |          |   |           | CONT.400                    | 184,334 |   | 5,030    | 184,334   |
| N/C Lease Equipment   |          |           |   |          |   |           |                             |         |   |          |           |
| Tanks, Tanks Steps, Stairs  | 1        |           |   |          |   |           | CONT.405                    | 51,879  |   |          | 51,879    |
| Battery Equipment   |          |           |   |          |   |           | CONT.410                    | 214,003 |   |          | 214,003   |
| Secondary Containments  | -        |           |   |          |   |           | CONT.415                    | 19,292  |   |          | 19,292    |
| Overhead Power Distribution   |          |           |   |          |   |           | CONT.420                    | 64,038  |   |          | 64,038    |
| Facility Electrical   |          |           |   |          |   |           | CONT.425                    | 32,100  |   |          | 32,100    |
| Telecommunication Equipment   |          |           |   |          |   |           | CONT.426                    | 486     |   |          | 486       |
| Meters and Metering Equipment   |          |           |   |          |   |           | CONT.445                    | 45,232  |   |          | 45,232    |
| Facility Line Pipe  |          |           |   |          |   |           | CONT.450                    | 31,208  |   |          | 31,208    |
|   |          |           |   |          |   |           |                             |         |   |          | 32,424    |
| Lease Automation Materials  |          |           |   |          |   |           | CONT.455                    | 32,424  |   |          |           |
| FL/GL - Materials   |          |           |   |          |   |           | CONT.550                    | 21,400  |   |          | 21,400    |
| FL/GL - Line Pipe   |          |           |   |          |   |           | CONT.555                    | 48,637  |   |          | 48,637    |
| SWD/Other - Materials   |          |           |   |          |   |           | CONT.650                    | 0       |   |          | 0         |
| SWD/Other - Line Pipe   |          | -         |   |          |   |           | CONT.655                    | 0       |   |          | 0         |
| Total Tangibia Cast   |          | 393,000   |   | 810,000  |   | 305 000   | 1                           | 790,428 |   | 30,000   | 2,308,428 |
| Total Tangible Cost   |          | 333,000   |   | 810,000  |   | 285,000   |                             | 190,420 |   | 50,000   |           |

# Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 303H

| Description   |                      | BCF  | - Drilling                               | 1        | ACP - Drilling | 1  | Comp      | /sum  |                    |
|---|----------------------|--|--|----------|----------------|--|-----------|---|--------------------|
| Description   | Codes                |  | Amount                                   |          |                | Amount   |           |   | Amour              |
| Roads & Location  | DIDC.100             |  | 20,000                                   |          |                |  | STIM.100  | CON.100   | 3,00               |
| Damages   | DIDC.105             |  | 16,500                                   |          |                |  |           | (******   |                    |
| Mud/Fluids Disposal   | DIDC.255             |  | 200,000                                  |          |                | 1.00   | STIM.255  |   | 51,00              |
| Day Rate  | DIDC.115             | DICC.120   | 468,000                                  | DICC.120 |                | 96,000   |           |   |                    |
| Misc Preparation  | DIDC.120             |  | 30,000                                   |          |                |  |           |   |                    |
| Bits  | DIDC.125             | DICC.125   | 97,000                                   |          | STIM 125       | 0  | STIM.125  |   |                    |
| Fuel  |                      | DICC 130   | 119,000                                  |          | 51111.125      | 0  |           |   | 1.0                |
|   |                      |  |  |          | CT134 135      | 0  | STIM.135  |   | 20,00              |
| Water for Drilling Rig (Not Frac  | DIDC.140             | DICC.135   | 5,000                                    | DICC.155 | 511W.135       | U  | 31111.133 |   | 20,00              |
| Mud & Additives   | DIDC.145             |  | 300,000                                  |          |                |  |           |   |                    |
| SWD PIPED TO 3RD PARTY SWD  |                      | and the second sec   |  |          |                |  |           | and the second se |                    |
| Surface Rentals   | DIDC.150             | DICC.140   | 97,000                                   | DICC.140 | STIM.140       | 0  | STIM.140  | CON.140   | 137,00             |
| Downhole Rentals  | DIDC.155             |  | 131,000                                  |          |                |  | STIM.145  | 1   | 35,00              |
| Flowback Labor  |                      | And the second second  | 1  |          |                | 1  | STIM.141  |   |                    |
| Automation Labor  |                      |  |  |          |                |  |           |   |                    |
| Mud Logging   | DIDC.170             |  | 5,000                                    |          |                | -  |           |   |                    |
| IPC & EXTERNAL PAINTING   | Diberno              |  | 5,000                                    |          |                |  |           |   |                    |
|   | 0000100              | DICCASE  | 70,000                                   | DICC.155 |                | 140,000  |           |   |                    |
| Cementing & Float Equipment   | DIDC.185             |  | 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1    |          |                | and the second sec |           |   | 100                |
| Fubular Inspections   | DIDC.190             | DICC.160   | 38,000                                   |          | STIM 160       | 8,000  | STIM.160  |   | 4,00               |
| Casing Crews  | DIDC.195             | and the second se  |  | DICC.165 |                | 13,000   | STIM.165  |   |                    |
| Mechanical Labor  | DIDC.200             | DICC 170   | 20,000                                   | DICC.170 | STIM.170       | 3,000  | STIM.170  | CON.170   |                    |
| Trucking/Transportation   | DIDC.205             | DICC.175   | 30,000                                   | DICC.175 | STIM.175       | 8,000  | STIM.175  | CON.175   | 4,00               |
| Supervision   | DIDC.210             | DICC.180   | 81,000                                   | DICC.180 | STIM.180       | 13,000   | STIM.180  | CON.180   | 47,00              |
| Trailer House/Camp/Catering   | DIDC.280             |  |  | DICC.255 |                | 5,000  |           |   | 31,00              |
| Other Misc Expenses   | DIDC.220             | DICC.190   | 5,000                                    |          |                | 0  | STIM.190  | CON.190   | 85,00              |
| Overhead  | DIDC.225             | DICC.195   | 5,000                                    |          |                | 5,000  |           | C. ALT ALL A  |                    |
|   |                      | 0.00.100   | 1. |          |                | 3,000  |           |   |                    |
| MOB/DEMOB   | DIDC.240             |  | 115,000                                  |          |                | -  |           |   | 1                  |
| Directional Drilling Services   | DIDC.245             |  | 307,000                                  |          |                |  |           |   |                    |
| Solids Control  | DIDC.260             | in the second se | 46,000                                   |          |                |  |           |   | -                  |
| Well Control Equip (Snubbing  | DIDC.265             | DICC240  | 84,000                                   | DICC.240 | STIM.240       | 0  | STIM.240  |   | 64,00              |
| Completion Rig  |                      |  |  |          |                |  | STIM.115  |   | 21,00              |
| Coil Tubing Services  |                      |  |  |          |                |  | STIM.260  |   |                    |
| Completion  |                      |  |  |          |                |  | STIM.200  |   | 257,00             |
| Composite Plugs   |                      |  |  |          |                |  | STIM.390  |   | 39,00              |
| Stimulation   |                      |  |  |          |                |  | STIM.210  |   | 2,245,00           |
|   |                      |  | 1  |          |                |  | STIM.210  |   | 191,00             |
| Stimulation Water/Water   |                      |  | 1  |          |                |  |           |   |                    |
| Cimarex Owned Frac/Rental   | human                |  | NOTION.                                  |          |                |  | STIM.305  |   | 60,00              |
| Legal/Regulatory/Curative   | DIDC.300             |  | 10,000                                   |          |                | 1  |           | A Description of the second   |                    |
| Well Control Insurance  | DIDC.285             |  | 7,000                                    |          |                |  |           |   |                    |
| Major Construction Overhead   |                      |  | 1000                                     |          |                |  |           |   |                    |
| FL/GL - ON PAD LABOR  |                      |  |  |          |                |  |           |   |                    |
| FL/GL - Labor   |                      |  |  |          |                |  |           |   |                    |
| FL/GL - Supervision   |                      |  |  |          |                |  |           |   |                    |
| Survey  |                      |  |  |          |                |  |           |   |                    |
|   |                      |  |  |          |                | -  |           |   |                    |
| SWD/Other - Labor   |                      |  |  |          |                | -  |           |   |                    |
| SWD/Other - Supervision   |                      |  |  |          |                |  |           |   |                    |
| Aid In Construct/3rd Party Connect  |                      |  |  |          |                | - Long   |           |   | Contraction of the |
| Contingency   | DIDC.435             | DICC.220   | 118,000                                  | DICC.220 | STIM.220       | 15,000   | STIM 220  | CON.220   | 165,00             |
| Contingency   |                      |  |  |          |                |  |           |   |                    |
| Total Intangible Cos  |                      |  | 2,475,500                                |          |                | 306,000  |           |   | 3,459,00           |
| Conductor Pipe  | DWEB.130             |  | 0  |          |                |  |           |   |                    |
| Water String  | DWEB.135             |  | 104,000                                  |          |                |  |           |   |                    |
| Surface Casing  | DWEB.140             |  | 251,000                                  |          |                |  |           |   | -                  |
| and the second se | DWEB.140<br>DWEB.145 |  |  |          |                |  |           | 1   |                    |
| Intermediate Casing 1   | DWEB.145             |  | 0  |          |                |  |           |   |                    |
| Production Casing or Liner  |                      |  | 1  | DWEA.100 |                | 792,000  |           |   |                    |
| Tubing  |                      | in the second  |  |          |                |  | STIMT.105 |   | 139,00             |
| Wellhead, Tree, Chokes  |                      | DWEA.120   |  | DWEA.120 |                | 18,000   | STIMT.120 |   | 38,00              |
| Liner Hanger, Isolation Packer  | DWEB.100             | DWEA.125   | 0  | DWEA.125 |                | 0  |           |   |                    |
| Packer, Nipples   |                      |  |  |          |                | 1  | STIMT.400 |   | 28,00              |
| SHORT ORDERS  |                      |  |  |          |                |  |           |   |                    |
| PUMPS   |                      |  |  |          |                |  |           |   |                    |
| WALKOVERS   |                      |  |  |          |                |  |           |   |                    |
|   |                      |  |  |          |                |  | STIMT.410 |   | 80,00              |
| Downhole Lift Equipment   |                      |  |  |          |                |  | 31111.410 |   | 60,00              |
| Surface Equipment   |                      |  |  |          |                |  |           |   |                    |
| Well Automation Materials   |                      |  |  |          |                |  |           |   |                    |
| N/C Lease Equipment   |                      |  |  |          |                |  |           |   |                    |
| Tanks, Tanks Steps, Stairs  |                      |  | 1  |          |                |  |           | 1.00  |                    |
| Battery Equipment   |                      |  |  |          |                |  |           |   |                    |
| Secondary Containments  |                      |  |  |          |                |  |           |   |                    |
| Overhead Power Distribution   |                      |  |  |          |                |  |           |   |                    |
| Facility Electrical   |                      |  | -  |          |                |  |           |   |                    |
| A second back and recently  |                      |  |  |          |                |  |           |   |                    |
| Telecommunication Equipment   |                      |  |  |          |                |  |           |   |                    |
| Meters and Metering Equipment   |                      |  |  |          |                |  |           |   |                    |
| Facility Line Pipe  |                      |  |  |          |                |  |           |   |                    |
| Lease Automation Materials  |                      |  |  |          |                |  |           |   | 14                 |
| FL/GL - Materials   |                      |  |  |          |                |  |           |   |                    |
| FL/GL - Materials   |                      |  |  |          |                |  |           |   |                    |
|   |                      |  |  |          |                |  |           |   |                    |
| SWD/Other - Materials   |                      |  |  |          |                |  |           |   |                    |
| SWD/Other - Materials   |                      |  |  |          |                |  |           |   |                    |
| SWD/Other - Materials<br>SWD/Other - Line Pipe<br>Total Tangible Cost   |                      |  | 393,000                                  | -        |                | 810,000  | -         |   | 285,00             |

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 303H

| Description  |  | Production Equip  |            | Post Completion  | Francisco de la  | Total      |
|--|--|---|------------|--|--|------------|
| vescription  | Codes  | Amount  |            | Salar and Salar  | Amount   | Co         |
| Roads & Location   | CON.100  | 48,637  | PCOM.100   | Repair any roads post D&C  | 3,000  | 74,6       |
| Damages  | CON.105  | 15807   |            |  |  | 32,3       |
| Mud/Fluids Disposal  | a second and   |   | PCOM.255   |  | 0  | 251,0      |
| Day Rate   |  |   |            |  |  | 564,0      |
| Misc Preparation   |  |   |            |  |  | 30,0       |
| Bits   |  |   | PCOM.125   | -  | 0  | 97,0       |
| fuel   |  |   | PCOM.130   | -  | 0  | 119,0      |
|  |  |   | PCOM.135   |  | 0  | 25,0       |
| Water for Drilling Rig (Not Frac Water)  |  |   | PCOM, 155  | And the second sec |  | 300,0      |
| Mud & Additives  |  |   |            | Water for 60 days (270K barrels)   | 87,354   | 87.        |
| SWD PIPED TO 3RD PARTY SWD WELL  |  |   | PCOM.257   |  | 60,000   | 295,       |
| Surface Rentals  | CON.140  | 1,378   |            | Iron. XEC Own 5K. No 10K. \$1,100 per day  |  |            |
| Downhole Rentals   |  |   | PCOM.145   | a survey and the survey lost and   | 0  | 166,0      |
| lowback Labor  |  |   | PCOM.141   | 3 Flowback Hands (60 days) 25%   | 30,000   | 30,0       |
| Automation Labor   | CON.150  | 36,558  | PCOM.150   |  | 5,000  | 41,        |
| Mud Logging  |  |   |            | 2  |  | 5,         |
| PC & EXTERNAL PAINTING   | CON.165  | 18,888  |            |  |  | 18,        |
| Cementing & Float Equipment  |  |   |            |  | 1000   | 210,0      |
|  |  |   | PCOM.160   |  | 0  | 50,0       |
| Tubular Inspections  | and the second second second   | and the second se | r com.ros  |  |  | 28,        |
| Casing Crews   |  |   |            |  | 5,000  | 167,5      |
| Mechanical Labor   | CON.170  | 139,588   | PCOM.170   | RU Flowback Iron & Automation  |  |            |
| Trucking/Transportation  | CON.175  | 17,833  | PCOM.175   |  | 0  | 59,8       |
| Supervision  | CON.180  | 21,238  | PCOM.180   |  | 0  | 162,3      |
| Frailer House/Camp/Catering  | And the second second  |   |            |  |  | 72,0       |
| Other Misc Expenses  | CON.190  | 24,318  | PCOM.190   |  | 0  | 114,       |
| Overhead   |  |   |            |  |  | 10,        |
| MOB/DEMOB  |  |   |            |  |  | 115,       |
| Directional Drilling Services  |  |   |            |  |  | 307,       |
| and the second sec |  |   |            |  |  | 46,        |
| Solids Control   |  |   | DCOMPAG    |  | 0  | 148,       |
| Well Control Equip (Snubbing Services)   | 1  |   | PCOM.240   |  | 0  |            |
| Completion Rig   |  |   | PCOM.115   |  | 0  | 21,        |
| Coil Tubing Services   |  |   | PCOM.260   |  | 0  |            |
| Completion Logging/Perforating/Wireline  |  |   | PCOM.200   |  | 0  | 257,       |
| Composite Plugs  |  | and the second se | PCOM.390   |  | 0  | 39,        |
| Stimulation  |  |   | PCOM.210   |  | 0  | 2,245,0    |
| Stimulation Water/Water Transfer/Water   | and the second s |   |            |  |  | 191,0      |
| Cimarex Owned Frac/Rental Equipment  |  |   | PCOM.305   |  | 0  | 60,        |
| a server of the se | CON1200  |   | FCONLOOD   |  |  | 10,        |
| egal/Regulatory/Curative   | CON.300  | 0   |            |  |  |            |
| Well Control Insurance   | in the second  | the second s  |            |  |  | 7,         |
| Major Construction Overhead  | CON.305  | 26,507  |            |  |  | 26,        |
| L/GL - ON PAD LABOR  | CON.495  | 37,613  |            |  |  | 37,        |
| L/GL - Labor   | CON.500  | 94,842  |            |  |  | 94,1       |
| L/GL - Supervision   | CON.505  | 14,429  |            |  |  | 14,4       |
| Survey   | CON.515  | 2351  |            |  |  | 2,         |
| SWD/Other - Labor  | CON.600  | 0   |            |  |  |            |
| SWD/Other - Supervision  | CON.605  | 0   |            |  |  |            |
| and the second se  | CON.701  |   |            |  |  | 40,        |
| Aid In Construct/3rd Party Connect   | and the second states of the s | 40,531  |            |  |  |            |
| Contingency  | CON.220  | 105,542   |            |  |  | 403,       |
| Contingency  | CON.221  | 23.508  |            |  |  | 23,        |
| Total Intangible Cost  |  | 669.568   |            |  | 190,354  | 7,100,     |
| Conductor Pipe   |  |   |            |  |  |            |
| Water String   |  |   |            |  |  | 104,0      |
| Surface Casing   |  |   |            |  |  | 251,       |
| ntermediate Casing 1   |  |   |            |  |  |            |
| and the second   |  |   |            |  |  | 792,       |
| Production Casing or Liner   |  |   | PCOLIT INT |  | 0  | 139,       |
| Tubing   |  |   | PCOMT.105  | Deplace were chalter and a first data to   | and the second s |            |
| Wellhead, Tree, Chokes   |  |   | PCOMT.120  | Replace worn chokes and valves during FB   | 10,000   | 104,       |
| iner Hanger, Isolation Packer  |  |   |            |  |  |            |
| Packer, Nipples  |  |   | PCOMT,400  | -  | 0  | 28,        |
| SHORT ORDERS   | CONT.380   | 10,538  |            |  |  | 10,        |
| PUMPS  | CONT.385   | 30,804  |            |  |  | 30,        |
| WALKOVERS  | CONT.390   | 4,053   |            |  |  | 4.         |
| Downhole Lift Equipment  |  |   | PCOMT.410  |  | 0  | 80,        |
| Surface Equipment  |  |   | PCOMT.420  |  | 15,000   | 15         |
| Well Automation Materials  |  |   | PCOMT.420  |  | 5,000  | 5,         |
| A second second second second second second second   | CONT 400   | 101101  | FCOM1.455  | r is and replacing meters  | 5,000  | 184,       |
| N/C Lease Equipment  | CONT.400   | 184,334   |            |  |  |            |
| Tanks, Tanks Steps, Stairs   | CONT.405   | 51,879  |            |  |  | 51,        |
| Battery Equipment  | CONT.410   | 214,003   |            |  |  | 214,       |
| Secondary Containments   | CONT.415   | 19,292  |            |  |  | 19,        |
| Overhead Power Distribution  | CONT.420   | 64,038  |            |  |  | 64,        |
| Facility Electrical  | CONT.425   | 32,100  |            |  |  | 32.        |
| Telecommunication Equipment  | CONT.426   | 486   |            |  |  |            |
|  | CONT.445   | 45,232  |            |  |  | 45         |
| the second se  | CON1.445   |   |            |  |  | 31.        |
| Meters and Metering Equipment  | CONITATO   | 31,208  |            |  |  |            |
| Meters and Metering Equipment<br>Facility Line Pipe  | CONT.450   |   |            |  |  | 32,        |
| Meters and Metering Equipment<br>Facility Line Pipe<br>Lease Automation Materials  | CONT.455   | 32,424  |            |  | 1  |            |
| Meters and Metering Equipment<br>Facility Line Pipe  | the property of the second sec | 32,424<br>21,400  |            |  |  |            |
| Meters and Metering Equipment<br>Facility Line Pipe<br>Lease Automation Materials  | CONT.455   |   |            |  |  |            |
| Meters and Metering Equipment<br>Facility Line Pipe<br>Lease Automation Materials<br>FL/GL - Materials   | CONT.455<br>CONT.550   | 21,400  |            |  |  | 21,<br>48, |
| Meters and Metering Equipment<br>Facility Line Pipe<br>Lease Automation Materials<br>FL/GL - Materials<br>FL/GL - Line Pipe  | CONT.455<br>CONT.550<br>CONT.555   | 21,400 48,637   |            |  |  |            |

AFE # XXXXXXX

O COTERRA Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 304H

| Company Entity                      |   |  |                                 | Date Prepared<br>8/17/2022 |
|-------------------------------------|---|--|---------------------------------|----------------------------|
| Exploration Region<br>Permian Basin | Well Name<br>Mighty Pheasant 5-8 Fed Com 304H   | Prospect<br>New Mexico Bone Spring       | Property Numb<br>XXXXXX-XXX.01  | er AFE<br>XXXXXXXX         |
| County, State<br>Lea, NM            | Location<br>Section 5-8 T20S-R34E Lea, NM   |  | Estimated Spud                  | Estimated Completion       |
| X New<br>Supplement<br>Revision     | Formation<br>3rd Sand   | Wel Type<br>DEV                          | It! Measured Depth<br>20340     | Ttl Vetical Depth<br>10840 |
| Purpose Dri<br>Description          | ll and complete well  |  |                                 |                            |
|                                     | The intended surface hold location for the well in<br>100 FSL and 708 FEL of Section 8, T20S-R34E. Th<br>southerly direction within the formation to the r<br>approximately 10840 feet. | he well is proposed to be drilled vertic | cally to the 3rd Sand formation | and laterally in a         |

| Intangible            | Dry Hole    | After Casing Point | Completed Well Cost |
|-----------------------|-------------|--------------------|---------------------|
| Drilling Costs        | \$2,475,500 |                    | \$2,475,500         |
| Completion Costs      |             | \$4,624,922        | \$4,624,922         |
| Total Intangible Cost | \$2,475,500 | \$4,624,922        | \$7,100,422         |
| Tangible              | Dry Hole    | After Casing Point | Completed Well Cost |
| Well Equipment        | \$393,000   | \$1,125,000        | \$1,518,000         |
| Lease Equipment       |             | \$790,428          | \$790,428           |
| Total Tangible Cost   | \$393,000   | \$1,915,428        | \$2,308,428         |
| Total Well Cost       | \$2,868,500 | \$6,540,350        | \$9,408,850         |
| Total Well Cost       | \$2,868,500 | \$6,540,350        | \$9,-               |

Comments On Well Costs

1. All tubulars, well or lease equipment is priced by COPAS and CEPS guidelines using the Historic Price Multiplier.

### Well Control Insurance

Unless otherwise indicated below, you, as a non-operating working interest owner, agree to be covered by Operator 's well control insurance procured by Operator so long as Operator conducts operations hereunder and to pay your prorated share of the premiums therefore. If you elect to purchase your own well control insurance, you must provide a certificate of such insurance acceptable to Operator, as to form and limits, at the time this AFE is returned, if available, but in no event later than commencement of drilling operations. You agree that failure to provide the certificate of insurance, as provided herein, will result in your being covered by insurance procured by Operator.

### I elect to purchase my own well control insurance policy.

### Marketing Election

Cimarex sells its gas under arm's-length contracts with third party purchasers. Such contracts may include fees. In addition, penalties may be incurred for insufficient volumes delivered over time. Should you choose to market your share of gas with Cimarex, you will be subject to all of the terms of such contracts. Upon written request to Cimarex's Marketing Department, we will share with you the terms and conditions pursuant to which gas will be sold. Failure to make an election below shall be deemed an election to market your gas with Cimarex under the terms and conditions set forth above.

### I elect to take my gas in kind.

I elect to market my gas with Cimarex pursuant to the terms and conditions of its contract.

#### Comments on AFE

The above costs are estimates only and anticipate trouble free operations without any foreseeable change in plans. The actual costs may exceed the estimated costs without affecting the authorization for expenditure herein granted. By approval of this AFE, the working interest owner agrees to pay its proportionate share of actual legal, curative, regulatory and well costs under term of the joint operating agreement, regulatory order or other applicable agreement covering this well.

| Nonoperator Approval |  |   |            |
|----------------------|--|---|------------|
| Company              | Approved By (Print Name)   | Approved By (Signature)                                     | Date       |
|                      | Costs shown on this form are estimates only. By exec<br>Overhead will be charged in accordance with the Join | uting this AFE, the consenting party agrees to pay its prop | oortionate |

7/6/2022

# Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 304H

| Description   | BCP - Dr |           | ACP - D  |         |   | p/Stim    | Productio |                     | Post Comp      | and the second sec | Total        |
|---|----------|-----------|--|---------|---|-----------|-----------|---------------------|----------------|--|--------------|
| Description   | Codes    | Amount    | Codes  | Amount  | in the second | Amount    | Codes     | Amount              | Codes          | Amount   | Co           |
| Roads & Location  | DIDC.100 | 20,000    | ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )  |         | STIM.100  | 3,000     | CON.100   | 48,637              | PCOM.100       | 3,000  | 74,6         |
| Damages   | DIDC.105 | 16,500    |  |         |   |           | CON.105   | 15807               | 1              |  | 32,3         |
| Mud/Fluids Disposal   | DIDC.255 | 200,000   |  |         | STIM.255  | 51,000    |           |                     | PCOM.255       | 0  | 251,0        |
| Day Rate  | DIDC.115 | 468,000   | DICC.120   | 96,000  |   |           |           |                     |                |  | 564,0        |
| Misc Preparation  | DIDC.120 | 30,000    | 1000   |         | -   |           |           |                     |                |  | 30,0         |
| Bits  | DIDC.125 | 97,000    | DICC 125   | 0       | STIM.125  | o         |           |                     | PCOM.125       | 0  | 97.0         |
|   | DIDC.125 | 119,000   | DICC 130   | 0       | Sinneres  |           |           |                     | PCOM.130       | 0  | 119.0        |
| uel   |          |           | 100000000000000000000000000000000000000  | 0       | CTRA AND  | 20.000    |           |                     | PCOM.135       | 0  | 25,0         |
| Water for Drilling Rig (Not Frac Water)   | DIDC.140 | 5,000     | DICC.135   | 0       | STIM.135  | 20,000    |           |                     | PCOM. 135      | U  | 300.0        |
| Mud & Additives   | DIDC.145 | 300,000   |  |         |   |           |           |                     |                |  |              |
| SWD PIPED TO 3RD PARTY SWD WELL   |          |           | and the second se  |         |   |           | 10000     |                     | PCOM.257       | 87,354   | 87,3         |
| Surface Rentals   | DIDC,150 | 97,000    | DICC.140   | 0       | STIM.140  | 137,000   | CON.140   | 1,378               | PCOM.140       | 60,000   | 295,3        |
| Downhole Rentals  | DIDC.155 | 131,000   |  |         | STIM.145  | 35,000    |           |                     | PCOM.145       | 0  | 166,0        |
| lowback Labor   |          |           | 1000   |         | STIM.141  | 0         |           |                     | PCOM.141       | 30,000   | 30,0         |
| Automation Labor  |          |           |  |         |   |           | CON.150   | 36,558              | PCOM.150       | 5,000  | 41,          |
| Mud Logging   | DIDC.170 | 5,000     |  |         |   |           |           |                     |                |  | 5,0          |
| PC & EXTERNAL PAINTING  | DIDC.ITO | 3,000     |  |         |   |           | CON.165   | 18,888              |                |  | 18,8         |
|   | DIDC 105 | 70.000    | DICCARE  | 140.000 |   |           | CON.105   | 10,000              |                |  | 210,0        |
| Cementing & Float Equipment   | DIDC.185 | 70,000    | DICC 155   | 140,000 |   |           |           |                     |                |  |              |
| Fubular Inspections   | DIDC.190 | 38,000    | DICC.160   |         | STIM 160  | 4,000     |           |                     | PCOM.160       | 0  | 50,0         |
| Casing Crews  | DIDC.195 | 15,000    | DICC.165   | 13,000  | STIM.165  | 0         |           |                     |                |  | 28,0         |
| Mechanical Labor  | DIDC 200 | 20,000    | DICC.170   | 3,000   | STIM.170  | 0         | CON.170   | 139,588             | PCOM.170       | 5,000  | 167,5        |
| Trucking/Transportation   | DIDC.205 | 30,000    | DICC.175   | 8,000   | STIM.175  | 4,000     | CON.175   | 17,833              | PCOM.175       | 0  | 59,8         |
| Supervision   | DIDC.210 | 81,000    | DICC.180   | 13,000  |   | 47,000    | CON.180   | 21,238              | PCOM.180       | 0  | 162,3        |
|   |          |           | and the second sec |         |   |           | 00141100  | 21,230              |                |  | 72.0         |
| railer House/Camp/Catering  | DIDC.280 | 36,000    | DICC.255   | 5,000   | STIM.280  | 31,000    | -         |                     |                |  |              |
| Other Misc Expenses   | DIDC.220 | 5,000     | DICC.190   | 0       | STIM.190  | 85,000    | CON.190   | 24,318              | PCOM 190       | 0  | 114,         |
| Overhead  | DIDC.225 | 5,000     | DICC.195   | 5,000   |   |           |           |                     |                |  | 10,          |
| MOB/DEMOB   | DIDC.240 | 115,000   | 1.000  |         |   |           |           |                     |                |  | 115,0        |
| Directional Drilling Services   | DIDC.245 | 307,000   | 1000 B   |         |   |           |           |                     |                |  | 307,0        |
| Solids Control  | DIDC.260 | 46,000    |  |         |   |           |           |                     |                |  | 46,0         |
|   |          |           | DICC 240   | 0       | STIM 240  | 64.000    |           |                     | PCOM 240       | 0  | 148,0        |
| Well Control Equip (Snubbing Services)  | DIDC.265 | 84,000    | DICC.240   | 0       | STIM.240  | 64,000    |           |                     |                | 0  |              |
| Completion Rig  |          |           |  |         | STIM.115  | 21,000    |           |                     | PCOM.115       |  | 21.0         |
| Coil Tubing Services  |          |           |  |         | STIM.260  | 0         |           |                     | PCOM.260       | 0  |              |
| Completion Logging/Perforating/Wireline   |          |           |  |         | STIM.200  | 257,000   |           |                     | PCOM.200       | 0  | 257,0        |
| Composite Plugs   |          |           | 1  |         | STIM.390  | 39,000    |           |                     | PCOM.390       | 0  | 39.0         |
| Stimulation   |          |           |  |         | STIM.210  | 2,245,000 |           |                     | PCOM.210       | 0  | 2,245,0      |
|   |          |           |  |         | STIM.395  | 191,000   |           |                     | I COMLETO      |  | 191.0        |
| Stimulation Water/Water Transfer/Water  |          |           |  |         |   |           |           |                     |                |  |              |
| Cimarex Owned Frac/Rental Equipment   |          |           |  |         | STIM.305  | 60,000    |           |                     | PCOM.305       | 0  | 60,0         |
| Legal/Regulatory/Curative   | DIDC.300 | 10,000    |  |         |   |           | CON.300   | 0                   |                |  | 10,0         |
| Well Control Insurance  | DIDC.285 | 7,000     |  |         |   |           |           |                     |                |  | 7,0          |
| Major Construction Overhead   |          |           |  |         |   |           | CON.305   | 26,507              | -              | _  | 26,          |
| FL/GL - ON PAD LABOR  |          |           |  |         |   |           | CON.495   | 37,613              |                |  | 37.6         |
| FL/GL - Labor   |          |           |  |         |   |           | CON.500   | 94,842              |                |  | 94,8         |
|   |          |           |  |         |   |           |           |                     |                |  |              |
| FL/GL - Supervision   |          |           |  |         |   |           | CON.505   | 14,429              |                |  | 14,4         |
| Survey  |          |           |  |         |   |           | CON.515   | 2,351               |                |  | 2,3          |
| SWD/Other - Labor   |          |           |  |         |   |           | CON.600   | 0                   |                |  |              |
| SWD/Other - Supervision   |          |           |  |         |   |           | CON.605   | 0                   |                |  |              |
| Aid In Construct/3rd Party Connect  |          |           |  |         |   |           | CON.701   | 40,531              |                |  | 40,5         |
|   | DIDC.435 | 118,000   | DICC.220   | 15 000  | STIM.220  | 165,000   | CON.220   | 105,542             | PCOM.220       | 0  | 403,5        |
| Contingency   | DIDC.435 | 110,000   | DICC.220   | 15,000  | 511M.220  | 165,000   |           |                     | PCOM.220       | U  |              |
| Contingency   |          |           |  |         |   |           | CON.221   | 23,508              |                |  | 23,5         |
| Total Intangible Cost   |          | 2,475,500 |  | 306,000 |   | 3,459,000 |           | 669,568             |                | 190,354  | 7,100,-      |
| Conductor Pipe  | DWEB.130 | 0         |  |         |   |           |           |                     |                |  |              |
| Water String  | DWEB.135 | 104,000   |  |         |   |           |           |                     |                |  | 104,0        |
| Surface Casing  | DWEB.140 | 251,000   |  |         | 1   |           |           |                     |                |  | 251.0        |
|   | DWEB.145 | 231,000   |  |         |   |           |           |                     |                |  |              |
| Intermediate Casing 1   | DWED.145 | 0         | -  | 700.000 |   |           |           |                     |                |  | 202          |
| Production Casing or Liner  |          |           | DWEA.100   | 792,000 | Courses !!  |           |           |                     | 2020030        |  | 792.0        |
| Tubing  |          |           | 1.000  |         | STIMT.105   | 139,000   |           |                     | PCOMT.105      | 0  | 139,0        |
| Wellhead, Tree, Chokes  | DWEB.115 | 38,000    | DWEA.120   | 18,000  | STIMT.120   | 38,000    |           |                     | PCOMT,120      | 10,000   | 104,0        |
| Liner Hanger, Isolation Packer  | DWE8.100 | 0         | DWEA.125   | 0       |   |           |           |                     | 1000           |  |              |
| Packer, Nipples   |          |           |  |         | STIMT.400   | 28,000    |           |                     | PCOMT.400      | 0  | 28,0         |
| SHORT ORDERS  |          |           |  |         |   | 10,000    | CONT.380  | 10,538              |                |  | 10,5         |
|   |          |           |  |         |   |           |           |                     |                |  |              |
| PUMPS   |          |           |  |         |   |           | CONT.385  | 30,804              |                |  | 30,8         |
| WALKOVERS   |          |           |  |         |   |           | CONT.390  | 4,053               | and the second |  | 4,0          |
| Downhole Lift Equipment   |          |           |  |         | STIMT.410   | 80,000    |           |                     | PCOMT.410      | 0  | 80,0         |
| Surface Equipment   |          |           |  |         |   |           |           |                     | PCOMT.420      | 15,000   | 15,          |
| Well Automation Materials   |          |           |  |         |   |           |           |                     | PCOMT.455      | 5,000  | 5,           |
|   |          |           |  |         |   |           | CONT.400  | 184,334             |                |  | 184,         |
| N/C Lease Equipment   |          |           |  |         |   |           |           |                     |                |  |              |
| Tanks, Tanks Steps, Stairs  |          |           |  |         |   |           | CONT.405  | 51,879              |                |  | 51,          |
| Battery Equipment   |          |           |  |         |   |           | CONT.410  | 214,003             |                |  | 214,         |
| Secondary Containments  |          |           |  |         |   |           | CONT.415  | 19,292              |                | -  | 19,          |
| Overhead Power Distribution   |          |           |  |         |   |           | CONT.420  | 64,038              |                |  | 64,          |
| Facility Electrical   |          |           |  |         |   |           | CONT.425  | 32,100              |                |  | 32,          |
| the second se |          |           |  |         |   |           |           |                     |                |  |              |
| Telecommunication Equipment   |          |           |  |         |   |           | CONT.426  | 486                 |                |  |              |
| Meters and Metering Equipment   |          |           |  |         |   |           | CONT.445  | 45,232              |                |  | 45,          |
| Facility Line Pipe  |          |           |  |         |   |           | CONT.450  | 31,208              |                |  | 31,          |
| Lease Automation Materials  |          |           |  |         |   |           | CONT.455  | 32,424              |                |  | 32,          |
| L/GL - Materials  |          |           |  |         |   |           | CONT.550  | 21,400              |                |  | 21,          |
|   |          |           |  |         |   |           |           |                     |                |  | 48.          |
| FL/GL - Line Pipe   |          |           |  |         |   |           | CONT.555  | 48,637              |                |  | 48.          |
| SWD/Other - Materials   |          |           |  |         | 1   |           | CONT.650  | 0                   |                |  |              |
| SWD/Other - Line Pipe   |          |           |  |         |   |           | CONT.655  | 0                   |                |  |              |
|   |          | 393,000   |  | B10,000 |   | 285,000   |           | 790,428             |                | 30,000   | 2,308,       |
| Total Tangible Cost   |          | 525,000   |  | 010,000 |   | 205,000   |           | 1. ar sey "The ball |                | 30,000   | 84, 01 0 0 J |

# Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 304H

| Banch Stockhor         DDC100         CM3000         DMA00144         DMA00144         DMA00144         DMA00144         DMA00144         DMA00144         DMA00144         DMA00144         DMA00144         DMMA0144         DMMA01444         DMMA01444 <thdmma01444< th="">         DMMA01444         DM</thdmma01444<>  | Description  |            | B         | CP - Drilling  |           | ACP - Drilling  | 7-6  | Comp        | y sum  | 1         |
|--|--|------------|-----------|--|-----------|---|--|-------------|--|-----------|
| Dampe<br>Dampe<br>Morphale<br>by And<br>Activation<br>by And<br>Activation<br>by And<br>Activation<br>by And<br>Activation<br>by And<br>Activation<br>by And<br>Activation<br>by And<br>Activation<br>by And<br>by And<br>   | Jeschphon  |            |           |  | Codes     |   | Amount   |             | an in the  | Amour     |
| Jungfield         DOC:15         DOC:16         DOC:17         SIM:35         SIM:  | Roads & Location   | DIDC.100   |           | 20,000   |           |   |  | STIM.100    | CON.100  | 3,00      |
| Day Data         DOC 110         DCC 120         <   | Damages  | DIDC.105   |           | 16,500   |           |   |  |             |  |           |
| Barton         DDC 120<br>bit         DDC 120<br>DC 130<br>DC  | Aud/Fluids Disposal  | DIDC 255   |           | 200,000  |           |   |  | STIM.255    | and the second s | 51,00     |
| in or constrained and constrai   | Day Rate   | DIDC.115   | DICC 120  | 468,000  | DICC.120  |   | 96,000   |             |  |           |
| mart         DOULTS         DCC130         DCC130 <thdcc130< th=""> <thdcc130< th=""></thdcc130<></thdcc130<>   | Misc Preparation   | DIDC.120   |           | 30,000   |           |   |  |             |  |           |
| Number Sep Net Pare<br>Add Addiew         DOC.140         DEC.150         DEC.160         DEC.160 <thdec.160< th="">         DEC.160         <thde< td=""><td>and a state of the state of the</td><td>DIDC.125</td><td>DICC.125</td><td>97,000</td><td>DICC.125</td><td>STIM.125</td><td>0</td><td>STIM.125</td><td></td><td></td></thde<></thdec.160<> | and a state of the | DIDC.125   | DICC.125  | 97,000   | DICC.125  | STIM.125  | 0  | STIM.125    |  |           |
| Duck Lie         Duck Lie         Stop         Duck Lie         Stop         Duck Lie         Stop         Stop<   |  | DIDC.135   | DICC.130  | 119,000  | DICC.130  |   | 0  |             |  | -         |
| Add A AddiesDOC 149DOC 149PROP 10 BUR MAY 200STM 140COM 440TIUnder RendaDOC 157DOC 158STM 140STM 140STM 140COM 440TIStandard LaborDOC 157STM 150DOC 157STM 150STM 140STM 140STM 140Standard LaborDOC 158DOC 158STM 160STM 160STM 160STM 160STM 160Standard LaborDOC 158DOC 158DOC 158STM 160STM 160STM 160STM 160Standard LaborDOC 150DOC 158DOC 158DOC 158STM 160STM 160STM 160STM 160Standard LaborDOC 150DOC 158DOC 158DOC 158STM 160STM 160STM 160STM 160STM 160Standard LaborDOC 250DOC 158STM 100DOC 110DOC 150DOC 150STM 150STM 150STM 150STM 150Standard LaborDOC 250DOC 150DOC 150DOC 150DOC 150DOC 150STM 150STM 150STM 150STM 150STM 150STM 150STM 150STM 260DOC 150STM 260STM 260 <td></td> <td></td> <td></td> <td></td> <td></td> <td>STIM 135</td> <td>0</td> <td>STIM.135</td> <td></td> <td>20.00</td>  |  |            |           |  |           | STIM 135  | 0  | STIM.135    |  | 20.00     |
| NON PRED DIADO ANDY YOU<br>using Remain<br>Double for the property<br>bookd taker<br>to bookd taker<br>to  |  |            | Diceitas  |  | Dictarios | 51111.155   |  |             |  |           |
| unice sensity<br>boundes isouth 5DDC135DDC145STAL 49STAL 49STAL 40STAL  |  | DIDC. 143  |           | 500,000  |           |   | 1  |             |  |           |
| Damba Bundas         DOC.133         Partial Line         STM A45         STM A46  |  |            | DISCUL    | 07000  | -         | CT111110  | 0  | CT114.140   | CONTRO   | 137,00    |
| Ibaska Laker         Laker         Laker         Sinuka Laker         <  |  |            | DICC.140  |  | DICC.140  | STIM.140  | 0  |             | CON.140  | 1001010   |
| Namenalia labor<br>Ac Autogeng<br>CC 4 Marting<br>CC 4 Marting<br>DC 19 DC   | Downhole Rentals   | DIDC.155   |           | 131,000  |           | 10 A  |  |             |  | 35,00     |
| Add Logging         DDC.170         DDC.170         DDC.175         TADE         Part Add Logging   | lowback Labor  |            |           | 1.000  |           |   | 1  | STIM.141    |  |           |
| Cc 2000         DCC195         PACC195         PACC195 <td< td=""><td>Automation Labor</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>   | Automation Labor   |            |           |  |           |   |  |             |  |           |
| Cc. AVEX.MAX PANTING         DOL:19         DOL:19         DOL:19         DOL:19         DOL:19         DOL:19         STM.160         BLOOD         STM.160         BLOOD         STM.160         CDU         STM.160         CDU         STM.160         CDU         STM.160         CDU         STM.160         CDU         STM.160         CDU         CDU <td< td=""><td>Aud Logging</td><td>DIDC.170</td><td></td><td>5,000</td><td></td><td></td><td></td><td></td><td></td><td></td></td<>   | Aud Logging  | DIDC.170   |           | 5,000  |           |   |  |             |  |           |
| inenting APbat Equipment<br>build meterios         DDC180         DDC180         DCC163         TM100         Response<br>BML100         SML100  | PC & EXTERNAL PAINTING   |            |           |  |           |   |  |             |  |           |
| black regentions         DDC 190         DDC 190         DDC 190         DDC 190         DDC 100         STM. 160         STM. 170         STM. 160         STM. 160         STM. 160         STM. 170         STM. 160   |  | DIDC.185   | DICC155   | 70.000   | DICC.155  |   | 140,000  |             |  |           |
| aing Greed         DDC.195         DDC.165         DDC.165         DDC.205         DDC.206         DDC.205         DDC.206         DDC.207   |  |            |           |  |           | STIM 160  | and the second sec | STIM 160    |  | 4,00      |
| International back-ranker back-  |  |            |           |  |           |   | and the second se  |             |  |           |
| ndang/Tangonatalian<br>papersion<br>particle frage/Camp/Catering<br>mile Hous/Camp/Catering<br>mile Hous/Camp/Catering<br>DIC-230 DICC-130 DICC-255<br>BM.200 DICC-250 DICC-250<br>DICC-250 DICC-250 DI   | Carlos C. C. M. Della C.   |            |           |  |           |   |  |             | CON1170  |           |
| spension         DDC-210         DCC-100         #1000         DCC100         STM1100         STM120         CON 180         1           Stmler Hous/Carg/Carg/Carg/Carg/Carg/Sinter Soud         DCC220         DCC109         Soud         STM1100         S   |  |            |           |  |           |   | and the second second  |             |  |           |
| number body         DDC230         DDC225         S100.200   |  |            |           |  |           |   | a strategy and   |             |  | 4,00      |
| bite Max Sportes         DDC.200         DCC 190         SA00         DCC 190         STM 190         O         STM 190         COI 190         SA00           GOUGMONDS         DDC.200         DDC 200         115.00         DDC 200         5.000         5.000         DDC 200         GOUGMONDS         DDC 200         46.000         5.000         DDC 200         46.000         CC 190         STM 200   | the statement will be an even being the second se  |            |           |  |           | and the second | 0.0000   |             | CON.180  | 47,00     |
| benhead         DDC.223         DCC.195         5.000         PCC.195         5.000         PCC.195         5.000         PCC.195         F.000         F.000         F.000         PCC.195         F.000         F.0000         F.0000         F.0000         F.0000  | railer House/Camp/Catering   | DIDC.280   | DICC.255  | 36,000   |           | Control of the second   | 5,000  |             |  | 31,00     |
| DOUGNOM         DOC-200         Image: Source and Display in the source and decomposition in pine difference and Display in the source and decomposition in pine difference and decomposition decomposition in pine difference and decomposition in pine difference and decomposition decomposite decomposition decomposite dec  | Other Misc Expenses  | DIDC.220   | DICC.190  | 5,000  |           | STIM.190  | 0  | STIM.190    | CON.190  | 85,00     |
| ODOUGNOB         DDC.240         I1500         I500         Information         Information </td <td>Overhead</td> <td>DIDC.225</td> <td>DICC.195</td> <td>5,000</td> <td>DICC.195</td> <td>1.00</td> <td>5,000</td> <td></td> <td></td> <td></td>   | Overhead   | DIDC.225   | DICC.195  | 5,000  | DICC.195  | 1.00  | 5,000  |             |  |           |
| inclusion         DDC.245         970.00         460.00         510.260         460.00         510.260         6         510.260         6         510.260         6         510.260         6         510.260         6         510.260         6         510.260         6         510.260         6         510.260         22           anopote Physics         510.260         510.260         510.260         510.260         22         510.260         24         24         24         24         24         24         24         24         24         24         24         24         24         24         24         24         24   |  | DIDC.240   |           |  |           |   |  |             |  |           |
| aliak Garnal Garnal Markalisha Ma   |  |            |           |  |           |   | Contract of  |             |  |           |
| Val Control Equip Sinubing<br>Completion Big<br>Sinubics         DDC 245         DCC 240         B4.000         DCC 240         STM 240         0         STM 240         2           Completion Big<br>Sinubics         STM 240         STM 240         STM 240         2           Completion Big<br>Sinubics         STM 240         STM 240         2           VG Control Insurance         DDC 245         C/C 20         T1800         DCC 240         T10000         STM 220         CN200         1           VG - Labor         VG - Labor         STM 240         STM 240         STM 240         3         3           VG - StM 2408         DVE 8135         C/L 245<   | A REAL PROPERTY OF A REAL PROPERTY OF A REAL   |            |           |  |           |   |  |             |  |           |
| completion Fig         Completion         Completion         STM 115         Completion           completion         STM 200         STM 200         22           completion         STM 200         STM 200         22           simulation         STM 200         STM 200         22           simulation         DDC 300         STM 200         22           simulation         DDC 200         STM 200         STM 200         22           simulation         DDC 200         STM 200         STM 200         22           simulation Control (Refrequence)         DDC 200         Total Name 200         STM 200         24           Viol - NAPPA Lobre         Viol - Supervision         Viol  |  |            | DICC 340  | Charles and Charles and  | DICCOM    | STINADAD  |  | CTILLOUG    |  | 64,00     |
| iai Tuking Simices<br>Gampabia Phys<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>tamubian<br>t   | and the second   | DIDC.265   | DICC.240  | 84,000   | DICC.240  | 511M.240  | 0  |             |  | 100 C 100 |
| iompine Page<br>Intrustion Marce Mater<br>Intrustion Materials<br>Intrustion Materials<br>Internet Page<br>Intrustion Materials<br>Internet Page<br>Intrustion Materials<br>Internet Page<br>Internet Page<br>Intrustion Materials<br>Internet Page<br>Internet Page<br>Intern   |  |            |           |  |           |   |  |             |  | 21,00     |
| composite Pugs<br>timulation         STM.300         23           imulation         STM.300         22.0           imulation         STM.305         STM.305         22.0           imulation         DIDC.300         10000         STM.305         STM.305         10           Viel Control Insurance         DIDC.300         10000         STM.305         STM.305         10           Viel Control Insurance         DIDC.300         7,000         STM.200         STM.305         10           Viel Control Insurance         DIDC.305         PCC220         118.000         DICC220         STM.220         DIS.000         STM.220         002.00         11           Viel Control Viel Pary Connect         Control Insurance         2475.00         2475.00         360.00         0         34           Graduard Pary Connect         Control Insurance         DVER 130         0         2475.00         360.00         0         34           Graduard Pary Connect         DVER 135         104.000         2475.00         360.00         0         34           Graduard Pary Connect         DVER 130         DVER 130         0         2475.00         360.00         0         34           Graduard Pary Connect         DVER 130 <td>Coil Tubing Services</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td></td>  | Coil Tubing Services   |            |           |  |           |   | 1  |             |  |           |
| binulation         STM2.20         STM2.20         2.2           timulation Water Water         DDC.280         10.000         STM3.35         10           egal/Regulatory/Curatice         DDC.285         7.000         STM3.35         10           high Control Insurance         DDC.285         7.000         STM3.35         10           VIG NPAD.LAGR         NUCL-Supervision         STM2.20         STM3.20         STM3.20         10           VIG NPAD.LAGR         NUCL-Supervision         STM2.20         STM3.20         CON220         11           W07/Dhter - Supervision         DDC.435         DCC220         T18.000         DCC220         STM4.20         STM2.20         CON220         11           W07/Dhter - Supervision         DDC.435         DCC220         T18.000         DCC220         STM4.20         CON220         11           W07/Dhter - Supervision         DDC.435         DCC220         T18.000         DCC220         STM4.101         STM3.201         CON220         11           W100 Cher - Supervision         DVEE.135         DVEE.135         DVEE.130         DVEE.130         DVEE.130         STM1.101         STM1.102         STM1.102         STM1.102         STM1.101         STM1.102         STM1.102         <   | Completion   |            |           |  |           |   |  | STIM.200    |  | 257,00    |
| timulation Vater/Water<br>interes Conder GraneRental<br>ega/Negulatory/Curative<br>bill Control Innurance<br>pdp/Carbity/Curative<br>bill Control Innurance<br>pdp/Carbity/Curative<br>DIDC.285<br>VIG - Labor<br>W0/Other - M1/Other - Labor<br>W0/Other - M1/Other -  | Composite Plugs  |            |           |  |           |   | 1  | STIM.390    |  | 39,00     |
| inarez Osned Faz-Rental provide DDC.285<br>hajor Contruction Covenad<br>hajor Cov  | timulation   |            |           |  |           |   |  | STIM.210    |  | 2,245,00  |
| imare Convert FaceRenal or operation of the strand of t  | timulation Water/Water   |            |           |  |           |   | 1  | STIM.395    |  | 191,00    |
| PayNage Manage Construction Overhaad         DDC 285         Pay Mage Construction Overhaad         Pay Mage Construction Ov  |  |            |           |  |           |   | 1  |             |  | 60,00     |
| Weil Control Insurance         DDC 285         Part of Mathematical Supervision         Part of  |  | DIDC 300   |           | 10,000   |           |   |  |             |  |           |
| Age Construction Overhead<br>(JG ON PAD LABOR<br>(JG Supervision<br>uirry)         Simple Si  |  |            |           | and the second sec |           |   |  |             |  |           |
| Lind - UAGOR       Linds   |  | DIDC.285   |           | 7,000  |           |   |  |             |  |           |
| L/G Labor         L/G Supervision         L/G Superv   |  |            |           |  |           |   |  |             |  |           |
| Light - Supervision<br>wavey<br>W0/Chter - Labor<br>W0/Chter - Supervision<br>W0/Chter - Materials<br>W0/Chter - Materials<br>W0/Chter - Materials       DUC.230       II.8000       DUC.230       STIM220       STIM220       STIM220       36.000       34.4         Conductor Pipe<br>W18135       DUE8.135       O       O       STIM220       36.000       VER.100       34.4         Conductor Pipe<br>W18143       DWE8.145       DWEA.120       38.000       DWEA.120       STIM7.100  |  |            |           |  |           |   | 1  |             |  |           |
| unreg       WD/Other - Labor       WD/Other - Labor       WD/Other - Supervision       Image: Supervision <td>L/GL - Labor</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1</td> <td></td> <td></td> <td></td>  | L/GL - Labor   |            |           |  |           |   | 1  |             |  |           |
| W0/Other-sboer<br>W0/Other-Sopervision<br>W0/Other-Sopervision<br>W0/Other-Sopervision<br>W0/Other-Sopervision<br>Ubl CA35CC220Isoo<br>PCC220STM210STM200STM220STM210STM200STM210STM200  | L/GL - Supervision   |            |           |  |           |   |  |             |  |           |
| WD//Other - Supervision<br>did in Construct/3rd Party Connect<br>Iontingency.DICA35DICC220118.00DICC220STIM 220STIM 220STIM 220CON22011Total Intangible Cor.2.475500COO3.403.4Conductor PipeDWEB 130C2.475500COO3.4Conductor PipeDWEB 130C2.475500COO3.4Conductor PipeDWEB 135ODUC2.475500COO3.4Conductor PipeDWEB 135DWEB 140DDWEB 140DWEA 120DWEA 120TIMOTIMOTIMODVariance Casing of LinerUPDWEA 12038.000DWEA 120TIMDUCSTIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.20 <t< td=""><td>urvey</td><td></td><td></td><td></td><td></td><td></td><td>1</td><td></td><td></td><td></td></t<>  | urvey  |            |           |  |           |   | 1  |             |  |           |
| WD//Other - Supervision<br>did in Construct/3rd Party Connect<br>Iontingency.DICA35DICC220118.00DICC220STIM 220STIM 220STIM 220CON22011Total Intangible Cor.2.475500COO3.403.4Conductor PipeDWEB 130C2.475500COO3.4Conductor PipeDWEB 130C2.475500COO3.4Conductor PipeDWEB 135ODUC2.475500COO3.4Conductor PipeDWEB 135DWEB 140DDWEB 140DWEA 120DWEA 120TIMOTIMOTIMODVariance Casing of LinerUPDWEA 12038.000DWEA 120TIMDUCSTIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.100STIMT.20 <t< td=""><td>WD/Other - Labor</td><td></td><td></td><td></td><td></td><td></td><td>1</td><td></td><td></td><td></td></t<>   | WD/Other - Labor   |            |           |  |           |   | 1  |             |  |           |
| Naid no Construct/3rd Party Connect     DDCA39     DCC220     118.000     DCC220     STIM220     STIM220 </td <td></td>  |  |            |           |  |           |   |  |             |  |           |
| Dott 35         DICC 220         118.000         DICC 220         STIM 220         STIM 220         CN220         114           Contingency         Total Intangble Cos         2.475.50         0         306.000         34           Conductor Pipe         DWEB.130         0         0         306.000         346         306.000         346           Variance Casing         DWEB.135         104.00         2250.00         792.000         5111.105         5111.105         111           Variance Casing or Liner         DWEB.145         DWEA.120         380.00         DWEA.120         SIMT.100         180.000         STIMT.105         111           Vellhead.Tree. Chokes         DWEB.115         DWEA.120         380.00         DWEA.120         SIMT.120         180.00         STIMT.105         111           Variance Equipment         DWEB.100         DWEA.125         DWEA.120         SIMT.120         180.00         STIMT.400         200.00 </td <td></td> <td></td> <td></td> <td>1/2</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>   |  |            |           | 1/2  |           |   |  |             |  |           |
| Contingency         Contingency <thcontingency< th=""> <thcontingency< th=""></thcontingency<></thcontingency<>  | the second  |            | 0100 000  | 110.000  | DICC 222  | CT-11 1 2 2 2   | 15.000   | CTU 1 220   | CO11222  | 100.00    |
| Total Intangble Cos         Q2475.50         306,000         306,000         34,           Conductor Pipe         WEB.130            |  | DIDC.435   | DICC220   | 118,000  | DICC.220  | STIM.220  | 15,000   | S11M.220    | CON.220  | 165,00    |
| Donductor Pipe         DWEB.130         0           Vater String         DWEB.135         104,000  |  |            |           | _  |           |   |  |             |  |           |
| Nater String       DWEB.135       104,000         urface Casing       DWEB.140       251,000         roduction Casing or Liner       DWEB.145       0         ubing       DWEB.145       DWEA.120         reduction Casing or Liner       DWEB.145       DWEA.120         ubing       STIMT.105       STIMT.105         iner Hanger, Isolation Packer       DWEA.120       38,000       DWEA.125       STIMT.120       18,000       STIMT.400       38,000         acker, Nipples       DWEA.125       DWEA.125       DWEA.125       STIMT.400       38,000       STIMT.400       STIMT.400       STIMT.400       38,000       STIMT.400       STIMT.400       STIMT.400       STIMT.400       STIMT.400       STIMT.400       STIMT.400  |  |            |           |  |           |   | 306,000  |             |  | 3,459,00  |
| unface Casing       DWEB.140       251,000       Totution Casing or Liner       DWEB.145       DWEA.100       TOUD       TOUD       STIMT.105       TOUD         roduction Casing or Liner       Ubing       STIMT.105       STIMT.105       TOUD   | Conductor Pipe   | DWEB.130   |           | 0  |           |   |  |             |  |           |
| ntermediate Casing 1 DWEB.145 0 0 0 792,000 1 10 10 11 10 10 10 10 11 10 10 10 1   | Vater String   | DWEB.135   |           | 104,000  |           |   |  |             |  |           |
| hroduction Casing or Liner<br>ubing<br>Wellhead, Tree, Chokes<br>Iner Hanger, Isolation Packer<br>DWEB.115 DWEA.120<br>JWEB.100 DWEA.125<br>DWEB.100 DWEA.125<br>0 D   | urface Casing  | DWEB.140   |           | 251,000  |           |   |  |             |  |           |
| hroduction Casing or Liner<br>ubing<br>Wellhead, Tree, Chokes<br>Iner Hanger, Isolation Packer<br>DWEB.115 DWEA.120<br>JWEB.100 DWEA.125<br>DWEB.100 DWEA.125<br>0 D   | ntermediate Casing 1   | DWEB.145   |           | 0  |           |   |  |             |  |           |
| ubing       STIMT.105  | A STATE OF A  |            |           |  | DWEA.100  |   | 792.000  |             |  |           |
| Wellhead, Tree, Chokes       DWEB.115       DWEB.120       38.000       DWEA.120       STIMT.120       18.000       STIMT.120       38.000       DWEA.125       0         lacker, Nipples       DWEB.100       DWEA.125       D       DWEA.125       0       STIMT.400       2         HORT ORDERS       UMPS       STIMT.400       STIMT.400       STIMT.400       2         VALKOVERS       VALKOVERS       STIMT.410       STIMT.410       STIMT.410       STIMT.410         Valkace Equipment       STIMT.410       STIMT.410       STIMT.410       STIMT.410       STIMT.410         vell Automatinals       V/C Lease Equipment       STIMT.410  |  |            |           |  |           |   |  | STIMT 105   |  | 139,00    |
| iner Hanger, Isolation Packer DWEB.100 DWEA.125  | and the second se  | DWER 115   | DWFA 120  | 38.000   | DWFA 120  | STIMT 120   | 18 000   |             |  | 38,00     |
| lacker, Nipples STIMT.400 2<br>HORT ORDERS<br>UMPS<br>VALKOVERS<br>Jownhole Lift guipment<br>warkee Equipment<br>Vell Automation Materials<br>V/C Less Equipment<br>Vell Automation Materials<br>V/C Less Equipment<br>aks, Tanks Steps, Stairs<br>attery Equipment<br>iecondary Containments<br>Verhead Power Distribution<br>acility Electrical<br>iecondary Containments<br>Verhead Power Distribution<br>acility Electrical<br>iecondary Containments<br>Verhead Power Distribution<br>acility Electrical<br>iecondary Containments<br>Verhead Power Distribution<br>acility Electrical<br>iecondary Containments<br>Verhead Power Distribution<br>acility Line Pipe<br>ease Automation Materials<br>L/GL - Materials<br>U/GL - Materials<br>WD/Other - Materials<br>WD/Other - Materials  |  |            |           |  |           |   | 100 1.14   | 511911120   |  | 50,00     |
| HORT ORDERS<br>UMPS<br>VALKOVERS<br>Now hole Lift Equipment<br>Valk Quers and Materials<br>V/C Lease Equipment<br>Vell Automation Materials<br>V/C Lease Equipment<br>Vell Automation Materials<br>V/C Lease Equipment<br>leacondary Containments<br>Nerehead Power Distribution<br>acality Electrical<br>leacondary Containments<br>Nerehead Power Distribution<br>acality Electrical<br>leacondary Containments<br>Nerehead Power Distribution<br>acality Electrical<br>leacondary Containments<br>Nerehead Power Distribution<br>acality Electrical<br>leacondary Containments<br>Nerehead Power Distribution<br>acality Line Pipe<br>ease Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Materials<br>WD/Other - Materials   | the second se  | DAVED. 100 | DATER 123 | 0  | UWEA 125  |   | 0  | CTIL 17 100 |  | 20.00     |
| PUMPS   WALKOVERS   Downhole Lift Equipment   Walk Automation Materials   V/C Lease Equipment   V/C Lease  |  |            |           |  |           |   |  | 511M1.400   |  | 28,00     |
| VALKOVERS Jownhole Lift Equipment Jownhole Lift Equipment Urface Equipment Urface Equipment Urface Equipment STIMT.410 STIMT.4   |  |            |           |  |           |   |  |             |  |           |
| bownhole Lift Equipment<br>urface Equipment<br>Vell Automation Materials<br>V/C Lease Equipment<br>anks, Tanks Steps, Stairs<br>attery Equipment<br>active Status<br>tatery Equipment<br>active Status<br>Status<br>Sterhaad Power Distribution<br>active Status<br>Sterhaad Power Distribution<br>active Sterhaad Power Distribution<br>active St   |  |            |           |  |           |   |  |             |  |           |
| urface Equipment   Vell Automation Materials   V/C Less Equipment   anks, Tanks Steps, Stairs   attery Equipment   iecondary Containments   Sverhead Power Distribution   acility Electrical   iecondary Containments   Verhead Power Distribution   acility Electrical   iecondary Containments   Verhead Power Distribution   acility Electrical   iecondary Containments   Verhead Power Distribution   acility Electrical   iecondary Contain Equipment   Aeters and Metering Equipment   actions Equipment   V/C - Materials   U/G - Materials   WD/Other - Materials   WD/Other - Line Pipe  |  |            |           |  |           |   |  |             |  |           |
| Vell Automation Materials V/C Lease Equipment anks, Staps, Stairs lattery Equipment econdary Containments Verhead Power Distribution acility Electrical elecommunication Equipment deters and Metering Equipment acility Line Pipe ease Automation Materials L/GL - Materials WD/Other - Materials WD/Other - Materials WD/Other - Iune Pipe   | Downhole Lift Equipment  |            |           |  |           |   |  | STIMT.410   |  | 80,00     |
| Vell Automation Materials V/C Lease Equipment anks, Tanks Steps, Stairs attery Equipment econdary Containments Verhead Power Distribution acility Electrical elecommunication Equipment deters and Metering Equipment acility Line Pipe ease Automation Materials V/G - Materials V/G - Materials WD/Other - Materials WD/Other - Materials WD/Other - Ine Pipe  | urface Equipment   |            |           |  |           |   |  |             |  |           |
| V/C Lease Equipment     anks Steps, Stairs       anks Tanks Steps, Stairs     attery Equipment       econdary Containments     attery Equipment       ocondary Containments     attery Equipment       acility Electrical     attery Equipment       elecommunication Equipment     attery Equipment       acility Electrical     attery Equipment       elecommunication Equipment     attery Equipment       acility Electrical     attery Equipment       acility Line Pipe     attery Equipment       ease Automation Materials     attery Equipment       L/GL - Materials     attery Equipment       WD/Other - Materials     attery Equipment       WD/Other - Ine Pipe     attery Equipment  |  |            |           |  |           |   |  |             |  |           |
| anks, Tanks Steps, Stairs attery Equipment econdary Containments verhead Power Distribution acility Electrical elecommunication Equipment Aters and Metering Equipment acility Line Pipe ease Automation Materials L/GL - Materials L/GL - Materials WD/Other - Materials WD/Other - Line Pipe   |  |            |           |  |           | and the second se   |  |             |  |           |
| attery Equipment<br>econdary Containments<br>verhead Power Distribution<br>aclity Electrical<br>elecommunication Equipment<br>teters and Metering Equipment<br>aclity Line Pipe<br>ease Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Materials   | the broad of an intervent of the subset for solid  |            |           |  |           |   |  |             |  |           |
| econdary Containments<br>Veerhead Power Distribution<br>acliity Electrical<br>elecommunication Equipment<br>deters and Metering Equipment<br>acliity Line Pipe<br>acase Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Materials   |  |            |           |  |           |   |  |             |  |           |
| Averhead Power Distribution     aclify Electrical       aclify Electrical     aclify Electrical       elecommunication Equipment     aclify Electrical       deters and Metering Equipment     aclify Line Pipe       ease Automation Materials     aclify Line Pipe       case Automation Materials     aclify Line Pipe       U/GL - Materials     aclify Line Pipe       WD/Other - Materials     aclify Line Pipe  |  |            |           |  |           |   |  |             |  |           |
| aclity Electrical elecommunication Equipment teters and Metering Equipment aclity Line Pipe ease Automation Materials L/GL - Materials L/GL - Materials WD/Other - Materials WD/Other - Line Pipe  | Charles (end) that a short strength and  |            |           |  |           |   |  |             |  |           |
| elecommunication Equipment<br>Aters and Metering Equipment<br>acility Line Pipe<br>ease Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Line Pipe   |  |            |           |  |           |   |  |             |  |           |
| teters and Metering Equipment<br>acility Line Pipe<br>ease Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Line Pipe  |  |            |           |  |           |   |  |             |  |           |
| acility Line Pipe<br>ease Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Line Pipe   | elecommunication Equipment   |            |           |  |           |   |  |             |  |           |
| acility Line Pipe<br>ease Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Line Pipe   |  |            |           |  |           |   |  |             |  |           |
| ease Automation Materials<br>L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Line Pipe  | and the second   |            |           |  |           |   |  |             |  |           |
| L/GL - Materials<br>L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Line Pipe   |  |            |           | -  |           |   |  |             |  |           |
| L/GL - Materials<br>WD/Other - Materials<br>WD/Other - Line Pipe   |  |            |           |  |           |   |  |             | 1  | 1         |
| WD/Other - Materials WD/Other - Line Pipe  |  |            |           |  |           |   |  |             |  |           |
| WD/Other - Line Pipe   |  |            |           |  |           |   |  |             |  |           |
|  |  |            |           |  |           |   |  |             |  |           |
| Total Tangible Cost 393,000 810.000 22   |  |            |           |  |           |   |  |             |  |           |
|  | Total Tangible Cost  |            |           | 393,000  |           |   | 810,000  |             |  | 285,00    |

## Authorization For Expenditure - Mighty Pheasant 5-8 Fed Com 304H

| Description   | Production Equip   |  |           | Post Completion  |         | Total   |
|---|--|--|-----------|--|---------|---------|
| Description   | Codes  | Amount   | Codes     |  | Amount  | Co      |
| Roads & Location  | CON.100  | 48,637   | PCOM.100  | Repair any roads post D&C  | 3,000   | 74,6    |
| Damages   | CON.105  | 15807  |           |  |         | 32,3    |
| Mud/Fluids Disposal   |  |  | PCOM.255  |  | 0       | 251,0   |
| Day Rate  |  |  |           |  |         | 564,0   |
| Misc Preparation  |  |  |           |  |         | 30,0    |
| Bits  |  |  | PCOM 125  |  | 0       | 97,0    |
| Fuel  |  |  | PCOM.130  |  | 0       | 119,0   |
|   |  |  |           |  | 0       | 25,0    |
| Water for Drilling Rig (Not Frac Water)   |  | and the second s | PCOM.135  | in the second seco   | U       |         |
| Mud & Additives   |  |  |           | and the second se  |         | 300,0   |
| SWD PIPED TO 3RD PARTY SWD WELL   |  |  | PCOM.257  | Water for 60 days (270K barrels)   | 87,354  | 87,3    |
| Surface Rentals   | CON.140  | 1,378  | PCOM.140  | Iron. XEC Own 5K. No 10K. \$1,100 per day  | 60,000  | 295,3   |
| Downhole Rentals  |  |  | PCOM.145  |  | 0       | 166,0   |
| Flowback Labor  |  | and the second   | PCOM.141  | 3 Flowback Hands (60 days). 25%  | 30,000  | 30,0    |
| Automation Labor  | CON.150  | 36,558   | PCOM.150  |  | 5,000   | 41,5    |
| Mud Logging   | A DOM OF A   |  |           |  |         | 5,0     |
| IPC & EXTERNAL PAINTING   | CON.165  | 18,888   |           |  |         | 18,8    |
| Cementing & Float Equipment   |  |  |           | 1 contract of the second se  |         | 210,0   |
| and the second se |  |  | PCOM.160  |  | 0       | 50,0    |
| Tubular Inspections   |  |  | PLOM. TOU |  | 0       |         |
| Casing Crews  | Concert Sectors in the sector of the sector  |  |           | which we want the fact of the state of the s |         | 28,0    |
| Mechanical Labor  | CON.170  | 139,588  | PCOM.170  | RU Flowback Iron & Automation  | 5,000   | 167,5   |
| Trucking/Transportation   | CON.175  | 17,833   | PCOM.175  |  | 0       | 59,8    |
| Supervision   | CON.180  | 21,238   | PCOM.180  |  | 0       | 162,2   |
| Trailer House/Camp/Catering   |  |  |           |  |         | 72,0    |
| Other Misc Expenses   | CON.190  | 24,318   | PCOM.190  |  | 0       | 114,3   |
| Overhead  | and the second s |  |           | 1  |         | 10,0    |
| MOB/DEMOB   |  |  |           |  |         | 115,0   |
| Directional Drilling Services   |  |  |           |  |         | 307,0   |
| a da su de la su de l   |  |  |           |  | 1       | 46,0    |
| Solids Control  |  |  | DECHINA   |  | 0       | 148,0   |
| Well Control Equip (Snubbing Services)  |  |  | PCOM.240  |  | 0       |         |
| Completion Rig  |  |  | PCOM.115  |  | 0       | 21,0    |
| Coil Tubing Services  |  |  | PCOM.260  |  | 0       |         |
| Completion Logging/Perforating/Wireline   |  |  | PCOM.200  |  | 0       | 257,0   |
| Composite Plugs   | and the second se  |  | PCOM.390  |  | 0       | 39,0    |
| Stimulation   |  |  | PCOM.210  |  | 0       | 2,245,0 |
| Stimulation Water/Water Transfer/Water  | in the second  |  |           |  |         | 191,0   |
|   |  |  | PCOM.305  |  | 0       | 60,0    |
| Cimarex Owned Frac/Rental Equipment   | CON 200  |  | PCOM.303  |  | U       | 10,0    |
| Legal/Regulatory/Curative   | CON.300  | 0  |           |  |         |         |
| Well Control Insurance  | and the second se  |  |           |  |         | 7,0     |
| Major Construction Overhead   | CON.305  | 26,507   |           |  |         | 26,50   |
| FL/GL - ON PAD LABOR  | CON.495  | 37,613   |           |  |         | 37,6    |
| FL/GL - Labor   | CON.500  | 94,842   |           |  |         | 94,8    |
| FL/GL - Supervision   | CON.505  | 14,429   |           |  | 1       | 14,43   |
| Survey  | CON.515  | 2351   |           |  |         | 2,3     |
| SWD/Other - Labor   | CON.600  | 0  |           |  |         |         |
|   | CON.605  | 0  |           |  |         |         |
| SWD/Other - Supervision   | CPACE CONST.   |  |           |  |         | 40,5    |
| Aid In Construct/3rd Party Connect  | CON.701  | 40,531   |           |  |         |         |
| Contingency   | CON.220  | 105,542  |           |  | 1       | 403,5   |
| Contingency   | CON.221  | 23,508   |           |  |         | 23,50   |
| Total Intangible Cost   |  | 669,568  |           |  | 190,354 | 7,100,4 |
| Conductor Pipe  |  |  |           |  |         |         |
| Water String  |  |  |           |  |         | 104,00  |
| Surface Casing  |  |  |           |  |         | 251,0   |
| Intermediate Casing 1   |  |  |           |  |         | 22.10   |
|   |  |  |           |  |         | 7020    |
| Production Casing or Liner  |  |  |           |  |         | 792,0   |
| Tubing  |  |  | PCOMT.105 | and the second se  | 0       | 139,0   |
| Wellhead, Tree, Chokes  |  |  | PCOMT.120 | Replace worn chokes and valves during FB   | 10,000  | 104,0   |
| Liner Hanger, Isolation Packer  |  |  |           |  |         |         |
| Packer, Nipples   | No. of Concession, Name  | 30.2   | PCOMT.400 |  | 0       | 28,0    |
| SHORT ORDERS  | CONT.380   | 10,538   |           |  |         | 10,5    |
| PUMPS   | CONT.385   | 30,804   |           |  |         | 30,8    |
| WALKOVERS   | CONT.390   | 4,053  |           |  |         | 4,0     |
| Downhole Lift Equipment   |  |  | PCOMT.410 | the second se  | 0       | 80,0    |
| Surface Equipment   |  |  | PCOMT.410 | Replacing Chokes, Stuffing Boxes, and all  | 15,000  | 15,0    |
|   |  |  |           | and the second se  | 5,000   | 5,0     |
| Well Automation Materials   | CONT 100   |  | PCOMT.455 | PTs, and replacing meters  | 5,000   |         |
| N/C Lease Equipment   | CONT.400   | 184,334  |           |  |         | 184,3   |
| Tanks, Tanks Steps, Stairs  | CONT.405   | 51,879   |           |  |         | 51,8    |
| Battery Equipment   | CONT.410   | 214,003  |           |  |         | 214,0   |
| Secondary Containments  | CONT.415   | 19,292   |           |  |         | 19,2    |
| Overhead Power Distribution   | CONT.420   | 64,038   |           |  |         | 64,0    |
| Facility Electrical   | CONT.425   | 32,100   |           |  |         | 32,1    |
| Telecommunication Equipment   | CONT.426   | 486  |           |  |         | 4       |
| Meters and Metering Equipment   | CONT.445   | 45,232   |           |  |         | 45,2    |
|   |  | 100 Constant   |           | -  |         | 31,2    |
| Facility Line Pipe  | CONT.450   | 31,208   |           |  |         |         |
| Lease Automation Materials  | CONT.455   | 32,424   |           |  |         | 32,4    |
| FL/GL - Materials   | CONT.550   | 21,400   |           |  |         | 21,4    |
| FL/GL - Line Pipe   | CONT.555   | 48,637   |           |  |         | 48,6    |
| SWD/Other - Materials   | CONT.650   | 0  |           |  |         |         |
| SWD/Other - Line Pipe   | CONT.655   | 0  |           |  | 1.2.2.1 |         |
|   |  |  |           |  | 30,000  | 2,308,4 |
| Total Tangible Cost   |  | 790,428  |           |  | 30.000  |         |

# A.A.P.L. FORM 610 - 1989

# **MODEL FORM OPERATING AGREEMENT**

OPERATING AGREEMENT

DATED

August 15 , 2022 ,

OPERATOR **Cimarex Energy Co.** 

CONTRACT AREA All Section 5 and Section 8, Township 20 South, Range 34 East

COUNTY OR PARISH OF Lea , STATE OF New Mexico

# **MIGHTY PHEASANT 5-8 FED COM WELLS**

COPYRIGHT1989ALLRIGHTSRESERVEDAMERICANASSOCIATIONOFPETROLEUMLANDMEN,4100FOSSILCREEKBLVD.FORT WORTH,TEXAS,76137,APPROVED FORM.

A.A.P.L. NO. 610 – 1989

COPAS 2005 Accounting Procedure Recommended by COPAS, Inc.

- human resources
- management
- supervision not directly charged under Section II.2 (Labor)
- legal services not directly chargeable under Section II.9 (Legal Expense)
- taxation, other than those costs identified as directly chargeable under Section II.10 (Taxes and Permits)
- preparation and monitoring of permits and certifications; preparing regulatory reports; appearances before or meetings with governmental agencies or other authorities having jurisdiction over the Joint Property, other than On-site inspections; reviewing, interpreting, or submitting comments on or lobbying with respect to Laws or proposed Laws.

Overhead charges shall include the salaries or wages plus applicable payroll burdens, benefits, and Personal Expenses of personnel performing overhead functions, as well as office and other related expenses of overhead functions.

### 1. OVERHEAD—DRILLING AND PRODUCING OPERATIONS

As compensation for costs incurred but not chargeable under Section II (*Direct Charges*) and not covered by other provisions of this Section III, the Operator shall charge on either:

- (Alternative 1) Fixed Rate Basis, Section III.1.B.
- (Alternative 2) Percentage Basis, Section III.1.C.
- A. TECHNICAL SERVICES
  - (i) Except as otherwise provided in Section II.13 (Ecological Environmental, and Safety) and Section III.2 (Overhead Major Construction and Catastrophe), or by approval of the Parties pursuant to Section I.6.A (General Matters), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for On-site Technical Services, including third party Technical Services:
    - ☑ (Alternative 1 Direct) shall be charged <u>direct</u> to the Joint Account.
    - (Alternative 2 Overhead) shall be covered by the <u>overhead</u> rates.
  - (ii) Except as otherwise provided in Section II.13 (Ecological, Environmental, and Safety) and Section III.2 (Overhead Major Construction and Catastrophe), or by approval of the Parties pursuant to Section I.6.A (General Matters), the salaries, wages, related payroll burdens and benefits, and Personal Expenses for Off-site Technical Services, including third party Technical Services:
    - □ (Alternative 1 All Overhead) shall be covered by the <u>overhead</u> rates.
    - (Alternative 2 All Direct) shall be charged <u>direct</u> to the Joint Account.
    - (Alternative 3 Drilling Direct) shall be charged <u>direct</u> to the Joint Account, <u>only</u> to the extent such Technical Services are directly attributable to drilling, redrilling, deepening, or sidetracking operations, through completion, temporary abandonment, or abandonment if a dry hole. Off-site Technical Services for all other operations, including workover, recompletion, abandonment of producing wells, and the construction or expansion of fixed assets not covered by Section III.2 (*Overhead Major Construction and Catastrophe*) shall be covered by the overhead rates.

Notwithstanding anything to the contrary in this Section III, Technical Services provided by Operator's Affiliates are subject to limitations set forth in Section II.7 (*Affiliates*). Charges for Technical personnel performing non-technical work shall not be governed by this Section III.1.A, but instead governed by other provisions of this Accounting Procedure relating to the type of work being performed.

## B. OVERHEAD—FIXED RATE BASIS

(1) The Operator shall charge the Joint Account at the following rates per well per month:

Drilling Well Rate per month \$\_\_\_\_\_\_(prorated for less than a full month)

Producing Well Rate per month \$ 800.00

- (2) Application of Overhead—Drilling Well Rate shall be as follows:
  - (a) Charges for onshore drilling wells shall begin on the spud date and terminate on the date the drilling and/or completion equipment used on the well is released, whichever occurs later. Charges for offshore and inland waters drilling wells shall begin on the date the drilling or completion equipment arrives on location and terminate on the date the drilling or completion equipment moves off location, or is released, whichever occurs first. No charge shall be made during suspension of drilling and/or completion operations for fifteen (15) or more consecutive calendar days.

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# **Chronology of Contacts with Non-Joined Working Interest Owners**

Sent all Working Interest Owners Well Proposals with a copy of the proposed Operating Agreement. Followed up with emails and phone calls.

# Read and Stevens-

10/2021 – Reached out to Harrison Read, Vice President of Land and Business Development for Read and Stevens to have an in-person meeting over the development of the area.

1/24/22 – Reached out to Harrison with no response.

2/18/22-3/31/22 – Received response from Harrison with a few dates, none of which were viable and attempted to reschedule. Meeting never took place.

8/25/22- Elections were sent to Read and Stevens for both developments.

**Permian Resources-** We were notified Permian Resources had acquired Read and Stevens Inc. and were open to talks.

March 1-7, 2023 – Met with Travis Macha and Skyler Fast from Permian Resources to exchange information on potential trade tracts.

March 15, 2023 – Sent email about separate contested hearing to "trade out of each others way". PR was still evaluating the trade.

April 27, 2023- Sent a follow up Email to Travis Macha, Skyler Fast, Mark Hajdik on trade tracts.

April 28, 2023- Emails exchanged to have a follow up in-person meeting of the minds.

May 18, 2023- Meeting with Bob Heller, Travis Macha and Patrick Godwin from Permian Resources and Dylan Park from Coterra to discuss other potential trade tracts.

May 25, 2023- Call with Travis Macha to discuss next steps on potential trade.

June 1 2023- Emails/discussions with Travis Macha on a potential 3 company trade.

June 6, 2023- Follow up to 3 company trade.

June 20, 2023- Followed up on 3 company trade, decision made to move forward with hearing

# HOG Partnership

9/7/22 - Email Discussion about proposals received

9/8/22 - Email discussion about proposals received

# **Challenger Crude (Henry Resources)**

9/27/22 – Discussed election timing and general development plan after receipt of proposals with Kymberly Holman



3/23/23 - Discussed ownership figures for both developments

4/3/23 – Confirmed that we received executed Operating Agreements from Challenger and elections back

6/16/23- Discussed supplemental Wolfcamp notice that was sent

7/10/23 – Phone call with Kymberly to update her on hearing moving forward.

# Randall Hudson, Edward Hudson, Javelina Partners, Zorro Partners, William Hudson II (Hudson Group)

2/9/22 – Email discussion to communicate plans to develop both developments in which the Hudson group owns

6/2/22- Updated the Hudson Group of our AFE's and full development of the leasehold

8/25/22 – Let the groups know that proposals were heading their way

10/26/22 – Confirmed each entities interest via email to confirm with what ownership they were showing

2/7/23 – Discussed with Randall and Edward about potential trades that may come of the Permian Resources acquisition and next steps for pooling

3/7/23 – Provided Randall and Edward with timing of development in order for them to secure a term assignment from Lindy's Living Trust

3/22/23 - Sent OA's for their files and confirmed they were executed

6/26/23 – Met with Randall and Edward with Lea Team to discuss fine details of plans and landing zones etc.

# Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard

2/10/23- Spoke to Brad Ince about a potential Term Assignment and terms for the trust

2/14/23- Sent an email to Brad Ince at Frost bank to confirm best time to negotiate and hash out terms of the contract

4/17/23 – Sent an email with the Term assignment form for redline and review

5/18/23 – Email exchange to discuss best time for a call

5/20/23 - Call with Brad to confirm details of the Term assignment

6/9/23 – Sent changes to form along with Net acre figures to calculate bonus payment

6/27/23 – Forwarded Staci's information for geologic questions concerning the development

7/10-12/23- Provided Debbie Dorsett with AFE's and other information to get the Term assignment routed.

## Ard Oil LTD.

10/19/22-<u>Received email from Reid Marley to discuss Loosey Goosey and Mighty Pheasant proposals</u> and discussed with development plan and path Coterra would be making forward

2/27/23- Phone call with Reid to discuss term assignment offer and provided Operating agreements via email

7/10/23 – Discussed development timing with Reid

7/11/23 - Reid emailed that he would like to not be considered committed

## **Chase Oil Corporation**

9/12/22 – Received email from Morgan Buckles confirming receipt of the proposals.

9/12/22 – Phone call with Morgan Buckles to discuss proposals and plan of development

6/7/23 – Received email from Morgan Buckles stating that they would like to sign AFE's and move forward with the operator the OCD decides post hearing.

## Wilbanks Reserve Corporation/Marks Oil

9/1/22 – Phone call with Hannah Frederick confirming receipt of the proposals and request to confirm interest in the contract area

9/6/22- Received email from Hannah Frederick following up on working interest figures and sent ownership at the time

9/27/22 - Email correspondence to set up a phone call to discuss moving forward with title run

11/3/22 – Discussion of timing for force pooling filing and next steps

1/30/23 – Discussed Permian Resources development and proposals in the area

2/22/23 – Reached out to determine if Wilbanks Reserve had signed OA's. Hannah mentioned she would bring this up to upper management and get a decision since there was traction on development

7/10/23 – Confirmed DOTO figures with Hannah

7/11/23 – Wilbanks Reserve would like to wait until the Commission has made a decision on operator

## **Union Hill Oil and Gas**

3/1/23- Spoke with Robert Buchholz about proposals he received

3/1/23 – Sent Robert the corresponding Operating agreements for both developments and provided ownership

## Highland Texas Energy Company and Richardson Oil Company

- 10/11/22- Received elections back from Gary Richardson for the development
- 3/9/23 Followed up with Gary to confirm they would like to participate under the OA
- 3/21/23 Discussed force pooling matters via email

Moore & Shelton Co. LLP P.O. Box 3070 Galveston, Texas 77552

July 10, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

Re: Application of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling in Case Nos. 23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601

To Whom it May Concern:

Moore & Shelton Co. LLP of Galveston, Texas is a working interest owner in Eddy and Lea Counties and has interests in all of sections 4, 5, 8 & 9 of T20S-R34E, Lea County. Moore & Shelton owns interests in over 40 wells in Eddy and Lea Counties.

We have been extremely pleased with Cimarex representing our interests and believe Cimarex has the most and best experience to efficiently develop these properties.

Moore & Shelton Co. LLP therefore supports Cimarex' application and requests that the Division rule in their favor.

Sincerely,

Paul C. More

Paul Moore Moore & Shelton Co. LLP General Partner



# **JAVELINA PARTNERS & ZORRO PARTNERS LTD**

616 TEXAS STREET FORT WORTH, TX 76102 (817) 336-7109

July 7, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Drive Santa Fe, NM 87505

# Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling Case Nos. 23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601

Ladies and Gentlemen,

Javelina Partners and Zorro Partners LTD are working interest owners in the referenced Applications and Case Nos, which collectively cover all of sections 4, 5, 8 & 9 of T20S – R34E, Lea County ('the Acreage').

There are competing Applications for the Bone Spring and Wolfcamp formations in the referenced Applications and Case Nos.

Javelina Partners and Zorro Partners LTD own interests in approximately 105,000 gross leasehold acres in Eddy & Lea Counties. Over the last 3.5 years, Javelina Partners and Zorro Partners LTD have participated in the drilling of over 130 horizontal Bone Spring and Wolfcamp wells, with seven different operators, in Eddy & Lea Counties.

Cimarex Energy Co. is the Operator of a JOA which covers 75% of the Acreage, and includes the Bone Spring and Wolfcamp formations.

# **JAVELINA PARTNERS & ZORRO PARTNERS LTD**

616 TEXAS STREET FORT WORTH, TX 76102 (817) 336-7109

It is our opinion that Cimarex Energy Co. has accurately analyzed the nature of the geology between the 3<sup>rd</sup> Bone Spring and Upper Wolfcamp and offers a superior plan that develops the total reservoir tank, which includes both the 3<sup>rd</sup> Bone Spring Sand and the Upper Wolfcamp Sands without having to drill additional costly and unnecessary wells, thus, representing the best use of both drilling capital and surface acres in comparison with competing applications.

Javelina Partners and Zorro Partners LTD therefore support Cimarex Energy Co.'s Applications covering the referenced Horizontal Spacing Units and Case Nos in both the Bone Spring and Wolfcamp formations, and respectfully request that the Division rule accordingly.

Sincerely,

A Hedron IV

Edward Randall Hudson IV Javelina Partners Land Manager

the lan

William A. Hudson If Zorro Partners LTD Managing Partner

Re: Applications of Cimarex Energy Co. for Horizontal Spacing Unit and Compulsory Pooling Case Nos. 23448 23449 23450 23451 23452 23453 23454 23455 23594 23595 23596 23597 23598 23599 23600 23601 Received by OCD: 7/13/2023 6:11:56 PM



300 N. MARIENFELD STREET, SUITE 1000 MIDLAND, TX 79701 OFFICE 432.695.4222 FAX 432.695.4063

## RECEIVED

March 17, 2023

# MAR 20 2023

Via Certified Mail

92148902956265901602225706

Magnum Hunter Production, Inc. 600 N. Marienfeld St, Suite 600 Midland, TX 79701

## COTERRA ENERGY

RE: Joker 5-8 Federal Com – Well Proposals Sections 5 & 8, T20S-R34E Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as operator for Read & Stevens, Inc. ("Permian"), hereby proposes the drilling and completion of the following twenty-four (24) wells, the Joker 5-8 Federal Com wells at approximate locations within Township 20 South, Range 34 East:

## FIRST BONE SPRING FORMATION:

 Joker 5-8 Federal Com 111H - (West Pad) SHL: 380' FNL & 2,179' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 330' FWL of Section 5 LTP: 100' FSL & 330' FWL of Section 8 BHL: 10' FSL & 330' FWL of Section 8 Standard Spacing Unit: Lot 4, SWNW, W2SW of Section 5, W2W2 of Section 8, T20S-R34E TVD: 9,576' TMD: 19,861'

## 2. Joker 5-8 Federal Com 112H - (West Pad)

SHL: 380' FNL & 2,212' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 1,650' FWL of Section 5 LTP: 100' FSL & 1,650' FWL of Section 8 BHL: 10' FSL & 1,650' FWL of Section 8 Standard Spacing Unit: Lot 3, SENW, E2SW of Section 5, E2W2 of Section 8, T20S-R34E TVD: 9,596' TMD: 19,881'

## 3. Joker 5-8 Federal Com 113H – (East Pad)

SHL: 380' FNL & 2,005' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 2,310' FEL of Section 5 LTP: 100' FSL & 2,310' FEL of Section 8 BHL: 10' FSL & 2,310' FEL of Section 8 Standard Spacing Unit: Lot 2, SWNE, W2SE of Section 5, W2E2 of Section 8, T20S-R34E TVD: 9,616' TMD: 19,901'



Joker 5-8 Federal Com 114H – (East Pad) SHL: 380' FNL & 1,840' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 990' FEL of Section 5 LTP: 100' FSL & 990' FEL of Section 8 BHL: 10' FSL & 990' FEL of Section 8 Standard Spacing Unit: Lot 1, SENE, E2SE of Section 5, E2E2 of Section 8, T20S-R34E TVD: 9,616' TMD: 19,901'

## SECOND BONE SPRING FORMATION:

Joker 5-8 Federal Com 121H - (West Pad) SHL: 380' FNL & 2,245' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 330' FWL of Section 5 LTP: 100' FSL & 330' FWL of Section 8 BHL: 10' FSL & 330' FWL of Section 8 Standard Spacing Unit: Lot 4, SWNW, W2SW of Section 5, W2W2 of Section 8, T20S-R34E TVD: 10,316' TMD: 20,601'

## 6. Joker 5-8 Federal Com 122H - (West Pad)

SHL: 380' FNL & 2,278' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 990' FWL of Section 5 LTP: 100' FSL & 990' FWL of Section 8 BHL: 10' FSL & 990' FWL of Section 8 Standard Spacing Unit: Lot 4, SWNW, W2SW of Section 5, W2W2 of Section 8, T20S-R34E TVD: 9,981' TMD: 20,266'

### 7. Joker 5-8 Federal Com 123H - (West Pad)

SHL: 380' FNL & 2,311' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 1,650' FWL of Section 5 LTP: 100' FSL & 1,650' FWL of Section 8 BHL: 10' FSL & 1,650' FWL of Section 8 Standard Spacing Unit: Lot 3, SENW, E2SW of Section 5, E2W2 of Section 8, T20S-R34E TVD: 10,296' TMD: 20,581'

## 8. Joker 5-8 Federal Com 124H - (West Pad)

SHL: 380' FNL & 2,344' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 2,310' FWL of Section 5 LTP: 100' FSL & 2,310' FWL of Section 8 BHL: 10' FSL & 2,310' FWL of Section 8 Standard Spacing Unit: Lot 3, SENW, E2SW of Section 5, E2W2 of Section 8, T20S-R34E TVD: 9,971' TMD: 20,256'

# 9. Joker 5-8 Federal Com 125H - (East Pad)

SHL: 380' FNL & 1,972' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 2,310' FEL of Section 5 LTP: 100' FSL & 2,310' FEL of Section 8 BHL: 10' FSL & 2,310' FEL of Section 8 Standard Spacing Unit: Lot 2, SWNE, W2SE of Section 5, W2E2 of Section 8, T20S-R34E TVD: 10,286' TMD: 20,571'

## 10. Joker 5-8 Federal Com 126H - (East Pad)

SHL: 380' FNL & 1,939' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 1,650' FEL of Section 5 LTP: 100' FSL & 1,650' FEL of Section 8 BHL: 10' FSL & 1,650' FEL of Section 8 Standard Spacing Unit: Lot 2, SWNE, W2SE of Section 5, W2E2 of Section 8, T20S-R34E TVD: 9,961' TMD: 20,256'

## 11. Joker 5-8 Federal Com 127H - (East Pad)

SHL: 380' FNL & 1,906' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 990' FEL of Section 5 LTP: 100' FSL & 990' FEL of Section 8 BHL: 10' FSL & 990' FEL of Section 8 Standard Spacing Unit: Lot 1, SENE, E2SE of Section 5, E2E2 of Section 8, T20S-R34E TVD: 10,286' TMD: 20,571'

## 12. Joker 5-8 Federal Com 128H - (East Pad)

SHL: 380' FNL & 1,873' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 330' FEL of Section 5 LTP: 100' FSL & 330' FEL of Section 8 BHL: 10' FSL & 330' FEL of Section 8 Standard Spacing Unit: Lot 1, SENE, E2SE of Section 5, E2E2 of Section 8, T20S-R34E TVD: 9,961' TMD: 20,256'

## THIRD BONE SPRING CARB (HARKEY) FORMATION:

## 13. Joker 5-8 Federal Com 171H - (West Pad)

SHL: 250' FNL & 2,179' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 990' FWL of Section 5 LTP: 100' FSL & 990' FWL of Section 8 BHL: 10' FSL & 990' FWL of Section 8 Standard Spacing Unit: Lot 4, SWNW, W2SW of Section 5, W2W2 of Section 8, T20S-R34E TVD: 10,451' TMD: 20,736'

## 14. Joker 5-8 Federal Com 172H - (West Pad)

SHL: 250' FNL & 2,344' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 2,310' FWL of Section 5 LTP: 100' FSL & 2,310' FWL of Section 8 BHL: 10' FSL & 2,310' FWL of Section 8 Standard Spacing Unit: Lot 3, SENW, E2SW of Section 5, E2W2 of Section 8, T20S-R34E TVD: 10,446' TMD: 20,731'

# 15. Joker 5-8 Federal Com 173H - (East Pad)

SHL: 250' FNL & 2,005' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 1,650' FEL of Section 5 LTP: 100' FSL & 1,650' FEL of Section 8 BHL: 10' FSL & 1,650' FEL of Section 8 Standard Spacing Unit: Lot 2, SWNE, W2SE of Section 5, W2E2 of Section 8, T20S-R34E TVD: 10,436' TMD: 20,721'

# 16. Joker 5-8 Federal Com 174H - (East Pad)

SHL: 250' FNL & 1,840' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 330' FEL of Section 5 LTP: 100' FSL & 330' FEL of Section 8 BHL: 10' FSL & 330' FEL of Section 8 Standard Spacing Unit: Lot 1, SENE, E2SE of Section 5, E2E2 of Section 8, T20S-R34E TVD: 10,416' TMD: 20.701'

# THIRD BONE SPRING FORMATION:

# 17. Joker 5-8 Federal Com 131H - (West Pad)

SHL: 250' FNL & 2,212' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 330' FWL of Section 5 LTP: 100' FSL & 330' FWL of Section 8 BHL: 10' FSL & 330' FWL of Section 8 Standard Spacing Unit: Lot 4, SWNW, W2SW of Section 5, W2W2 of Section 8, T20S-R34E TVD: 10,831' TMD: 21,116'

# 18. Joker 5-8 Federal Com 132H - (West Pad)

SHL: 250' FNL & 2,278' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 1,650' FWL of Section 5 LTP: 100' FSL & 1,650' FWL of Section 8 BHL: 10' FSL & 1,650' FWL of Section 8 Standard Spacing Unit: Lot 3, SENW, E2SW of Section 5, E2W2 of Section 8, T20S-R34E TVD: 10,831' TMD: 21,116'

# 19. Joker 5-8 Federal Com 133H - (East Pad)

SHL: 250' FNL & 1,972' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 2,310' FEL of Section 5 LTP: 100' FSL & 2,310' FEL of Section 8 BHL: 10' FSL & 2,310' FEL of Section 8 Standard Spacing Unit: Lot 2, SWNE, W2SE of Section 5, W2E2 of Section 8, T20S-R34E TVD: 10,821' TMD: 21,106'

## 20. Joker 5-8 Federal Com 134H – (East Pad)

SHL: 250' FNL & 1,906' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 990' FEL of Section 5 LTP: 100' FSL & 990' FEL of Section 8 BHL: 10' FSL & 990' FEL of Section 8 Standard Spacing Unit: Lot 1, SENE, E2SE of Section 5, E2E2 of Section 8, T20S-R34E TVD: 10,821' TMD: 21,106'

## WOLFCAMP XY FORMATION:

## 21. Joker 5-8 Federal Com 201H - (West Pad)

SHL: 250' FNL & 2,245' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 990' FWL of Section 5 LTP: 100' FSL & 990' FWL of Section 8 BHL: 10' FSL & 990' FWL of Section 8 Standard Spacing Unit: Lot 4, SWNW, W2SW of Section 5, W2W2 of Section 8, T20S-R34E TVD: 10,926' TMD: 21,211'

## 22. Joker 5-8 Federal Com 202H - (West Pad)

SHL: 250' FNL & 2,311' FWL (or at a legal location in Lot 3) of Section 5 FTP: 100' FNL & 2,310' FWL of Section 5 LTP: 100' FSL & 2,310' FWL of Section 8 BHL: 10' FSL & 2,310' FWL of Section 8 Standard Spacing Unit: Lot 3, SENW, E2SW of Section 5, E2W2 of Section 8, T20S-R34E TVD: 10,926' TMD: 21,211'

## 23. Joker 5-8 Federal Com 203H - (East Pad)

SHL: 250' FNL & 1,939' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 1,650' FEL of Section 5 LTP: 100' FSL & 1,650' FEL of Section 8 BHL: 10' FSL & 1,650' FEL of Section 8 Standard Spacing Unit: Lot 2, SWNE, W2SE of Section 5, W2E2 of Section 8, T20S-R34E TVD: 10,906' TMD: 21,191'

## 24. Joker 5-8 Federal Com 204H - (East Pad)

SHL: 250' FNL & 1,873' FEL (or at a legal location in Lot 2) of Section 5 FTP: 100' FNL & 330' FEL of Section 5 LTP: 100' FSL & 330' FEL of Section 8 BHL: 10' FSL & 330' FEL of Section 8 Standard Spacing Unit: Lot 1, SENE, E2SE of Section 5, E2E2 of Section 8, T20S-R34E TVD: 10,896' TMD: 21,181' The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. These locations do fall within an approved potash drill island, so any surface changes remain subject to BLM approval. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is enclosed. The Operating Agreement has the following general provisions:

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

Note that communitization agreements for each spacing unit shall be sent in a separate mailing.

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

Please further note that the Sections 5 & 8 require a Potash Development Area to be approved by the Bureau of Land Management prior to any permits to be submitted. Permian has submitted for this development area and conducted federal onsites. This development area has been protested by Cimarex. Any development of these two sections will be subject to that protest being dismissed.

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

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at travis.macha@permianres.com. Due to the number of inquiries received, email may be the quickest way to receive a response.

<u>Operator Note:</u> Permian has recently drilled a pilot hole in the N/2 of Section 18 of T20S-R34E to the southwest of the Joker unit and is presently drilling a 3<sup>rd</sup> Bone Spring/Wolfcamp XY spacing test in Sections 18 & 19 (Batman Unit). Permian further plans a second 1<sup>st</sup> Bone Spring/2<sup>nd</sup> Bone Spring spacing test in Sections 17 & 20 of T20S-R34E directly south of the Joker unit later this year (Robin Unit). The learnings from the pilot hole and both spacing tests will be implemented by Permian in all zones here in order to ensure thoughtful and efficient development.

Respectfully,

Travis Macha Senior Landman

Enclosures

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# Joker 5-8 Federal Com Elections:

|                            | Well Elections                       |                          |
|----------------------------|--------------------------------------|--------------------------|
| (Please indicate yo        | u <mark>r respon</mark> ses in the s | paces below)             |
| Well(s)                    | Elect to Participate                 | Elect to NOT Participate |
| Joker 5-8 Federal Com 111H |                                      |                          |
| Joker 5-8 Federal Com 112H |                                      |                          |
| Joker 5-8 Federal Com 113H |                                      |                          |
| Joker 5-8 Federal Com 114H |                                      |                          |
| Joker 5-8 Federal Com 121H |                                      |                          |
| Joker 5-8 Federal Com 122H |                                      |                          |
| Joker 5-8 Federal Com 123H |                                      |                          |
| Joker 5-8 Federal Com 124H |                                      |                          |
| Joker 5-8 Federal Com 125H |                                      |                          |
| Joker 5-8 Federal Com 126H |                                      |                          |
| Joker 5-8 Federal Com 127H |                                      |                          |
| Joker 5-8 Federal Com 128H |                                      |                          |
| Joker 5-8 Federal Com 171H |                                      |                          |
| Joker 5-8 Federal Com 172H |                                      |                          |
| Joker 5-8 Federal Com 173H |                                      |                          |
| Joker 5-8 Federal Com 174H |                                      |                          |
| Joker 5-8 Federal Com 131H |                                      |                          |
| Joker 5-8 Federal Com 132H |                                      |                          |
| Joker 5-8 Federal Com 133H |                                      |                          |
| Joker 5-8 Federal Com 134H |                                      |                          |
| Joker 5-8 Federal Com 201H |                                      |                          |
| Joker 5-8 Federal Com 202H |                                      |                          |
| Joker 5-8 Federal Com 203H |                                      |                          |
| Joker 5-8 Federal Com 204H |                                      |                          |

Company Name (If Applicable):

By: \_\_\_\_\_ Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_

## Permian Resources Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

N. Marienfeld St., Ste. 1000 Midland, 1X 7 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                               | AFE NO.:   | 1                       |
|------------------|---|--|-------------------------|
| WELL NAME:       | Joker 5-8 Federal Com 111H              | FIELD  | Teas; Bone Spring       |
| LOCATION:        | Section 5, T20S-R34E                    | MD/TVD:  | 19,861' / 9,576'        |
| COUNTY/STATE:    | Lea County, New Mexico                  | LATERAL LENGTH:  | 10,000'                 |
| Permian WI:      |   | DRILLING DAYS:   | 19.6                    |
| GEOLOGIC TARGET: | FBSG                                    | COMPLETION DAYS:                                       | 18.6                    |
|                  | Drill a horizontal FBSG well and comple | te with 44 stages. AFE includes drilling, completions, | flowback and Initial AL |
| REMARKS:         | install cost                            |  |                         |

| • · · · · · · · · · · · · · · · · · · ·   | DRILLING                                       | COMPLETION          | PRODUCTION              | TOTAL   |
|---|--|---------------------|-------------------------|---|
| INTANGIBLE COSTS  | COSTS  | COSTS               | COSTS                   | COSTS   |
| T Land/ Legal/ Regulatory   | \$ 52,768                                      | -                   | 37,500                  | \$ 90,268   |
| 2 Location, Surveys & Damages   | 257,363  | 16,141              | 2,500                   | 276,003   |
| 4 Freight/Transportation  | 42,549   | 39,110              | 25,000                  | 106,660   |
| 5 Kental - Surface Equipment  | 111,070  | 192,448             | 105,000                 | 408,518   |
| 6 Kental - Downhole Equipment   | 183,520  | 53,429              | •                       | 236,949   |
| 7 Kental - Living Quarters<br>10 Directional Drilling, Surveys  | 42,956   | 40,0/1              |                         | 383,743   |
| 11 Drilling   | 673,443  |                     |                         | 673,443   |
| 12 Drill Bits   | 89,495   | ·                   |                         | 89,495  |
| 13 Fuel & Power   | 168,789  | 647,751             |                         | 816,540   |
| 14 Cementing & Float Equip  | 217,354  |                     | · · ·                   | 217,354   |
| 15 Completion Unit, Swab, CTU   |  | · · ·               | 15,000                  | 15,000  |
| 16 Pertorating, Wireline, Slickline   | -  | 351,218             | ·                       | 351,218   |
| 17 High Pressure Pump Truck   | -  | 110,130             | -                       | 110,130   |
| 18 Completion Unit, Swab, CTU<br>20 Mud Circulation System  | 93,991   | 130,865             | -                       | 93,991  |
| 21 Mud Logging  | 15,660   |                     | ·                       | 15,660  |
| 22 Logging/Formation Evaluation   | 6,495  | 7,450               | <u> </u>                | 13,944  |
| 23 Mud & Chemicals  | 323,254  | 391,463             | 10,000                  | 724,717   |
| 24 Water  | 38,825   | 591,078             | 225,000                 | 854,903   |
| 25 Stimulation  |  | 727,236             | -                       | 727,236   |
| 26 Stimulation Flowback & Disp  | · ·  | 108,640             | 150,000                 | 258,640   |
| 28 Mud / Wastewater Disposal  | 172,514  | 54,630              | -                       | 227,144   |
| 30 Rig Supervision / Engineering  | 108,273  | 119,194             | 21,667                  | 9,312   |
| 32 Drig & Completion Overhead<br>35 Labor   | 137,005  | 62,080              | 101,667                 |   |
| 54 Proppant   |  | 1,121,387           |                         | 1,121,387   |
| 95 Insurance  | 13,096   |                     | · · · ·                 | 13,096  |
| 97 Contingency  |  | 21,817              | 3,833                   | 25,650  |
| 99 Plugging & Abandonment   | <u> </u>                                       | · ·                 | •                       | -   |
| TOTAL INTANGIBL   | ES > 3,141,476                                 | 4,794,736           | 697,167                 | 8,633,379   |
|   | 5,141,470                                      | 4,7 54,7 50         | 077,207                 |   |
|   | DRILLING                                       | COMPLETION          | PRODUCTION              | TOTAL   |
| TANGIBLE COSTS  |  |                     |                         | TOTAL<br>COSTS  |
| TANGIBLE COSTS  | DRILLING<br>COSTS<br>\$ 109,201                | COMPLETION          | PRODUCTION              | COSTS<br>\$ 109,201   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing   | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>\$ 109,201<br>307,574     | COMPLETION          | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | DRILLING<br>COSTS<br>\$ 109,201                | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner   | DRILLING<br>COSTS<br>\$ 109,201<br>307,574     | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>613,783<br>-  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>\$ 109,201<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead   | DRILLING<br>COSTS<br>\$ 109,201<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>613,783<br>-  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>\$ 109,201<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers  | DRILLING<br>COSTS<br>\$ 109,201<br>307,574<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines  | DRILLING<br>COSTS<br>\$ 109,201<br>307,574<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string   | DRILLING<br>COSTS<br>\$ 109,201<br>307,574<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment   | DRILLING<br>COSTS<br>\$ 109,201<br>307,574<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor  | DRILLING<br>COSTS<br>\$ 109,201<br>307,574<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs   | DRILLING<br>COSTS<br>\$ 109,201<br>307,574<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Fumps   | DRILLING<br>COSTS<br>\$ 109,201<br>307,574<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs   | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps   | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation   | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Valves, Dumps, Controllers  | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 interconnecting Facility Priping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment  | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Buk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack   | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Yalves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding   | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA                                     | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA                                     | DRILLING<br>COSTS                              | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |

## **PREPARED BY Permian Resources Operating, LLC:**

|                             | <u> </u>   |                       |                 |
|-----------------------------|------------|-----------------------|-----------------|
| Drilling Engineer:          | PS         |                       |                 |
| Completions Engineer:       | ML         |                       |                 |
| Production Engineer.        | DC         |                       |                 |
| ian Resources Operating, LL | CAPPROVAL: |                       |                 |
| Co-CEO                      |            | Co-CEO                | VP - Operations |
|                             | WH         | JW                    | CRM             |
| VP - Land & Legal           | BG         | VP - Geosciences SO   |                 |
|                             |            |                       |                 |
| OPERATING PARTNER A         | PPROVAL:   |                       |                 |
| Company Name:               | ·          | Working Interest (%): | Tax ID:         |
| Signed by:                  |            | Date:                 |                 |
|                             |            |                       |                 |

proportionale share of actual costs incurred, including, legal, curstive, regulatory, brokenage and well costs under the torus of the applicable joint operating agreement, regulatory outer or other agreement covering this well. Participants shall be covered by and billed proportionate control and general lisbility insurance unless participant provides Operator a certificate existence in an azowat acceptable to the Operator by the date of spud.

300 N. Marlenfeld St., Sie. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                            | AFE NO.:  | 1                      |
|------------------|--------------------------------------|---|------------------------|
| WELL NAME:       | Joker 5-8 Federal Com 112H           | FIELD:  | Teas; Bone Spring      |
| LOCATION:        | Section 5, T20S-R34E                 | MD/TVD:   | 19,881' / 9,596'       |
| COUNTY/STATE:    | Lea County, New Mexico               | LATERAL LENGTH:   | 10,000'                |
| Permian WI:      |                                      | DRILLING DAYS:  | 19.6                   |
| GEOLOGIC TARGET: | FBSG                                 | COMPLETION DAYS:  | 18.6                   |
|                  | Drill a horizontal FBSG well and com | plete with 44 stages. AFE includes drilling, completions, f | lowback and Initial AL |
| REMARKS:         | install cost                         |   |                        |

| NTANCIBLE COSTS         COSTS <thcosts< th="">         COSTS</thcosts<>   | •   | DRILLING   | COMPLETION          | PRODUCTION | TOTAL   |
|---|---|--|---------------------|------------|---|
| Land Legal / Regulatory         S         2/68         -         3/500         % 000           2 Location, Survey & Damages         27/353         16/11         2500         26/6           4 Reght / Transportation         42/517         97/10         25/000         10/6           5 Kental - Journa Equipment         110,007         10/24/45         100,007         10/24/45           6 Kental - Journa Equipment         18/2527         33,427         -         20/0           10 Kental - Lownhole Equipment         14/2537         -         10/7         10/24/45           11 Detti Hilo         80/75         -         10/7         10/24/45         10/7         10/7           11 Detti Hilo         80/75         -         10/7         <  | INTANGIBLE COSTS  |  |                     |            |   |
| 2 Location, Surveys & Lanages         25/383         16,311         2.307         2/6.1           4 reight / Inseptration         42,547         33,427         2.80           8 Rental - Surveys & Lanages         42,557         35,427         2.80           9 Rental - Lowing Quarters         42,557         48,77  |   | 52.768   | _                   | 37,500     | 5 90,268  |
| 4 reight/Transportation         42.547         97,107         25.007         106.5           5 Rental - Surve Equipment         110.070         192,485         105.300         405.5           6 Rental - Lownbole Equipment         105.520         53.487         -         25.5           7 Rental - Living Quarters         42.575         53.487         -         35.7           10 Directional Unilling, Surveys         385,743         -         -         65.7           11 Drilling         67.5447         -         -         65.7           12 Drill Ints         100,707         -         15.000         70.5           13 Drilling Surveys         100,707         -         15.000         70.5           14 Drilling Surveys         100,707         -         15.000         70.5           15 Completion Unit, Swab, (1'U         -         152,000         70.3         20.0         20.000         72.5         70.3         70.0         100.0         20.0         20.000         72.5         70.000         72.6         70.000         72.6         70.000         72.6         70.000         72.6         70.000         72.6         70.000         72.6         70.000         72.6         70.7         70.7         <  |   |  | 16,141              |            | 276,003   |
| 6 Kental - Downkole Equipment         185.5207         33.4297         -         255.           7 Kental - Living Quarters         42.555         45.77         -         935.73           10 Urectional Drilling, Surveys         355.743         -         -         935.73           12 Drilling         67.543         -         -         935.73           13 Drill bits         87.445         -         -         687.33           13 Drill bits         87.445         -         -         887.43           14 Ceneting & Hoat Equip         186.747         -         155.007         -         217.21           14 Strending & Hoat Equip         186.747         -         155.007         -         100.07         -         100.07         217.21         155.007         -         103.23         100.07         217.21         100.07         217.21         100.07         -         105.22         100.007         235.22         100.007         235.22         100.007         235.22         100.007         235.23         100.007         236.23         100.000         236.23         100.007         236.24         240.44         100.000         236.25         100.26         20.007         236.25         100.26         100.26   |   |  | -                   | -          | 106,660   |
| 6 Kental - Downkole Equipment         185.5207         33.4297         -         255.           7 Kental - Living Quarters         42.555         45.77         -         935.73           10 Urectional Drilling, Surveys         355.743         -         -         935.73           12 Drilling         67.543         -         -         935.73           13 Drill bits         87.445         -         -         687.33           13 Drill bits         87.445         -         -         887.43           14 Ceneting & Hoat Equip         186.747         -         155.007         -         217.21           14 Strending & Hoat Equip         186.747         -         155.007         -         100.07         -         100.07         217.21         155.007         -         103.23         100.07         217.21         100.07         217.21         100.07         -         105.22         100.007         235.22         100.007         235.22         100.007         235.22         100.007         235.23         100.007         236.23         100.000         236.23         100.007         236.24         240.44         100.000         236.25         100.26         20.007         236.25         100.26         100.26   |   | 111,070  | 192,448             |            | 408,518   |
| 10 Ubretional Uniting, Surveys         385,743         -         -         385,743           11 Ubrilling         65,7445         -         -         673,3           12 Ubrilling         673,743         -         -         673,3           13 Ubrilling         687,845         -         -         673,3           13 Ubrilling         687,845         -         -         247,5           14 Cementing & Float Squip         217,557         -         -         247,5           15 Vertel strap Wreitins, Stickline         -         -         100,00         155,00           15 Vertel strap Truck         -         100,00         -         100,00         100,00           14 Ubrilling Formation braitabilion         6,495         -         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00         100,00         743,00  | 6 Rental - Downhole Equipment   |  | 53,429              |            | 236,949   |
| 11 Ditling       5/3,443  | 7 Kental - Living Quarters  | 42,956   | 48,671              |            | 91,627  |
| 12 Unit Bis 59/452  | 10 Directional Drilling, Surveys  | 383,743  | -                   | <u> </u>   | 383,743   |
| 15 Fed & Yover         168/787         647/751          880           15 Completion Unit, Swab, CTU           15/000         15/7           15 Completion Unit, Swab, CTU           10/001         15/7           15 Completion Unit, Swab, CTU           10/002         10/002           21 Mud Logging           10/002         10/002         10/002           21 Mud Chrashearter Usposal           10/002         20/002         <   | 11 Drilling   | 673,443  | <u> </u>            | <u> </u>   | 673,443   |
| 14 Cenerating & Heat Equip       277,354       -       127,254         15 Completion Unit, Swab, CIU       -       -       150,000         16 Verioxting, Witeline, Sitkkline       -       351,218       -       351,218         17 High Pressure Pump Track       -       1100,137       -       150,000         18 Completion Unit, Swab, CIU       -       130,855       -       150,000         21 Mud Logging       15,660       -       -       153,253         21 Mud Logging       15,660       -       -       153,253         21 Mud & Chemiston Evaluation       6,495       7,453       100,000       748,75         22 Mud & Chemiston Evaluation       6,495       7,453       100,000       748,75         23 Mud & Chemiston Evaluation       6,495       747,756       70,77,756       70,77,757         23 Mud & Chemiston / Evaluation       108,727       119,194       721,667       249,91         23 Mud & Chemiston / Evaluation       108,272       119,194       71,667       249,91         23 Libbo       101,62,73       119,194       721,667       249,91         24 Completion Overhead       9,312       -       153,006       62,0880       101,667       30,00  | 12 Drill Bits   | 89,495   |                     |            | 89,495  |
| 15 Completion Unit, Swish, 'LTU   | 13 Fuel & Power   | 168,789  | 647,751             | <u> </u>   | 816,540   |
| bit Printing, Witeline, Silckline   | 14 Cementing & Float Equip  | 217,354  |                     |            | 217,354   |
| 11 High Pressure Pump Franck       -       110,130       -       110,130         20 Multa Carculation System       30,597       -       933         20 Multa Carculation System       30,597       -       933         21 Multa Logging       115,660       -       -       153         22 Logging / Formation Evaluation       6,495       7,430       -       153         22 Logging / Formation Evaluation       6,495       7,430       -       153         23 Multa Character Lisposa       30,825       991,076       225,000       7437         24 Water       30,825       991,076       225,000       254,77         25 Multa / Mustanter Lisposa       172,726       -       777,72         25 Multa / Mustanter Lisposa       172,726       -       777,72         25 Multa / Mustanter Lisposa       172,737       173,794       225,007       235,73         28 Multa / Mustanter Lisposa       172,736       62,7887       -       172,73         28 Multa / Mustanter Lisposa       172,736       62,7887       -       172,73         29 Ling & Lober       157,006       62,7987       30,777       35,353       255         99 Ling Lines       121,1387       -       1  | 15 Completion Unit, Swab, CTU   | -  |                     | 15,000     | 15,000  |
| 18 Completion Unit, Swab, CTU       -       130285       -       1302         21 Mud Logging       15607       -       953         21 Mud Logging       15607       -       155         21 Mud Logging       352,527       391,7457       100007       724,737         23 Mud A Chandison System       322,5287       391,7457       100007       724,737         24 Mud Chandison System       323,527       391,7487       100007       724,737         25 Munualion Howback & Uisp       -       108,747       255,0007       255,0007         28 Mud Jone Statistion / Langineering       108,727       1191,194       21,667       249,727         28 Mud Jone Statistion / Langineering       108,727       1191,194       21,667       249,735         29 Hing Jone And Markan Andreament       -       -       302,72       302,73         29 Labor       137,006       157,007       111,12,07       -       112,120       111,120       -       112,120       -       112,120       -       112,120       -       112,120       -       112,120       -       112,120       -       112,120       -       112,120       -       112,120       -       112,120       -       112,120   | 16 Perlorating, Wireline, Slickline   | -  | 351,218             | •          | 351,218   |
| 20 Mai (Licrulation System 935<br>21 Logging 935<br>21 Logging / Formation Evaluation 6495 7.4597   | 17 High Pressure Pump Truck   | •  | 110,130             | -          | 110,130   |
| 21 Mut Logging         15,607         -         -         15,57           22 Logging / Normation braining         6,495         7,437         -         15,35           24 Mute 4 Chemicals         322,521         391,465         100,000         7,47,35           24 Mute         38,825         591,1078         222,0007         784,35           25 Mitmulation         6,895         -         727,236         -         727,236           25 Mitmulation Howback & Uisp         -         100,86407         150,0007         2583,35           26 Mith (Wastewater Diaposal         172,514         54,65307         100,667         240,37           32 Labor         1137,006         -         101,667         300,73         30,35         135,35            |   | -  | 130,865             | •          | 130,865   |
| 21 Logging / Formation         6.495         7.490         133           22 Logging / Formation         322,257         391,1463         100,000         7247           24 Water         38,825         591,1178         225,000         593,257           25 Stimulation         -         727,256         -         727,257           26 Stimulation         -         108,640         -         727,257           26 Mind (Westwater Usposal         172,514         516,000         -         227,73           28 Mind (Westwater Usposal         172,514         516,000         -         227,73           28 Lobor         138,720         -         -         72,73           28 Lobor         137,720         -         -         73,007           28 Lobor         137,720         -         -         13,007           29 Flugging & Abandonment         -         -         -         -           7 Contingency         -         21,817         38,835         26,64           9 Flugging & Abandonment         -         -         -         -           16 Litermediate Casing         307,747         -         -         -           16 Litermediate Casing         507,927  |   |  |                     | -          | 93,991  |
| 23 Mute & Chemicals         322,251         39/143         10007         24/2           24 Water         38,825         59/1078         225,000         583,535           25 Situnulation         38,825         59/1078         225,000         727,235           25 Situnulation         108,640         190,000         228,82           26 Mud / Wastewater Disposal         172,514         54,537         227,1           30 Hig Supervision / Engineering         108,275         119,144         24,567         247,1           31 Labor         54 froppant         -         -         32,33         24 froppant         -         32,33         25,57         30,12,867         -         112,12,87         -         112,12,87         -         112,12,87         -         112,12,87         -         112,12,87         -         112,12,87         -         112,12,12,12,12,12,12,12,12,12,12,12,12,   |   |  |                     | <u> </u>   | 15,660  |
| 24 Water         38/25         99/10/8         225/00/         99/20/8           25 Sitmulation         -         72/25         -         72/2           26 Sitmulation         -         72/25         -         72/2           26 Sitmulation         Figure 1         36,800         -         72/2           26 Minu/ Wastewater Disposal         172,511         36,800         -         72/2           20 Minu/ Wastewater Disposal         172,517         171,714         72,72         72/7           20 Minu/ Wastewater Disposal         172,517         36,800         -         72/7           32 Ubig & Competion Overhead         9,312         -         -         72/7           35 Labor         172,137         -         -         72/7           35 Insurance         13,000         6,000         101,567         0300           97 Contingency         -  |   |  |                     |            | 13,944  |
| 25 Stimulation         72/256         72/26           26 Simulation Rowback & Disp         -         108,407         159,000         256,000           25 Mud / Wastewater Disposal         172,514         36,630         -         227,1           30 Kig Supervision / Engineering         108,275         119,114         21,667         248,000           31 Lidg & Completion Overhead         9,312         -         -         9,3           34 troppant         -         1,72,1387         -         -         1,72,1387         -         -         1,72,1387         -         -         1,72,1387         -         -         0,76,05         1,72,1387         -  |   |  |                     | 10,000     | 724,717   |
| 26 Stimulation Flowback & Ukp   |   | 38,825   | 591,078             | 225,000    | 854,903   |
| 28 Mud / Wastewater Usposal         172,514         51,530         227,7           29 Mud / Wastewater Usposal         108,275         119,194         21,667         249,1           32 Urig & Completion Overhead         9,312         -         -         93,2           34 Lobor         54,7000         62,080         101,667         300,0           35 Labor         51,3076         -         1,121,387         -         1,121,387           95 Insurance         15,0976         -         21,817         3,833         25,5           97 Contingency         -         21,817         3,833         25,5         3,161,476         697,167         8,633,           70 Contingency         -         21,817         3,833         25,5         7,94,736         697,167         8,633,           71 Lintrancibles         3,161,476         4,794,736         697,167         8,633,           71 Lintrancible CoSTS         COSTS         COSTS         COSTS         COSTS         COSTS         70,007           80 Surface Casing         5         109,201         -         -         103,73         -         101,567           61 Intermediate Casing         50,17,035         -         -         103,74   |   | •  |                     | -          | 727,236   |
| 30 Hig Supervision / Englineering         108,273         119,194         21,667         249,7           32 Long & Completion Overhead         9,312         -         -         9,3           32 Long & Completion Overhead         9,312         -         -         9,3           54 Iroppant         -         113/306         62,080         101,667         300,7           54 Iroppant         -         -         133         133,006         -         133,006           55 Insurance         13,096         -         -         133,006         -         133,006           97 Contingency         -         -         -         -         -         -         -           50 Surface Casing         019,201         -         -         5         109,201         -         -         5         103,754           61 Intermediate Casing         307,574         -         -         -         -         -         -         -         613,763         -         -         613,773         -         -         613,773         -         -         613,753         437,53         4353         4353         4453         -         -         -         -         -         -         <   |   |  |                     | 150,000    | 258,640   |
| 32 Drig & Completion Overhead         9,312         -         -         92           36 Labor         137,006         62,080         101,667         3007           36 I hoprant         -         1,121,387         -         1,121,397           95 Insurance         13,096         -         -         13,097           97 Contingency         -         21,317         3,333         25,6           97 Plugging & Abandonment         -         -         -         -           TOTAL INTANGIBLES >         3,314,076         4,794,736         697,167         8,633,           TANGIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         0,537,           61 Intermediate Casing         307,574         -  | · ·   |  |                     | <u> </u>   | 227,144   |
| 35 Labor         137,006         62,080         101,667         300,7           34 Proppant         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         1,121,387         -         -         1,121,387         -         -         1,121,387         -         -         1,121,387         -         -         1,121,387         - </td <td></td> <td></td> <td>119,194</td> <td>21,667</td> <td>249,134</td>  |   |  | 119,194             | 21,667     | 249,134   |
| 54 Proppant         1,121,387         1,121,387           95 Insurance         13,096         -         13,09           97 Contingency         -         71,011         3,833         25,6           99 Plugging & Abandonment         -         -         -         -         13,09           TOTAL INTANGIBLES >         3,414,76         4,794,736         697,167         8,633           TOTAL INTANGIBLES >         3,414,76         4,794,736         697,167         8,633           TOTAL INTANGIBLES >         3,414,76         4,794,736         697,167         8,633           OPTILLING COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         613,7           61 Intermediate Casing         307,574         -         -         613,7           61 Production Liner         -         -         -         613,73           64 Production Liner         -         -         140,000         90,000         97,74           6 013,733         -         -         140,000         90,000         97,79           6 013,753         -         - <td< td=""><td></td><td></td><td></td><td>-</td><td>9,312</td></td<>  |   |  |                     | -          | 9,312   |
| 95 Insurance       13,096       13,0         97 Contingency       -       21,817       3,833       22,5         99 Plugging & Abandonment       - <td></td> <td>137,006</td> <td></td> <td>101,667</td> <td>300,753</td>  |   | 137,006  |                     | 101,667    | 300,753   |
| 97 Contingency  | ••  | •  | 1,121,387           |            | 1,121,387   |
| 99 Plugging & Abandonment         -          -         - <td></td> <td>13,096</td> <td>-</td> <td></td> <td>13,096</td>   |   | 13,096   | -                   |            | 13,096  |
| TOTAL INTANGIBLES>         3,141,476         4,794,736         697,167         8,633,           TANGIBLE COSTS         COSTS         COMPLETION<br>COSTS         PRODUCTION<br>COSTS         TOTAL           601 Surface Casing         5         109,201         -         -         5         109,22           61 Intermediate Casing         307,574         -         -         307,574         -         -         307,574           62 Drilling Liner         -<  |   | -  | 21,817              | 3,833      | 25,650  |
| TANGIBLE COSTS         DRILLING<br>COSTS         COMPLETION<br>COSTS         PRODUCTION<br>COSTS         TOTAL<br>COSTS           60 Surface Casing         5         109,201         -         -         5         109,20           62 Drilling Liner         -         -         -         307,574         -         -         307,574           62 Drilling Liner         - <td></td> <td></td> <td>-</td> <td>·</td> <td>-</td>   |   |  | -                   | ·          | -   |
| TANGIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         COSTS           60 Surface Casing         \$ 109,201         -         -         5 109,2           61 Intermediate Casing         307,57         -         -         307,57           62 Drilling Liner         -         -         -         -         -           63 Production Casing         613,783         - </td <td>TOTAL INTANGIBLES &gt;</td> <td>3,141,476</td> <td>4,794,736</td> <td>697,167</td> <td>8,633,379</td>  | TOTAL INTANGIBLES >   | 3,141,476  | 4,794,736           | 697,167    | 8,633,379   |
| bit Status         109,201         -         -         5         109,2           61 Intermediate Casing         307,574         -   |   |  |                     |            |   |
| 61 Intermediate Casing       307,574       -       -       307,574         62 Drilling Liner       -  |   |  | COMPLETION          |            |   |
| 62 Drilling Liner       -       -       -       -       613/763       -       613/763       -       613/763       -       613/763       -       613/763       -       613/763       -       613/763       -       613/763       -       613/763       -       613/763       -       613/763       -       -       613/763       -       613/763       -       613/763       613/763       -       -       613/763       613/763       -       613/763       -       -       -       -       -       -       -       -       613/763       613/763       -   |   |  | COMPLETION          |            |   |
| 63 Production Casing       613//83       -       -       613//         64 Production Liner       -       -       -       -         65 Tubing       -  | TANGIBLE COSTS<br>60 Surface Casing 5   | COSTS<br>109,201   | COMPLETION          |            | COSTS<br>\$ 109,201   |
| 64 Production Liner       -   | TANGIBLE COSTS<br>60 Surface Casing 5<br>61 Intermediate Casing 5   | COSTS<br>109,201   | COMPLETION<br>COSTS | COSTS      | COSTS   |
| 65 Tubing       -       -       140,000       140,4         66 Weilhead       57,908       -       40,000       97,5         67 Packers, Liner Hangers       13,161       -       20,000       33,1         68 Tanks       -       -       45,833       49,833         69 Production Vessels       -       -       45,833       49,833         69 Production Vessels       -       -       126,667       126,667         70 Flow Lines       -       -       66,667       66,667         71 Kod string       -       -       -       -       -         72 Artilkia Litt Equipment       -       -       90,000       90,000       90,000         73 Compressor       -       -       -       90,000 </td <td>TANGIBLE COSTS<br/>60 Surface Casing 5<br/>61 Intermediate Casing<br/>62 Drilling Liner</td> <td>COSTS<br/>109,201<br/>307,574</td> <td>COMPLETION<br/>COSTS</td> <td><u></u></td> <td>COSTS<br/>5 109,201<br/>307,574</td>   | TANGIBLE COSTS<br>60 Surface Casing 5<br>61 Intermediate Casing<br>62 Drilling Liner  | COSTS<br>109,201<br>307,574  | COMPLETION<br>COSTS | <u></u>    | COSTS<br>5 109,201<br>307,574   |
| 66 Weilhead       57/908       -       40,000       97/3         67 Packers, Liner Hangers       13,161       -       20,000       33,1         68 Tanks       -       -       45,833       45,8         69 Production Vessels       -       -       125,667       126,67         70 Flow Lines       -       -       66,667       66,67         71 Rod string       -       -       -       -         72 Artilikial Lift Equipment       -       -       -       -         73 Compressor       -       -       -       -       -         75 Surface Pumps       -       -       -       -       -       -         76 Downhole Pumps       - </td <td>TANGIBLE COSTS<br/>60 Surface Casing<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing</td> <td>COSTS<br/>109,201<br/>307,574</td> <td>COMPLETION<br/>COSTS</td> <td><u></u></td> <td>COSTS<br/>\$ 109,201</td>   | TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | COSTS<br>109,201<br>307,574  | COMPLETION<br>COSTS | <u></u>    | COSTS<br>\$ 109,201   |
| 67 Packers, Liner Hangers       13,161       -       20,000       33,1         68 Tanks       -       -       45,833       45,8         69 Production Vessels       -       -       126,667       126,6         71 Rod string       -       -       66,667       66,6         72 Artilikial Lift Equipment       -       -       -       -         72 Artilikial Lift Equipment       -       -       90,000       90,000         73 Compressor       -       -       -       -       -         74 Installation Costs       -       -       -       -       -       -         75 Surface Pumps       -  | TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner   | COSTS<br>109,201<br>307,574  | COMPLETION<br>COSTS | COSTS      | COSTS<br>5 109,201<br>307,574<br>   |
| 68 Tanks       -       -       45,833       45,8         69 Production Vessels       -       -       126,667       126,6         70 Flow Lines       -       -       66,667       66,6         71 Kod string       -       -       66,667       66,6         71 Kod string       -       -       -       66,667       66,6         72 Artill kial Lift Equipment       -       -       90,000       90,00       90,000       90,00       90,000 <t< td=""><td>TANGIBLE COSTS<br/>60 Surface Casing<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing<br/>64 Production Liner<br/>65 Tubing</td><td>COSTS<br/>109,201<br/>307,574<br/>613,783</td><td>COMPLETION<br/>COSTS</td><td>COSTS</td><td>COSTS<br/>109,201<br/>307,574<br/></td></t<>  | TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing  | COSTS<br>109,201<br>307,574<br>613,783   | COMPLETION<br>COSTS | COSTS      | COSTS<br>109,201<br>307,574<br>   |
| 69 Production Vessels       -       -       125,667       126,67         70 Flow Lines       -       -       66,667       66,667         71 Kod string       -       -       -       66,667       66,667         72 Artilicial Lift Equipment       -       -       -       90,000       90,000         73 Compressor       -       -       -       -       -       -         73 Compressor       - <td< td=""><td>TANGIBLE COSTS<br/>60 Surface Casing 5<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing<br/>64 Production Liner<br/>65 Tubing<br/>66 Weilhead</td><td>COSTS<br/>109,201<br/>307,574<br/></td><td>COMPLETION<br/>COSTS</td><td>COSTS</td><td>COSTS<br/>\$ 109,201<br/>307,574<br/></td></td<>  | TANGIBLE COSTS<br>60 Surface Casing 5<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS      | COSTS<br>\$ 109,201<br>307,574<br>  |
| 70 Flow Lines       -       -       66,667       66,67         71 Rod string       -       -       90,000       90,0         73 Compressor       -       -       90,000       90,0         74 Installation Costs       -       -       5,833       5,83         74 Installation Costs       -       -       -       -       -         75 Surface Pumps       -  | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       5         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       67  | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS      | COSTS<br>\$ 109,201<br>307,574<br>  |
| 71 Rod string       -       <   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       60   | COSTS<br>109,201<br>   | COMPLETION<br>COSTS | COSTS      | COSTS<br>\$ 109,201<br>307,574<br>  |
| 72 Artilicial Lift Equipment       -       -       90,000       90,0         73 Compressor       -       -       5,833       5,833         74 Installation Costs       -       -       -       -         75 Surface Pumps       -       -       -       -       -         76 Downhole Pumps       -       <   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       64   | COSTS<br>109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | COMPLETION<br>COSTS | COSTS      | COSTS<br>\$ 109,201<br>307,574<br>613,783<br>   |
| 73 Compressor       -       -       5,833       5,8         74 Installation Costs       - </td <td>TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65         65 Tubbing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       60</td> <td>COSTS<br/>109,201<br/>307,574<br/></td> <td>COMPLETION<br/>COSTS</td> <td>COSTS</td> <td>COSTS<br/>\$ 109,201<br/>307,574<br/></td>   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65         65 Tubbing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       60   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS      | COSTS<br>\$ 109,201<br>307,574<br>  |
| 74 Installation Costs       -       -       -       -         75 Surface Pumps       -       -       61,667       61,67         76 Uownhole Pumps       -       -       -       -       -         77 Measurement & Meter Installation       -   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 75 Surface Pumps       -       -       61,667       61,667         76 Downhole Pumps       -       -       -       -       -         77 Measurement & Meter Installation       - <t< td=""><td>TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       5         62 Drilling Liner       63         63 Production Casing       64         64 Production Casing       64         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artilicial Lift Equipment       72</td><td>COSTS<br/>109,201<br/>307,574<br/></td><td>COMPLETION<br/>COSTS</td><td>COSTS</td><td>COSTS<br/>\$ 109,201<br/>307,574<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-</td></t<>   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       5         62 Drilling Liner       63         63 Production Casing       64         64 Production Casing       64         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artilicial Lift Equipment       72   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS      | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 76 Downhole Pumps       -   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       5         62 Drilling Liner       6         63 Production Casing       6         64 Production Casing       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       7         70 How Lines       7         71 Rod string       7         72 Artilikial Lift Equipment       73 Compressor  | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS      | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 77 Measurement & Meter Installation       -       -       116,667       116,667         78 Gas Conditioning / Dehydration       -       -       -       -         79 Interconnecting Facility Piping       -       -       20,000       20,000         80 Gathering / Bulk Lines       -       -       -       -       -         81 Valves, Dumps, Controllers       -       -       -       -       -         82 Tank / Facility Containment       -   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       68         68 Tanks       6         99 Production Vessels       7         71 Kod string       7         72 Artilicial Litt Equipment       73 Compressor         74 Installation Costs       6   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
| 78 Gas Conditioning / Dehydration       -       -       -       -         79 Interconnecting Facility Piping       -       -       20,000       20,0         80 Gathering / Bulk Lines       -  | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Kod string       72         72 Artilicial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       74  | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 79 Interconnecting Facility Piping       -       -       20,000       20,0         80 Gathering / Bulk Lines       -  | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artilicial Litt Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
| S0 Gathering / Bulk Lines         -          -         - <td>TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       63         63 Production Casing       64         64 Production Casing       64         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artilicial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement &amp; Meter Installation</td> <td>COSTS<br/>109,201<br/>307,574<br/></td> <td>COMPLETION<br/>COSTS</td> <td>COSTS<br/></td> <td>COSTS<br/>\$ 109,201<br/>307,574<br/></td>   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       63         63 Production Casing       64         64 Production Casing       64         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artilicial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation  | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
| 81 Valves, Dumps, Controllers       -       -       108,333       108,3         82 Tank / Facility Containment       -       -       43,333       43,3         83 Flare Stack       -       -       16,667       16,6         84 Electrical / Grounding       -       -       50,000       50,000         85 Communications / SCADA       -       -       36,667       36,66         86 Instrumentation / Safety       -       -       853       8         TOTAL TANGIBLES > 1,101,627       0       989,187       2,090,000  | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Casing       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artilicial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
| 82 Tank / Facility Containment         -         -         43,333         43,3           83 Flare Stack         -         -         16,667         16,6           84 Electrical / Grounding         -         -         50,000         50,000           85 Communications / SCADA         -         -         36,667         36,6           86 Instrumentation / Safety         -         -         853         8           TOTAL TANGIBLES >         1,101,627         0         989,187         2,090,000   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Casing       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artilicial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$   | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
| 83 Flare Stack       -       -       16,667       16,67         84 Electrical / Grounding       -       -       50,000       50,000         85 Communications / SCADA       -       -       36,667       36,667         86 Instrumentation / Safety       -       -       85.3       88         TOTAL TANGIBLES >       1,101,627       0       989,187       2,090,000   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         71 Kod string       7         72 Artilicial Litt Equipment       73 Compressor         74 Installation Costs       75 Surface Pumps         76 Downhole Pumps       7         77 Measurement & Meter Installation       78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping       80 Gathering / Bulk Lines  | COSTS<br>109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
| 84 Electrical / Grounding         -         -         50,000         50,0           85 Communications / SCADA         -         -         36,667         36,6           86 Instrumentation / Satety         -         -         853         8           TOTAL TANGIBLES >         1,101,627         0         989,187         2,090,000   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       63 Production Casing         64 Production Liner       65 Tubing         65 Tubing       66 Weilhead         67 Packers, Liner Hangers       68 Tanks         69 Production Vessels       70 Viow Lines         71 Kod string       72 Artilicial Lift Equipment         73 Compressor       74 Installation Costs         75 Surface Pumps       76 Downhole Pumps         77 Measurement & Meter Installation       78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping       80 Gathering / Buik Lines         81 Valves, Dumps, Controllers       81   | COSTS<br>109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>109,201<br>307,574<br>   |
| 85 Communications / SCADA         -         -         36,66/ <t< td=""><td>TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubling       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artilicial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement &amp; Meter Installation       78         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81         81 Valves, Jumps, Controllers       82         82 Tank / Facility Containment       10</td><td>COSTS<br/>109,201<br/>307,574<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-</td><td>COMPLETION<br/>COSTS</td><td>COSTS<br/></td><td>COSTS<br/>109,201<br/>307,574<br/></td></t<> | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubling       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artilicial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81         81 Valves, Jumps, Controllers       82         82 Tank / Facility Containment       10   | COSTS<br>109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>109,201<br>307,574<br>   |
| 86 Instrumentation / Safety         -         853         8           TOTAL TANGIBLES >         1,101,627         0         989,187         2,090,4   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       63         63 Production Casing       64         64 Production Casing       64         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Rod string       72         72 Artilicial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81         81 Valves, Dumps, Controllers       82         82 Tank / Facility Containment       83         83 Flare Stack       84  | COSTS<br>109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TOTAL TANGIBLES > 1,101,627 0 989,187 2,090,  | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Casing       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artilikial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Yaives, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$  | COSTS<br>109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |
|   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Casing       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artilikial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$         44 Electrical / Grounding       \$         85 Communications / SCADA       \$  | COSTS<br>109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                 | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TOTAL COSTS > 4,243,103 4,794,736 1,686,354 10,724;   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Casing       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 How Lines       7         71 Rod string       7         72 Artilicial Lift Equipment       7         73 Compressor       74 Installation Costs         75 Surface Pumps       7         76 Downhole Pumps       7         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81 Valves, Dumps, Controllers         82 Tank / Facility Containment       83 Flare Stack         84 Electrical / Grounding       85 Communications / SCADA         86 Instrumentation / Satety       86  | COSTS<br>109,201<br>307,574<br>  | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
|   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Casing       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artilicial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$         44 Electrical / Grounding       \$         85 Communications / SCADA       \$         86 Instrumentation / Satety       \$ | COSTS<br>109,201<br>307,574<br>-<br>613,783<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | COSTS<br>  | COSTS<br>\$ 109,201<br>307,574<br>  |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:           | P5          |                        |                 |
|------------------------------|-------------|------------------------|-----------------|
| Completions Engineer:        | ML          |                        |                 |
| Production Engineer:         | DC          |                        |                 |
| mian Resources Operating, LL | C APPROVAL: |                        |                 |
| Co-CEO                       |             | Co-CEO                 | VP - Operations |
| VP - Land & Legal            | WH          | JW<br>VP - Geosciences | CRM             |
| VI - Land & Legar            | BG          | SO SO                  |                 |
| N OPERATING PARTNER A        | PPROVAL:    |                        |                 |
| Company Name:                |             | Working Interest (%):  | Tax ID:         |
| Signed by:                   |             | Date:                  |                 |
|                              |             | Approval: Yes          | No (mark one)   |

onto on the ATE are restantee only and any not be construed as estangs on any specific from or the total cost of the project. Tobaling installation approved cacher the ATE area how to delayed up to a pres after the well has been completed. In executing this ATE, the Participant agrees to pey that retractes these of a state close hourses, including a state of the regulation of the applicable biology of a state of a well. In a state of a well, Participant agrees to pey that retractes these of a state close hourses, including a state of the regulation of the applicable biolity for Operator is well at and general labGPU fearance using participant provides Operator as constant exceptible to the Operator by the date of speci.

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:           | 2.17.2023  | AFE NO.:  | 1                   |
|-----------------|--|---|---------------------|
| VELL NAME:      | Joker 5-8 Federal Com 113H                       | FIELD:  | Teas; Bone Spring   |
| OCATION:        | Section 5, T20S-R34E                             | MD/TVD:   | 19,901' / 9,616'    |
| OUNTY/STATE:    | Lea County, New Mexico                           | LATERAL LENGTH:                                 | 10,000'             |
| ermian WI:      |  | DRILLING DAYS:                                  | 19.6                |
| EOLOGIC TARGET: | FBSG   | COMPLETION DAYS:                                | 18.6                |
|                 | Drill a horizontal FBSG well and complete with 4 | 4 stages. AFE includes drilling, completions, f | lowback and Initial |
| EMARKS:         | install cost                                     |   |                     |

|  | DRILLING  | COMPLETION              | PRODUCTION                            | TOTAL   |
|--|---|-------------------------|---------------------------------------|---|
| <b>INTANGIBLE COSTS</b>  | COSTS   | COSTS                   | COSTS                                 | COSTS   |
| 1 Land/ Legal/ Regulatory  | 52,768  | •                       | 37,500                                | \$ 90,268   |
| 2 Location, Surveys & Damages  | 257,363   | 16,141                  | 2,500                                 | 2/6,003   |
| 4 Freight / Transportation   | 42,549  | 39,110                  | 25,000                                | 106,660   |
| 5 Kental - Surface Equipment   | 111,070   | 192,448                 | 105,000                               | 408,518   |
| 6 Kental - Downhole Equipment  | 183,520   | 53,429                  | •                                     | 236,949   |
| 7 Kental - Living Quarters   | 42,956  | 48,671                  | •                                     | 91,627  |
| 10 Directional Drilling, Surveys   | 383,743   | -                       | -                                     | 383,743   |
| 11 Drilling  | 673,443   |                         | -                                     | 673,443   |
| 12 Drill Bits  | 89,495  | -                       | · · · · · · · · · · · · · · · · · · · | 89,495  |
| 13 Fuel & Power<br>14 Cementing & Float Equip  | 217,354   | 647,751                 | <u> </u>                              | 217,354   |
| 15 Completion Unit, Swab, CTU  |   |                         | 15,000                                | 15,000  |
| 16 Periorating, Wireline, Slickline  | ·   | 351,218                 |                                       | 351,218   |
| 17 High Pressure Pump Truck  | <u> </u>  | 110,130                 | · · ·                                 | 110,130   |
| 18 Completion Unit, Swab, CTU  | <u> </u>  | 130,865                 |                                       | 130,865   |
| 20 Mud Circulation System  | 93,991  | <u> </u>                | · · ·                                 | 93,991  |
| 21 Mud Logging   | 15,660  |                         | ······                                | 15,660  |
| 22 Logging / Formation Evaluation  | 6,495   | 7,450                   | -                                     | 13,944  |
| 23 Mud & Chemicals   | 323,254   | 391,463                 | 10,000                                | 724,717   |
| 24 Water   | 38,825  | 591,078                 | 225,000                               | 854,903   |
| 25 Stimulation   | •   | 727,236                 |                                       | 727,235   |
| 26 Stimulation Flowback & Disp   | · ·   | 108,640                 | 150,000                               | 258,640   |
| 28 Mud / Wastewater Disposal   | 172,514   | 54,630                  |                                       | 227,144   |
| 30 Kig Supervision / Engineering   | 108,273   | 119,194                 | 21,667                                | 249,134   |
| 32 Drig & Completion Overhead  | 9,312   | -                       | •                                     | 9,312   |
| 35 Labor<br>54 Perspect  | 137,006   | 62,080                  | 101,667                               | 300,753   |
| 54 Proppant<br>95 Insurance  | 13,096  | 1,121,38/               |                                       | 1,121,587   |
| 97 Contingency   |   | 21,817                  | 3,833                                 | 25,650  |
| 99 Plugging & Abandonment  |   |                         |                                       |   |
|  |   |                         | 100 110                               | 9 633 370   |
| TOTAL INTANCIBLES 5  | 3 141 476   | 4 794 736               | 697 167                               |   |
| TOTAL INTANGIBLES >  |   | 4,794,736               | 697,167                               | 8,633,379   |
|  | DRILLING  | COMPLETION              | PRODUCTION                            | TOTAL   |
| TANGIBLE COSTS   | DRILLING<br>COSTS   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS  |
| TANGIBLE COSTS<br>60 Surface Casing  | DRILLING<br>COSTS<br>109,201  | COMPLETION<br>COSTS     | PRODUCTION                            | TOTAL<br>COSTS<br>5 109,201   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing  | DRILLING<br>COSTS   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner   | DRILLING<br>COSTS<br>109,201<br>307,574   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing   | DRILLING<br>COSTS<br>109,201  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner   | DRILLING<br>COSTS<br>307,574<br>613,783   | COMPLETION<br>COSTS<br> | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing   | DRILLING<br>COSTS<br>307,574<br>613,783   | COMPLETION<br>COSTS<br> | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing   | DRILLING<br>COSTS<br>307,574<br>613,783<br>-  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>\$ 109,201<br>307,574<br>613,783<br>140,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead   | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>613,783<br>57,908           | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>   |
| TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       5         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       64  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>613,783<br>57,908           | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>613,783<br>57,908<br>13,161 | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string  | DRILLING<br>COSTS<br>307,574<br>613,783<br>   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment  | DRILLING<br>COSTS<br>307,574<br>613,783<br>   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs  | DRILLING<br>COSTS<br>307,574<br>613,783<br>   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>900,000<br>5,833   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation   | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>900,000<br>5,833   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration   | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration   | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers   | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment   | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         77 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Yalves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>                            | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>116,667<br>20,000<br>5,833<br>43,333<br>43,333<br>16,667<br>50,000<br>36,667 |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         77 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Yalves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA  | DRILLING<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>57,908<br>13,161<br>        | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS                   | TOTAL<br>COSTS<br>5 109,201<br>307,574<br>613,783<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:          | PS          |                                       |                 |     |
|-----------------------------|-------------|---------------------------------------|-----------------|-----|
| Completions Engineer:       | ML          |                                       |                 |     |
| Production Engineer:        | DC          |                                       |                 |     |
| ian Resources Operating, LL | C APPROVAL: | · · · · · · · · · · · · · · · · · · · |                 |     |
| Co-CEO                      |             | Co-CEO                                | VP - Operations |     |
| VP - Land & Legal           | WH          | JW<br>VP - Geosciences                |                 | CRM |
| vi - Land & Legal           | BG          | SO SO                                 |                 |     |
|                             |             |                                       |                 |     |
| OPERATING PARTNER A         | PPROVAL:    |                                       | <br>            |     |
| OPERATING PARTNER A         | PPROVAL:    | Working Interest (%):                 | <br>Tax ID:     |     |
| ·····                       | PPROVAL:    | Working Interest (%):<br>Date:        | <br>Tax ID:     |     |

300 N. Marienfeld St., Sie. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                                | AFE NO.:  | 1                      |
|------------------|--|---|------------------------|
| WELL NAME:       | Joker 5-8 Federal Com 114H               |   | Teas; Bone Spring      |
| LOCATION:        | Section 5, T20S-R34E                     |   | 19,901' / 9,616'       |
| COUNTY/STATE:    | Lea County, New Mexico                   | LATERAL LENGTH:   | 10,000'                |
| Permian WI:      |  | DRILLING DAYS:  | 19.6                   |
| GEOLOGIC TARGET: | FBSG                                     | COMPLETION DAYS:  | 18.6                   |
|                  | Drill a horizontal FBSG well and complet | e with 44 stages. AFE includes drilling, completions, f | lowback and Initial AL |
| REMARKS:         | install cost                             |   |                        |

|   | DRILLING  | COMPLETION              | PRODUCTION                             | TOTAL   |
|---|---|-------------------------|--|---|
|   | COSTS   | COSTS                   | COSTS                                  | COSTS   |
| INTANGIBLE COSTS  | C0313   | C0313                   |  |   |
| 1 Land/Legal/Regulatory 5   | 52,768  | -                       | 37,500                                 | \$ 90,268   |
| 2 Location, Surveys & Damages   | 257,363   | 16,141                  | 2,500                                  | 276,003   |
| 4 Freight / Transportation  | 42,549  | 39,110                  | 25,000                                 | 106,660   |
| 5 Kental - Surface Equipment  | 111,070   | 192,448                 | 105,000                                | 408,518   |
|   | 183,520   | 53,429                  |  | 236,949   |
| 6 Kental - Downhote Equipment   |   |                         |  | 91,627  |
| 7 Kental - Living Quarters  | 42,956  | 48,671                  | <u> </u>                               |   |
| 10 Directional Drilling, Surveys  | 383,743   | •                       | •                                      | 383,743   |
| 11 Drilling   | 673,443   |                         |  | 673,443   |
| 12 Drill Bits   | 89,495  | •                       | ······································ | 89,495  |
| 13 Fuel & Power   | 168,789   | 647,751                 | <u> </u>                               | 816,540   |
| 14 Cementing & Float Equip  | 217,354   |                         | · · · · · ·                            | 217,354   |
| 15 Completion Unit, Swab, CTU   |   |                         | 15,000                                 | 15,000  |
|   |   | 351,218                 | 10,000                                 | 351,218   |
| 16 Pertorating, Wireline, Slickline   |   | -                       |  | 110,130   |
| 17 High Pressure Pump Truck   | -   | 110,130                 |  | · · · ·   |
| 18 Completion Unit, Swab, CTU   |   | 130,865                 | -                                      | 130,865   |
| 20 Mud Circulation System   | 93,991  |                         |  | 93,991  |
| 21 Mud Logging  | 15,660  |                         |  | 15,660  |
| 22 Logging / Formation Evaluation   | 6,495   | 7,450                   |  | 13,944  |
| 23 Mud & Chemicals  | 323,254   | 391,463                 | 10,000                                 | 724,717   |
| 24 Water  | 38,825  | 591,078                 | 225,000                                | 854,903   |
| 24 water<br>25 Stimulation  |   | 727,236                 |  | 727,236   |
|   | -   |                         | -                                      |   |
| 26 Stimulation Flowback & Disp  | -   | 108,640                 | 150,000                                | 258,640   |
| 28 Mud / Wastewater Disposal  | 172,514   | 54,630                  | -                                      | 227,144   |
| 30 Rig Supervision / Engineering  | 108,273   | 119,194                 | 21,667                                 | 249,134   |
| 32 Drig & Completion Overhead   | 9,312   |                         |  | 9,312   |
| 35 Labor  | 137,006   | 62,080                  | 101,667                                | 300,753   |
| 54 Proppant   |   | 1,121,387               |  | 1,121,387   |
| 95 Insurance  | 13,096  |                         |  | 13,096  |
|   |   |                         | 3,833                                  | 25,650  |
| 97 Contingency  |   | 21,817                  | 3,833                                  | 23,030  |
| 99 Plugging & Abandonment   | -   | -                       | ·                                      | •   |
| TOTAL INTANGIBLES >   | 3,141,476   | 4,794,736               | 697,167                                | 8,633,379   |
|   |   |                         |  |   |
|   |   |                         | PROBLICTION                            | TOTAL   |
|   | DRILLING  | COMPLETION              | PRODUCTION                             | TOTAL   |
| TANGIBLE COSTS  |   |                         | PRODUCTION<br>COSTS                    | TOTAL<br>COSTS  |
| TANGIBLE COSTS  | DRILLING  | COMPLETION              |  |   |
| TANGIBLE COSTS 60 Surface Casing \$   | DRILLING<br>COSTS<br>109,201                                    | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201   |
| TANGIBLE COSTS<br>60 Surface Casing \$<br>61 Intermediate Casing  | DRILLING<br>COSTS   | COMPLETION<br>COSTS     | COSTS                                  | COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>109,201<br>307,574                         | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>-   |
| TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       5         62 Drilling Liner       63 Production Casing  | DRILLING<br>COSTS<br>109,201<br>307,574<br>613,783              | COMPLETION<br>COSTS<br> | COSTS                                  | COSTS<br>\$ 109,201   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner  | DRILLING<br>COSTS<br>109,201<br>307,574                         | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>5 109,201<br>307,574<br>613,783  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing  | DRILLING<br>COSTS<br>307,574<br>                                | COMPLETION<br>COSTS<br> | COSTS                                  | COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner  | DRILLING<br>COSTS<br>109,201<br>307,574<br>613,783              | COMPLETION<br>COSTS<br> | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing  | DRILLING<br>COSTS<br>307,574<br>                                | COMPLETION<br>COSTS<br> | COSTS                                  | COSTS<br>5 109,201<br>307,574<br>613,783<br>140,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead  | DRILLING<br>COSTS<br>307,574<br>613,783<br>613,783<br>57,908    | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilkead       \$         67 Packers, Liner Hangers       \$  | DRILLING<br>COSTS<br>307,574<br>613,783<br>613,783<br>57,908    | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>5 109,201<br>307,574<br>613,783<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 I tanks         69 Production Vessels         70 Flow Lines         71 Kod string   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artifikiai Litt Equipment       \$         73 Compressor       \$   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artilicial Litt Equipment       \$         73 Compressor       \$   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Litt Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         76 Lownhole Pumps       \$         76 Gas Conditioning / Dehydration       \$   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Cas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$   | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>-<br>613,783<br>-<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>-<br>90,000<br>5,833<br>-<br>61,667<br>-<br>116,667<br>-<br>116,667<br>-<br>116,667<br>-<br>108,333<br>43,333<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       7         70 Flow Lines       7         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         76 Lownhole Pumps       \$         76 Los Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Buik Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$  | DRILLING<br>COSTS<br>307,574<br>613,783<br>                     | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>5 109,201<br>307,574<br>-<br>613,783<br>-<br>140,000<br>97,908<br>33,161<br>45,833<br>126,667<br>-<br>90,000<br>5,833<br>-<br>61,667<br>-<br>116,667<br>-<br>116,667<br>-<br>116,667<br>-<br>108,333<br>43,333<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artifikiai Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Cathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         85 Flare Stack       \$         84 Electrical / Grounding       \$  | DRILLING<br>COSTS<br>307,574<br>                                | COMPLETION<br>COSTS     | COSTS                                  | COSTS<br>\$ 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Cas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Fiare Stack       \$         84 Electrical / Grounding       \$         85 Communications / SCADA       \$ | DRILLING<br>COSTS<br>307,574<br>                                | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Cas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Flare Stack       \$         84 Electrical / Grounding       \$         85 Communications / SCADA       \$         86 Instrumentation / Satety       \$    | DRILLING<br>COSTS<br>307,574<br>613,783<br>57,908<br>13,161<br> | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Cas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Fiare Stack       \$         84 Electrical / Grounding       \$         85 Communications / SCADA       \$ | DRILLING<br>COSTS<br>307,574<br>613,783<br>57,908<br>13,161<br> | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       7         70 How Lines       7         71 Kod string       7         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       75         75 Surface Pumps       7         76 Downhole Pumps       7         77 Measurement & Meter Installation       78         78 Cas Conditioning / Dehydration       7         79 Interconnecting Facility Piping       80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers       82 Tank / Facility Containment         83 Flare Stack       84 Electrical / Grounding         85 Communications / SCADA       86 Instrumentation / Satety  | DRILLING<br>COSTS<br>307,574<br>                                | COMPLETION<br>COSTS     | COSTS<br>                              | COSTS<br>5 109,201<br>307,574<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:            | PS          |                        |                 |
|-------------------------------|-------------|------------------------|-----------------|
| Completions Engineer:         | ML          |                        |                 |
| Production Engineer:          | DC          |                        |                 |
| rmian Resources Operating, LL | C APPROVAL: |                        |                 |
| Co-CEO                        |             | Co-CEO                 | VP - Operations |
| VP - Land & Legal             | WH          | JW<br>VP - Geosciences | СКМ             |
|                               | BG          | 50                     |                 |
| ON OPERATING PARTNER A        | PPROVAL:    |                        |                 |
| Company Name:                 |             | Working Interest (%):  | Tax ID:         |
| Signed by:                    |             | Date:                  |                 |
|                               |             | Approval: Yes          | No (mark one)   |

The costs on the AFE are reliances only and any not be constructed an exclusion and specific items or the total cost of the project. Tables idealized on approved under the AFE cary be delayed up to a prese after the well has been completed. In necessing this well, projections that have a default on the internet. Forsitative end approved on the original approaches that have a second second second approaches that have a second second

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                                   | AFE NO.:  | 1                    |
|------------------|---|---|----------------------|
| WELL NAME:       | Joker 5-8 Federal Com 121H                  | FIELD:  | Teas; Bone Spring    |
| LOCATION:        | Section 5, T20S-R34E                        | MD/IVD:   | 20,601' / 10,316'    |
| COUNTY/STATE:    | Lea County, New Mexico                      | LATERAL LENGTH:                                       | 10,000'              |
| Permian WI:      |   | DRILLING DAYS:  | 19.6                 |
| GEOLOGIC TARGET: | SBSG  | COMPLETION DAYS:                                      | 18.6                 |
|                  | Drill a horizontal SBSG well and complete w | ith 44 stages. AFE includes drilling, completions, fl | owback and Initial A |
| REMARKS:         | install cost                                | · · · ·   |                      |

| DRILLING         DUMULE INN         PRODUCTION         101.4L           Lind LEGUT AGUILTON         COSTS         COSTS <t< th=""><th></th><th>DBUIDIC</th><th>COMPLETION</th><th>PRODUCTION</th><th>TOTAL</th></t<>   |  | DBUIDIC                                       | COMPLETION                              | PRODUCTION  | TOTAL  |
|--|--|---|---|-------------|--|
| Lang / Regulatory         Substr         -   |  | DRILLING                                      | COMPLETION                              | PRODUCTION  |  |
| 2 Location, Surveys & Lamages 28,7057 18,757 2,3007 28,7007 10,717<br>5 Keala I - Surtaxe Equipment 114,7027 198,221 105,0007 47,7587<br>5 Keala I - Surtaxe Equipment 21,7587 47,224 105,7000 47,7587<br>5 Keala I - Living Quarters 44,2247 50,137 - 9,72,257<br>1 Dilling Surveys 375,255   |  |   |   |             |  |
| 4 redga/j transportation         32525         402241         25000         100/10'           5 Renal - Surves Equipment         114/442         198/257         105/00'         41/457           5 Renal - Journes Equipment         189/255         53/351         -         44/4357           7 Renal - Living Usartes         44/44         53/351         -         49/357           10 Directional Uniting & 80/255         -         -         99/35/35         10         79/35/35           10 Directional Uniting & Robert All App         17/35/35         -         -         99/35/37         11/35/37         11/35/37           13 Incid R Foor         17/35/35         -         15/007         22/370         11/35/37  |  |   |   |             |  |
| 5 Kenia i-Suntac Equipment         113,402         198,221         105,000         47,437           6 Kenia i-Suntac Equipment         189,025         53,331         -         44,437           7 Kenia i-Living Quartes         44,244         50,131         -         94,375           10 Ditterictional Diversional Diversi Diversi Diversional Diversional Diversional Diversi Diversional |  |   |   |             |  |
| 6 Kental - Uswnkoré Equipment         197/26         55/31         -         44/457           7 Kental - Léving Quarters         44/447         50/31         -         395/255           10 Directional Defiling, Surveys         395/255         -         -         395/257           11 Drilling         60/3547         -         -         69/3547           12 Drill Bills         82/179         -         -         72/175           13 Drill Killing         60/3547         -         -         72/175           13 Drill Killing         60/3547         -         -         72/175           13 Completion Unit, Svah, CTU         -         10/3797         -         10/3797           13 Mud Cheniting, Wheeling, Statchine         -         97/377         -         10/3797           21 Mud Logging         16/379         -         -         10/3797           21 Mud Logging         16/379         -         11/3797         -         10/3797           21 Mud Logging         -         11/3797         -         10/377         10/3677           21 Mud Logging         -         11/3797         -         10/377         10/3672           22 Mud Lorenation System         30/3797  | • •  |   |   |             |  |
| 7 Hental - Luing Quarters         74,241         30,131         -         94,357           11 Dittiling         643,547         -         -         653,557           11 Dittiling         647,547         -         -         74,137           13 Head & Forser         173,553         667,187         -         25,367           13 Completion Unit, Sweb, CTU         -         -         113,479         -         113,479           13 Head Exclusion         -         113,479         -         113,479         -         113,479           21 Maid & Chemistion Evaluation         -         -         74,773         -         113,479           22 Maid & Chemistion Evaluation         -         74,773         -         113,479         113,479         113,479         113,479         113,479         113,479         113,479         113,479         113,479         113,479         113,479         113,479         124,575         113,5107         141,157         124,575  |  | -   |   |             |  |
| 10 Utertional Unitating, Surveys         395,255         -         -         395,255           12 Uterting         693,547         -         -         693,547           12 Uterting         693,547         -         -         792,257           13 Uterting & Float Equip         223,875         -         -         223,875           14 Cementing & Float Equip         223,875         -         -         223,875           15 Completion Unit, Swab, CTU         -         -         153,007         153,007           15 Prediction Unit, Swab, CTU         -         -         153,007         153,007           15 Midd Creating Witerlans, Stickline         -         135,234         -         135,347           13 Completion Unit, Swab, CTU         -         -         135,047         -         16,137           12 Midd Creating Witerlans, Statistion         6,697         -//275         -         16,130           12 Midd A Creating Statistion         -         -         16,307         -         16,307           12 Midd A Creatistic Statistion         -         -         7,403,207         10,0007         746,308           12 Midd Creatistic Statistion         -         -         7,403,207         10,0007  |  |   |   |             |  |
| 11 Utiling   |  |   |   |             |  |
| 12 Unit Wis         72,179         -         -         92,179           13 Leit & Yoart         173,833         647,183         -         182,1383           14 Cenenting & Float Equip         223,875         -         122,833           15 Completion Unit, Swab, CTU         -         -         183,007           15 Pict Fororating, Whetline, Sitckline         -         133,434         -         113,434           15 Unit Swab, CTU         -         133,434         -         113,434           16 Constantion System         36,751         -         193,747         -         193,747           12 Maid Constantion System         36,8511         -         -         193,747         153,857           12 Maid Longsing         16,139         -         183,837         -         183,837           12 Maid Longsing         16,139         -         183,837         -         174,838           12 Maid Longsing / Formation Evaluation         56,979         7,973         -         174,838           12 Maid Longsing / Formation Evaluation         -         7,974         7,953,977         7,253,977           2 Minastion Evaluation         -         -         -         7,253,987         -         11,3897  |  |   |   | <u> </u>    |  |
| 13 heid & Fower         17.3853         66/.185         -         141.085           14 Cementing & Folst Equip         22.3875         -         -         22.3875           15 Completion Unit, Swab, C1U         -         -         15.000         15.000           15 Michige Sile.Killine         -         -         15.000         15.000           15 Completion Unit, Swab, C1U         -         15.137         -         15.137           21 Muid Logging         16.130         -         -         15.130           21 Muid Circulation System         98,811         -         -         15.130           21 Muid Circulation System         98,811         -         -         15.130           21 Muid Circulation System         98,8217         10000         746.183           22 Muid Alexateriation         6,890         7,777         -         14,825           23 Muid Supervision / Engineering         117.227         10000         26.1837           23 Muid Supervision / Engineering         117.227         12.24767         11.8322         -         1.8337           24 Muid Supervision / Engineering         11.522         -         1.153.027         -         1.53.027           24 Muid Supervision / Engineering  |  |   | <u> </u>                                | · · · · · · |  |
| 15 Completion Unit, Swab, C1U  |  |   | 667,183                                 |             | ·  |
| 16 Ferioriting, Wireline, Silektline       -       361/24       -       361/24         17 High Fresure Promp Track       -       113,343       -       113,343         18 Completion Unit, Swap, CTU       -       -       194,371       -       194,791       -       194,791         21 Mud Clexulation System       96,811       -       -       -       196,811         22 Muda Clexulation System       16,130       -       -       161,307         22 Muda Clexulation System       332,951       403,5207       10,3007       746,153         23 Muda Chemistion Fundation       -       747,053       -       14,365         24 Water       339,9907       608,8107       250,0007       745,153         25 Minulation Longineering       111,722       111,697       150,0007       723,167       253,987         23 Link & Completion Uverhead       79,997       - <td>14 Cementing &amp; Float Equip</td> <td>223,875</td> <td>· · ·</td> <td></td> <td>223,875</td>  | 14 Cementing & Float Equip   | 223,875                                       | · · ·                                   |             | 223,875  |
| 17 High Presure Fung Franck         — 113,381         — 113,381         — 113,381           18 Completion Unit, Swab, CUU         — 134,791         — 134,791         — 134,791           20 Mud Carculation System         96,811         — 96,811         — 96,811           21 Mud Logging         16,130         — 10,132         — 10,132           21 Mud Logging         16,130         — 76,73         — 11,3434           22 Logging / Formation Evaluation         56,897         — 76,73         — 14,363           23 Mud & Metericals         332,9517         400,207         10,0007         740,1033           24 Mater         39,990         668,8107         220,897         740,1033           25 Minulation         107,7489         55,2697         — 22,55,987         730,000         263,1897           25 Minulation         10,971         10,0007         740,1033         14,974         - 95,977           25 Minulation         10,150,2077         10,50,297         - 10,50,297         - 10,50,297           25 Minulation         11,152         112,277         35,887         - 22,157         8,896,485           79 Vontingency         — 7         35,335         26,3057         - 10,50,027         - 11,50,027           99 Plugging &  | 15 Completion Unit, Swab, CTU  |   |   | 15,000      | 15,000   |
| B Completion Unit, Swap, CTU         154,79T         154,79T           21 Mud Cugging         16,130         -         16,137           22 Agging / Normation Evaluation         6,590         7,673         -         16,137           22 Agging / Normation Evaluation         6,590         7,673         -         16,137           22 Agging / Normation Evaluation         5,590         7,673         -         16,537           23 Mud & Chemicals         32(291)         400,200         748,138         749,1053         -         749,1053           24 Mude / Matewater Ukposat         17,789         752,000         749,1057         -         25,5359           28 Mudualion / Explored         111,252         122,797         21,867         25,5359           29 Ling & Completion Overhead         19,557         112,897         -         38,497           38 Labor         14,116         15,50,027         -         1,550,027           39 Ling ging & Abandonment         -         -         -         -           71 Conlingery         316,801         -         -         -         -         -           72 Cort INTANGIBLES >         32,85,720         722,167         88,96,464         -         -         -   | 16 Pertorating, Wireline, Slickline  |   | 361,754                                 |             | 361,754  |
| 20 Mud Leculation System         96,811  | 17 High Pressure Pump Truck  | • •   | 113,434                                 |             | 113,434  |
| 21 Mat Logging         16.137         -         16.137           22 Logging / formation tradition         66.690         7/675         14.365           23 Mata & Chemicals         3520,511         440,207         100,007         745,185           24 Mater         397,990         668,810         250,000         789,820           25 Miturulation Howback & Uisp         -         749,1035         -         749,005           25 Miturulation Howback & Uisp osal         117,522         122,2797         21,867         255,398           20 Mit & Completion Overhead         115,227         122,2797         21,867         358,725           21 Mate & Completion Overhead         115,207         -         95,997         -         95,997           21 Mate & Completion Overhead         115,207         -         95,997         -         73,897           21 Contingency         114,897         -         -         -         95,997         -         13,897           21 Contingency         -         11,4897         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <t< td=""><td>18 Completion Unit, Swab, CTU</td><td>-</td><td>134,791</td><td></td><td>134,791</td></t<>  | 18 Completion Unit, Swab, CTU  | -   | 134,791                                 |             | 134,791  |
| 22 Logging / Formation bealuation         6590         7673         -         14,853           23 Must & Chemicals         352791         400,8070         7693         -         744,185           24 Water         39,990         608,810         250,000         898,800         250,000         898,800         749,055           25 Stimulation         -         749,055         -         749,055         -         749,055           25 Minu & Howske & Disp         -         749,057         250,5297         -         253,957           26 Minu / Wastewiston / Logineering         111,522         122,697         -         753,977           26 Long / Loging & Abandonment         -         -         79,971         -         -         79,971           27 Contingency         -         1,159,027         -         1,158,027         -         1,158,027         -<   | 20 Mud Circulation System  | 96,811  | -                                       |             |  |
| 23 Muta & Chemicals         352:51         402;207         10:000         745:183           24 Water         39:990         668:800         25:0000         98:800         25:0000         98:800         25:0000         98:800         25:0000         98:800         25:0000         98:800         25:0000         26:80:90         26:80:90         26:80:90         26:80:90         26:80:90         26:80:90         26:80:90         26:80:90         26:80:90         25:30:90         26:80:90  |  |   | -                                       |             |  |
| 24 Water         39,990         608,810         220,000         898,800           25 Situnulation Howback & Disp         -         -         749,053         -         26,353,997           26 Situnulation Howback & Disp         -         -         749,053         -         26,3597         -         26,3597           28 Mud / Wastwatter Disposal         117,592         -         25,3597         -         25,3597           30 Mig Supervision / Engineering         111,522         122,7697         21,667         255,958           31 Abor         -         -         7,591         35,877         -         7,5307           30 Intig & Completion Overhead         9,591         -         -         7,537         7,5337         7,5337         7,5337         7,5337         7,53497         -  |  |   |   |             | · .  |
| 25 Stimulation       -   |  |   |   |             |  |
| 25         Simulation Howback & Disp         -         111,299         150,0007         26,1897           28         Mud / Wasewater Disposal         177,887         56,289         -         223,597           30         Mitg Supervision / Engineering         111,522         122,7697         21,667         225,598           32         Drig & Completion Overhead         9,391         -         -         9,393           54         Torpant         -         11,1167         65,3942         110,667         306,725           54         Torpant         -   |  |   |   | 250,000     |  |
| 28 Mud / Wastewater Uksposal         177,689         56,269         233 (39)           20 Mig Supresition / Engineering         111,322         122,769         21,667         255,938           20 Mig & Comptetion Overhead         9,591         -         9,591         -         9,591           36 Labor         141,116         63,3742         101,667         306,725           36 Labor         1,115,027         -         1,155,027         -         1,155,027           97 Contingency         22,477         3,8353         263,035         722,167         8,896,465           97 Plugging & Abandonment         -         -         -         -         -           TANCIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         0012,477           61 Intermediate Casing         316,801         - <t< td=""><td></td><td></td><td></td><td>•</td><td></td></t<>  |  |   |   | •           |  |
| 39 Hig Supervision / Engineering         111.522         122.707         21.567         255.938           32 Lrig & Completion Overhead         9391         -         -         95.937           35 Labor         141,116         65.942         101,667         306,725           54 Iroppant         -         -         1,155,027         -         1,155,027           54 Iroppant         -         -         1,155,027         -         1,155,027           54 Iroppant         -         -         -         1,155,027         -         1,155,027           54 Iroppant         -         -         -         -         -         -         -         1,155,027         9,938,578         722,167         8,4896,485         - <t< td=""><td>-</td><td>-</td><td></td><td>150,000</td><td></td></t<>   | -  | -   |   | 150,000     |  |
| 32         Dig & Completion Overhead         9,591         -         -         9,591           36 Labor         141,116         63,942         101,667         306,752           36 Irbopant         -         1,155,029         -         1,155,029           95 Insurance         13,489         -         -         1,353,029           97 Contingency         -         2,247,7         3,835         2,835,578         722,167         8,896,6465           TANGIBLE Costs         DBRLLING         COMPLETION         PRODUCTION         TOTAL         TOTAL           TANGIBLE Costs         COSTS         COSTS         COSTS         5         112,477           61 Intermediate Casing         5         112,477         -         5         112,477           62 Drilling Liner         -   |  |   |   |             |  |
| Si Labor         141,116         63,942         101,667         346,725           54 Proppant         1,155,029         1,155,029         1,155,029         1,155,029           57 Contingency         13,489         1,155,029         1,155,029         1,155,029           97 Plugging & Abandonment         22,472         3,835         26,335         26,335           TOTAL INTANGIBLES >         3,235,720         4,938,578         722,167         8,896,465           TANGIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS           60 Surface Casing         5         112,477         -         5         112,477           61 Intermediate Casing         5         316,801         -         -         -         -           62 Drolling Liner         - <td></td> <td></td> <td></td> <td></td> <td></td>   |  |   |   |             |  |
| 54         FORD         1,155,029         -         1,155,029           95         Insurance         13,489         -         13,489         -         13,489           97         Contingency         3,235,720         3,835,73         722,167         8,895,645           99         Plugging & Abandonment         -         -         -         -           TOTAL INTANGIBLES > 3,235,720         COMPLETION         PRODUCTION         TOTAL           TANGIBLE COSTS         COSTA         COSTA         COSTA         COSTA   |  |   |   |             |  |
| 95 Insurance         13,887         -         13,887           97 Contingency         -         22,472         3,833         26,305           97 Pringging & Abandomment         -   |  |   |   |             |  |
| 97 Contingency         22477         3,833         26,305           Y9 Plugging & Abandonment         -         <  |  | 13.489  |   |             |  |
| 99 Plugging & Abandonment         . <td></td> <td></td> <td>22.4/2</td> <td>3.833</td> <td></td>   |  |   | 22.4/2                                  | 3.833       |  |
| TOTAL INTANGIBLES >         3,235,720         4,938,578         722,167         8,896,465           TANGIBLE COSTS   |  |   |   |             |  |
| TANGIBLE COSTS         DRILLING<br>COSTS         COMPLETION<br>COSTS         PRODUCTION<br>COSTS         TOTAL<br>COSTS           60 Surface Casing         5         112,477         -         -         5         112,477           61 Intermediate Casing         316,801         -         -         -         316,807           62 Drilling Liner         - <td< td=""><td></td><td>GIBLES &gt; 3.235.720</td><td>4 938 578</td><td>722.167</td><td>8 896 465</td></td<>  |  | GIBLES > 3.235.720                            | 4 938 578                               | 722.167     | 8 896 465  |
| TANGIBLE COSTS         COSTS <thcosts< th="">         COSTS</thcosts<>   |  |   | .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |             | 6,625 0, 100   |
| b0 Surface Casing         \$         112,477         -         -         5         112,477           61 Intermediate Casing         316,801         -  |  | DBRIDK  | COMPLETION                              | PRODUCTION  | TOTAL  |
| 61 Intermediate Casing       316,801       -       -       316,801         62 Drilling Liner       -       -       -       -       -         63 Production Casing       632,196       -       -       632,196         64 Production Casing       632,196       -       -       632,196         65 Tubing       -       -       -       -       632,196         66 Weilhead       59/645       -       40,000       940,000       94,045         67 Packers, Liner Hangers       13,556       -       20,000       33,556         68 Tanks       -       -       -       -       -         69 Production Vessels       -  |  |   |   |             |  |
| 62 Drilling Liner       -       -       -       63 Production Liner         63 Production Liner       -       -       -       -       -         65 Tubing       -  |  | COSTS   | COSTS                                   |             | COSTS  |
| 63 Production Casing       632,196       -       632,196         64 Production Liner       -       -       -         65 Tubing       -       -       140,000       140,000         66 Weilhead       59,645       -       140,000       33,555         68 Tanks       -       -       -       40,000       33,555         68 Tanks       - <td< td=""><td>60 Surface Casing</td><td>COSTS<br/>\$ 112,477</td><td>COSTS</td><td></td><td>COSTS<br/>5 112,477</td></td<>   | 60 Surface Casing  | COSTS<br>\$ 112,477                           | COSTS                                   |             | COSTS<br>5 112,477   |
| 64 Production Liner       -  | 60 Surface Casing<br>61 Intermediate Casing  | COSTS<br>\$ 112,477                           | COSTS                                   |             | COSTS<br>5 112,477   |
| 65 Tubing       -       -       140,000       140,000         66 Weilhead       55/645       -       40,000       95/645         67 Packers, Liner Hangers       13,556       -       20,000       33,556         68 Tanks       -       -       -       -         69 Production Vessels       -       -       -       -         69 Production Vessels       -       -       45,833       43,833         70 How Lines       -       -       126,667       126,667         71 Rod string       -       -       66,667       66,667         72 Artilicial Lift Equipment       -       -       90,000       90,000         73 Compressor       -       -       -       90,000       90,000         74 Installation Costs       -       -       -       -       -         75 Surface Pumps       -       -       -       -       -       -         76 Gas Conditioning / Dehydration       -  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner   | COSTS<br>5 112,477<br>316,801                 | COSTS                                   | COSTS       | COSTS<br>\$ 112,477<br>316,801<br>-  |
| 66 Weilhead       59/645       40,000       99/645         67 Packers, Liner Hangers       13,556       20,000       33,556         68 Tanks       -       -       -         69 Production Vessels       -       -       -         70 How Lines       -       -       -       -         71 Kod string       -       -       126,667       126,667       126,667         72 Artilicial Litt Equipment       -       -       90,000       90,000       90,000       90,000         73 Compressor       -   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing   | COSTS<br>5 112,477<br>316,801                 | COSTS                                   | COSTS       | COSTS<br>\$ 112,477<br>316,801<br>-  |
| 67 Packers, Liner Hangers       13,556       20,000       33,556         68 Tanks       -       -       -         69 Production Vessels       -       -       -         70 How Lines       -       126,667       126,667         71 Rod string       -       -       126,667       66,667         72 Artiticial Lift Equipment       -       -       90,000       90,000         73 Compressor       -       -       -       -       -         74 Installation Costs       -       -       -       -       -         75 Surface Pumps       -  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner  | COSTS<br>5 112,477<br>316,801                 | COSTS                                   | COSTS       | COSTS<br>5 112,477<br>316,801<br>  |
| 68 Tanks       -<  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing   | COSTS<br>\$ 112,477<br>316,801<br>632,196<br> | COSTS                                   | COSTS       | COSTS<br>5 112,477<br>316,801<br>632,196<br>140,000  |
| 70 Flow Lines       -       -       125,667       125,667         71 Kod string       -       -       66,667       66,667         72 Artiticial Litt Equipment       -       -       90,000       90,000         73 Compressor       -       -       -       90,000       90,000         74 Installation Costs       -       -       -       -       -         75 Surface Pumps       -       -       -       -       -       -         76 Lossin       -<   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead  | COSTS<br>\$ 112,477<br>316,801<br>            | COSTS                                   | COSTS       | COSTS<br>5 112,477<br>316,801<br>  |
| 70 Flow Lines       -       -       126,667       126,667         71 Kod string       -       -       66,667       66,667         72 Artilicial Litt Equipment       -       -       90,000       90,000         73 Compressor       -       -       5,833       5,833         74 Installation Costs       -       -       5,833       5,833         75 Surface Pumps       -       -       -       -         76 Losonhole Pumps       -       -       -       -         77 Measurement & Meter Installation       -       -       -       -         78 Gas Conditioning / Dehydration       -       -       -       -       -         79 Interconnecting Facility Piping       -       -       -       -       -       -         80 Gathering / Bulk Lines       -  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers   | COSTS<br>\$ 112,477<br>316,801<br>            | COSTS                                   | COSTS       | COSTS<br>5 112,477<br>316,801<br>  |
| 72 Artilicial Litt Equipment       -       -       90,000       90,000         73 Compressor       -       -       5,833       5,833       -         74 Installation Costs       -   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks   | COSTS<br>\$ 112,477<br>316,801<br>            | COSTS                                   | COSTS       | COSTS<br>5 112,477<br>316,801<br>  |
| 73 Compressor       -       -       5,833       5,833         74 Installation Costs       -       -       -       -       -         75 Surface Pumps       -       -       61,667       61,667       61,667         76 Downhole Pumps       -<   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels  | COSTS<br>\$ 112,477<br>316,801<br>            | COSTS                                   | COSTS       | COSTS<br>5 112,477<br>316,801<br>632,196<br>   |
| 74 Installation Costs       -       -       -       -         75 Surface Pumps       -       -       61,667       61,667         76 Downhole Pumps       -       -       -       -       -         77 Measurement & Meter Installation       -       -       -       -       -       -         78 Gas Conditioning / Dehydration       -   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS       | COSTS<br>5 112,477<br>316,801<br>  |
| 75 Surface Pumps       -       -       61,667       61,667         76 Downhole Pumps       -       -       -       -       -         77 Measurement & Meter Installation       - <t< td=""><td>60 Surface Casing<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing<br/>64 Production Liner<br/>65 Tubing<br/>66 Wellhead<br/>67 Packers, Liner Hangers<br/>68 Tanks<br/>69 Traduction Vessels<br/>70 Flow Lines<br/>71 Kod string<br/>72 Artificial Lift Equipment</td><td>COSTS<br/>\$ 112,477<br/>316,801<br/></td><td></td><td>COSTS</td><td>COSTS<br/>5 112,477<br/>316,801<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-</td></t<>  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Traduction Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment  | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS       | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 76 Downhole Pumps       -       -       -       -         77 Measurement & Meter Installation       -       -       116,667       116,667         78 Gas Conditioning / Dehydration       -       -       -       -       -         79 Interconnecting Facility Piping       -       -       -       -       -       -         79 Interconnecting Facility Piping       -  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS       | COSTS<br>5 112,477<br>   |
| 77 Measurement & Meter Installation       -       -       116,667       116,667         78 Gas Conditioning / Dehydration       -       -       -       -       -       -         79 Interconnecting Facility Piping       -   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs  | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS       | COSTS<br>5 112,477<br>   |
| 78 Gas Conditioning / Dehydration       -  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps  | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS       | COSTS<br>5 112,477<br>   |
| 79 Interconnecting Facility Piping       -       -       20,000       20,000         80 Gathering / Bulk Lines       -   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS<br>   | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 80 Gathering / Bulk Lines         - <td>60 Surface Casing<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing<br/>64 Production Liner<br/>65 Tubing<br/>66 Wellhead<br/>67 Packers, Liner Hangers<br/>68 Tanks<br/>69 Production Vessels<br/>70 Flow Lines<br/>71 Kod string<br/>72 Artificial Lift Equipment<br/>73 Compressor<br/>74 Installation Costs<br/>75 Surface Pumps<br/>76 Downhole Pumps<br/>77 Measurement &amp; Meter Installation</td> <td>COSTS<br/>\$ 112,477<br/>316,801<br/></td> <td></td> <td>COSTS<br/></td> <td>COSTS<br/>5 112,477<br/>316,801<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-</td>  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation  | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS<br>   | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 81 Vaives, Dumps, Controllers       -       -       108,333       108,333         82 Tank / Facility Containment       -       -       43,333       43,333         83 Flare Stack       -       -       16,667       16,667         84 Electrical / Grounding       -       -       36,667       36,667         85 Communications / SCADA       -       -       36,667       36,667         86 Instrumentation / Salety       -       -       833       833         TOTAL TANGIBLES > 1,134,676       0       989,167       2,123,843  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS       | COSTS<br>5 112,477<br>   |
| 82 Tank / Facility Containment         -         -         43,333         43,333           83 Flare Stack         -         -         16,667         16,667           84 Electrical / Grounding         -         -         50,000         50,000           85 Communications / SCADA         -         -         36,667         36,667           86 Instrumentation / Satety         -         -         833         833           TOTAL TANGIBLES >         1,134,676         0         989,167         2,123,843  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS       | COSTS<br>5 112,477<br>   |
| 83 Flare Stack         -         -         16,667         16,667           84 Electrical / Grounding         -         -         50,000         50,000           85 Communications / SCADA         -         -         36,667         36,667           86 Instrumentation / Safety         -         -         833         833           TOTAL TANGIBLES >         1,134,676         0         989,167         2,123,843   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artitical Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines  | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS<br>   | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 84 Electrical / Grounding         -         -         50,000         50,000           85 Communications / SCADA         -         -         36,667         36,667           86 Instrumentation / Salety         -         -         833         833           TOTAL TANGIBLES >         1,134,676         0         989,167         2,123,843  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Vaives, Dumps, Controllers   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS<br>   | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 85 Communications / SCADA<br>86 Instrumentation / Salety<br>TOTAL TANGIBLES > 1,134,676 0 989,167 2,123,843  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Vaives, Dumps, Controliers<br>82 Tank / Facility Containment   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS<br>   | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 86 Instrumentation / Salety         -         833         833           TOTAL TANGIBLES >         1,134,676         0         989,167         2,123,843  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Troduction Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Vaives, Dumps, Controliers<br>82 Tank / Facility Containment<br>83 Flare Stack   | COSTS<br>\$ 112,477<br>316,801<br>            |   | COSTS<br>   | COSTS<br>5 112,477<br>   |
| TOTAL TANGIBLES > 1,134,676 0 989,167 2,123,843  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering/ Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding   | COSTS   |   | COSTS<br>   | COSTS<br>5 112,477<br>   |
|  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Vaives, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Elicetrical / Grounding<br>85 Communications / SCADA         | COSTS   |   | COSTS       | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TOTAL COSTS > 4,370,396 4,938,578 1,711,334 11,020,308   | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Vaives, Dumps, Controliers<br>82 Tank, Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Salety | COSTS   |   | COSTS       | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
|  | 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artitical Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Vaives, Dumps, Controliers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Salety | COSTS<br>\$ 112,477<br>316,801<br>            | COSTS                                   | COSTS       | COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |

# PREPARED BY Permian Resources Operating, LLC:

| Co-CEO                | VP - Operations<br>CRM |
|-----------------------|------------------------|
| JW                    |                        |
| JW                    |                        |
| JW                    |                        |
| JW                    | -                      |
|                       | CRM                    |
|                       |                        |
| SO                    |                        |
|                       |                        |
|                       |                        |
| Working Interest (%): | Tax ID:                |
| Date:                 |                        |
|                       | Yes No (mark one)      |
|                       |                        |

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300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| FIELD:<br>MD/TVD:<br>LATERAL LENGTH: | Teas; Bone Spring<br>20,266' / 9,981'<br>10,000' |
|--------------------------------------|--|
|                                      |  |
| I ATERAL LENGTH                      | 10 000   |
|                                      | 10,000   |
| DRILLING DAYS:                       | 19.6   |
| COMPLETION DAYS:                     | 18.6   |
| 1                                    |  |

|   | DBUIDE   | COMPLETION          | monucrioti              | TOTAL  |
|---|--|---------------------|-------------------------|--|
|   | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS   |
| INTANGIBLE COSTS  |  |                     |                         |  |
|   | 54,351   |                     | 37,500                  | \$ 91,85T  |
| 2 Location, Surveys & Damages   | 265,083  | 16,625              | 2,500                   | 284,208  |
| 4 Freight / Transportation<br>5 Rental - Surface Equipment  | 114,402  | 198,221             | 105,000                 | 417,624  |
| 6 Kental - Downhole Equipment   | 189,026  | 55,031              | 105,000                 | 244,057  |
| 7 Kental - Living Quarters  | 44,244   | 50,131              |                         | 94,375   |
| 10 Directional Drilling, Surveys  | 395,255  |                     | <u> </u>                | 395,255  |
| 11 Drilling   | 693,647  |                     |                         | 693,647  |
| 12 Drill Bits   | 92,179   | •                   |                         | 92,179   |
| 13 Fuel & Power   | 173,853  | 667,183             | <u> </u>                | 841,036  |
| 14 Cementing & Float Equip  | 223,875  |                     | ·                       | 223,875  |
| 15 Completion Unit, Swab, CTU   | •  | · · ·               | 15,000                  | 15,000   |
| 16 Pertorating, Wireline, Slickline   | -  | 361,754             | · · ·                   | 361,754  |
| 17 High Pressure Pump Truck   |  | 113,434             | •                       | 113,434  |
| 18 Completion Unit, Swab, CTU   | -  | 134,791             | <u> </u>                | 134,791  |
| 20 Mud Circulation System   | 96,811   | •                   | •                       | 96,811   |
| 21 Mud Logging  | 16,130   | •                   | -                       | 16,130   |
| 22 Logging / Formation Evaluation   | 6,690  | 7,673               | •                       | 14,363   |
| 23 Mud & Chemicais  | 332,951  | 403,207             | 10,000                  | 746,158  |
| 24 Water  | 39,990   | 608,810             | 250,000                 | 898,800  |
| 25 Stimulation  |  | 749,053             |                         | 749,053  |
| 26 Stimulation Flowback & Disp  |  | 111,899             | 150,000                 | 261,899  |
| 28 Mud/Wastewater Disposal<br>30 Kig Supervision/Engineering  | 177,689  | 56,269              | 21,667                  | 233,959  |
| 32 Drig & Completion Overhead   |  | 122,769             | 21,007                  | 9,591  |
| 35 Labor  | 141,116  | 63,942              | 101,667                 | 306,725  |
| 54 Proppant   |  | 1,155,029           |                         | 1,155,029  |
| 95 Insurance  | 13,489   |                     |                         | 13,489   |
| 97 Contingency  |  | 22,472              | 3,833                   | 26,305   |
| 99 Plugging & Abandonment   |  |                     | •                       |  |
|   |  |                     |                         | 8 906 465  |
| IDIAL INTANCIBLES   | > 3.235.720  | 4.938.578           | 722,167                 |  |
| TOTAL INTANGIBLES   |  | 4,938,578           | 722,167                 | 8,896,465  |
|   | DRILLING   | COMPLETION          | PRODUCTION              | TOTAL  |
| TANGIBLE COSTS  | DRILLING<br>COSTS  |                     |                         | TOTAL<br>COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing   | DRILLING<br>COSTS<br>\$ 112,477  | COMPLETION          | PRODUCTION              | TOTAL<br>COSTS<br>\$ 112,477   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing   | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION              | TOTAL<br>COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>5 112,477<br>316,801  | COMPLETION<br>COSTS | PRODUCTION              | TOTAL<br>COSTS<br>5 112,477<br>316,801   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | DRILLING<br>COSTS<br>5 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner   | DRILLING<br>COSTS<br>5 112,477<br>316,801  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>5 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead   | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers  | DRILLING<br>COSTS<br>5 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead   | DRILLING<br>COSTS<br>5 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>140,000<br>99,645<br>33,555   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks  | DRILLING<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>140,000<br>99,645<br>33,555   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment  | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps   | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps   | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                                  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubling         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Lownhole Pumps         77 Measurement & Meter Installation  | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Lownhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration   | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping  | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                                  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Lownhole Pumps         77 Measurement & Meter Installation         78 Cas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers  | DRILLING<br>COSTS<br>5 112,477<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                               |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubling         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment  | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Froduction Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack  | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding  | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA  | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning/ Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                               |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA  | DRILLING<br>COSTS<br>112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>   |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:  | PS                                       |   |   |
|---|--|---|---|
| Completions Engineer:   | ML                                       |   |   |
| Production Engineer:  | DC                                       |   |   |
| Permian Resources Operating, LL                                     | .C APPROVAL:                             |   |   |
| Co-CEO  |  | Co-CEO  | VP - Operations   |
| VP - Land & Legai   | WH                                       | JW<br>VP - Geosciences  | CRM   |
|   | BG                                       | 50  |   |
| NON OPERATING PARTNER A   | PPROVAL:                                 |   |   |
| Company Name:   |  | Working Interest (%):   | Tax ID:   |
| Signed by:  | <u> </u>                                 | Date:   |   |
| Title:  |  | Approval: Yes   | No (mark one)   |
| The costs on this AFE are estimates only and may not be construed a | in criticara can any more the total cont | t of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has | here completed. In manyting this AFF, the Perticipant errors to pay the |

The cost on the Arts are remained only and any not be constructed as excluding on any specific times on its ball cost of the project. These instances of the project of the

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023  | AFE NO.:         | 1                 |
|------------------|--|------------------|-------------------|
| VELL NAME:       | Joker 5-8 Federal Com 123H                                     | FIELD            | Teas; Bone Spring |
| OCATION:         | Section 5, T20S-R34E   | MD/TVD:          | 20,581' / 10,296' |
| OUNTY/STATE:     | Lea County, New Mexico   | LATERAL LENGTH:  | 10,000'           |
| ermian WI:       |  | DRILLING DAYS:   | 19.6              |
| GEOLOGIC TARGET: | SBSG   | COMPLETION DAYS: | 18.6              |
| REMARKS:         | Drill a horizontal SBSG well and complete with 44 install cost | -                |                   |

|   | DRILLING   | COMPLETION                              | PRODUCTION          | TOTAL   |
|---|--|---|---------------------|---|
| INTANGIBLE COSTS  | COSTS  | COSTS                                   | COSTS               | COSTS   |
| T Land/ Legal/ Kegulatory   | 54,351   | •                                       | 37,500              | \$ 91,851   |
| 2 Location, Surveys & Damages   | 265,083  | 16,625                                  | 2,500               | 284,208   |
| 4 Freight / Transportation  | 43,826   | 40,284                                  | 25,000              | 109,110   |
| 5 Rental - Surface Equipment  | 114,402  | 198,221                                 | 105,000             | 417,624   |
| 6 Rental - Downhole Equipment<br>7 Rental - Living Quarters   | 189,026  | 55,031                                  |                     | 94,375  |
| 10 Directional Drilling, Surveys  | 395,255  |   |                     | 395,255   |
| 11 Drilling   | 693,647  |   |                     | 693,647   |
| 12 Drill Bits   | 92,179   |   | <u> </u>            | 92,179  |
| 13 Fuel & Power   | 173,853  | 667,183                                 | · · ·               | 841,036   |
| 14 Cementing & Float Equip  | 223,875  | -                                       | •                   | 223,875   |
| 15 Completion Unit, Swab, CTU   | -  | -                                       | 15,000              | 15,000  |
| 16 Perforating, Wireline, Slickline   |  | 361,754                                 | -                   | 361,754   |
| 17 High Pressure Pump Truck<br>18 Completion Unit, Swab, CTU  | ·  | 113,434                                 | <u> </u>            | 113,434   |
| 20 Mud Circulation System   | 96,811   | 1.54,/ 71                               | <u> </u>            | 96,811  |
| 21 Mud Logging  | 16,130   |   | <del></del> .       | 16,130  |
| 22 Logging / Formation Evaluation   | 6,690  | 7,673                                   | ·                   | 14,363  |
| 23 Mud & Chemicals  | 332,951  | 403,207                                 | 10,000              | 746,158   |
| 24 Water  | 39,990   | 608,810                                 | 250,000             | 898,800   |
| 25 Stimulation  | •  | 749,053                                 | •                   | 749,053   |
| 26 Stimulation Flowback & Disp  | -  | 111,899                                 | 150,000             | 261,899   |
| 28 Mud / Wastewater Disposal  | 177,689  | 56,269                                  | •                   | 233,959   |
| 30 Rig Supervision / Engineering<br>32 Drig & Completion Overhead   | <u> </u>   | 122,769                                 | 21,667              | 255,958   |
| 35 Labor  | 141,116  | 63,942                                  | 101,667             | 306,725   |
| 54 Proppant   |  | 1,155,029                               |                     | 1,155,029   |
| 95 Insurance  | 13,489   |   |                     | 13,489  |
| 97 Contingency  | ·  | 22,472                                  | 3,833               | 26,305  |
| 99 Plugging & Abandonment   | ·  |   |                     |   |
| TOTAL INTANGIBLES >   | 3,235,720  | 4,938,578                               | 722,167             | 8,896,465   |
|   | 0,200,.20  | .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                     | _   |
|   | DRILLING   | COMPLETION                              | PRODUCTION          | TOTAL   |
| TANGIBLE COSTS  |  |   |                     | TOTAL<br>COSTS  |
| TANGIBLE COSTS<br>60 Surface Casing   | DRILLING<br>COSTS<br>112,477                             | COMPLETION                              | PRODUCTION          | COSTS<br>5 112,477  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing   | DRILLING<br>COSTS  | COMPLETION                              | PRODUCTION          | COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>112,477<br>316,801                  | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | DRILLING<br>COSTS<br>112,477                             | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>5 112,477  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner  | DRILLING<br>COSTS<br>112,477<br>316,801                  | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>            | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>632,196<br> | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>            | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers  | DRILLING<br>COSTS<br>3112,477<br>316,801<br>             | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines   | DRILLING<br>COSTS<br>3112,477<br>316,801<br>             | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string   | DRILLING<br>COSTS<br>3112,477<br>316,801<br>             | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment  | DRILLING<br>COSTS<br>316,801<br>                         | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Litt Equipment         73 Compressor   | DRILLING<br>COSTS<br>316,801<br>                         | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Litt Equipment         73 Compressor         74 Installation Costs   | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps   | DRILLING<br>COSTS<br>316,801<br>                         | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps   | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps   | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation   | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         70 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines   | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Litt Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Buik Lines         81 Valves, Dumps, Controllers  | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Buik Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment   | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack  | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Yalves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding   | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Buik Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA                                     | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Cas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Fiare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Buik Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA                                     | DRILLING<br>COSTS<br>112,477<br>316,801<br>              | COMPLETION<br>COSTS                     | PRODUCTION<br>COSTS | COSTS<br>\$ 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:        | PS          |                       |                 |
|---------------------------|-------------|-----------------------|-----------------|
| Completions Engineer:     | ML          |                       |                 |
| Production Engineer:      | DC          |                       |                 |
| n Resources Operating, LL | C APPROVAL: |                       |                 |
| Co-CEO                    |             | Co-CEO                | VP - Operations |
|                           | WH          | jw                    | CRM             |
| VP - Land & Legal         | BG          | VP - Geosciences 50   |                 |
| PERATING PARTNER A        |             |                       |                 |
| Company Name:             |             | Working Interest (%): | Tax ID:         |
| Signed by:                |             | Date:                 |                 |
|                           |             |                       |                 |

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300 N. Marienfeld St., Sie. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| 2.17.2023                  | AFE NO.:   | 1   |
|----------------------------|--|---|
| Joker 5-8 Federal Com 124H | FIELD:   | Teas; Bone Spring   |
| Section 5, T20S-R34E       | MD/TVD:  | 20,256' / 9,971'  |
| Lea County, New Mexico     | LATERAL LENGTH:  | 10,000'   |
| ·                          | DRILLING DAYS:   | 19.6  |
| SBSG                       | COMPLETION DAYS:   | 18.6  |
|                            | Joker 5-8 Federal Com 124H<br>Section 5, T20S-R34E<br>Lea County, New Mexico | Joker 5-8 Federal Com 124H     FIELD:       Section 5, T20S-R34E     MD/TVD:       Lea County, New Mexico     LATERAL LENGTH:       DRILLING DAYS:     DRILLING DAYS: |

|  | DRILLING                               | COMPLETION | PRODUCTION  | TOTAL   |
|--|--|------------|---|---|
| INTANGIBLE COSTS   | COSTS                                  | COSTS      | COSTS   | COSTS   |
| 1 Land/Legal/Regulatory  | 54,351                                 | -          | 37,500  | 91,851  |
| 2 Location, Surveys & Damages  | 265,083                                | 16,625     | 2,500   | 284,208   |
| 4 Freight / Transportation   | 43,826                                 | 40,284     | 25,000  | 109,110   |
| 5 Kental - Surface Equipment   | 114,402                                | 198,221    | 105,000   | 417,624   |
| 6 Rental - Downhole Equipment  | 189,026                                | 55,031     |   | 244,057   |
| 7 Kental - Living Quarters   | 44,244                                 | 50,131     | -   | 94,375  |
| 10 Directional Drilling, Surveys   | 395,255                                | -          | -   | 395,255   |
| 11 Drilling  | 693,647                                | -          | -   | 693,647   |
| 12 Drill Bits<br>13 Fuel & Power   | 92,179                                 | 667,183    |   | 92,179<br>841,036   |
| 14 Cementing & Float Equip   | 223,875                                | 607,183    |   | 223,8/5   |
| 15 Completion Unit, Swab, CTU  |  |            | 15,000  | 15,000  |
| 16 Perforating, Wireline, Slickline  | ······································ | 361,754    |   | 361,754   |
| 17 High Pressure Pump Truck  |  | 113,434    |   | 113,434   |
| 18 Completion Unit, Swab, CTU  |  | 134,791    | <b>_</b>  | 134,791   |
| 20 Mud Circulation System  | 96,811                                 | <u> </u>   | ·   | 96,811  |
| 21 Mud Logging   | 16,130                                 |            |   | 16,130  |
| 22 Logging / Formation Evaluation  | 6,690                                  | 7,673      |   | 14,363  |
| 23 Mud & Chemicals   | 332,951                                | 403,207    | 10,000  | 746,158   |
| 24 Water   | 39,990                                 | 608,810    | 250,000   | 898,800   |
| 25 Stimulation   | •                                      | 749,053    |   | 749,053   |
| 26 Stimulation Flowback & Disp   | •                                      | 111,899    | 150,000   | 261,899   |
| 28 Mud / Wastewater Disposal   | 177,689                                | 56,269     | •   | 233,959   |
| 30 Rig Supervision / Engineering<br>32 Drig & Completion Overhead  | 111,522                                | 122,769    | 21,667  | 255,958   |
| 32 Drig & Completion Overnead  | 9,591                                  | 63,942     | -   | 9,591<br>306,725  |
| 55 Labor<br>54 Proppant  | 141,110                                | 1,155,029  | 101,667   | 1,155,029   |
| 95 Insurance   | 13,489                                 | 1,135,025  |   | 13,489  |
| 97 Contingency   |  | 22,472     | 3,833   | 26,305  |
| 99 Plugging & Abandonment  | · · ·                                  |            | -   |   |
| TOTAL INTANGIBLES  | 3,235,720                              | 4,938,578  | 722,167   | 8,896,465   |
|  | DRILLING                               | COMPLETION | PRODUCTION  | TOTAL   |
| TANGIBLE COSTS   | COSTS                                  | COSTS      | COSTS   | COSTS   |
| 60 Surface Casing  | 5 112,477                              | •          | - 3   | 112,477   |
| 61 Intermediate Casing   | 316,801                                |            |   | 316,801   |
| 62 Drilling Liner  | •                                      |            | -   | •   |
| 63 Production Casing   | 632,196                                |            |   | 632,196   |
| 64 Production Liner  |  |            |   |   |
|  |  |            |   | · · ·   |
| 65 Tubing  |  |            | 140,000   | 140,000   |
| 65 Tubing<br>66 Wellhead   | 59,645                                 |            | 40,000  | 99,645  |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers  | 59,645<br>13,556                       |            |   |   |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks  | 13,556                                 |            | 40,000  | 99,645  |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels   |  |            | 40,000  | 99,645<br>33,556<br>45,833  |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines  | 13,556                                 |            | 40,000<br>20,000<br>45,833<br>126,667   | 99,645<br>33,556<br>45,833<br>126,667   |
| 65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string   |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667  | 99,645<br>33,556<br>45,833<br>126,667<br>66,667   |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines  |  |            | 40,000<br>20,000<br>45,833<br>126,667   | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000   |
| 65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment   |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000  | 99,645<br>33,556<br>45,833<br>126,667<br>66,667   |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Froduction Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor  |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000  | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000   |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Froduction Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs   |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833   | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833  |
| 65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation   |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833   | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833  |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Cosis<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration  |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667  | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667   |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping  |  |            | 40,000<br>20,000<br>-<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667  | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667  |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines  |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>3,833<br>61,667<br>-<br>116,667<br>-<br>-<br>20,000   | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000   |
| 65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers  |  |            | 40,000<br>20,000<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>   | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>   |
| 65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Buik Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment   |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>-<br>116,667<br>-<br>-<br>20,000<br>-<br>-<br>-<br>108,333<br>43,333                                       | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>116,667<br>20,000<br>-<br>108,333<br>43,333  |
| 65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Fiping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack  |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>-<br>-<br>-<br>20,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>   |
| 65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Cosis<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding   |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>-<br>116,667<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-     | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Cosis<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA           |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>66,667<br>90,000<br>5,833<br>61,667<br>-<br>20,000<br>-<br>108,333<br>43,333<br>16,667<br>50,000  | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>200,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Satety |  |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>-<br>20,000<br>-<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833                                 | 99,645<br>33,556<br>45,833<br>126,667<br>90,000<br>5,833<br>61,667<br>116,667<br>200,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-           |
| 65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Cosis<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA           | 13,556<br>                             |            | 40,000<br>20,000<br>-<br>45,833<br>126,667<br>66,667<br>66,667<br>90,000<br>5,833<br>61,667<br>-<br>20,000<br>-<br>108,333<br>43,333<br>16,667<br>50,000  | 99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>200,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |

# PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:          | PS           |                       |                 |
|-----------------------------|--------------|-----------------------|-----------------|
| Completions Engineer:       | ML           |                       |                 |
| Production Engineer:        | DC           |                       |                 |
| ian Resources Operating, LL | .C APPROVAL: |                       |                 |
| Co-CEO                      |              | Co-CEO                | VP - Operations |
|                             | WH           | Jw                    | CRM             |
| VP - Land & Legal           | BG           | VP - Geosciences      |                 |
|                             |              |                       |                 |
| OPERATING PARTNER A         | PPROVAL:     |                       |                 |
| Company Name:               |              | Working Interest (%): | Tax ID:         |
|                             |              |                       |                 |
| Signed by:                  |              | Date:                 |                 |

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:           | 2.17.2023   | AFE NO.:  | 1                     |
|-----------------|---|---|-----------------------|
| VELL NAME:      | Joker 5-8 Federal Com 125H                        | FIELD:  | Teas; Bone Spring     |
| OCATION:        | Section 5, T20S-R34E                              | MD/TVD:   | 20,571' / 10,286'     |
| OUNTY/STATE:    | Lea County, New Mexico                            | LATERAL LENGTH:                                 | 10,000'               |
| ermian Wl:      |   | DRILLING DAYS:                                  | 19.6                  |
| EOLOGIC TARGET: | SBSG  | COMPLETION DAYS:                                | 18.6                  |
|                 | Drill a horizontal SBSG well and complete with 44 | 4 stages. AFE includes drilling, completions, f | lowback and Initial A |
| REMARKS:        | install cost                                      | - • •   |                       |

|  | DBHIDD   | COMPLETION          | BRODUCTION !            | TOTAL   |
|--|--|---------------------|-------------------------|---|
|  | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | TOTAL<br>COSTS                                |
| INTANGIBLE COSTS   |  | 0313                |                         |   |
| 1 Land / Legal / Regulatory 5  | 54,351   |                     |                         | <b>5</b> 91,851                               |
| 2 Location, Surveys & Damages  | 265,083  | 16,625              | 2,500                   | 284,208                                       |
| 4 Freight / Transportation   | 43,826   | 40,284              | 25,000                  | 109,110                                       |
| 5 Rental - Surface Equipment   | 114,402  | 198,221             | 105,000                 | 417,624                                       |
| 6 Kental - Downhole Equipment  | 189,026  |                     |                         | 244,057                                       |
| 7 Rental - Living Quarters   | 44,244   | 50,131              |                         | 94,375  |
| 10 Directional Drilling, Surveys   | 395,255  | •                   | ·                       | 693,647                                       |
| 11 Drilling  | 693,647  | <u> </u>            |                         | 92,179  |
| 12 Drill Bits<br>13 Fuel & Power   | 92,179   | 667,183             | ·                       | 841,036                                       |
| 14 Cementing & Float Equip   | 223,875  |                     |                         | 223,875                                       |
| 15 Completion Unit, Swab, CIU  |  |                     |                         | 15,000  |
| 16 Perforating, Wireline, Slickline  | · ·  | 361,754             | 10,000                  | 361,754                                       |
| 17 High Pressure Pump Truck  |  | 113,434             |                         | 113,434                                       |
| 18 Completion Unit, Swab, CTU  |  | 113,4,791           | ·                       | 134,791                                       |
| 20 Mud Circulation System  | 96,811   |                     |                         | 96,811  |
| 21 Mud Logging   | 16,130   |                     | <u> </u>                | 16,130  |
| 22 Logging / Formation Evaluation  | 6,690  | 7,673               |                         | 14,363  |
| 23 Mud & Chemicals   | 332,951  | 403,207             | 10,000                  | 746,158                                       |
| 24 Water   | 39,990   | 608,810             | 250,000                 | 898,800                                       |
| 25 Stimulation   |  | 749,053             |                         | 749,053                                       |
| 26 Stimulation Flowback & Disp   |  | 111,899             | 150,000                 | 261,899                                       |
| 28 Mud/Wastewater Disposal   | 177,689  | 56,269              |                         | 233,959                                       |
| 30 Rig Supervision / Engineering   | 111,522  | 122,769             | 21,667                  | 255,958                                       |
| 32 Drig & Completion Overhead  | 9,591  |                     |                         | 9,591   |
| 35 Labor   | 141,116  | 63,942              | 101,667                 | 306,725                                       |
| 54 Proppant  | •  | 1,155,029           | <b>.</b>                | 1,155,029                                     |
| 95 Insurance   | 13,489   | •                   | •                       | 13,489  |
| 97 Contingency   |  | 22,472              | 3,833                   | 26,305  |
| 99 Plugging & Abandonment  |  | <u> </u>            | <u>_</u>                | -   |
| TOTAL INTANGIBLES >  | 3,235,720  | 4,938,578           | 722,167                 | 8,896,465                                     |
|  |  |                     |                         |   |
| <u></u>  |  |                     |                         | TOTAL   |
| <b>A</b>   | DRILLING   | COMPLETION          | PRODUCTION              | TOTAL   |
| TANGIBLE COSTS   | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing \$   | DRILLING<br>COSTS<br>112,477   | COMPLETION          | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477                           |
| TANGIBLE COSTS<br>60 Surface Casing \$<br>61 Intermediate Casing   | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477                           |
| TANGIBLE COSTS<br>60 Surface Casing \$<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>112,477<br>316,801  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>-           |
| TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing   | DRILLING<br>COSTS<br>112,477   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>5 112,477<br>316,801<br>             |
| TANGIBLE COSTS         60 Surtace Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$  | DRILLING<br>COSTS<br>112,477<br>316,801  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>112,477<br>316,801<br>               |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>112,477<br>316,801<br>               |
| TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Weilhead   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>632,196<br> |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         65 Tubing         66 Weilhead         67 Packers, Liner Hangers  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>632,196<br> |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilthead         67 Packers, Liner Hangers         68 Tanks   | DRILLING<br>COSTS<br>112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         9 Production Vessels       \$   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surtace Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$   | DRILLING<br>COSTS<br>112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         99 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$  | DRILLING<br>COSTS<br>112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment  | DRILLING<br>COSTS<br>112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         9 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>5 112,477<br>316,801<br>             |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br> | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         64 Production Casing         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         79 Interconnecting Facility Piping         80 Gathering/ Buik Lines         81 Valves, Dumps, Controllers   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack   | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Casing       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$ | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>\$ 112,477<br>316,801<br>            |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         64 Production Liner         65 Tubing         66 Weilthead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>5 112,477<br>316,801<br>             |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS     | COSTS<br>5 112,477<br>316,801<br>             |

#### PREPARED BY Permian Resources Operating, LLC:

|   | <u> </u>  |  |  |
|---|---|--|--|
| Drilling Engineer:  | PS  |  |  |
| Completions Engineer:   | ML  |  |  |
| Production Engineer.  | DC  |  |  |
| Permian Resources Operating, LL                                     | C APPROVAL:                                       |  |  |
| Co-CEO  |   | Co-CEO   | VP - Operations  |
| VP - Land & Legal   | WH  | JW<br>VP - Geosciences   | CRM  |
| T - Easte de Eegan  | BG  | 50 SO  |  |
|   |   |  |  |
| NON OPERATING PARTNER A   | PPROVAL:  |  |  |
| Company Name:   |   | Working Interest (%):  | Tax ID:  |
| Signed by:  |   | Date:  |  |
| Title:  |   | Approval: Yes  | No (mark one)  |
| the costs on this AFE are estimated only and may not be construed a | a collinear on one of the first on the total cost | of the regist. Tabine installation environal under the AFF may be delayed on to a user after the well have | have an address of the state of the SET the Destining of some to may its |

The costs on the AFE are estimate only and new productions of a costspace on any specific item or the total cost of the project. This possibilition approved under the AFE are the delayed up to a year after the well has been completed. In exercising this well, Postported under the trans of the approximate share of actual costs incurrent, including, legal, curstiny, including and the covered by and billed proportionality for Operator's avell costs and gravital labelity because usine participant provide Operator a certificate relativity and actuation of the applicable joint of the Operator by the date of apal.

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:           | 2.17.2023                                     | AFE NO.:  | 1                    |
|-----------------|---|---|----------------------|
| WELL NAME:      | Joker 5-8 Federal Com 126H                    | FIELD:  | Teas; Bone Spring    |
| OCATION:        | Section 5, T20S-R34E                          | MD/TVD:   | 20,256' / 9,961'     |
| COUNTY/STATE:   | Lea County, New Mexico                        | LATERAL LENGTH:                                     | 10,000'              |
| ermian WI:      |   | DRILLING DAYS:                                      | 19.6                 |
| EOLOGIC TARGET: | SBSG  | COMPLETION DAYS:                                    | 18.6                 |
|                 | Drill a horizontal SBSG well and complete wit | h 44 stages. AFE includes drilling, completions, fl | owback and Initial A |
| REMARKS:        | install cost                                  |   |                      |

| DATA OF THE COMPANY         DATA OF THE COMPANY <thdata company<="" of="" th="" the="">         DATA OF THE COMPANY</thdata>  |  | DRILLING   | COMPLETION          | PRODUCTION          | TOTAL   |
|---|--|--|---------------------|---------------------|---|
| Land / Legal / Regulatory         SLAS1         -         -         -         -         -         -         9         91/81           2 Location. Survey & Lanages         23,525         40.251         25,000         100,107         98,326           4 Reight / Lanagestation         13,422         25,000         100,107         44,443           5 Rental - Survey & 23,525         -         -         39,225         -         -         70,255           10 Directional Utiling Surveys         35,255         -         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         70,255         -         -         72,235         -         70,255         -         -         72,235         -         72,235         -         70,255         -         -         72,235         -         72,235   | INTANCIDI E COSTE  |  |                     |                     |   |
| 2 Location, Survey & Lamages         225,087         155,55         2.307         284,207           4 Neight / Tansportaion         435,55         40,224         25,007         107,100           5 Kenial - Survice Equipment         114,402         119,520         35,031         -         44,867           7 Kenial - Living Quarters         43,244         50,137         -         44,867           1 Durition Unit Resolution Equipment         165,557         -         -         73,225           1 Durition Unit Sevals, CTU         -         -         73,225         -         -         73,225           1 Durition Unit Sevals, CTU         -         -         15,000         74,001         -         15,000         16,000  |  |  |                     |                     |   |
| 4 Predgaty / transportation         32,825         402,847         25,007         100,110           5 Retail - Surves Rayloneat         18,70,25         55,057         -         44,40,57           6 Retail - Downhole Equipment         18,70,25         55,057         -         78,70,57           10 Directional Uniting, Surveys         38,72,55         -         -         78,75,75           11 Diriting         02,777         -         -         78,75,75           12 Diriting (Diriting, Surveys         38,72,57         -         -         78,75,75           13 Directional Uniting, Surveys         38,72,77         -         -         78,75,77           13 Directional Unit, Sweb, CUU         -         115,35,87         -         15,70,07         -         98,77,77           14 Mich Direction, Structure         -         -         115,35,87         -         15,35,77         -         15,35,77           15 Mich Direction, Structure         -         -         115,35,77         -         15,35,77           12 Mick Direction, Structure         -         -         115,357         -         15,357           12 Mick Direction, Structure, Structure         -         -         15,357         -         15,357  |  |  |                     |                     |   |
| 3 Renial - Survixe Equipment         114.002         198.221         105.0007         47.4647           5 Renial - Lowing Quarters         189.025         55.1617         -         48.057           1 Deticitional Linking Surveys         385.255         -         -         585.657           1 Detiling Surveys         387.255         -         -         585.657           1 Detiling Surveys         387.257         -         -         587.647           1 Detiling Surveys         387.777         -         -         78.717           1 Standing A float Equip         120.267.7         -         -         78.717           1 Scompletion Unit, Swah, C1U         -         158.747         -         158.774           1 High Presser Yung Track         -         113.471         -         158.775           2 Made Cheation System         66.697         7.673         -         16.5137           2 Logging (Fromation Exclusion         6.697         7.673         -         16.5137           2 Logging (Fromation Exclusion         6.697         7.673         -         16.5137           2 Logging (Fromation Exclusion         6.697         7.673         -         16.5137           2 Logging (Fromation Exclusion  |  |  |                     |                     |   |
| 6 Kental - Downhole Equipment         197025         55031         -         44437           7 Kental - Like (Quarkes         44447         50131         -         94,375           10 Directional Dollling, Surveys         355,255         -         -         595,257           11 Diriting         664,647         -         -         975,257           12 Diriting Konstanton         70,757         -         -         71,137           13 Istal & Frower         13,347         -         -         73,127           14 Community & Konstanto, CUU         -         133,797         -         113,547           17 High Pressure Pump Incok         -         113,547         -         113,547           21 Mud Logging         16,130         -         -         113,547           21 Mud Logging         16,130         -         -         113,547           21 Mud Logging         16,130         -         -         143,557           22 Mud Chechnelab         32,557         -         143,557         -         143,557           23 Mud Viasweits Daposat         177,487         36,267         -         25,557           24 Mud Yiasweits Daposat         177,487         36,267         -  |  |  |                     |                     |   |
| 19 Directional Libriting.         395,257   |  |  |                     |                     | 244,057   |
| 11 Detilling         6935.647         -         6935.647           12 Detilling         6925.647         -         921.07           13 Feat & Fower         1735.835         667.183         -         281.08           13 Completion Unit, Sweb, CTU         -         -         282.875         -         282.875           15 Completion Unit, Sweb, CTU         -         -         113.4791         -         113.4791           13 Hot Indigon to twalkeline         -         -         113.4791         -         113.4791           21 Mud Logging to twalkeline         -         -         113.4791         -         113.4791           21 Mud Logging to twalkeline         -         -         -         113.4791         -         113.4791           22 Mud Logging to twalkeline         -         -         113.4791         -         113.4791           23 Mud Logging to twalkeline         -         -         113.4791         -         113.4791           23 Mud Logging to twalkeline         -         -         749.0537         -         749.0537           24 Water         -         -         -         -         24.0597         -         24.0597           23 Mud Logginon thankeline   | 7 Kental - Living Quarters   | 44,244   | 50,131              | •                   | 94,375  |
| 12 Drill Bis     92,179     -     92,179       13 Drill & Ford     173835     -     92,179       14 Canceling & Float Kquip     223875     -     223875       15 Completion Unit, Swab, CTU     -     -     35,074       15 Mich Ford     -     361,754     -       15 Mich Ford     -     361,754     -       15 Mich Ford     -     133,071     -       15 Mich Ford     -     -     135,007       12 Drill Mich Ford     -     -     -       12 Mich Ford     -     -     -       12 Mich Crack Landon     -     -     -       12 Mich Ford     -     -     -       12 Mich Ford     -     -     -       12 Mich Ford     -     -     -       13 Mich Ford     -     -     -       14 Mich Ford     -     -     -       15 Mich Ford     -     -     -       12 Mich Ford     - <td>10 Directional Drilling, Surveys</td> <td>395,255</td> <td>•</td> <td>· ·</td> <td></td>  | 10 Directional Drilling, Surveys   | 395,255  | •                   | · ·                 |   |
| 13 Fuel & Forer         17.3833         66/.185         -         941.085           13 Completion Unit, Swap, CTU         -         -         15.0007         15.0007           15 Completion Unit, Swap, CTU         -         -         15.0007         15.0007           17 High Pressure Fung Truck         -         113.437         -         113.437           17 High Pressure Fung Truck         -         113.437         -         113.437           21 Mad Logging         16.5137         -         -         16.137           21 Mad Logging         16.5137         -         -         14.0007           21 Mad & Chronatola Southalton         5.6907         7.675         -         14.3537           23 Mad & Chronatola Southalton         5.6907         7.6757         -         14.0007           23 Mad & Chronatola Southalton         10.0007         7.40133         25.0007         26.0007           24 Made C         11.0597         150.0007         26.0007         26.0007         26.0007           24 Mad Vasteret Disposal         17.7697         50.2007         26.0007         26.0007         25.0007         26.0007           25 Unit Southalton Forback & Disp         11.0172         12.2767         21.667   |  |  | -                   | •                   |   |
| 14 Cenenting & Host Equip         ZZ3875         -         -         ZZ3875           15 Completion Unit, Swab, CTU         -         -         15300         15300           15 Protocharding, Writeline, Sitckline         -         -         361,751         -         361,751         -         361,751           15 Vergene Pump Truck         -         113,347         -         113,547         -         113,547           18 Completion Unit, Swab, CTU         -         -         96,817         -         -         150,007         763,757         -         14,357           21 Mud Logging         161,307         -         161,307         -         164,352         -         161,307         -         164,352           22 Midd Karolaton Evaluation         5.6497         7,473         -         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,353         -         740,357         -         153,86  |  |  | •                   | •                   |   |
| 15 Completion Unit, Swab, CTU   |  |  |                     | •                   |   |
| 19 Performating, Writeline, Sitckline       -   | • • • •  |  |                     | -                   | •   |
| 17 Hdg Pressure Pump Track       I13/381       I13/381       I13/381         19 Hdg Pressure Pump Track       I3/791       I3/791       I3/791         20 Mud Caculation System       96,811       I       96,811         21 Mud Logging       I6,1307       I6,1307       I6,1307         22 Logging / Formation Evaluation       6,5690       7,67,37       I7,6357         23 Mud & Chenicals       332,9511       400,2007       10,0007       746,1537         24 Water       39,990       608,8107       230,007       968,807         25 Stimulation   |  |  |                     | 15,000              |   |
| IB Completion Unit, Swab, CITU         ISL/PI         ISL/PI           21 Mud Circulation System         95,811         -         154,791           22 Mud Circulation System         95,811         -         161,307           22 Mud Circulation System         352,951         405,207         10,807         748,138           23 Mud & Lhemiation         352,951         405,207         10,807         748,138           23 Mud K Lhemiation         352,951         405,207         10,807         749,105           24 Muder         397,960         98,88,807         728,907         725,958           25 Minutation Howback & Dap         -         111,297         725,958         725,958           26 Mud (Waterwater Diagonal         177,887         35,2297         72,967         25,958           28 Mud (Supervision Venhead         19,591         -         73,971         30,867         39,97           28 Lind (Jonn Ovenhead         19,591         -         -         -         73,971           29 Ling & Completion Ovenhead         19,591         -         -         1,153,007         1,153,007         1,153,007         1,153,007         1,153,007         1,153,007         -         1,153,007         1,153,007         -         1,15  |  |  |                     |                     |   |
| 20 Mad Creculation System         96,811         -         -         96,811           22 Logging         Instantion         Instantion <td< td=""><td>· ·</td><td></td><td></td><td></td><td></td></td<>  | · ·  |  |                     |                     |   |
| Zi Mud Logging         16,137         -         16,137           Zi Logging Komation Kalustion         65690         7/6/37         114,587           20 Mud & Chenicals         552,951         400,207         100,007         746,183           23 Mutualition         552,951         400,207         100,007         749,083           23 Mutualition         97,990         668,8810         250,007         749,083           23 Mutualition Investment & Usigo ast         177,4897         56,2897         121,897         255,588           20 Mig & Completion Uverhead         79,991         -         21,897         255,598           32 Labor         111,522         122,4797         21,867         308,725           34 Kapppent         -         -         93,991         -         13,897           97 Contingency         13,4897         -         -         -         -           97 Contingency         32,25,720         4,938,578         722,167         8,996,465         -         -         -           97 Haggling & Abandonment         -         -         -         -         -         -         -         -         -         -         -         -         -         -         - <td></td> <td>96,811</td> <td></td> <td></td> <td></td>   |  | 96,811   |                     |                     |   |
| 21 Mark & Chemicals         352/511         402/207         100007         745/183           28 Mater         393907         608/8010         250/007         749/053         749/053           28 Situnulation Howback & Uisp         -         749/053         749/053         749/053           29 Mad / Waterwater Disposal         117/2697         752/267         -         253/3797           28 Mad / Waterwater Disposal         117/2697         752/267         -         253/3797           28 Mad / Waterwater Disposal         117/2697         72/2677         -         253/3797           28 Horopstal         117/2697         72/277         71/550/07         -         7,53/17           38 Labor         141.116         65,992         -         -         7,53/17           39 Plagging & Abandonment         -         -         -         -         -           TANCIBLE COSTS         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -         -   | •  | 16,130   | <u> </u>            |                     | 16,130  |
| 24 Vater         99,907         608,810         230,0007         998,8007           25 Stimulation Howback & Disp         -         -         749,055         -         26,387         -         26,387         -         26,387         -         26,387         -         25,387         -         25,3897         -         25,3897         -         25,3897         -         25,3897         -         25,3897         -         25,3897         -         25,3897         -         25,3897         -         25,3897         -         25,3897         -         25,3897         30,872         30,872         39,872         -         -         -         -         -         -         39,872         39,872         -         -         1,3897         -  |  | 6,690  | 7,673               |                     | 14,363  |
| 25 Stimulation   - 470(03) - 470(03) - 470(03) - 470(03) - 470(03) - 470(03) - 261,897   - 261,897   - 261,897   - 253,987   - 253,978   -  |  |  |                     | 10,000              |   |
| 2b         1112897         150,0007         26,1587           2b         Midd / Washwatter Uispoal         177,6897         36,2697         23,55736           2b         Midd / Washwatter Uispoal         111,2227         112,27697         21,5677         225,5736           3b         Midd / Washwatter Uispoal         111,2527         122,7697         21,5677         225,5736           3b         Midd / Washwatter Uispoal         111,1517         65,3942         101,067         306,725           3b         Labor         1,155,029         -         -         1,155,029         -         1,153,0897           3c         Midd / Mashwatter Uispoal         -  |  | 39,990   |                     | 250,000             |   |
| 23 Mid (Wastewater Usposal         177,697         56,267         233 (39)           30 Mig Supervision / Engineering         111,322         122,769         21,667         253 (39)           33 Labor         111,322         122,769         21,667         253 (39)           34 Hoppenin         -         -         9,591         -         9,591           34 Hoppenin         -         1,155,029         -         1,155,029         -         1,155,029           97 Contingency         -         22,4747         3,8353         263,355         263,355         263,357         22,167         8,896,465           97 Plugging & Abandonment         -   |  | •  |                     |                     |   |
| 39 Kig Supervision / Engineering         111.522         122.767         21,567         235 Sy 987           30 Kig Supervision / Lengineering         9,597         -         9,597         -         9,597           35 Labor         141,116         63,542         101,667         306,725           54 Hoppant         -         1,153,027         -         1,153,027           55 Insurance         13,489         -         -         13,489           97 Contingency         -         2,477         3,835         26,305           97 Longing & Abandonment         -         -         -         -           TANCIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         COSTS         -         612,219           61 Intermediate Casing         5         112,477         -   |  | · .  |                     | 150,000             |   |
| 32 Drig & Completion Overhead 9,591 · · · · 9,997 · · · · 9,997 · · · · 9,997 · · · · · 9,997 · · · · · · · 9,997 · · · · · · · · · · · · · · · · · ·   | • •  |  |                     | •                   |   |
| 35 Labor         141,116         63,942         101,667         306,252           54 Proppant         -         1,155,029         -         1,155,029         -         1,155,029         -         1,155,029         -         1,155,029         -         1,155,029         -         1,155,029         -         1,158,029         -         1,158,029         -         1,158,029         -         1,158,029         -         1,158,029         -         1,158,029         -         1,158,029         -         1,138,89         -<   |  |  |                     | 21,667              |   |
| 54 Propant         .         1,155,029         .         1,155,029           95 Insurance         13,489         .         13,489         .         13,489           97 Contingency         .         22,472         3,8353         26,3857           99 Plugging & Abandonment         .         .         .         .           TOTAL INTANGIBLES >         3,235,720         4,938,778         722,167         8,896,465           TOTAL INTANGIBLES >         3,235,720         COSTS         COSTA         COSTA         COSTA <t< td=""><td></td><td></td><td></td><td>-</td><td></td></t<>   |  |  |                     | -                   |   |
| 95 Insurance         13,489         -         -         13,489           97 Contingency         -         22,472         3,833         26,305           97 Hugging & Abandonment         -         -         -         -           TOTAL INTANCIBLES >         3,235,720         4,938,578         722,167         8,896,465           TANCIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS           60 Surface Casing         5         112,477         -         -         5         112,477           61 Intermediate Casing         5         112,477         -         -         5         112,477           61 Intermediate Casing         5         112,477         -         <   |  |  |                     |                     |   |
| 97 Contingency         -          -         -   |  | 13.489   |                     |                     |   |
| 99 Plugging & Abandonment         . <td></td> <td></td> <td>22.472</td> <td>3,833</td> <td></td>  |  |  | 22.472              | 3,833               |   |
| DRILLING<br>COSTS         COMPLETION<br>COSTS         PRODUCTION<br>COSTS         TOTAL<br>COSTS           60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>62 Drilling Liner<br>64 Production Casing<br>64 Production Liner<br>65 Tubbing<br>66 Production Liner<br>65 Tubbing<br>66 Veilhead<br>65 Tabbing<br>66 Veilhead<br>76 Packers, Liner Hangers<br>67 Tackers, Liner Hangers<br>67 Tackers, Liner Hangers<br>70 Flow Lines<br>70 How Lines<br>71 How Lines<br>71 How Lines<br>71 How Lines<br>72 Artifickal Lit Equipment<br>73 Compressor<br>73 Compressor<br>74 Caster Pumps<br>75 Surface Pumps<br>75 Surface Pumps<br>76 Cast Conditioning / Dehydration<br>77 Measurement & Meter Installation<br>77 Measurement & Meter Installation<br>77 Measurement & Meter Installation<br>78 Liner Conditioning / Dehydration<br>78 Liner Conditioning / Dehydration<br>78 Liner Conditioning / Dehydration<br>78 Liner Conditioning / Dehydration<br>71 Measurement & Meter Installation<br>77 Measurement & Meter Installation<br>78 Liner Conditioning / Dehydration<br>71 Measurement & Meter Installation<br>73 Liner Conditioning / Dehydration<br>73 Liner Conditioning / Dehydration<br>74 Liner Conditioning / Dehydration<br>75 Liner Conditioning / Dehydration<br>76 Liner Conditioning / Deh |  | <u> </u>   |                     | •                   |   |
| TANGIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS           60 Surface Casing         \$ 112,477         -         \$ 112,477         -         \$ 112,477           61 Intermediate Casing         316,801         -         -         -         316,801           63 Production Casing         632,196         -   | TOTAL INTANGIBLES >  | 3,235,720  | 4 938 578           | 722,167             | 8,896,465   |
| TANGIBLE COSTS         COSTS         COSTS         COSTS         COSTS         COSTS           60 Surface Casing         \$ 112,477         -         \$ 112,477         -         \$ 112,477           61 Intermediate Casing         316,801         -         -         -         316,801           63 Production Casing         632,196         -   |  |  |                     |                     |   |
| 60 Surface Casing       5       112,4/7       -       -       5       112,4/7         61 Intermediate Casing       316,801       - </td <td></td> <td></td> <td></td> <td></td> <td></td>   |  |  |                     |                     |   |
| 62 Drilling Liner       .   |  | DRILLING   | COMPLETION          | PRODUCTION          | TOTAL   |
| 63 Production Casing       632,196       -       -       632,196         64 Production Liner       -       -       -       -       -         65 Tubing       - <td< td=""><td>TANGIBLE COSTS</td><td>DRILLING<br/>COSTS</td><td>COMPLETION</td><td>PRODUCTION<br/>COSTS</td><td>TOTAL<br/>COSTS</td></td<>  | TANGIBLE COSTS   | DRILLING<br>COSTS  | COMPLETION          | PRODUCTION<br>COSTS | TOTAL<br>COSTS  |
| 64 Production Liner       -   | TANGIBLE COSTS<br>60 Surface Casing  | DRILLING<br>COSTS<br>112,477   | COMPLETION          | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477  |
| 65 Tubing       -       -       140,000"       140,000"         66 Weilhead       595,645       -       40,000"       995,645         67 Packers, Liner Hangers       13,556       -       20,000"       33,556         68 Tanks       -       -       -       -         69 Production Vessels       -       -       -       -         70 Flow Lines       -       -       45,833       45,833         71 Rod string       -       -       126,667       126,667         72 Artificial Lift Equipment       -       -       90,000"       90,000"         73 Compressor       -       -       -       90,000"       90,000"         73 Compressor       -       -       -       -       -       -         74 Installation Costs       -       -       -       -       -       -         75 Surface Pumps       - </td <td>TANGIBLE COSTS<br/>60 Surface Casing<br/>61 Intermediate Casing</td> <td>DRILLING<br/>COSTS<br/>112,477</td> <td>COMPLETION</td> <td>PRODUCTION<br/>COSTS</td> <td>TOTAL<br/>COSTS<br/>\$ 112,477</td>  | TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing  | DRILLING<br>COSTS<br>112,477   | COMPLETION          | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477  |
| 66 Weilhead       59,645       -       40,000       99,645         67 Packers, Liner Hangers       13,556       -       20,000       33,556         68 Tanks       -<   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing   | DRILLING<br>COSTS<br>112,477<br>316,801  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801   |
| 67 Packers, Liner Hangers       13,556       -       20,000       33,556         68 Tanks       -   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner   | DRILLING<br>COSTS<br>112,477<br>316,801  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196  |
| 68 Tanks       -<   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 69 Production Vessels       -       -       45,833       45,833         70 Flow Lines       -       -       126,667       126,667         71 Rod string       -       -       66,667       66,667         72 Artilicial Lilt Equipment       -       -       90,000       90,000         73 Compressor       -       -       5,833       5,833         74 Installation Costs       -       -       -       -         75 Surface Pumps       -       -       61,667       61,667         76 Downhole Pumps       -       -       -       -         77 Measurement & Meter Installation       -       -       -       -         78 Gas Conditioning / Dehydration       -       -       -       -         79 Interconnecting Facility Piping       -       -       -       -       -         80 Gathering / Bulk Lines       -       -       -       -       -       -       -         81 Valves, Dumps, Controllers       -       <  | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       62         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       64   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 70 Flow Lines       -       -       125,667       126,667         71 Rod string       -       -       66,667       66,667         72 Artitictal Litt Equipment       -       -       90,000       90,000         73 Compressor       -       -       90,000       90,000       90,000         73 Compressor       -       -       90,000       90,000       90,000         74 Installation Costs       -       -       5,833       5,833       5,833         74 Installation Costs       -  | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 71 Rod string       -        <  | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks  | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>140,000<br>99,645<br>33,556   |
| 72 Artiticial Lift Equipment       -       -       90,000       90,000         73 Compressor       -       -       5,833       5,833         74 Installation Costs       -       -       -       -         75 Surface Pumps       -       -       -       -       -         76 Downhole Pumps       -   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$  | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>140,000<br>99,645<br>333,55<br>45,833                               |
| 73 Compressor       -       -       5,833       5,833         74 Installation Costs       -   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines  | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667         |
| 74 installation Costs       -   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$  | DRILLING<br>COSTS<br>112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 76 Downhole Pumps       -   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 77 Measurement & Meter Installation       -       -       116,667       116,667         78 Gas Conditioning / Dehydration       -       -       -       -       -         79 Interconnecting Facility Piping       -  | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 78 Gas Conditioning / Dehydration       -       -       -       -       -       -       -       20,000 <td< td=""><td>TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs</td><td>DRILLING<br/>COSTS<br/>3 112,477<br/>316,801<br/></td><td>COMPLETION<br/>COSTS</td><td>PRODUCTION<br/>COSTS</td><td>TOTAL<br/>COSTS<br/>\$ 112,477<br/>316,801<br/>632,196<br/>140,000<br/>99,645<br/>33,556<br/>45,833<br/>126,667<br/>90,000<br/>5,833</td></td<>   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>90,000<br>5,833 |
| 79 Interconnecting Facility Piping       -       -       20,000       20,000         80 Gathering / Bulk Lines       -       -       -       -       -         81 Valves, Dumps, Controllers       -       -       -       -       -       -         82 Tank / Facility Containment       - <t< td=""><td>TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Tubing       S         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S         69 Production Vessels       7         70 Flow Lines       7         71 Kod string       7         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       75 Surface Pumps         76 Downhole Pumps       76 Downhole Pumps</td><td>DRILLING<br/>COSTS<br/>3 112,477<br/>316,801<br/></td><td>COMPLETION<br/>COSTS</td><td>PRODUCTION<br/>COSTS</td><td>TOTAL<br/>COSTS<br/>\$ 112,477<br/>316,801<br/>632,196<br/>140,000<br/>99,645<br/>33,556<br/>45,833<br/>126,667<br/>90,000<br/>5,833</td></t<>  | TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Tubing       S         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S         69 Production Vessels       7         70 Flow Lines       7         71 Kod string       7         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       75 Surface Pumps         76 Downhole Pumps       76 Downhole Pumps  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>90,000<br>5,833 |
| 80 Gathering / Bulk Lines         -          -         - <td>TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artiticial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement &amp; Meter Installation       \$</td> <td>DRILLING<br/>COSTS<br/>3 112,477<br/>316,801<br/></td> <td>COMPLETION<br/>COSTS</td> <td>PRODUCTION<br/>COSTS</td> <td>TOTAL<br/>COSTS<br/>\$ 112,477<br/>316,801<br/></td>  | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artiticial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 81 Valves, Dumps, Controllers       -       -       108,333       108,333         82 Tank / Facility Containment       -       -       43,333       43,333         83 Flare Stack       -       -       16,667       16,667         84 Electrical / Grounding       -       -       50,000       50,000         85 Communications / SCADA       -       -       36,667       36,667         86 Instrumentation / Safety       -       -       833       833         TOTAL TANGIBLES >       1,134,676       0       989,167       2,123,843   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 82 Tank / Facility Containment         -         -         43,333         43,333           83 Flare Stack         -         -         16,667         16,667           84 Electrical / Grounding         -         -         50,000         50,000           85 Communications / SCADA         -         -         36,667         36,667           86 Instrumentation / Safety         -         -         833         833           TOTAL TANGIBLES > 1,134,676         0         989,167         2,123,843   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 83 Flare Stack     -     -     16,667     16,667       84 Electrical / Grounding     -     -     50,000     50,000       85 Communications / SCADA     -     -     36,667     36,667       86 Instrumentation / Safety     -     -     833     833       TOTAL TANGIBLES > 1,134,676     0     989,167     2,123,843  | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 84 Electrical / Grounding         -         -         50,000         50,000           85 Communications / SCADA         -         -         36,667         36,667           86 Instrumentation / Satety         -         -         833         833           TOTAL TANGIBLES > 1,134,676         0         989,167         2,123,843   | TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       S         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gastering / Buik Lines       80         80 Gathering / Buik Lines       81         81 Vaives, Dumps, Controllers       81   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 85 Communications / SCADA<br>86 Instrumentation / Satety<br>TOTAL TANGIBLES > 1,134,676 0 989,167 2,123,843   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       7         70 How Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         76 Cas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Builk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$   | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| 86 Instrumentation / Safety         -         833         833           TOTAL TANGIBLES >         1,134,676         0         989,167         2,123,643   | TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Vaives, Dumps, Controllers       81         81 Vaives, Dumps, Controllers       82         82 Tank / Facility Containment       83         83 Flare Stack       8                       | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| TOTAL TANGIBLES > 1,134,676 0 989,167 2,123,843   | TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Valves, Dumps, Controllers       \$         81 Tank / Facility Containment       \$         85 Tank / Facility Containment       \$         84 Electrical / Grounding       \$ | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
|   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA  | DRILLING<br>COSTS<br>3 112,477<br>316,801<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>  |
|   | TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety  | DRILLING<br>COSTS<br>112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |

#### PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:          | PS          |                             |   |                 |     |
|-----------------------------|-------------|-----------------------------|---|-----------------|-----|
| Completions Engineer:       | ML          |                             |   |                 |     |
| Production Engineer:        | DC          |                             |   |                 |     |
| ian Resources Operating, LL | C APPROVAL: |                             |   |                 |     |
| Co-CEO                      |             | Co-CEO                      |   | VP - Operations |     |
| VD Land & Land              | WH          | JW JW                       |   |                 | CRM |
| VP - Land & Legal           |             | VP - Geosciences            |   |                 |     |
| · _                         | BG          | 50                          | • |                 |     |
| OPERATING PARTNER A         |             | 50                          |   |                 |     |
| OPERATING PARTNER A         |             | SO<br>Working Interest (%): |   | Tax ID:         |     |
|                             |             |                             |   | Tax ID:         |     |

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:           | 2.17.2023                                 | AFE NO.:   | 1                     |
|-----------------|---|--|-----------------------|
| VELL NAME:      | Joker 5-8 Federal Com 127H                | - FIELD:   | Teas; Bone Spring     |
| OCATION:        | Section 5, T20S-R34E                      |  | 20,286' / 10,571'     |
| OUNTY/STATE:    | Lea County, New Mexico                    | LATERAL LENGTH:  | 10,000'               |
| ermian WI:      | · · · · · · · · · · · · · · · · · · ·     | DRILLING DAYS:   | 19.6                  |
| EOLOGIC TARGET: | SBSG                                      | COMPLETION DAYS:                                       | 18.6                  |
|                 | Drill a horizontal SBSG well and complete | with 44 stages. AFE includes drilling, completions, fl | lowback and Initial A |
| EMARKS:         | install cost                              |  |                       |

| •  | DRILLING  | COMPLETION          | PRODUCTION  | TOTAL   |
|--|---|---------------------|---|---|
|  | DRILLING<br>COSTS   | COMPLETION          | PRODUCTION<br>COSTS   | COSTS   |
| INTANGIBLE COSTS   |   |                     |   | \$ 91,851   |
| T Land/Legal/Regulatory \$ 2 Location, Surveys & Damages   | 265,083   | 16,625              | 37,500  | 284,208   |
| 4 Freight / Transportation   | 43,826  | 40,284              | 25,000  | 109,110   |
| 5 Kental - Surface Equipment   | 114,402   | 198,221             | 105,000   | 417,624   |
| 6 Kental - Downhole Equipment  | 189,026   | 55,031              |   | 244,057   |
| 7 Kental - Living Quarters   | 44,244  | 50,131              |   | 94,375  |
| 10 Directional Drilling, Surveys   | 395,255   |                     | <u> </u>  | 395,255   |
| 11 Drilling  | 693,647   | — <u> </u>          |   | 693,647   |
| 12 Drill Bits  | 92,179  |                     | •   | 92,179  |
| 13 Fuel & Power  | 173,853   | 667,183             | •   | 841,036   |
| 14 Cementing & Fioat Equip   | 223,875   |                     | -   | 223,875   |
| 15 Completion Unit, Swab, CIU  | •   |                     | 15,000  | 15,000  |
| 16 Perforaling, Wireline, Slickline  |   | 361,754             | -   | 361,754   |
| 17 High Pressure Pump Truck  |   | 113,434             | •   | 113,434   |
| 18 Completion Unit, Swab, CTU  | -   | 134,791             | •   | 134,791   |
| 20 Mud Circulation System  | 96,811  |                     |   | 96,811  |
| 21 Mud Logging<br>22 Logging / Formation Evaluation  | 6,690   | 7,673               |   | 14,363  |
| 23 Mud & Chemicals   | 332,951   | 403,207             | 10,000  | 746,158   |
| 24 Water   | 39,990  | 608,810             | 250,000   |   |
| 25 Slimulation   |   | 749,053             |   | 749,053   |
| 26 Stimulation Flowback & Disp   |   | 111,899             | 150,000   | 261,899   |
| 28 Mud / Wastewater Disposal   | 177,689   | 56,269              | <u> </u>  | 233,959   |
| 30 Kig Supervision / Engineering   | 111,522   | 122,769             | 21,667  | 255,958   |
| 32 Drig & Completion Overhead  | 9,591   | ······              | <u> </u>  | 9,591   |
| 35 Labor   | 141,116   | 63,942              | 101,667   | 306,725   |
| 54 Proppant  |   | 1,155,029           | <u> </u>  | 1,155,029   |
| 95 Insurance   | 13,489  | •                   |   | 13,489  |
| 97 Contingency   |   | 22,472              | 3,833   | 26,305  |
| 99 Plugging & Abandonment  | · .   | -                   |   | •   |
| TOTAL INTANCED FC.   | 3 A32 BAA   | 4 000 000           | <b>BAA 4 / 7</b>  | 8,896,465   |
| TOTAL INTANGIBLES >  | 3,235,720   | 4,938,578           | 722,167   | 8,070,403   |
| IOTAL INTANGIBLES >  | DRILLING  | COMPLETION          | PRODUCTION  | TOTAL   |
| TANGIBLE COSTS   |   |                     |   |   |
|  | DRILLING  | COMPLETION          | PRODUCTION  | TOTAL   |
| TANGIBLE COSTS   | DRILLING<br>COSTS   | COMPLETION          | PRODUCTION<br>COSTS   | TOTAL<br>COSTS  |
| TANGIBLE COSTS<br>60 Surface Casing \$   | DRILLING<br>COSTS<br>112,477                                | COMPLETION          | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477  |
| TANGIBLE COSTS<br>60 Surface Casing \$<br>61 Intermediate Casing   | DRILLING<br>COSTS<br>112,477                                | COMPLETION          | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner   | DRILLING<br>COSTS<br>112,477<br>316,801                     | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing   | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196          | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>   | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead   | DRILLING<br>COSTS<br>316,801<br>632,1%<br>632,1%<br>59,645  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$   | DRILLING<br>COSTS<br>316,801<br>632,196<br>59,645<br>13,556 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$   | DRILLING<br>COSTS<br>316,801<br>632,1%<br>632,1%<br>59,645  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$  | DRILLING<br>COSTS<br>316,801<br>632,196<br>59,645<br>13,556 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines  | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$  | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>   | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>66,667  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         70 Flow Lines       7         71 Kod string       \$         72 Artificial Lift Equipment       \$  | DRILLING<br>COSTS<br>316,801<br>632,196<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor   | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>   | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>66,667  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs  | DRILLING<br>COSTS<br>316,801<br>632,196<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833                                |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor   | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps  | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>   | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667                       |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Cosits       \$         75 Surface Pumps       \$   | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833                                |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation (Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation  | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS<br>   | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667                       |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration   | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping   | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Froduction Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       7         70 Flow Lines       7         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         76 Lownhole Pumps       \$         70 Lownhole Pumps    | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>632,196<br>140,000<br>99,645<br>33,556<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000 |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Casing       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artilicial Lift Equipment       \$         73 Compressor       \$         74 Installation Cosits       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Cathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$   | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Prackers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Tank / Facility Containment       \$         82 Tank / Facility Containment       \$         84 Electrical / Grounding       \$  | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>632,196<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artilikiai Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Tank / Facility Containment       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$         84 Electrical / Grounding       \$         85 Communications / SCADA       \$ | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artilicial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety  | DRILLING<br>COSTS<br>316,801<br>                            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artilicial Litt Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Cas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Tank / Facility Containment       \$         82 Tank / Facility Containment       \$         84 Electrical / Grounding       \$         85 Communications / SCADA       \$                                 | DRILLING<br>COSTS<br>112,477<br>316,801<br>                 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 112,477<br>316,801<br>   |

#### PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer.           | PS       | · · · · · · · · · · · · · · · · · · · | · · · · · · · · · · · · · · · · · · · |
|------------------------------|----------|---------------------------------------|---------------------------------------|
| Completions Engineer.        | P3<br>ML |                                       |                                       |
| Production Engineer.         | DC       |                                       |                                       |
| mian Resources Operating, LL |          |                                       |                                       |
| Co-CEO                       |          | Co-CEO                                | VP - Operations                       |
|                              | WH       | jw                                    | CRM                                   |
| VP - Land & Legal            |          | VP - Geosciences                      |                                       |
|                              | BG       | so                                    |                                       |
| N OPERATING PARTNER AI       | PPROVAL: |                                       |                                       |
| Company Name:                |          | Working Interest (%):                 | Tax ID:                               |
| Signed by:                   |          | Date:                                 |                                       |
|                              |          |                                       |                                       |

He code on this AFE are estimates only and any conduct on any specific lines or the ball could the project. Table pixelistics approved under the AFE are be delayed up to a year after the well has been completed in executing this AFE, the Participant agrees to pay its propriodicular dama of a statul cost increased. Including, light, carsive, regulatory, holestages and affer the tests of the applicable by complete systems regulatory codes or other agreement covering this well. Participants shall be covered by and billed proportionately for Operator's well constraint and proved list for the applicable provides or estimates or can annound acceptable to the Operator by the date of speci.

300 N. Marienfeld St., Sie. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023  | AFE NO.:   | 1                    |
|------------------|--|--|----------------------|
| WELL NAME:       | Joker 5-8 Federal Com 128H                       | FIELD:   | Teas; Bone Spring    |
| OCATION:         | Section 5, T20S-R34E                             | MD/TVD:  | 20,256' / 9,961'     |
| OUNTY/STATE:     | Lea County, New Mexico                           | LATERAL LENGTH:                                  | 10,000'              |
| ermian WI:       |  | DRILLING DAYS:                                   | 19.6                 |
| SEOLOGIC TARGET: | SBSG   | COMPLETION DAYS:                                 | 18.6                 |
|                  | Drill a horizontal SBSG well and complete with 4 | 4 stages. AFE includes drilling, completions, fl | owback and Initial A |
| REMARKS:         | install cost                                     | - • •  |                      |

|  | DRILLING   | COMPLETION          | PRODUCTION          | TOTAL   |
|--|--|---------------------|---------------------|---|
| INTANGIBLE COSTS   | COSTS  | COSTS               | COSTS               | COSTS   |
| 1 Land/Legal/Regulatory \$   | 54,351   |                     | 37,500              | 5 91,851  |
| 2 Location, Surveys & Damages  | 265,083  | 16,625              | 2,500               | 284,208   |
| 4 Freight/Transportation   | 43,826   | 40,284              | 25,000              | 109,110   |
| 5 Kental – Suriace Equipment   | 114,402  | 198,221             | 105,000             | 417,624   |
| 6 Kental - Downhole Equipment  | 189,026  | 55,031              | -                   | 244,057   |
| 7 Kental - Living Quarters   | 44,244   | 50,131              | -                   | 94,3/5  |
| 10 Directional Drilling, Surveys   | 395,255  | -                   |                     | 395,255   |
| 11 Drilling  | 693,647  | -                   |                     | 693,647   |
| 12 Drill Bits<br>13 Fuel & Power   | 92,179   | 667,183             |                     | 841,036   |
| 14 Cementing & Float Equip   | 223,875  |                     |                     |   |
| 15 Completion Unit, Swab, CTU  |  |                     | 15,000              | 15,000  |
| 16 Pertorating, Wireline, Slickline  | ······   | 361,754             |                     | 361,754   |
| 17 High Pressure Pump Truck  | •  | 113,434             |                     | 113,434   |
| 18 Completion Unit, Swab, CTU  | · · ·  | 134,791             |                     | 134,791   |
| 20 Mud Circulation System  | 96,811   |                     |                     | 96,811  |
| 21 Mud Logging   | 16,130   |                     |                     | 16,130  |
| 22 Logging / Formation Evaluation  | 6,690  | 7,673               | •                   | 14,363  |
| 23 Mud & Chemicals   | 332,951  | 403,207             | 10,000              | 746,158   |
| 24 Water   | 39,990   | 608,810             | 250,000             | 898,800   |
| 25 Stimulation   |  | 749,053             | •                   | 749,053   |
| 26 Stimulation Flowback & Disp   |  | 111,899             | 150,000             | 261,899   |
| 28 Mud / Wastewater Disposal   | 177,689  | 56,269              | -                   | 233,959   |
| 30 Rig Supervision / Engineering   | 111,522  | 122,769             | 21,667              | 255,958   |
| 32 Drig & Completion Overhead  | 9,591  | 63,942              |                     | 306,725   |
| 35 Labor<br>54 Proppant  | 141,110  | 1,155,029           | 101,007             | 1,155,029   |
| 95 Insurance   | 13,489   | 1,100,029           |                     | 13,489  |
| 97 Contingency   |  | 22,472              | 3,833               | 26,305  |
| 99 Plugging & Abandonment  | ·  |                     |                     |   |
| TOTAL INTANGIBLES >  | 2 035 730  | 1000 000            | 722,167             | 8,896,465   |
|  |  | 4.938.578           |                     |   |
|  |  | 4,938,578           |                     |   |
|  | DRILLING   | COMPLETION          | PRODUCTION          | TOTAL   |
| TANGIBLE COSTS   | DRILLING<br>COSTS                                      |                     |                     | TOTAL<br>COSTS  |
| TANGIBLE COSTS 60 Surface Casing S   | DRILLING<br>COSTS<br>112,477                           | COMPLETION<br>COSTS | PRODUCTION          | TOTAL<br>COSTS<br>\$ 112,477  |
| TANGIBLE COSTS   | DRILLING<br>COSTS                                      | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS  |
| TANGIBLE COSTS<br>60 Surface Casing \$<br>61 Intermediate Casing   | DRILLING<br>COSTS<br>112,477                           | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 112,477  |
| TANGIBLE COSTS<br>60 Surface Casing S<br>61 Intermediate Casing<br>62 Drilling Liner   | DRILLING<br>COSTS<br>112,477<br>316,801                | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead  | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Tubing       S         66 Weilhead       S         67 Packers, Liner Hangers       S   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$   | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>632,196<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels  | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 l'roduction Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 l'roduction Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Kod string   | DRILLING<br>COSTS<br>112,477<br>316,801<br>632,196<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Tubing       S         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S         70 How Lines       71 Kod string         72 Artificial Lift Equipment       S  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Turbing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Turbing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Cosits         75 Surface Pumps  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       62         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilthead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       76  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Buik Lines  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Cosits         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Tubing       S         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S         69 Production Vessels       70 How Lines         71 Kod string       Takes         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       75 Surface Pumps         76 Downhole Pumps       77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration       79 Interconnecting Facility Piping         80 Gathering / Buik Lines       81 Valves, Dumps, Controllers         81 Valves, Dumps, Controllers       82 Tank / Facility Containment   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Turbing       S         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S         69 Production Vessels       S         70 Flow Lines       T         71 Kod string       T         72 Artificial Lift Equipment       T         73 Compressor       T         74 Installation Costs       T         75 Surface Pumps       T         76 Downhole Pumps       T         77 Measurement & Meter Installation       T         78 Gas Conditioning / Dehydration       T         79 Interconnecting Facility Piping       SO Cathering / Bulk Lines         81 Valves, Dumps, Controllers       S2 T ank / Facility Containment         83 Flare Stack       St lare Stack | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64 Production Liner         65 Tubing       66 Weilhead         67 Packers, Liner Hangers       68 Tanks         69 Production Vessels       70 How Lines         71 Kod string       72 Artificial Lift Equipment         73 Compressor       74 Installation Costs         75 Surface Pumps       76 Downhole Pumps         76 Downhole Pumps       77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration       79 Interconnecting Facility Piping         80 Gathering / Bulk Lines       81 Valves, Dumps, Controllers         82 Tank / Facility Containment       83 Flare Stack         84 Electrical / Grounding       1000000000000000000000000000000000000  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Buik Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentalion / Safety  | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA   | DRILLING<br>COSTS<br>112,477<br>316,801<br>            | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 112,477<br>316,801<br>  |

#### PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:          | PS          |                  |                        |        |            |     |
|-----------------------------|-------------|------------------|------------------------|--------|------------|-----|
| Completions Engineer:       | ML          |                  |                        |        |            |     |
| Production Engineer:        | DC          |                  |                        |        |            |     |
| ian Resources Operating, LL | C APPROVAL: |                  |                        |        |            |     |
| Co-CEO                      |             | Co-CEO           |                        | VP - C | Operations |     |
|                             | ₩Н          |                  | jw                     |        |            | CRM |
| VP - Land & Legal           |             | VP - Geosciences |                        |        |            |     |
|                             | BG          |                  | 50                     |        |            |     |
| OPERATING PARTNER A         |             |                  | so                     |        |            |     |
| OPERATING PARTNER A         |             |                  | 50<br>1g Interest (%): |        | Tax ID:    |     |
|                             |             | Workir           |                        |        | Tax ID:    |     |

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300 N. Marienfeld St., Sie. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                            | AFE NO.:  | 1                     |
|------------------|--------------------------------------|---|-----------------------|
| WELL NAME:       | Joker 5-8 Federal Com 131H           |   | Teas; Bone Spring     |
| LOCATION:        | Section 5, T20S-R34E                 | MD/TVD:   | 21,116' / 10,831'     |
| COUNTY/STATE:    | Lea County, New Mexico               | LATERAL LENGTH:   | 10,000'               |
| Permian WI:      |                                      | DRILLING DAYS:  | 19.6                  |
| GEOLOGIC TARGET: | TBSG                                 | COMPLETION DAYS:  | 18.6                  |
|                  | Drill a horizontal TBSG well and con | nplete with 44 stages. AFE includes drilling, completions, fi | lowback and Initial A |
| REMARKS:         | install cost                         |   |                       |

|   | DRILLING   | COMPLETION                            | PRODUCTION  | TOTAL  |
|---|--|---------------------------------------|---|--|
| INTANGIBLE COSTS  | COSTS  | COSTS                                 | COSTS   | COSTS  |
|   |  |                                       |   | \$ 94,569  |
| T Land/ Legal/ Regulatory   | \$ 57,069  |                                       | 37,500  | 298,294  |
| 2 Location, Surveys & Damages   | 2/8,338  | 17,456                                | 2,500   |  |
| 4 Freight / Transportation  | 46,017   | 42,298                                | 25,000  | 113,315  |
| 5 Kental - Surface Equipment  | 120,122  | 208,133                               | 105,000   | 433,255  |
| 6 Kental - Downhole Equipment   | 198,477  | 57,783                                | •   | 256,260  |
| 7 Kenial - Living Quarters  | 46,457   | 52,637                                |   | 99,094   |
| 10 Directional Drilling, Surveys  | 415,018  |                                       |   | 415,018  |
| 11 Drilling   | 728,329  |                                       |   | 728,329  |
| 12 Drill Bits   | 96,788   |                                       | <u> </u>  | 96,788   |
|   |  | 700,542                               | ·   | 883,088  |
| 13 Fuel & Power   | 182,546  |                                       |   | 235,069  |
| 14 Cementing & Float Equip  | 235,069  | •                                     |   |  |
| 15 Completion Unit, Swab, CTU   | •  | -                                     | 15,000  | 15,000   |
| 16 Periorating, Wireline, Slickline   | -  | 379,842                               | -   | 379,842  |
| 17 High Pressure Pump Truck   |  | 119,106                               | <u>-</u>  | 119,106  |
| 18 Completion Unit, Swab, CTU   |  | 141,530                               |   | 141,530  |
| 20 Mud Circulation System   | 101,651  |                                       | <u> </u>  | 101,651  |
| 21 Mud Logging  | 16,936   | · · · · · · · · · · · · · · · · · · · | <u> </u>  | 16,936   |
| 22 Logging / Formation Evaluation   | 7,024  | 8,057                                 | <u> </u>  | 15,081   |
|   | 349,599  | 423,367                               |   | 782,966  |
| 23 Mud & Chemicals  |  |                                       |   | 981,240  |
| 24 Water  | 41,989   | 639,251                               | 300,000   |  |
| 25 Stimulation  | •  | 786,506                               | -   | 786,506  |
| 26 Stimulation Flowback & Disp  | •  | 117,494                               | 150,000   | 267,494  |
| 28 Mud / Wastewater Disposal  | 186,574  | 59,083                                | -   | 245,657  |
| 30 Rig Supervision / Engineering  | 117,098  | 128,908                               | 21,667  | 267,673  |
| 32 Drig & Completion Overhead   | 10,071   |                                       |   | 10,0/1   |
| 35 Labor  | 148,172  | 67,140                                | 101,667   | 316,978  |
| 54 Proppant   |  | 1,212,780                             |   | 1,212,780  |
| 95 Insurance  | 14,164   | 1,212,700                             | <u> </u>  | 14,164   |
|   |  | 23,595                                | 3,833   | 27,428   |
| 97 Contingency  |  | 23,393                                | 5,855   |  |
| 99 Plugging & Abandonment   | ·•   | ·                                     |   |  |
| TOTAL INTANGIBLES   | > 3,397,506  | 5,185,507                             | 772,167   | 9,355,180  |
|   | +  | -,,                                   |   |  |
|   |  |                                       |   |  |
|   | DRILLING   | COMPLETION                            | PRODUCTION  | TOTAL  |
| TANGIBLE COSTS  | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing   | DRILLING<br>COSTS<br>\$ 118,101                      | COMPLETION                            | PRODUCTION  | TOTAL<br>COSTS<br>\$ 118,101   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing   | DRILLING<br>COSTS<br>5 118,101<br>332,642            | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 118,101<br>332,642  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing   | DRILLING<br>COSTS<br>\$ 118,101                      | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 118,101   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>5 118,101<br>332,642            | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 118,101<br>332,642  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner   | DRILLING<br>COSTS<br>5 118,101<br>332,642<br>663,806 | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>5 118,101<br>332,642<br>663,806  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>332,642<br>                     | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 118,101<br>332,642<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead   | DRILLING<br>COSTS<br>\$ 118,101<br>332,642<br>       | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>   | TOTAL<br>COSTS<br>\$ 118,101<br>332,642<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers  | DRILLING<br>COSTS<br>5 118,101<br>332,642<br>        | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 118,101<br>332,642<br>663,806<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks  | DRILLING<br>COSTS<br>\$ 118,101<br>332,642<br>       | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>5 118,101<br>332,642<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>\$ 118,101<br>332,642<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines  | DRILLING<br>COSTS<br>\$ 118,101<br>332,642<br>       | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>5 118,101<br>332,642<br>663,806<br>140,000<br>102,628<br>34,254<br>45,833  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Froduction Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Froduction Vessels<br>70 Flow Lines<br>71 Rod string   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 118,101<br>332,642<br>663,806<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Froduction Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Froduction Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artiticial Litt Equipment   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Froduction Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Froduction Vessels<br>70 Flow Lines<br>71 Rod string   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>\$ 118,101<br>332,642<br>663,806<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Froduction Casing<br>64 Froduction Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Froduction Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artiticial Litt Equipment   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor  | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Production Vessels         68 Tanks         69 Production Vessels         70 Flow Lines         71 Hod string         72 Artiticial Litt Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>5 118,101<br>332,642<br>663,806<br>140,000<br>102,628<br>34,234<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833                              |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 I lubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>118,101<br>332,642<br>663,806<br>140,000<br>102,628<br>34,234<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833                                |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artiticial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>663,806<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Toubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         70 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines  | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>118,101<br>332,642<br>663,806<br>140,000<br>102,628<br>34,234<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000 |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers  | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | TOTAL<br>COSTS<br>118,101<br>332,642<br>663,806<br>140,000<br>102,628<br>34,234<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000 |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Froduction Casing         64 Froduction Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Valves, Dumps, Controllers  | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack  | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Toubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA                                   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Satety   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Satety   | DRILLING<br>COSTS                                    | COMPLETION<br>COSTS                   | PRODUCTION<br>COSTS   | TOTAL<br>COSTS<br>118,101<br>332,642<br>   |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:           | PS           |                             |       |                 |     |
|------------------------------|--------------|-----------------------------|-------|-----------------|-----|
| Completions Engineer:        | ML           |                             |       |                 |     |
| Production Engineer:         | DC           |                             |       |                 |     |
| nian Resources Operating, LL | .C APPROVAL: |                             |       |                 |     |
| Co-CEO                       |              | Co-CEO                      | -     | VP - Operations |     |
| VP - Land & Legal            | WH           | JW<br>VP - Geosciences      |       |                 | CRM |
| vr - Lanu & Legal            |              | vr - Geosciences            |       |                 |     |
|                              | BC           | so                          | •     |                 |     |
| OPERATING PARTNER A          |              | 50                          | -<br> |                 |     |
| OPERATING PARTNER A          |              | SO<br>Working Interest (%): |       | Tax ID:         |     |
|                              |              |                             |       | Tax ID:         |     |

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                               | AFE NO.:   | 1                     |
|------------------|---|--|-----------------------|
| WELL NAME:       | Joker 5-8 Federal Com 132H              | FIELD:   | Teas; Bone Spring     |
| LOCATION:        | Section 5, T20S-R34E                    |  | 21,116' / 10,831'     |
| COUNTY/STATE:    | Lea County, New Mexico                  | LATERAL LENGTH:  | 10,000'               |
| ermian WI:       |   | DRILLING DAYS:   | 19.6                  |
| GEOLOGIC TARGET: | TBSG                                    | COMPLETION DAYS:   | 18.6                  |
|                  | Drill a horizontal TBSG well and comple | te with 44 stages. AFE includes drilling, completions, f | lowback and Initial A |
| REMARKS:         | install cost                            |  |                       |

|  | DRILLING                                  | COMPLETION          | PRODUCTION          | TOTAL   |
|--|---|---------------------|---------------------|---|
| INTANGIBLE COSTS   | COSTS                                     | COSTS               | COSTS               | COSTS   |
| T Land/ Legal/ Regulatory  | \$ 57,069                                 | <u> </u>            | 37,500              | \$ 94,569                                     |
| 2 Location, Surveys & Damages  | 278,338                                   | 17,456              | 2,500               | 298,294                                       |
| 4 Freight / Transportation   | 46,017                                    | 42,298              | 25,000              | 113,315                                       |
| 5 Kental - Surface Equipment   | 120,122                                   | 208,133             | 105,000             | 433,255                                       |
| 6 Kental - Downhole Equipment  | 198,477                                   | 57,783              |                     | 256,260                                       |
| 7 Kental - Living Quarters   | 46,457                                    | 52,637              | · · · ·             | 99,094  |
| 10 Directional Drilling, Surveys   | 415,018                                   |                     | <u> </u>            | 415,018                                       |
| 11 Drilling  | 728,329                                   | <u> </u>            |                     | 728,329                                       |
| 12 Drill Bits  | 96,788                                    |                     | <u> </u>            | 96,788  |
| 13 Fuel & Power  | 182,546                                   | 700,542             |                     | 883,088                                       |
| 14 Cementing & Float Equip   | 235,069                                   |                     |                     | 235,069                                       |
| 15 Completion Unit, Swab, CTU  |   |                     | 15,000              | 15,000  |
| 16 Pertorating, Wireline, Slickline  |   | 379,842             |                     | 379,842                                       |
| 17 High Pressure Pump Truck  | ·   | 119,106             |                     | 119,106                                       |
| 18 Completion Unit, Swab, CTU  | <u>.</u>                                  | 141,530             |                     | 141,530                                       |
| 20 Mud Circulation System  | 101,651                                   |                     |                     | 101,651                                       |
| 21 Mud Logging   | 16,936                                    | <u> </u>            | <u> </u>            | 16,936  |
| 22 Logging / Formation Evaluation  | 7,024                                     | 8,057               |                     | 15,081  |
| 23 Mud & Chemicals   | 349,599                                   | 423,367             | 10,000              | 782,966                                       |
| 24 Water   | 41,989                                    | 639,251             |                     | 981,240                                       |
| 25 Stimulation   |   | 786,506             |                     | 786,506                                       |
| 25 Stimulation<br>26 Stimulation Flowback & Disp   |   | 117,494             | 150,000             | 267,494                                       |
| 28 Mud / Wastewater Disposai   | 186,574                                   | 59,083              |                     | 245,657                                       |
| 30 Rig Supervision / Engineering   | 117,098                                   | 128,908             | 21,667              | 267,673                                       |
| 32 Drig & Completion Overhead  | 10,071-                                   | 120,700             | 21,007              | 10,071  |
| 35 Labor   | 148,172                                   |                     |                     | 316,9/8                                       |
|  | 140,172                                   | 67,140              | 101,667             | 1,212,780                                     |
| 54 Proppant<br>95 Insurance  |   | 1,212,780           | -                   |   |
|  | 14,164                                    | •<br>•              |                     | 14,164  |
| 97 Contingency   |   | 23,595              | 3,833               | 27,428  |
| 99 Plugging & Abandonment  | •   | <u>-</u>            |                     | <u> </u>                                      |
| TOTAL INTANGIBLES  | > 3,397,506                               | 5,185,507           | 772,167             | 9,355,180                                     |
|  |   |                     |                     |   |
|  | DRILLING                                  | COMPLETION          | PRODUCTION          | TOTAL   |
| TANGIBLE COSTS   | DRILLING<br>COSTS                         | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS                                |
| TANGIBLE COSTS   | COSTS                                     |                     | COSTS               | COSTS   |
| 60 Surface Casing  | COSTS<br>\$ 118,101                       |                     | COSTS               | COSTS   |
| 60 Surface Casing<br>61 Intermediate Casing  | COSTS                                     | <u></u>             | COSTS               | COSTS   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner   | COSTS<br><u>118,101</u><br><u>332,642</u> |                     | COSTS               | COSTS<br>\$ 118,101 332,642                   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing   | COSTS<br>\$ 118,101                       | <u></u>             | COSTS               | COSTS   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner  | COSTS<br><u>118,101</u><br><u>332,642</u> |                     | COSTS               | COSTS<br>\$ 118,101 332,642                   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing   | COSTS<br>\$ 118,101<br>332,642<br>        |                     | COSTS               | COSTS<br>\$ 118,101 332,642 663,806 140,000   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead  | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>65 Wellhead<br>67 Packers, Liner Hangers   | COSTS<br>\$ 118,101<br>332,642<br>        |                     | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>663,806<br> |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks   | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels  | COSTS<br>\$ 118,101<br>332,642<br>        |                     | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines   | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string  | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment  | COSTS<br>\$ 118,101<br>332,642<br>        |                     | COSTS               | COSTS<br>\$ 118,101 332,642                   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor   | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs  | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps  | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101 332,642                   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps   | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS<br>           | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation  | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration   | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101 332,642                   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping   | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS<br>           | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Prackers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines   | COSTS                                     | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Liner<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers  | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS               | COSTS<br>\$ 118,101 332,642 663,806           |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment   | COSTS                                     | COSTS               | COSTS               | COSTS<br>\$ 118,101<br>332,642<br>            |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack   | COSTS                                     | COSTS               | COSTS               | COSTS<br>\$ 118,101 332,642                   |
| 60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Cathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding  | COSTS                                     | COSTS               | COSTS               | COSTS<br>118,101<br>332,642<br>               |
| 60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Wellhead         67 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Litt Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA  | COSTS                                     | COSTS               | COSTS<br>           | COSTS<br>118,101<br>332,642<br>               |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Safety  | COSTS                                     | COSTS               | COSTS<br>           | COSTS<br>332,642<br>                          |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Prackers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA  | COSTS                                     | COSTS               | COSTS<br>           | COSTS<br>118,101<br>332,642<br>               |
| 60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Lainer         65 Tubing         66 Weilhead         67 Production Liner         65 Tubing         66 Weilhead         67 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tark / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety | COSTS<br>\$ 118,101<br>332,642<br>        | COSTS               | COSTS<br>           | COSTS<br>332,642<br>                          |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:            | PS           |                                |                 |
|-------------------------------|--------------|--------------------------------|-----------------|
| Completions Engineer.         | ML           |                                |                 |
| Production Engineer:          | DC           |                                |                 |
| rmian Resources Operating, LL | .C APPROVAL: |                                |                 |
| Co-CEO                        | WH           | Co-CEO                         | VP - Operations |
| VP - Land & Legal             | WH           | JW JW - Geosciences            | CRM             |
|                               | BG           | SO                             |                 |
|                               |              |                                |                 |
|                               |              |                                |                 |
| N OPERATING PARTNER A         | PPROVAL:     |                                |                 |
| ON OPERATING PARTNER A        | PPROVAL:     | Working Interest (%):          | Tax ID:         |
|                               | PPROVAL:     | Working Interest (%):<br>Date: | Tax ID:         |

here of actual costs insured, including, legal, country, regulatory, bokenessy and well costs under the terms of the special be joint over single government. Treplakary erail lability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of sped. well has been completed. In executing this AFE, the Participant agrees to pay its ng this well. Participants shall be covered by and billed proportionately for Operator's well. control and get

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| 2.17.2023                  | AFE NO.:   | 1  |
|----------------------------|--|--|
| Joker 5-8 Federal Com 133H | FIELD:   | Teas; Bone Spring  |
| Section 5, T20S-R34E       | MD/TVD:  | 21,106' / 10,821'  |
| Lea County, New Mexico     | LATERAL LENGTH:  | 10,000'  |
|                            | DRILLING DAYS:   | 19.6   |
| TBSG                       | COMPLETION DAYS:   | 18.6   |
|                            | Joker 5-8 Federal Com 133H<br>Section 5, T20S-R34E<br>Lea County, New Mexico | Joker 5-8 Federal Com 133HFIELD:Section 5, T20S-R34EMD/TVD:Lea County, New MexicoLATERAL LENGTH:DRILLING DAYS:DRILLING DAYS: |

|  | DRILLING  | COMPLETION | PRODUCTION   | TOTAL  |
|--|-----------|------------|--|--|
| INTANGIBLE COSTS   | COSTS     | COSTS      | COSTS  | COSTS  |
| T Land / Legal / Regulatory  | 57,069    | •          | 37,500   | \$ 94,569  |
| 2 Location, Surveys & Damages  | 278,338   | 17,456     | 2,500  | 298,294  |
| 4 Freight / Transportation   | 46,017    | 42,298     | 25,000   | 113,315  |
| 5 Kental - Surface Equipment   | 120,122   | 208,133    | 105,000  | 433,255  |
| 6 Rental - Downhole Equipment  | 198,477   | 57,783     | • • •  | 256,260  |
| 7 Kental - Living Quarters   | 46,457    | 52,637     |  | 99,094   |
| 10 Directional Drilling, Surveys   | 415,018   | -          |  | 415,018  |
| 11 Drilling  | 728,329   |            |  | 728,329  |
| 12 Drill Bits  | 96,788    | -          | -  | 96,788   |
| 13 Fuel & Power  | 182,546   | 700,542    | -  | 883,088  |
| 14 Cementing & Float Equip   | 235,069   | -          | -  | 235,069  |
| 15 Completion Unit, Swab, CTU  |           |            | 15,000   | <u> </u>   |
| 16 Pertorating, Wireline, Slickline  | -         | 379,842    | -  | 119,106  |
| 17 High Pressure Pump Truck<br>18 Completion Unit, Swab, CTU   | <u> </u>  | 141,530    |  | 141,530  |
| 20 Mud Circulation System  | 101,651   | 141,550    |  | 101,651  |
| 21 Mud Logging   | 16,936    |            | <u> </u>   | 16,936   |
| 22 Logging / Formation Evaluation  | 7,024     | 8,057      | ······   | 10,750   |
| 23 Mud & Chemicals   | 349,599   | 423,367    | 10,000   | 782,966  |
| 24 Water   | 41,989    | 639,251    | 300,000  | 981,240  |
| 25 Stimulation   |           | 786,506    |  | 786,506  |
| 26 Stimulation Flowback & Disp   |           | 117,494    | 150,000  | 267,494  |
| 28 Mud/Wastewater Disposal   | 186,574   | 59,083     |  | 245,657  |
| 30 Kig Supervision / Engineering   | 117,098   | 128,908    | 21,667   | 267,673  |
| 32 Drig & Completion Overhead  | 10,071    |            |  | 10,071   |
| 35 Labor   | 148,172   | 67,140     | 101,667  | 316,978  |
| 54 Proppant  | · ·       | 1,212,780  |  | 1,212,780  |
| 95 Insurance   | 14,164    | -          | -  | 14,164   |
| 97 Contingency   | -         | 23,595     | 3,833  | 27,428   |
| 99 Plugging & Abandonment  | -         | -          |  | -  |
| TOTAL INTANGIBLES :  | 3,397,506 | 5,185,507  | 772,167  | 9,355,180  |
|  | DRILLING  | COMPLETION | PRODUCTION   | TOTAL  |
| TANGIBLE COSTS   | COSTS     | COSTS      | COSTS  | COSTS  |
| 60 Surface Casing  | 5 118,101 | -          | -  | \$ 118,101   |
| 61 Intermediate Casing   | 332,642   | -          |  | 332,642  |
| 62 Drilling Liner  | ·         | -          |  | · · ·  |
| 63 Production Casing   | 663,806   | -          | -  | 663,806  |
| 64 Production Liner  | •         | -          | -  |  |
| 65 Tubing  |           | -          | 140,000  | 140,000  |
| 66 Wellhead  | 62,628    | •          | 40,000   | 102,628  |
| 67 Packers, Liner Hangers  | 14,234    | •          | 20,000   | 34,234   |
| 68 Tanks   |           |            |  |  |
| 40 Production Vessels  |           | •          | 45,833   | 45,833   |
| 69 Production Vessels  |           |            | 126,667  | 126,667  |
| 70 Flow Lines  |           |            |  |  |
| 70 Flow Lines<br>71 Rod string   |           |            | 126,667  | 126,667  |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment   |           |            | 126,667<br>66,667<br>90,000  | 126,667<br>66,667<br>  |
| 70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor  |           |            | 126,667  | 126,667  |
| 70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs   |           |            | 126,667<br>66,667<br>90,000<br>5,833   | 126,667<br>66,667<br>90,000<br>5,833   |
| 70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps   |           |            | 126,667<br>66,667<br>90,000  | 126,667<br>66,667<br>  |
| 70 Flow Lines<br>71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs   |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   | 126,667<br>66,667<br>90,000<br>5,833   |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps  |           |            | 126,667<br>66,667<br>90,000<br>5,833   | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation   |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667  | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667  |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surlace Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667  | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667  |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surlace Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines   |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000  | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000  |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>108,333                               | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333<br>16,667   |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding   |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333<br>16,667<br>50,000 | 126,667<br>66,667<br>90,000<br>5,833<br>-<br>61,667<br>-<br>116,667<br>-<br>-<br>20,000<br>-<br>-<br>108,333<br>43,333<br>16,667<br>50,000 |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA                                |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>                                      | 126,667<br>66,667<br>90,000<br>5,833<br>-<br>61,667<br>-<br>116,667<br>-<br>20,000<br>-<br>108,333<br>43,333<br>16,667<br>50,000           |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Satety |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333<br>16,667<br>50,000 | 126,667<br>  |
| 70 Flow Lines<br>71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA                                |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>                                      | 126,667<br>66,667<br>90,000<br>5,833<br>-<br>61,667<br>-<br>116,667<br>-<br>20,000<br>-<br>108,333<br>43,333<br>16,667<br>50,000           |

#### PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:          | PS          |                       |                 |
|-----------------------------|-------------|-----------------------|-----------------|
| Completions Engineer:       | ML          |                       |                 |
| Production Engineer:        | DC          |                       |                 |
| ian Resources Operating, LL | C APPROVAL: |                       |                 |
| Co-CEO                      |             | Co-CEO                | VP - Operations |
|                             | WH          | w                     | CRM             |
| VP - Land & Legal           |             | VP - Geosciences      |                 |
|                             | BG          | SO                    |                 |
| N OPERATING PARTNER A       | PPROVAL:    | Working Interest (%): | Tax ID:         |
| Signed by:                  |             | Date:                 |                 |
|                             |             | Approval: 🗍 Yes       | No (mark one)   |

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300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                            | AFE NO.:  | 1                     |
|------------------|--------------------------------------|---|-----------------------|
| WELL NAME:       | Joker 5-8 Federal Com 134H           |   | Teas; Bone Spring     |
| LOCATION:        | Section 5, T20S-R34E                 |   | 21,106' / 10,821'     |
| COUNTY/STATE:    | Lea County, New Mexico               | LATERAL LENGTH:   | 10,000'               |
| Permian WI:      |                                      | DRILLING DAYS:  | 19.6                  |
| GEOLOGIC TARGET: | TBSG                                 | COMPLETION DAYS:  | 18.6                  |
|                  | Drill a horizontal TBSG well and com | plete with 44 stages. AFE includes drilling, completions, f | lowback and Initial A |
| REMARKS:         | install cost                         |   |                       |

|  | DBULING   | COMPLETION                            | PRODUCTION   | TOTAL  |
|--|-----------|---------------------------------------|--|--|
|  | DRILLING  | COMPLETION                            | PRODUCTION<br>COSTS  | COSTS  |
| INTANGIBLE COSTS   | COSTS     | COSTS                                 |  |  |
| T Land / Legal / Regulatory \$   | 57,069    |                                       |  | \$ 94,569  |
| 2 Location, Surveys & Damages  | 278,338   | 17,456                                | 2,500  | 298,294  |
| 4 Freight/Transportation   | 46,017    | 42,298                                | 25,000   | 113,315  |
| 5 Kental - Surface Equipment   | 120,122   | 208,133                               | 105,000  | 433,255  |
| 6 Kental - Downhole Equipment  | 198,477   | 57,783                                | -  | 256,260  |
| 7 Kental - Living Quarters   | 46,457    | 52,637                                | -  | 99,094   |
| 10 Directional Drilling, Surveys   | 415,018   | -                                     | •  | 415,018  |
| 11 Drilling  | 728,329   | -                                     |  | 728,329  |
| 12 Drill Bits  | 96,788    |                                       | -  | 96,788   |
| 13 Fuel & Power  | 182,546   | 700,542                               |  | 883,088  |
| 14 Cementing & Float Equip   | 235,069   | •                                     | -  | 235,069  |
| 15 Completion Unit, Swab, CTU  |           | -                                     | 15,000   | 15,000   |
| 16 Pertorating, Wireline, Slickline  |           | 379,842                               | -  | 379,842  |
| 17 High Pressure Pump Truck  |           | 119,106                               | -  | 119,106  |
| 18 Completion Unit, Swab, CTU  | •         | 141,530                               |  | 141,530  |
| 20 Mud Circulation System  | 101,651   | ······                                | <u> </u>   | 101,651  |
| 21 Mud Logging   | 16,936    | •                                     | <u> </u>   | 16,936   |
| 22 Logging/Formation Evaluation  | 7,024     | 8,057                                 |  | 15,081   |
| 23 Mud & Chemicals   | 349,599   | 423,367                               | 10,000   | 782,966  |
| 24 Water   | 41,989    | 639,251                               | 300,000  | 981,240  |
| 25 Stimulation   | •         | 786,506                               |  | 786,506  |
| 26 Stimulation Flowback & Disp   | · · · ·   | 117,494                               | 150,000  | 267,494  |
| 28 Mud / Wastewater Disposal   | 186,574   | 59,083                                |  | 245,657  |
| 30 Rig Supervision / Engineering   | 117,098   | 128,908                               | 21,667   | 267,673  |
| 32 Drig & Completion Overhead  | 10,071    | <u> </u>                              | ·  | 10,071   |
| 35 Labor   | 148,172   | 67,140                                | 101,667  | 316,978  |
| 54 Proppant  | •         | 1,212,780                             |  | 1,212,780  |
| 95 Insurance   | 14,164    |                                       | ·  | 14,164   |
| 97 Contingency   |           | 23,595                                | 3,833  | 27,428   |
| 99 Plugging & Abandonment  |           | ·                                     |  | -  |
| TOTAL INTANGIBLES >  | 3,397,506 | 5,185,507                             | 772,167  | 9,355,180  |
| 101110100000   |           |                                       |  |  |
|  | DRILLING  | COMPLETION                            | PRODUCTION   | TOTAL  |
| TANGIBLE COSTS   | COSTS     | COSTS                                 | COSTS  | COSTS  |
| 60 Surface Casing \$   | 118,101   |                                       | <b>_</b>   | \$ 118,101   |
| 61 Intermediate Casing   | 332,642   | -                                     |  | 332,642  |
| 62 Drilling Liner  | •         |                                       |  | •  |
| 63 Production Casing   | 663,806   | · · ·                                 | ••   | 663,806  |
| 64 Production Liner  | •         |                                       |  |  |
| 65 Tubing  | -         |                                       | 140,000  | 140,000  |
| 66 Wellhead  | 62,628    | •                                     | 40,000   | 102,628  |
| 67 Packers, Liner Hangers  | 14,234    |                                       | 20,000   | 34,234   |
| 68 Tanks   | •         |                                       | 45,833   | 45,833   |
| 69 Production Vessels  | •         | -                                     | 126,667  | 126,667  |
| 70 Flow Lines  | -         | -                                     | 66,667   | 66,667   |
| 71 Nod states  |           |                                       |  |  |
| /1 Koa su'ing  | -         |                                       | •  | -  |
|  |           |                                       |  | 90,000   |
| 72 Artificial Lift Equipment   |           | · · · · · · · · · · · · · · · · · · · | 90,000   |  |
| 72 Artificial Litt Equipment<br>73 Compressor  |           |                                       |  |  |
| 72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs   |           |                                       |  | 5,833  |
| 72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps   |           |                                       | 5,833  | 5,833  |
| 72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surtace Pumps<br>76 Downhole Pumps  |           |                                       | 5,833  | 5,833<br>-<br>-<br>61,667<br>-   |
| 72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation   |           |                                       | 5,833  | 5,833<br>-<br>-<br>61,667<br>-   |
| 72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration  |           |                                       | 5,833  | 5,833<br>61,667<br>116,667   |
| 72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping  |           |                                       | 5,833<br>61,667<br>116,667   | 5,833<br>61,667<br>116,667   |
| 72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>50 Gathering / Bulk Lines   |           |                                       | 5,833<br>61,667<br>116,667<br>20,000   | 5,833<br>61,667<br>116,667<br>20,000   |
| 72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers  |           |                                       | 5,833<br>61,667<br>116,667<br>20,000<br>108,333  | 5,833<br>61,667<br>116,667<br>20,000   |
| 72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment  |           |                                       | 5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333  | 5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333                                |
| 72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Fumps<br>76 Downhole Fumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack  |           |                                       | 5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333<br>16,667                                    | 5,833<br>61,667<br>116,667<br>20,000<br>   |
| 72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding  |           |                                       | 5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333<br>16,667<br>50,000                          | 5,833<br>61,667<br>1116,667<br>20,000<br>108,333<br>43,333<br>43,333<br>15,667<br>50,000 |
| 72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA                           |           |                                       | 5,833<br>61,667<br>116,667<br>20,000<br>-<br>-<br>-<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667 | 5,833<br>61,667<br>116,667<br>20,000<br>   |
| 71 Kod string<br>72 Artik Lai Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Salety |           |                                       | 5,833<br>61,667<br>116,667<br>20,000<br>   | 108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833                                   |
| 72 Artilical Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA                            |           |                                       | 5,833<br>61,667<br>116,667<br>20,000<br>-<br>-<br>-<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667 | 5,833<br>  |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:                    | PS          |                        |                 |
|---------------------------------------|-------------|------------------------|-----------------|
| Completions Engineer:                 | ML          |                        |                 |
| Production Engineer:                  | DC          |                        |                 |
| an Resources Operating, LL            | C APPROVAL: |                        |                 |
| Co-CEO                                |             | Co-CEO                 | VP - Operations |
| VP - Land & Legal                     | WH          | JW<br>VP - Geosciences | CRM             |
| vi - Land & Legal                     | BG          | SO SO                  |                 |
| OPERATING PARTNER A                   | PPROVAL:    |                        |                 |
| Company Name:                         |             | Working Interest (%):  | Tax ID:         |
| Signed by:                            |             | Date:                  |                 |
| · · · · · · · · · · · · · · · · · · · |             |                        |                 |

The concern and the summary was any not recommendent was concerned and the provide stands and approved table table to be despended by and being to a practice table and the provide stands and approved table table to be a provide table table to be a provide table table to be a provide table table operation of the provide table table operation of table table table tables and table tables and table tables and tables an

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:           | 2.17.2023                                      | AFE NO.:   | 1                     |
|-----------------|--|--|-----------------------|
| VELL NAME:      | Joker 5-8 Federal Com 171H                     | FIELD:   | Teas; Bone Spring     |
| OCATION:        | Section 5, T20S-R34E                           | MD/TVD:  | 20,736' / 10,451'     |
| OUNTY/STATE:    | Lea County, New Mexico                         | LATERAL LENGTH:                                  | 10,000'               |
| ermian WI:      | · · · · · · · · · · · · · · · · · · ·          | DRILLING DAYS:                                   | 19.6                  |
| EOLOGIC TARGET: | TBSG   | COMPLETION DAYS:                                 | 18.6                  |
|                 | Drill a horizontal TBSG well and complete with | 44 stages. AFE includes drilling, completions, f | lowback and Initial A |
| REMARKS:        | install cost                                   |  |                       |

| •  | DRILLING  | COMPLETION          | PRODUCTION          | TOTAL  |
|--|---|---------------------|---------------------|--|
| INTANGIBLE COSTS   | COSTS   | COSTS               | COSTS               | COSTS  |
| T Land/Legal/Regulatory 5  | 55,739  |                     | 37,500              | \$ 93,239  |
| 2 Location, Surveys & Damages  | 271,852   | 17,050              | 2,500               | 291,402  |
| 4 Freight / Transportation   | 44,945  | 41,312              | 25,000              | 111,257  |
| 5 Kental - Surface Equipment   | 117,323   | 203,283             | 105,000             | 425,606  |
| 6 Rental – Downhole Equipment  | 193,853   | 56,437              | •                   | 250,289  |
| 7 Kental - Living Quarters   | 45,374  | 51,411              | · · · · ·           | 96,785   |
| 10 Directional Drilling, Surveys   | 405,348   | •                   | -                   | 405,348  |
| 11 Drilling  | 711,359   | -                   |                     | 711,359  |
| 12 Drill Bits  | 94,533  |                     | -                   | 94,533   |
| 13 Fuel & Power  | 178,292   | 684,220             |                     | 862,512  |
| 14 Cementing & Float Equip   | 229,592   | -                   |                     | 229,592  |
| 15 Completion Unit, Swab, CTU  | · · ·   | 370,992             | 15,000              | 15,000<br>370,992  |
| 16 Periorating, Wireline, Slickline<br>17 High Pressure Pump Truck   | <u> </u>  | 116,330             | <u> </u>            | 116,330  |
| 18 Completion Unit, Swab, CTU  |   | 138,232             |                     | 138,232  |
| 20 Mud Circulation System  | 99,283  | 100,252             |                     | 99,283   |
| 21 Mud Logging   | 16,542  |                     | ·                   | 16,542   |
| 22 Logging / Formation Evaluation  | 6,860   | 7,869               |                     | 14,729   |
| 23 Mud & Chemicals   | 341,453   | 413,503             | 10,000              | 764,956  |
| 24 Water   | 41,011  | 624,356             | 300,000             | 965,367  |
| 25 Stimulation   |   | 768,180             |                     | 768,180  |
| 26 Stimulation Flowback & Disp   |   | 114,757             | 150,000             | 264,757  |
| 28 Mud / Wastewater Disposal   | 182,227   | 57,706              | <u> </u>            | 239,933  |
| 30 Kig Supervision / Engineering   | 114,369   | 125,904             | 21,667              | 261,941  |
| 32 Drig & Completion Overhead  | 9,836   |                     | -                   | 9,836  |
| 35 Labor   | 144,719   | 65,575              | 101,667             | 311,961  |
| 54 Proppant  | -   | 1,184,522           | -                   | 1,184,522  |
| 95 Insurance   | 13,834  | -                   |                     | 13,834   |
| 97 Contingency   | •   | 23,045              | 3,833               | 26,878   |
| 99 Plugging & Abandonment  |   |                     |                     | -  |
| TOTAL INTANGIBLES >  | 3,318,344   | 5,064,685           | 772,167             | 9,155,196  |
|  |   |                     |                     |  |
|  | DRILLING  | COMPLETION          | PRODUCTION          | TOTAL  |
| TANGIBLE COSTS   | DRILLING<br>COSTS                                   |                     |                     | COSTS  |
| TANGIBLE COSTS<br>60 Surface Casing S  | DRILLING<br>COSTS<br>115,349                        | COMPLETION          | PRODUCTION          | COSTS<br>\$ 115,349  |
| TANGIBLE COSTS<br>60 Surface Casing 5<br>61 Intermediate Casing 5  | DRILLING<br>COSTS                                   | COMPLETION          | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891                                 |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner   | DRILLING<br>COSTS<br>115,349<br>324,891             | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891                                 |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing   | DRILLING<br>COSTS<br>115,349                        | COMPLETION          | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891                                 |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner   | DRILLING<br>COSTS<br>115,349<br>324,891             | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>648,340 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000            |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65 Tubing         65 Weilhead       6   | DRILLING<br>COSTS<br>324,891<br>                    | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000<br>101,169 |
| TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       6  | DRILLING<br>COSTS<br>3115,349<br>324,891<br>648,340 | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65 Tubing         65 Weilhead       6   | DRILLING<br>COSTS<br>324,891<br>                    | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000<br>101,169 |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$   | DRILLING<br>COSTS<br>324,891<br>                    | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891<br>                             |
| TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       66         68 Tanks       69         69 Production Vessels       64  | DRILLING<br>COSTS<br>324,891<br>                    | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891<br>                             |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines  | DRILLING<br>COSTS<br>                               | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891<br>                             |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       8         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       9         99 Production Vessels       7         70 Kod string       7         72 Artificial Lilt Equipment       73 Compressor   | DRILLING<br>COSTS<br>                               | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 Kod string       7         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       6   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lilt Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$  | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         69 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Longressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       76   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Lownhole Pumps       77         76 Measurement & Meter Installation       10   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891<br>                             |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       8         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       9         99 Production Vessels       7         70 Flow Lines       7         71 Rod string       7         72 Artificial Lilt Equipment       73 Compressor         74 Installation Costs       75 Surface Pumps         76 Downhole Pumps       7         77 Measurement & Meter Installation       78 Gas Conditioning / Dehydration  | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Loss Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Lownhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>\$ 115,349<br>324,891<br>                             |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81         81 Valves, Dumps, Controllers       81   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81         81 Valves, Dumps, Controllers       82         82 Tank / Facility Containment       10   | DRILLING<br>COSTS<br>3 115,349<br>324,891<br>       | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       8         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       9         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Valves, Dumps, Controllers       81         81 Valves, Dumps, Controllers       82         82 Tank / Facility Containment       83         83 Flare Stack       8             | DRILLING<br>COSTS<br>3115,349<br>324,891<br>        | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       8         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       9         99 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74 Installation Costs         75 Surface Pumps       76         76 Downhole Pumps       77         76 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Valves, Dumps, Controllers       82         81 Valves, Dumps, Containment       83         83 Flare Stack       84  | DRILLING<br>COSTS<br>3 115,349<br>324,891<br>       | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>115,349<br>324,891<br>                                |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       8         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       9         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Valves, Dumps, Controllers       81         81 Valves, Dumps, Controllers       82         82 Tank / Facility Containment       83         83 Flare Stack       8             | DRILLING<br>COSTS<br>3 115,349<br>324,891<br>       | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       9         69 Production Vessels       70         70 Kod string       7         72 Artificial Lift Equipment       7         73 Compressor       74 Installation Costs         75 Surface Pumps       7         76 Downhole Pumps       7         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81 Valves, Dumps, Controllers         81 Tank / Facility Containment       83 Flare Stack         84 Electrical / Grounding       85 Communications / SCADA         86 Instrumentation / Satety       1 | DRILLING<br>COSTS<br>115,349<br>324,891<br>         | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |
| TANGIBLE COSTS         60 Surface Casing       8         61 Intermediate Casing       8         62 Drilling Liner       8         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       9         69 Production Vessels       70         70 Kod string       7         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       75         75 Surface Pumps       7         76 Downhole Pumps       7         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81 Valves, Dumps, Controllers         82 Tank / Facility Containment       83 Flare Stack         84 Electrical / Grounding       85 Communications / SCADA  | DRILLING<br>COSTS<br>324,891<br>                    | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | COSTS<br>5 115,349<br>324,891<br>                              |

## PREPARED BY Permian Resources Operating, LLC:

| PC          |                       |  |
|-------------|-----------------------|--|
|             |                       |  |
|             |                       |  |
| DC          |                       |  |
| C APPROVAL: |                       |  |
|             | Co-CEO                | VP - Operations  |
| WH          | JW                    | CRM  |
|             | VP - Geosciences      |  |
| BG          | SO                    |  |
| PPROVAL:    |                       |  |
|             | Working Interest (%): | Tax ID:  |
|             | Date:                 |  |
|             |                       |  |
|             | WH<br>BG              | ML<br>DC<br>C APPROVAL:<br>WH Co-CEO<br>WH VP - Geosciences<br>BG SO<br>PPROVAL:<br>PPROVAL: |

The costs on this ATE are reliances only and new not be construct as collings on any specific iron or the isola cost of the project. Utang isolations approved under the ATE are bid-approved up to a year after to be well have been completed. In executing this ATE use bid-approved under the ATE are bid-approved up to a year after to be well have been completed. In executing this ATE, the Farticipant agrees to pay its propertionate back or databat and bearment, fundating, payline, consister, equations, howice and well constant of the apple to a provide back of the opposition of the attribution of

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                            | AFE NO.:  | 1                     |
|------------------|--------------------------------------|---|-----------------------|
| WELL NAME:       | Joker 5-8 Federal Com 172H           |   | Teas; Bone Spring     |
| LOCATION:        | Section 5, T20S-R34E                 | <br>мd/гvd:   | 20,731' / 10,446'     |
| COUNTY/STATE:    | Lea County, New Mexico               | LATERAL LENGTH:   | 10,000'               |
| Permian WI:      | ······                               | DRILLING DAYS:  | 19.6                  |
| GEOLOGIC TARGET: | TBSG                                 | COMPLETION DAYS:  | 18.6                  |
|                  | Drill a horizontal TBSG well and com | plete with 44 stages. AFE includes drilling, completions, f | lowback and Initial A |
| REMARKS:         | install cost                         |   |                       |

|  | DRILLING   | COMPLETION          | PRODUCTION          | TOTAL   |
|--|--|---------------------|---------------------|---|
| INTANGIBLE COSTS   | COSTS  | COSTS               | COSTS               | COSTS   |
| T Land/ Legal/ Regulatory  | 55,739   | •                   | 01,000              | \$ 93,239   |
| 2 Location, Surveys & Damages  | 271,852  | 17,050              | 2,500               | 291,402   |
| 4 Freight / Transportation   | 44,945   | 41,312              | 25,000              | 111,257   |
| 5 Kental - Surtace Equipment   | 117,323  | 203,283             | 105,000             | 425,606   |
| 6 Rental - Downhole Equipment  | 193,853  | 56,437              |                     | 250,289   |
| 7 Kental - Living Quarters   | 45,374   | 51,411              |                     | 96,785  |
| 10 Directional Drilling, Surveys   | 405,348  |                     | -                   | 405,348   |
| 11 Drilling  | 711,359  |                     |                     | <u> </u>  |
| 12 Drill Bits  | 94,533   |                     | -                   | 862,512   |
| 13 Fuel & Power<br>14 Compating & Floot Figure   | 178,292  |                     |                     | 229,592   |
| 14 Cementing & Float Equip<br>15 Completion Unit, Swab, CTU  |  |                     | 15,000              | 15,000  |
| 16 Perforating, Wireline, Slickline  |  | 370,992             | 13,000              | 370,992   |
| 17 High Pressure Pump Truck  |  | 116,330             |                     | 116,330   |
| 18 Completion Unit, Swab, CI'U   | ·  | 138,232             |                     | 138,232   |
| 20 Mud Circulation System  | 99,283   |                     | <u> </u>            | 99,283  |
| 21 Mud Logging   | 16,542   | <u>.</u>            |                     | 16,542  |
| 22 Logging / Formation Evaluation  | 6,860  | 7,869               |                     | 14,729  |
| 23 Mud & Chemicals   | 341,453  | 413,503             | 10,000              | 764,956   |
| 24 Water   | 41,011   | 624,356             | 300,000             | 965,367   |
| 25 Stimulation   |  | 768,180             |                     | 768,180   |
| 26 Stimulation Flowback & Disp   | <u> </u>   | 114,757             | 150,000             | 264,757   |
| 28 Mud / Wastewater Disposal   | 182,227  | 57,706              |                     | 239,933   |
| 30 Kig Supervision / Engineering   | 114,369  | 125,904             | 21,667              | 261,941   |
| 32 Drig & Completion Overhead  | 9,836  |                     | •                   | 9,836   |
| 35 Labor   | 144,719  | 65,575              | 101,667             | 311,961   |
| 54 Proppant  | · · ·  | 1,184,522           | ·                   | 1,184,522   |
| 95 Insurance   | 13,834   |                     |                     | 13,834  |
| 97 Contingency   |  | 23,045              | 3,833               | 26,878  |
| 99 Plugging & Abandonment  |  |                     |                     |   |
| TOTAL INTANGIBLES :  | 3,318,344  | 5,064,685           | 772,167             | 9,155,196   |
|  |  |                     |                     |   |
|  | DRILLING   | COMPLETION          | PRODUCTION          | TOTAL   |
| TANGIBLE COSTS   | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS  |
| TANGIBLE COSTS<br>60 Surface Casing  |  |                     |                     |   |
|  | COSTS  | COSTS               | COSTS               | COSTS   |
| 60 Surface Casing  | COSTS<br>115,349   | COSTS               | COSTS               | COSTS<br>\$ 115,349   |
| 60 Surface Casing<br>61 Intermediate Casing  | COSTS<br>115,349   | COSTS               | COSTS               | COSTS<br>\$ 115,349   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner   | COSTS<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>-   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing   | COSTS  | COSTS               | COSTS               | COSTS<br>5 115,349<br>324,891<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner  | COSTS<br>115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers   | COSTS  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>65 Yubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks  | COSTS<br>115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels  | COSTS<br>115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines   | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string  | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Froduction Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificiat Litt Equipment  | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Troduction Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificial Lili Equipment<br>73 Compressor   | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 How Lines<br>71 Kod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Costs  | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lili Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps   | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps   | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation  | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration   | COSTS<br>115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping   | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lili Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines   | COSTS<br>115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Kod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Cosis<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers   | COSTS<br>115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>324,891<br>  |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Buik Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment   | COSTS 5 115,349 648,340 648,34 | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>75 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack  | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificiat Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>75 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Fiare Stack<br>84 Electrical / Grounding  | COSTS 5 115,349 324,891 648,340 648,340 648,340 61,169 13,902 6 1 6 1 6 1 6 1 6 1 6 1 6 1 6 1 6 1 6  | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA  | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>   |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Packers, Liner Hangers<br>68 Tanks<br>69 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Vaives, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Safety | COSTS 5 115,349 648,340 648,340 648,340 61,169 61,169 7 13,902 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7   | COSTS               | COSTS<br>           | COSTS<br>\$ 115,349<br>324,891<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Wellhead<br>67 Production Vessels<br>70 Flow Lines<br>71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA  | COSTS<br>5 115,349<br>324,891<br>  | COSTS               | COSTS               | COSTS<br>\$ 115,349<br>   |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:            | PS          |                                |                 |
|-------------------------------|-------------|--------------------------------|-----------------|
| Completions Engineer:         | ML          |                                |                 |
| Production Engineer:          | DC          |                                |                 |
| rmian Resources Operating, LL | C APPROVAL: |                                |                 |
| Co-CEO                        |             | Co-CEO                         | VP - Operations |
| VP - Land & Legal             | WH          | JW JW                          | CRM             |
| <b>.</b>                      | BG          | 50                             |                 |
|                               |             |                                |                 |
| NOPERATING PARTNER A          | PPROVAL:    |                                |                 |
| ON OPERATING PARTNER A        | PPROVAL:    | Working Interest (%):          | Tax ID:         |
|                               | PPROVAL:    | Working Interest (%):<br>Date: | Tax ID:         |

en a service service and a service requirement of the service service and the service of the project carding measure approach to a for the service and the service serv ees to pay 100 tely for Operator's well

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023  | AFE NO.:  | 1                   |
|------------------|--|---|---------------------|
| WELL NAME:       | Joker 5-8 Federal Com 173H                       | FIELD:  | Teas; Bone Spring   |
| OCATION:         | Section 5, T20S-R34E                             | MD/TVD:   | 20,721' / 10,436'   |
| COUNTY/STATE:    | Lea County, New Mexico                           | LATERAL LENGTH:                                 | 10,000'             |
| ermian WI:       |  | DRILLING DAYS:                                  | 19.6                |
| GEOLOGIC TARGET: | TBSG   | COMPLETION DAYS:                                | 18.6                |
|                  | Drill a horizontal TBSG well and complete with 4 | 4 stages. AFE includes drilling, completions, f | lowback and Initial |
| REMARKS:         | install cost                                     |   |                     |

|   | DRILLING  | COMPLETION                            | PRODUCTION                                      | TOTAL   |
|---|-----------|---------------------------------------|---|---|
| INTANGIBLE COSTS  | COSTS     | COSTS                                 | COSTS   | COSTS   |
| T Land / Legal / Regulatory \$  | 55,739    |                                       | 37,500  | \$ 93,239                                       |
| 2 Location, Surveys & Damages   | 271,852   | 17,050                                | 2,500   | 291,402   |
| 4 Freight / Transportation  | 44,945    | 41,312                                | 25,000  | 111,257   |
| 5 Kental - Surface Equipment  | 117,323   | 203,283                               | 105,000   | 425,606   |
| 6 Kental - Downhole Equipment   | 193,853   | 56,437                                |   | 250,289   |
| 7 Kental - Living Quarters  | 45,374    | 51,411                                | <u> </u>  | 96,785  |
| 10 Directional Drilling, Surveys  | 405,348   |                                       |   | 405,348   |
| 11 Drilling   | 711,359   |                                       |   | 711,359   |
| 12 Drill Bits   | 94,533    |                                       |   | 94,533  |
| 13 Fuel & Power   | 178,292   | 684,220                               | •   | 862,512   |
| 14 Cementing & Float Equip  | 229,592   |                                       | <u> </u>  | 229,592   |
| 15 Completion Unit, Swab, CTU   |           |                                       | 15,000  | 15,000  |
| 16 Perforating, Wireline, Slickline   | -         | 370,992                               |   | 370,992   |
| 17 High Pressure Pump Truck   | •         | 116,330                               | -   | 116,330   |
| 18 Completion Unit, Swab, CTU   |           | 138,232                               | -   | 138,232   |
| 20 Mud Circulation System   | 99,283    |                                       | <u> </u>  | 99,283  |
| 21 Mud Logging  | 16,542    |                                       | -   | 16,542  |
| 22 Logging / Formation Evaluation   | 6,860     | 7,869                                 | -   | 14,729  |
| 23 Mud & Chemicais  | 341,453   | 413,503                               | 10,000  | 764,956   |
| 24 Water  | 41,011    | 624,356                               | 300,000   | 965,367   |
| 25 Stimulation  | -         | 768,180                               | -   | 768,180   |
| 26 Stimulation Flowback & Disp  | -         | 114,757                               | 150,000   | 264,757   |
| 28 Mud / Wastewater Disposal  | 182,227   | 57,706                                |   | 239,933   |
| 30 Kig Supervision / Engineering  | 114,369   | 125,904                               | 21,667  | 261,941   |
| 32 Drig & Completion Overhead   | 9,836     |                                       | -   | 9,836   |
| 35 Labor  | 144,719   | 65,575                                | 101,667   | 311,961   |
| 54 Proppant<br>95 Insurance   | 13,834    | 1,184,522                             |   | 1,184,522                                       |
| 97 Contingency  |           | 23,045                                | 3,833   | 13,834  |
| 99 Plugging & Abandonment   |           |                                       |   | 20,878  |
|   | <u> </u>  |                                       |   |   |
| TOTAL INTANGIBLES >   | 3,318,344 | 5,064,685                             | 772,167   | 9,155,196                                       |
|   | DRILLING  | COMPLETION                            | PRODUCTION                                      | TOTAL   |
| TANGIBLE COSTS  | COSTS     | COSTS                                 | COSTS   | COSTS   |
| 60 Surface Casing \$  | 115,349   | -                                     | •   | 5 115,349                                       |
| 61 Intermediate Casing  | 324,891   |                                       | <u> </u>  | 324,891   |
| 62 Drilling Liner   | -         |                                       | <u> </u>  |   |
| 63 Production Casing  | 648,340   |                                       |   | 648,340   |
| 64 Production Liner   |           |                                       |   |   |
| 65 Tubing   |           |                                       | 140,000   | 140,000   |
| 66 Wellhead   | 61,169    | -                                     | 40,000  | 101,169   |
| 67 l'ackers, Liner Hangers  | 13,902    | · · · · · ·                           | 20,000  | 33,902  |
| 68 Tanks  | -         |                                       | 45,833  | 45,833  |
| 69 Production Vessels   | •         | -                                     | 126,667   | 126,667   |
| 70 Flow Lines   | -         |                                       | 66,667  | 66,667  |
| 71 Kod string   | •         |                                       | •   | •   |
| 72 Artificial Lift Equipment  | •         | •                                     | 90,000  | 90,000  |
| 73 Compressor   |           | · · · ·                               | 5,833   | 5,833   |
| 74 Installation Costs   |           | -                                     |   | •   |
| 75 Surface Pumps  |           | -                                     | 61,667  | 61,667  |
| 76 Downhole Pumps   | •         |                                       |   | •   |
|   | •         | •                                     | 116,667   | 116,667   |
|   |           |                                       |   | •   |
| 78 Gas Conditioning / Dehydration   | ·         | •                                     |   |   |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping   |           | ·                                     | 20,000  | 20,000  |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines  |           | · · · · · · · · · · · · · · · · · · · | · ·   |   |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers   | <u> </u>  |                                       | 108,333   | 108,333   |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment   |           | · · · · · · · · · · · · · · · · · · · | 108,333<br>43,333                               | 108,333   |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack   |           |                                       | 108,333<br>43,333<br>16,667                     | 108,333<br>43,333<br>16,667                     |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Fiare Siack<br>84 Electrical / Grounding  |           |                                       | 108,333<br>43,333<br>16,667<br>50,000           | 108,333<br>43,333<br>16,667<br>50,000           |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Fiare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA   |           |                                       | 108,333<br>43,333<br>16,667<br>50,000<br>36,667 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667 |
| 77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Fiare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Safety |           |                                       | 108,333<br>43,333<br>16,667<br>50,000           |   |
| 78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Fiare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA   |           |                                       | 108,333<br>43,333<br>16,667<br>50,000<br>36,667 | 108,333<br>43,333<br>16,667<br>50,000<br>36,667 |

#### PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:            | PS           |                        |                 |
|-------------------------------|--------------|------------------------|-----------------|
| Completions Engineer:         | ML           |                        |                 |
| Production Engineer:          | DC           |                        |                 |
| rmian Resources Operating, LL | .C APPROVAL: |                        |                 |
| Co-CEO                        | wh           | Co-CEO                 | VP - Operations |
| VP - Land & Legal             | ₩Н           | JW<br>VP - Geosciences | CRM             |
| •                             | BG           | 50                     |                 |
|                               |              |                        |                 |
| N OPERATING PARTNER A         | PPROVAL:     |                        |                 |
| Company Name:                 |              | Working Interest (%):  | Tax ID:         |
| Signed by:                    |              | Date:                  |                 |
| Signed by.                    |              |                        |                 |

e vouw on use are consumerance una any one or consume as engaged in the set accord of the project. These or the set is an approxed under the AFE any by delayed up to a yrea after the well has been completed. In executing that AFE the Participant agrees to pay its performance have a constant constant any approxed, however, and well of constant the terms of the applicable black on providing systematic, regulatory order or other agreement covering this well. Faritcipants abuil be corrend by and billed proportionately for Operator's well and general lability insurance unless participant provides operations a certificate evidencing in own insurance to an associat acceptable to the Operator by the date of spead.

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## Permian Resources Operating, LLC 300 N. Marienfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023                            | AFE NO.:  | 1                      |
|------------------|--------------------------------------|---|------------------------|
| WELL NAME:       | Joker 5-8 Federal Com 174H           | FIELD:  | Teas; Bone Spring      |
| LOCATION:        | Section 5, T20S-R34E                 |   | 20,701' / 10,416'      |
| COUNTY/STATE:    | Lea County, New Mexico               | LATERAL LENGTH:   | 10,000'                |
| Permian WI:      |                                      | DRILLING DAYS:  | 19.6                   |
| GEOLOGIC TARGET: | TBSG                                 | COMPLETION DAYS:  | 18.6                   |
|                  | Drill a horizontal TBSG well and com | plete with 44 stages. AFE includes drilling, completions, f | lowback and Initial Al |
| REMARKS:         | install cost                         |   |                        |

|   |  | COMPLETION          | PRODUCTION          | TOTAL  |
|---|--|---------------------|---------------------|--|
|   | DRILLING<br>COSTS  | COSTS               | COSTS               | COSTS  |
| INTANGIBLE COSTS  |  |                     | 37,500              | 5 93,239   |
| T Land/ Legal/ Regulatory   | 271,852  |                     | 2,500               | 291,402  |
| 2 Location, Surveys & Damages   | 44,945   | 41,312              | 25,000              | 111,257  |
| 4 Freight/Transportation<br>5 Rental - Surtace Equipment  | 117,323  | 203,283             | 105,000             | 425,606  |
| 6 Kental - Downhole Equipment   | 193,853  | 56,437              |                     | 250,289  |
| 7 Kental - Living Quarters  | 45,374   | 51,411              | <u> </u>            | 96,785   |
| 10 Directional Drilling, Surveys  | 405,348  |                     | <u> </u>            | 405,348  |
| 11 Drilling   | 711,359  |                     | ······              | 711,359  |
| 12 Drill Bits   | 94,533   | •                   | •                   | 94,533   |
| 13 Fuel & Power   | 178,292  | 684,220             |                     | 862,512  |
| 14 Cementing & Float Equip  | 229,592  |                     | <u> </u>            | 229,592  |
| 15 Completion Unit, Swab, CTU   | -  |                     | 15,000              | 15,000   |
| 16 Perforating, Wireline, Slickline   | <u> </u>   | 370,992             | -                   | 370,992  |
| 17 High Pressure Pump Truck   | •  | 116,330             | •                   | 116,330  |
| 18 Completion Unit, Swab, CTU   |  | 138,232             | •                   | 99,283   |
| 20 Mud Circulation System   | 16,542   | <u> </u>            |                     | 16,542   |
| 21 Mud Logging<br>22 Logging / Formation Evaluation   | 6,860  | 7,869               |                     | 14,729   |
| 23 Mud & Chemicals  | 341,453  | 413,503             |                     | 764,956  |
| 24 Water  | 41,011   | 624,356             |                     | 965,367  |
| 25 Stimulation  |  | 768,180             | ·                   | 768,180  |
| 26 Stimulation Flowback & Disp  |  | 114,757             | 150,000             | 264,757  |
| 28 Mud / Wastewater Disposal  | 182,227  | 57,706              | •                   | 239,933  |
| 30 Rig Supervision / Engineering  | 114,369  | 125,904             | 21,667              | 261,941  |
| 32 Drig & Completion Overhead   | 9,836  |                     | <u> </u>            | 9,836  |
| 35 Labor  | 144,719  | 65,575              | 101,667             | 311,961  |
| 54 Proppant   | ······   | 1,184,522           |                     | 1,184,522  |
| 95 Insurance  | 13,834   | -                   |                     | 13,834   |
| 97 Contingency  | -  | 23,045              | 3,833               | 26,878   |
| 99 Plugging & Abandonment   | <u> </u>   | •                   | <u> </u>            | · · · ·  |
|   |  |                     |                     | 0 122 104  |
| TOTAL INTANGIBLES :   | 3,318,344  | 5,064,685           | 772,167             | 9,155,196  |
| TOTAL INTANGIBLES :   | DRILLING   | COMPLETION          | PRODUCTION          | TOTAL  |
| TANGIBLE COSTS  | DRILLING<br>COSTS  |                     |                     | TOTAL<br>COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing   | DRILLING<br>COSTS<br>115,349   | COMPLETION          | PRODUCTION          | TOTAL<br>COSTS<br>\$ 115,349   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing   | DRILLING<br>COSTS  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>115,349<br>324,891  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | DRILLING<br>COSTS<br>115,349<br>324,891<br>648,340                                     | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>648,340   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner   | DRILLING<br>COSTS<br>115,349<br>324,891  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>3115,349<br>324,891<br>648,340                                    | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         65 Weilhead  | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing  | DRILLING<br>COSTS<br>3115,349<br>324,891<br>648,340                                    | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>648,340<br>   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>65 Weilkead<br>67 Packers, Liner Hangers  | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing<br>66 Weilhead<br>67 Packers, Liner Hangers<br>68 Tanks  | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 115,349<br>324,891<br>   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000<br>107,169<br>33,902<br>45,833<br>126,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines   | DRILLING<br>COSTS<br>324,891<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000<br>107,169<br>33,902<br>45,833<br>126,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor   | DRILLING<br>COSTS<br>3115,349<br>324,891<br>648,340<br>648,340<br>61,169<br>13,902<br> | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>648,340<br>101,169<br>33,902<br>45,833<br>126,667<br>66,667   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000<br>101,169<br>33,902<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps  | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps  | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation  | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000<br>101,169<br>33,902<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Lasing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Jownhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>5 115,349<br>324,891<br>648,340<br>140,000<br>101,169<br>33,902<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Kod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Vaives, Dumps, Controllers   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>648,340<br>140,000<br>101,169<br>33,902<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>-<br>61,667<br>-<br>116,667<br>-<br>20,000   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment  | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Qathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 Flow Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Tank / Facility Containment         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding                                 | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA   | DRILLING<br>COSTS<br>5 115,349<br>324,891<br>  | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA         86 Instrumentation / Satety                                   | DRILLING<br>COSTS<br>324,891<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>648,340<br>140,000<br>101,169<br>33,902<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>116,667<br>116,667<br>116,667<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833 |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing         66 Weilhead         67 Packers, Liner Hangers         68 Tanks         69 Production Vessels         70 How Lines         71 Rod string         72 Artificial Lift Equipment         73 Compressor         74 Installation Costs         75 Surface Pumps         76 Downhole Pumps         77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration         79 Interconnecting Facility Piping         80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers         82 Tank / Facility Containment         83 Flare Stack         84 Electrical / Grounding         85 Communications / SCADA | DRILLING<br>COSTS<br>324,891<br>   | COMPLETION<br>COSTS | PRODUCTION<br>COSTS | TOTAL<br>COSTS<br>\$ 115,349<br>324,891<br>648,340<br>140,000<br>101,169<br>33,902<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-             |

#### PREPARED BY Permian Resources Operating, LLC:

|                                | -           |                        |                 |
|--------------------------------|-------------|------------------------|-----------------|
| Drilling Engineer:             | PS          | ·····                  |                 |
| Completions Engineer:          | ML          |                        |                 |
| Production Engineer.           | DC          |                        |                 |
| ermian Resources Operating, LL | C APPROVAL: |                        |                 |
| Co-CEO                         |             | Co-CEO                 | VP - Operations |
| VP - Land & Legal              | WH          | JW<br>VP - Geosciences | CRM             |
|                                | BG          | <u></u>                |                 |
|                                |             |                        |                 |
| ON OPERATING PARTNER A         | PPROVAL:    |                        |                 |
| Company Name:                  |             | Working Interest (%):  | Tax ID:         |
|                                |             |                        |                 |
| Signed by:                     |             | Date:                  |                 |

A reason manufactory and may not recommend as change on any spectre prime on head root on the project. Learning theorem approved and the Art Root of the project learning theorem approved and the Art Root of the project of the project of prime approximation of Art Root of the project of the project of prime approximate regulatory. The prime and well const under the terms of the applicable plant operation agreement, regulatory to the date of prime approximation of the project of a project of the prime approximation approximation of the prime approximation approximation of the prime a red by and billed prope int agrees to pay its atlonately for Operator's well control and gr

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:            | 2.17.2023   | AFE NO.:                                       | 1                    |
|------------------|---|--|----------------------|
| WELL NAME:       | Joker 5-8 Federal Com 201H  | FIELD:   | Tonto; Wolfcamp      |
| LOCATION:        | Section 5, T20S-R34E  | MD/TVD:  | 21,211' / 10,926'    |
| COUNTY/STATE:    | Lea County, New Mexico  | LATERAL LENGTH:                                | 10,000'              |
| Permian WI:      |   | DRILLING DAYS:                                 | 19.6                 |
| GEOLOGIC TARGET: | WCXY  | COMPLETION DAYS:                               | 19                   |
| REMARKS:         | Drill a horizontal WCXY well and complete with<br>AL install cost | 44 stages. AFE includes drilling, completions, | flowback and Initial |

|   | DRILLING  | COMPLETION | PRODUCTION   | TOTAL   |
|---|-----------|------------|--|---|
|   | COSTS     | COSTS      | COSTS  | COSTS   |
| INTANGIBLE COSTS  | 59,066    |            |  | \$ 96,566   |
| TLand/Legal/Regulatory \$<br>2 Location, Surveys & Damages  |           | 18,067     | 2,500  | 308,647   |
| 4 Freight / Transportation  | 47,628    | 43,778     | 25,000   | 116,406   |
| 5 Kental - Surface Equipment  | 124,327   | 215,417    | 105,000  | 444,744   |
| 6 Kental - Downhole Equipment   | 205,424   | 59,805     |  | 265,229   |
| 7 Kental - Living Quarters  | 48,083    | 54,480     |  | 102,562   |
| 10 Directional Drilling, Surveys  | 429,543   |            | ·····  | 429,543   |
| 11 Drilling   | 753,820   |            |  | 753,820   |
| 12 Drill Bits   | 100,176   | · · · ·    | -  | 100,176   |
| 13 Fuel & Power   | 188,935   | 725,061    |  | 913,996   |
| 14 Cementing & Float Equip<br>15 Completion Unit, Swab, CTU   | 243,296   | · · · ·    | 15,000   | 15,000  |
| 16 Pertorating, Wireline, Slickline   | <u> </u>  | 393,136    |  | 393,136   |
| 17 High Pressure Pump Truck   |           | 123,274    | <u> </u>   | 123,274   |
| 18 Completion Unit, Swab, CI'U  |           | 146,484    | <b>_</b>   | 146,484   |
| 20 Mud Circulation System   | 105,209   |            | <u> </u>   | 105,209   |
| 21 Mud Logging  | 17,529    | <u> </u>   |  | 17,529  |
| 22 Logging / Formation Evaluation   | 7,270     | 8,339      |  | 15,609  |
| 23 Mud & Chemicals  | 361,835   | 438,185    | 10,000   | 810,020   |
| 24 Water  | 43,459    | 661,625    | 300,000  | 1,005,083   |
| 25 Stimulation  |           | 814,033    |  | 814,033   |
| 26 Stimulation Flowback & Disp  |           | 121,606    | 150,000  | 271,606   |
| 28 Mud / Wastewater Disposal  | 193,104   | 61,151     | 21,667   | 2/6,283   |
| 30 Kig Supervision / Engineering<br>32 Drig & Completion Overhead   | 121,196   | 155,420    |  | 10,423  |
| 35 Labor  | 153,358   | 69,489     | 101,667  | 324,514   |
| 54 Proppant   |           | 1,255,227  |  | 1,255,227   |
| 95 Insurance  | 14,660    |            | •  | 14,660  |
| 97 Contingency  | <u> </u>  | 24,421     | 3,833  | 28,254  |
| 99 Plugging & Abandonment   | <u> </u>  | · · · · ·  |  | -   |
| TOTAL INTANGIBLES >   | 3,516,419 | 5,367,000  | 772,167  | 9,655,585   |
|   | DRILLING  | COMPLETION | PRODUCTION   | TOTAL   |
| TANGIBLE COSTS  | COSTS     | COSTS      | COSTS  | COSTS   |
| 60 Surface Casing \$  | 122,234   | •          | •  | \$ 122,234  |
| 61 Intermediate Casing  | 344,284   |            | •  | 344,284   |
| 62 Drilling Liner   |           | •          |  | -   |
| 63 Production Casing  | 687,039   |            |  | 687,039   |
| 64 Production Liner<br>65 Tubing  | <u> </u>  | ·          |  |   |
| 66 Wellhead   | 64,820    | ·          | 40,000   | 140,000   |
| 67 Packers, Liner Hangers   | 14,732    |            | 20,000   | 34,732  |
| 68 Tanks  | ·         |            | 45,833   | 45,833  |
| 69 Production Vessels   |           |            |  |   |
|   |           |            | 126,667  | 126,667   |
| 70 Flow Lines   | <u>-</u>  |            |  |   |
| 71 Kod string   |           |            | 126,667  | 66,667  |
| 71 Kod string<br>72 Artificial Litt Equipment   |           |            | 126,667<br>66,667<br>90,000  | 90,000  |
| 71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor  |           |            | 126,667  | 90,000  |
| 71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs   |           |            | 126,667<br>66,667<br>90,000<br>5,833   | 66,66/<br>90,000<br>5,833   |
| 71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps   |           |            | 126,667<br>66,667<br>90,000  | 90,000  |
| 71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   | 66,66/<br>90,000<br>5,833<br>61,667   |
| 71 Rod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation   |           |            | 126,667<br>66,667<br>90,000<br>5,833   | 66,66/<br>90,000<br>5,833<br>-<br>61,66/  |
| 71 Kod string<br>72 Artificial Litt Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   | 66,66/<br>90,000<br>5,833<br>   |
| 71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   | 66,66/<br>90,000<br>5,833<br>   |
| 71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surtace Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667   | 66,66/<br>90,000<br>5,833<br>   |
| 71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surtace Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines   |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000  | 66,66/<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000  |
| 71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>75 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack  |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000  | 66,66/<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>  |
| 71 Rod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>75 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding   |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>-<br>-<br>20,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | 66,66/<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>-<br>108,333<br>43,333<br>16,667<br>50,000  |
| 71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA                                |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>   | 66,66/<br>-<br>90,000<br>-<br>-<br>61,66/<br>-<br>-<br>116,66/<br>-<br>-<br>20,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA<br>86 Instrumentation / Salety |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>-<br>-<br>61,667<br>-<br>-<br>116,667<br>-<br>-<br>20,000<br>-<br>-<br>-<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667<br>833   | 66,66/<br>90,000<br>5,833<br>-<br>61,667<br>-<br>20,000<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-                            |
| 71 Kod string<br>72 Artificial Lift Equipment<br>73 Compressor<br>74 Installation Costs<br>75 Surface Pumps<br>76 Downhole Pumps<br>77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA                                |           |            | 126,667<br>66,667<br>90,000<br>5,833<br>   | 90,000  |

#### PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:            | PS          |                        |                   |
|-------------------------------|-------------|------------------------|-------------------|
| Completions Engineer:         | ML          |                        |                   |
| Production Engineer:          | DC          |                        |                   |
| rmian Resources Operating, LL | C APPROVAL: |                        |                   |
| Co-CEO                        |             | Co-CEO                 | VP - Operations   |
| VP - Land & Legal             | WH          | JW<br>VP - Geosciences | CRM               |
| vi · Lanu di Legar            | BG          | so so                  |                   |
| ON OPERATING PARTNER A        |             |                        |                   |
| Company Name:                 |             | Working Interest (%):  | Tax ID:           |
| Signed by:                    |             | Date:                  |                   |
| Title:                        |             | Approval:              | Yes No (mark one) |

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ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| oker 5-8 Federal Com 202H | FIELD:   | Tonto; Wolfcamp  |
|---------------------------|--|--|
| ection 5, T20S-R34E       | MD/TVD:  | 21,211' / 10,926'  |
| ea County, New Mexico     | LATERAL LENGTH:                                      | 10,000'  |
|                           | DRILLING DAYS:                                       | 19.6   |
| WCXY                      | COMPLETION DAYS:                                     | 19   |
|                           | ection 5, T20S-R34E<br>ea County, New Mexico<br>VCXY | ection 5, T20S-R34E MD/TVD:<br>ea County, New Mexico LATERAL LENGTH:<br>DRILLING DAYS: |

|   | DRILLING   | COMPLETION              | PRODUCTION              | TOTAL  |
|---|--|-------------------------|-------------------------|--|
| INTA NOUR E COSTS   | COSTS  | COSTS                   | COSTS                   | COSTS  |
| INTANGIBLE COSTS  |  |                         |                         |  |
| T Land / Legal / Regulatory 5   | 59,066   |                         | 37,500                  | \$ 96,566  |
| 2 Location, Surveys & Damages   | 288,079  | 18,067                  | 2,500                   | 308,647  |
| 4 Freight / Transportation  | 47,628   | 43,778                  | 25,000                  | 116,406  |
| 5 Kental - Surface Equipment  | 124,327  | 215,417                 | 105,000                 | 444,744  |
| 6 Kental - Downhole Equipment   | 205,424  | 59,805                  |                         | 265,229  |
| 7 Kental - Living Quarters  | 48,083   | 54,480                  |                         | 102,562  |
| 10 Directional Drilling, Surveys  | 429,543  |                         | <u> </u>                | 429,543  |
| 11 Drilling   | 753,820  | <u> </u>                |                         | 753,820  |
| 12 Drill Bits   | 100,176  |                         | <u> </u>                | 100,176  |
| 13 Fuel & Power   | 188,935  | 725,061                 |                         | 913,996  |
|   | 243,296  | 725,001                 |                         | 243,296  |
| 14 Cementing & Float Equip  | 243,290  | <u> </u>                |                         |  |
| 15 Completion Unit, Swab, CI'U  |  | -                       | 15,000                  | 15,000   |
| 16 Periorating, Wireline, Slickline   | •  | 393,136                 | -                       | 393,136  |
| 17 High Pressure Pump Truck   |  | 123,274                 |                         | 123,274  |
| 18 Completion Unit, Swab, CTU   |  | 146,484                 |                         | 146,484  |
| 20 Mud Circulation System   | 105,209  |                         | -                       | 105,209  |
| 21 Mud Logging  | 17,529   |                         |                         | 17,529   |
| 22 Logging / Formation Evaluation   | 7,270  | 8,339                   | ·                       | 15,609   |
| 23 Mud & Chemicais  | 361,835  | 438,185                 | 10,000                  | 810,020  |
| 24 Water  | 43,459   | 661,625                 | 300,000                 | 1,005,083  |
|   |  |                         |                         | 814,033  |
| 25 Stimulation  |  | 814,033                 | -                       |  |
| 26 Stimulation Flowback & Disp  | •  | 121,606                 | 150,000                 | 2/1,606  |
| 28 Mud / Wastewater Disposal  | 193,104  | 61,151                  | -                       | 254,254  |
| 30 Kig Supervision / Engineering  | 121,196  | 133,420                 | 21,667                  | 276,283  |
| 32 Drig & Compleiion Overhead   | 10,423   | -                       |                         | 10,423   |
| 35 Labor  | 153,358  | 69,489                  | 101,667                 | 324,514  |
| 54 Proppant   | -  | 1,255,227               |                         | 1,255,227  |
| 95 Insurance  | 14,660   |                         | <u> </u>                | 14,660   |
| 97 Contingency  |  | 24,421                  | 3,833                   | 28,254   |
| 99 Plugging & Abandonment   | <u> </u>   |                         |                         |  |
|   | 3.516.419  | 5,367,000               | 772,167                 | 9,655,585  |
|   |  |                         |                         |  |
| TOTAL INTANGIBLES >   | 3,510,415  | 5,367,000               | //2,10/                 |  |
|   | DRILLING   | COMPLETION              | PRODUCTION              | TOTAL  |
|   | DRILLING   | COMPLETION              | PRODUCTION              |  |
| TANGIBLE COSTS  | DRILLING<br>COSTS  |                         | PRODUCTION<br>COSTS     | TOTAL<br>COSTS   |
| TANGIBLE COSTS<br>60 Surface Casing S   | DRILLING<br>COSTS<br>122,234   | COMPLETION              | PRODUCTION              | TOTAL<br>COSTS<br>\$ 122,234   |
| TANGIBLE COSTS<br>60 Surface Casing 5<br>61 Intermediate Casing   | DRILLING<br>COSTS  | COMPLETION              | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>122,234<br>344,284  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | DRILLING<br>COSTS<br>122,234   | COMPLETION              | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284  |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner  | DRILLING<br>COSTS<br>122,234<br>344,284  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039   |
| TANGIBLE COSTS<br>60 Surface Casing<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | DRILLING<br>COSTS<br>122,234<br>344,284<br>687,039   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner  | DRILLING<br>COSTS<br>122,234<br>344,284<br>687,039   | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039   |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Froduction Casing         64 Production Liner         65 Tubing         66 Wellhead  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000  |
| TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing         62 Drilling Liner         63 Production Casing         64 Production Liner         65 Tubing  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Tubing       S         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S   | DRILLING<br>COSTS<br>344,284<br>687,039<br>687,039<br>64,820<br>14,732                                     | COMPLETION<br>COSTS<br> | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$   | DRILLING<br>COSTS<br>5 122,234<br>344,284<br>687,039<br>687,039<br>687,039<br>687,039<br>687,039<br>14,732 | COMPLETION<br>COSTS<br> | PRODUCTION<br>COSTS<br> | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS<br> | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833   |
| TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       7         70 Flow Lines       7         71 Kod string       1   | DRILLING<br>COSTS<br>344,284<br>687,039<br>687,039<br>64,820<br>14,732                                     | COMPLETION<br>COSTS<br> | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       S         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         69 Froduction Vessels       70         70 How Lines       71         71 Kod string       72         72 Artificial Litt Equipment       S   | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Kod string       72         72 Artificial Litt Equipment       73         73 Compressor       70  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS<br> | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Kod string       72         72 Artificial Litt Equipment       73         73 Compressor       70  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000  |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833   |
| TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Hod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$   | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833   |
| TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       68         68 Tanks       6         69 Production Vessels       7         70 Flow Lines       7         71 Kod string       7         72 Artificial Lift Equipment       73         73 Compressor       7         74 Installation Costs       75         75 Surface Pumps       7         76 Downhole Pumps       77         77 Measurement & Meter Installation       1   | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74 Installation Costs         75 Surface Pumps       76 Downhole Pumps         76 Downhole Pumps       77         75 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       74  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Las Conditioning / Dehydration       79         79 Interconnecting Facility Piping       74  | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       S         64 Production Liner       S         65 Tubing       S         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S         69 Production Vessels       70 How Lines         71 Kod string       72 Artificial Lift Equipment         73 Compressor       74 Installation Costs         75 Surface Pumps       75 Downhole Pumps         76 Jownhole Pumps       77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration       79 Interconnecting Facility Piping         80 Gathering / Bulk Lines       Surface Pumps   | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       S         65 Tubing       66         66 Weilhead       S         67 Packers, Liner Hangers       S         68 Tanks       S         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers       81   | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>108,333   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       S         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         76 Los Conditioning / Dehydration       79         79 Litters       Kallers         80 Gathering / Bulk Lines       81         81 Valves, Dumps, Controllers       82         82 Tank / Facility Containment       10   | DRILLING<br>COSTS<br>7 122,234<br>344,284<br>687,039<br>687,039<br>687,039<br>64,820<br>14,732<br>         | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       6         64 Production Liner       S         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       S         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       7         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Vaives, Dumps, Controllers       81         81 Vaives, Dumps, Controllers       82         82 Tank / Facility Containment       83         83 Flare Stack       8   | DRILLING<br>COSTS<br>122,234<br>344,284<br>  | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>  |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74 Installation Costs         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Valves, Dumps, Controllers       82         81 Tank / Facility Containment       83         82 Tank / Facility Containment       84         84 Electrical / Grounding       94  | DRILLING<br>COSTS<br>7 122,234<br>344,284<br>687,039<br>687,039<br>687,039<br>64,820<br>14,732<br>         | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>116,667<br>20,000<br>   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       6         64 Production Liner       S         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       S         69 Production Vessels       70         70 Flow Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       7         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Vaives, Dumps, Controllers       81         81 Vaives, Dumps, Controllers       82         82 Tank / Facility Containment       83         83 Flare Stack       8   | DRILLING<br>COSTS<br>7 122,234<br>344,284<br>687,039<br>687,039<br>687,039<br>64,820<br>14,732<br>         | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333<br>43,333<br>16,667   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74 Installation Costs         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Valves, Dumps, Controllers       82         81 Tank / Facility Containment       83         82 Tank / Facility Containment       84         84 Electrical / Grounding       94  | DRILLING<br>COSTS<br>7 122,234<br>344,284<br>687,039<br>687,039<br>687,039<br>64,820<br>14,732<br>         | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>116,667<br>20,000<br>   |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Weilhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       70         70 How Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       77         78 Cas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81 Valves, Dumps, Controllers         82 Tank / Facility Containment       83 Flare Stack         84 Electrical / Grounding       85 Communications / SCADA         86 Instrumentation / Satety       84 | DRILLING<br>COSTS<br>344,234<br>687,039<br>687,039<br>687,039<br>64,820<br>14,732<br>                      | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>116,667<br>20,000<br>-<br>-<br>20,000<br>-<br>-<br>108,333<br>43,333<br>15,667<br>50,000<br>36,667<br>833 |
| TANGIBLE COSTS         60 Surface Casing       S         61 Intermediate Casing       S         62 Drilling Liner       S         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 How Lines       71         71 Rod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Case Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Gathering / Bulk Lines       81         81 Valves, Dumps, Controllers       82         82 Tank / Facility Containment       83         84 Electrical / Grounding       85         85 Communications / SCADA       82           | DRILLING<br>COSTS<br>344,234<br>687,039<br>687,039<br>64,820<br>14,732<br>                                 | COMPLETION<br>COSTS     | PRODUCTION<br>COSTS     | TOTAL<br>COSTS<br>\$ 122,234<br>344,284<br>687,039<br>140,000<br>104,820<br>34,732<br>45,833<br>126,667<br>66,667<br>90,000<br>5,833<br>61,667<br>116,667<br>20,000<br>108,333<br>43,333<br>43,333<br>16,667   |

#### **PREPARED BY Permian Resources Operating, LLC:**

| Drilling Engineer:            | PS  |                       |                 |
|-------------------------------|---|-----------------------|-----------------|
| Completions Engineer:         | ML  |                       |                 |
| Production Engineer:          | DC .  |                       |                 |
| rmian Resources Operating, LL | C APPROVAL:   |                       |                 |
| Co-CEO                        |   | Co-CEO                | VP - Operations |
|                               | WH  | Jw                    | CRM             |
| VP - Land & Legal             |   | VP - Geosciences      |                 |
|                               | BG  | so                    |                 |
| ON OPERATING PARTNER A        | PPROVAL:  |                       |                 |
| Company Name:                 | · | Working Interest (%): | Tax 1D:         |
| Signed by:                    |   | Date:                 |                 |
|                               |   |                       |                 |

year after the well has been completed. In executing this AFE, the Participant agrees to pay its rement covering this well. Participants shall be covered by and billed proportionately for Operator's well Are are examine only and any not secondaries or change on any operate may or not note that cover our project i access and are of actual cools incurred, including, legal, curative, regulatory, brokerage and well cools under the terms of the applicable joint a libility insurance unless participant provides Operators a certificate evidencing its own insurance in an amount acceptable to be wider of other act

300 N. Marlenfeld St., Ste. 1000 Midland, TX 79701 Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| DATE:           | 2.17.2023                            | AFE NO.:   | 1                   |
|-----------------|--------------------------------------|--|---------------------|
| WELL NAME:      | Joker 5-8 Federal Com 203H           | FIELD:   | Tonto; Wolfcamp     |
| OCATION:        | Section 5, T20S-R34E                 | MD/TVD:  | 21,191' / 10,906'   |
| OUNTY/STATE:    | Lea County, New Mexico               | LATERAL LENGTH:  | 10,000'             |
| ermian WI:      |                                      | DRILLING DAYS:   | 19.6                |
| EOLOGIC TARGET: | WCXY                                 | COMPLETION DAYS:   | 19                  |
|                 | Drill a horizontal WCXY well and con | nplete with 44 stages. AFE includes drilling, completions, | flowback and Initia |
| EMARKS:         | AL install cost                      |  |                     |

| NYANGER COSTS         COSTS <thcosts< th="">         COSTS</thcosts<>   |   |  |           |           |   |
|---|---|--|-----------|-----------|---|
| Disk         Disk <thdisk< th="">         Disk         Disk         <thd< td=""><td></td><td></td><td></td><td></td><td>TOTAL</td></thd<></thdisk<>  |   |  |           |           | TOTAL   |
| 2 Lociton, Surveys & Linnages         288/07         18.067         2.500         2           4 kright / Tangportation         47.52         45.778         25.000         2           5 Rental - Survace Equipment         124.527         21.5417         10.5000         3           6 Rental - Lowing Quarters         46.000         34.000         3         3         3           1 Ditting         7         7.552.07         -   | INTANGIBLE COSTS  | COSTS  | COSTS     | COSTS     | COSTS   |
| Program         47.628         43.778         23.007           9 Kenda - Surace Equipment         123.227         115.417         105.0007         4           9 Kenda - Surace Equipment         205.427         99.805         - </td <td>T Land/ Legal/ Regulatory 5</td> <td>59,066</td> <td>-</td> <td>37,500</td> <td>5 96,566</td>   | T Land/ Legal/ Regulatory 5   | 59,066   | -         | 37,500    | 5 96,566  |
| S Rental - Suntace Equipment         124,327         215,417         105,0007         4           Rental - Leving Quarters         44,005         57,800         -  | 2 Location, Surveys & Damages   | 288,079  | 18,067    | 2,500     | 308,647   |
| is Normale Exploratin         205424         99805         - <td< td=""><td>4 Freight / Transportation</td><td>47,628</td><td>43,778</td><td>25,000</td><td>116,406</td></td<>  | 4 Freight / Transportation  | 47,628   | 43,778    | 25,000    | 116,406   |
| Rental-Leing Quartes         40.05         51.00           10 Ubrectional Ubling, Surveys         422515         - <td>5 Rental - Surface Equipment</td> <td>124,327</td> <td>215,417</td> <td>105,000</td> <td>444,744</td>  | 5 Rental - Surface Equipment  | 124,327  | 215,417   | 105,000   | 444,744   |
| 10         Uterting         735287         -  | 6 Rental - Downhole Equipment   | 205,424  | 59,805    | • •       | 265,229   |
| 11 Druiting         7538.00         -   | 7 Rental - Living Quarters  | 48,083   | 54,480    |           | 102,562   |
| 12 Drill Bis         100,7/6         -  | 10 Directional Drilling, Surveys  | 429,543  |           |           | 429,543   |
| 15 Hot & Prover         188,955         72,500  | 11 Drilling   | 753,820  |           |           | 753,820   |
| 14 Comenting & Float lequip         2422%         - <t< td=""><td>12 Urill Bits</td><td>100,176</td><td>*</td><td></td><td>100,176</td></t<>  | 12 Urill Bits   | 100,176  | *         |           | 100,176   |
| IS Completion Unit, Swab, CTU   | 13 Fuet & Power   | 188,935  | 725,061   | -         | 913,996   |
| is Performing, Wretine, Stakitine   | 14 Cementing & Float Equip  | 243,296  |           |           | 243,296   |
| 17 High Pressure Fung Funck         125.274         125.274           18 (Completion Unit, Swate, CTU         146.4847         1           21 Mud Lingging         177.207         8,3397         -           21 Mud Lingging (Formation Evaluation         77.207         8,3397         -           23 Mud & Chemicals         301.235         448(165         100007         10           24 Mud & Chemicals         301.235         448(165         100007         10           24 Mud A Wastewater Usposal         100.227         -         10         21.667         2           24 Mud Wastewater Usposal         100.427         -         -         -         -         -           25 Insurance         10.4260         -         -         -         -         -         -         -         -         -         -         -         -         - <td>15 Completion Unit, Swab, CTU</td> <td></td> <td></td> <td>15,000</td> <td>15,000</td>   | 15 Completion Unit, Swab, CTU   |  |           | 15,000    | 15,000  |
| 18 Completion Unit, Seat, CTU         -         146,281         -           21 Med Chordson System         105,209         -         -           22 Med Chordson System         105,209         -         -           23 Med Chordson System         72,207         8,339         -           23 Med Chordson System         301,835         438,185         100,000         12           23 Med Chordson System         301,835         438,185         100,000         12           24 Meter         43,4397         601,625         300,000         12           25 Minutation Flowback & Disp         121,095         150,000         12           26 Minutation Flowback & Disp ost         133,323         604,827         -           26 Minutation Flowback & Disp ost         133,323         604,827         -           27 Mitg Supervision Ventexed         10,425         604,827         -           28 Mitg Completion Overhead         10,425         604,827         -         1,425           29 Hoppant         -         1,253,700         772,167         9,           20 Contingency         -         2,421         3,835         -           29 Hoppant         -         2,424         -         -   | 16 Periorating, Wireline, Slickline   | · ·  | 393,136   |           | 393,136   |
| DMd Ctruitation System         105,209         -         -           21 Mod Logging         7,229         -         -           22 Logging / Formation Evaluation         7,229         -         -           24 Mod Lennicals         361355         48381185         100,000         P           24 Mode Chemicals         361,355         483,1185         100,000         P           25 Minutation Howback & Disp ost         -         117,190         113,242         -         -           28 Minutation Howback & Disp ost         113,119         11,3140         11,500         120,000         -           28 Minutation Howback & Disp ost         113,119         11,3140         12,020         -         -           29 Mitg Supervision / longineering         12,119         13,3242         21,667         -         -           21 Mode Applied Companit         -         1,255,227         -         1,2         -  | 17 High Pressure Pump Truck   | · · ·  | 123,274   | -         | 123,2/4   |
| I Mud Logging         17,207         -           21 Logging / Formation Evaluation         7,270         8,3397         -           23 Mud & Chemicals         30,1835         438,185         10,0007         E           24 Water         43,8175         100,0007         E         E           24 Water         43,8175         100,0007         E           25 Situnation Flowback & Disp .         -         11,100         10,2007         E           26 Mind / Water Water Disposit         112,100         130,000         12         2           26 Mind / Water Water Disposit         112,110         13,2427         -         -           27 Urg & Completion Overhead         10,422         - <td>18 Completion Unit, Swab, CTU</td> <td>-</td> <td>146,484</td> <td><u> </u></td> <td>146,484</td>  | 18 Completion Unit, Swab, CTU   | -  | 146,484   | <u> </u>  | 146,484   |
| 22 Logging/ Formation by alcation         7.200         8.339   | 20 Mud Circulation System   | 105,209  | ·         |           | 105,209   |
| 22 Logging/ Formation by alcation         7.200         8.339   | 21 Mud Logging  | 17,529   | · · · ·   |           | 17,529  |
| 23 Mode & Chemicals         391,235         432,185         10,000         R           24 Water         43,357         651,825         300,000         11,           25 Stimulation         -         121,895         190,000         12,           25 Stimulation         -         121,895         190,000         12,           26 Mind (Wastewater Ubiposal         195,100         -         12,         -           28 Mind (Wastewater Ubiposal         193,100         -         12,         -         -           28 Mind (Soperation Overhead         10,425         -  |   | 7,270  | 8,339     |           | 15,609  |
| 25       Stimulation       -       810003       -       -       121,605       190,000       -         26       Stimulation Flowback & Disp       -       121,605       190,000       -  |   | 361,835  | 438,185   | 10,000    | 810,020   |
| 25 Stimulation       -       81(10)3       -       12(16)6       190(00)         28 Mud / Wastewater Uisposal       195,104       61,151       -  |   |  |           |           | 1,005,083   |
| B         Mud / Wastewater Ulsposal         193,108         61,151  | 25 Stimulation  |  | 814,033   |           | 814,033   |
| 28         Mail of Wastewater Disposal         193,108         61,151            20 kig Supervision / Engineering         121,196         133,420         21,667         23           30 kig Supervision / Engineering         10,425               31 Labor         13,338         69,489         101,667  | 26 Stimulation Flowback & Disp  |  | 121,606   | 150,000   | 271,606   |
| 30 Ng Supervision / Engineering         121,196         135,420         21,667           32 Drig & Completion Overhead         10,425         -         -           34 Labor         133,333         697,489         101,667         -           34 Proppant         -         1255,227         -         1,2           97 Contingency         -         -         -         -           99 Plugging & Abandonment         -         -         -         -           TOTAL INTANGIBLES >         3,516,419         5,367,000         772,167         9,           00 Surface Casing         S         122,24         -         -         -           01 Intermediate Casing         344,284         -         -         -         -           61 Intermediate Casing         687,039         -         -         -         -         -           63 Irodiction Casing         687,039         -   |   | 193,104  | 61,151    |           | 254,254   |
| 35 Labor       153,338       69,4897       101,667       23         36 Proppant       1,255,227       1,25       1,25         97 Contingercy       24,421       3,835       -         99 Plugging & Abandonment       -       -       -         TOTAL INTANGIBLES >       3,516,419       5,367,000       772,167       9,         TANGIBLE COSTS   | 30 Kig Supervision / Engineering  | 121,196  | 133,420   | 21,667    | 276,283   |
| 35 Labor       153,338       69,4897       101,667       23         36 Proppant       1,255,227       1,25       1,25         97 Contingercy       24,421       3,835       -         99 Plugging & Abandonment       -       -       -         TOTAL INTANGIBLES >       3,516,419       5,367,000       772,167       9,         TANGIBLE COSTS   | 32 Drlg & Completion Overhead   | 10,423   | -         |           | 10,423  |
| 94 Proppant         1,255,227         1,255,227           95 Insurance         14,660         - <td>• •</td> <td>153,358</td> <td>69,489</td> <td>101,667</td> <td>324,514</td>   | • •   | 153,358  | 69,489    | 101,667   | 324,514   |
| 95       Insurance       14,660       -   | 54 Proppant   |  | 1,255,227 | <b>_</b>  | 1,255,227   |
| 99 Plugging & Abandonment         . <td>95 Insurance</td> <td>14,660</td> <td></td> <td></td> <td>14,660</td>   | 95 Insurance  | 14,660   |           |           | 14,660  |
| 99 Plugging & Abandonment         . <td>97 Contingency</td> <td></td> <td>24,421</td> <td>3,833</td> <td>28,254</td>  | 97 Contingency  |  | 24,421    | 3,833     | 28,254  |
| TOTAL INTANGIBLES>         3,516,419         5,367,000         772,167         9,           TANGIBLE COSTS         COSTS         COMPLETION<br>COSTS         PRODUCTION<br>COSTS         TOTAL           60 Surface Casing         5         122,224         -         -         5         1           61 Intermediate Casing         34,284         - </td <td></td> <td>· · ·</td> <td>-</td> <td></td> <td></td>   |   | · · ·  | -         |           |   |
| DRILLING<br>COSTS         COMPLETION<br>COSTS         PRODUCTION<br>COSTS         TOTA<br>COSTS           60 Surface Casing         5         12,234         -         -         5         1           61 Internediate Casing         344,284         - <td></td> <td>3 516 419</td> <td>5 367 000</td> <td>772 167</td> <td>9,655,585</td>   |   | 3 516 419  | 5 367 000 | 772 167   | 9,655,585   |
| TANGIBLE COSTS         COSTS <thcosts< th="">         COSTS</thcosts<>  |   | 5,510,117  |           | //2,10/   |   |
| 60       Stirface Casing       \$ 122,234       -       -       3         61       Intermediate Casing       - <td< td=""><td></td><td></td><td></td><td></td><td></td></td<>   |   |  |           |           |   |
| 61 Intermediate Casing       344,284       - <td< td=""><td></td><td></td><td></td><td></td><td>TOTAL</td></td<>  |   |  |           |           | TOTAL   |
| 62 Drilling Liner   | TANGIBLE COSTS  |  |           |           | TOTAL<br>COSTS  |
| 63 Production Casing       687,039       -  |   | COSTS  |           |           |   |
| 64 Production Liner       -   | 60 Surface Casing 5   | COSTS<br>122,234   | COSTS     | COSTS     | COSTS   |
| 65 Tubing       -       -       140,000       1         66 Weilhead       64,820       -       40,000       1         67 Packers, Liner Hangers       14/732       -       20,000       1         68 Tanks       -       -       45,833       -       -       20,000       1         68 Tanks       -       -       -       45,833       -       -       -       20,000       -       1       -   | 60 Surface Casing 5<br>61 Intermediate Casing   | COSTS<br>122,234<br>344,284  | COSTS     | COSTS     | COSTS   |
| 66 Weilhead       64,820       -       40,000       1         67 Packers, Liner Hangers       14,732       -       20,000       -         68 Tanks       -       -       45,833       -       -       -       125,667       1         69 Production Vessels       -       -       -       125,667       1       -       -       125,667       1         70 Flow Lines       - <td>60 Surface Casing 5<br/>61 Intermediate Casing<br/>62 Drilling Liner</td> <td>COSTS<br/>122,234<br/>344,284</td> <td>COSTS</td> <td>COSTS</td> <td>COSTS</td>   | 60 Surface Casing 5<br>61 Intermediate Casing<br>62 Drilling Liner  | COSTS<br>122,234<br>344,284  | COSTS     | COSTS     | COSTS   |
| 67 Packers, Liner Hangers       14/732       -       20,000         68 Tanks       -       -       45,833         69 Production Vessels       -       -       126,667       1         70 How Lines       -       -       66,667       -       -         71 Rod string       -       -       66,667       - <t< td=""><td>60 Surface Casing 5<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing</td><td>COSTS<br/>122,234<br/>344,284<br/>687,039</td><td>COSTS</td><td>COSTS</td><td>COSTS<br/>\$ 122,234<br/>344,284<br/>-</td></t<>   | 60 Surface Casing 5<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing  | COSTS<br>122,234<br>344,284<br>687,039   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>-   |
| 68 Tanks       -       -       45,833         69 Production Vessels       -       -       126,667       1         70 How Lines       -       -       66,667       -         71 Kod string       -       -       66,667       -         72 Artificial Lift Equipment       -       -       -       -         73 Compressor       -       -       90,000       -         74 Installation Costs       -       -       -       -         75 Surface Pumps       -       -       -       -         76 Gas Conditioning / Dehydration       -       -       -       -         79 Interconnecting Facility Piping       -       -       -       -       -         79 Interconnecting Facility Piping       -       -       -       -       -       -         80 Gathering / Bulk Lines       - <td>60 Surface Casing 5<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing<br/>64 Production Liner</td> <td>COSTS<br/>122,234<br/>344,284<br/>687,039</td> <td>COSTS</td> <td>COSTS</td> <td>COSTS<br/>\$ 122,234<br/>344,284<br/>-</td>   | 60 Surface Casing 5<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner   | COSTS<br>122,234<br>344,284<br>687,039   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>-   |
| 69 Production Vessels       -       -       125,657       1         70 Flow Lines       -       -       66,667       -         71 Kod string       -       -       66,667       -         72 Artificial Lift Equipment       -       -       90,000       -         73 Compressor       -       -       90,000       -       -         74 Installation Costs       -       -       -       -       -         75 Surface Pumps       -       -       -       -       -       -         76 Loss Conditioning / Dehydration       - <td>60 Surface Casing 5<br/>61 Intermediate Casing<br/>62 Drilling Liner<br/>63 Production Casing<br/>64 Production Liner<br/>65 Tubing</td> <td>COSTS<br/>122,234<br/>344,284<br/>687,039</td> <td>COSTS</td> <td>COSTS</td> <td>COSTS<br/>122,234<br/>344,284<br/></td>  | 60 Surface Casing 5<br>61 Intermediate Casing<br>62 Drilling Liner<br>63 Production Casing<br>64 Production Liner<br>65 Tubing  | COSTS<br>122,234<br>344,284<br>687,039   | COSTS     | COSTS     | COSTS<br>122,234<br>344,284<br>   |
| 70 Flow Lines       -       -       -       66,667         71 Kod string       -       -       -       -       -         72 Artificial Lift Equipment       -       -       -       -       -       -         73 Compressor       - </td <td>60 Surface Casing 5<br/>61 Intermediate Casing 62 Drilling Liner<br/>63 Production Casing 64 Production Liner<br/>64 Production Liner<br/>65 Tubing 66 Wellhead</td> <td>COSTS<br/>122,234<br/>344,284<br/>687,039<br/>687,039<br/>64,820</td> <td>COSTS</td> <td>COSTS</td> <td>COSTS<br/>122,234<br/>344,284<br/></td>   | 60 Surface Casing 5<br>61 Intermediate Casing 62 Drilling Liner<br>63 Production Casing 64 Production Liner<br>64 Production Liner<br>65 Tubing 66 Wellhead   | COSTS<br>122,234<br>344,284<br>687,039<br>687,039<br>64,820                                  | COSTS     | COSTS     | COSTS<br>122,234<br>344,284<br>   |
| 70 Flow Lines       -       -       66,667         71 Kod string       -       -       -         72 Artilicial Lift Equipment       -       -       90,000         73 Compressor       -       -       5,833         74 Installation Costs       -       -       -         75 Surface Pumps       -       -       -         76 Use Conditioning / Dehydration       -       -       -         77 Measurement & Meter Installation       -       -       -         77 Measurement & Meter Installation       -       -       -         77 Measurement & Meter Installation       -       -       -         78 Gas Conditioning / Dehydration       -       -       -         79 Interconnecting Facility Plping       -       -       -         80 Gathering / Bulk Lines       -       -       -       -         81 Valves, Dumps, Controllers       -       -       -       -       -         82 Flare Stack       -       -       -       -       -       -       -         83 Flare Stack       -       -       -       -       -       -       -       -       -       -       - <t< td=""><td>60 Surface Casing 5<br/>61 Intermediate Casing 62 Drilling Liner<br/>63 Production Casing 64 Production Liner<br/>65 Trubing 66 Weilhead 67 Packers, Liner Hangers 68 Tanks</td><td>COSTS<br/>122,234<br/>344,284<br/>687,039<br/>687,039<br/>64,820</td><td>COSTS</td><td>COSTS</td><td>COSTS<br/>\$ 122,234<br/>344,284<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-<br/>-</td></t<>  | 60 Surface Casing 5<br>61 Intermediate Casing 62 Drilling Liner<br>63 Production Casing 64 Production Liner<br>65 Trubing 66 Weilhead 67 Packers, Liner Hangers 68 Tanks  | COSTS<br>122,234<br>344,284<br>687,039<br>687,039<br>64,820                                  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- |
| 72 Artilicial Lift Equipment       -       -       90,000         73 Compressor       -       -       5,833         74 Installation Costs       -       -       -         75 Surface Pumps       -       -       -         76 Downhole Pumps       -       -       -         76 Downhole Pumps       -       -       -         76 Downhole Pumps       -       -       -         77 Measurement & Meter Installation       -       -       -         78 Gas Conditioning / Dehydration       -       -       -         79 Interconnecting Facility Piping       -       -       -         80 Gathering / Bulk Lines       -       -       -         81 Valves, Dumps, Controllers       -       -       -         82 Tank / Facility Containment       -       -       -         83 Flare Stack       -       -       -       -         84 Electrical / Grounding       -       -       -       -         85 Communications / SCADA       -       -       -       -         833       -       -       -       -       833         70 TAL TANGIBLES >       1,233,109       0 <td< td=""><td>60 Surface Casing 5<br/>61 Intermediate Casing 62 Drilling Liner<br/>63 Production Casing 64 Production Liner<br/>65 Trubing 66 Weilhead 67 Packers, Liner Hangers 68 Tanks</td><td>COSTS<br/>122,234<br/>344,284<br/>687,039<br/>687,039<br/>64,820</td><td>COSTS</td><td>COSTS</td><td>COSTS<br/>\$ 122,234<br/>344,284<br/></td></td<>   | 60 Surface Casing 5<br>61 Intermediate Casing 62 Drilling Liner<br>63 Production Casing 64 Production Liner<br>65 Trubing 66 Weilhead 67 Packers, Liner Hangers 68 Tanks  | COSTS<br>122,234<br>344,284<br>687,039<br>687,039<br>64,820                                  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 73 Compressor       -       -       5,833         74 Installation Costs       -       -       -         75 Surface Pumps       -       -       -         76 Downhole Pumps       -       -       -         76 Downhole Pumps       -       -       -         76 Downhole Pumps       -       -       -         78 Gas Conditioning / Dehydration       -       -       -         79 Interconnecting Facility Piping       -       -       -         80 Gathering / Bulk Lines       -       -       -         81 Valves, Dumps, Controllers       -       -       -         82 Tank / Facility Containment       -       -       -         83 Flare Stack       -       -       -       -         84 Electrical / Grounding       -       -       -       -       -         85 Communications / SCADA       -   | 60 Surface Casing 5<br>61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Weilhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels   | COSTS<br>122,234<br>344,284<br>  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 74 Installation Costs       -   | 60 Surface Casing       5         61 Intermediate Casing       62         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubling       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       64   | COSTS<br>122,234<br>344,284<br>  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 74 Installation Costs       -       -       -       -         75 Surface Pumps       -       -       61,667       -         76 Downhole Pumps       -       -       -       -       -         77 Measurement & Meter Installation       -       -       -       -       -         78 Gas Conditioning / Dehydration       -       -       -       -       -       -         79 Interconnecting Facility Piping       -       <  | 60 Surface Casing 5<br>61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Weilhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Fiow Lines 71 Kod string 57 Kod string   | COSTS<br>122,234<br>344,284<br>  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 76 Downhole Pumps       -       -       -       -         77 Measurement & Meter Installation       -       -       116,667       1         78 Gas Conditioning / Dehydration       -       -       -       -       -         79 Interconnecting Facility Piping       -       -       -       -       -       -         80 Gathering / Bulk Lines       -  | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tranks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$   | COSTS<br>122,234<br>344,284<br>  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 76 Downhole Pumps       -       -       -       -         77 Measurement & Meter Installation       -       -       116,667       1         78 Gas Conditioning / Dehydration       -       -       -       -       -         79 Interconnecting Facility Piping       -       -       -       -       -       -         80 Gathering / Bulk Lines       -  | 60 Surface Casing       5         61 Intermediate Casing       62         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Litt Equipment       73         73 Compressor       71  | COSTS<br>122,234<br>344,284<br>  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 78 Gas Conditioning / Dehydration       -   | 60 Surface Casing       5         61 Intermediate Casing       62         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Kod string       72         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       74  | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 78 Gas Conditioning / Dehydration       -   | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Lasing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Litt Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$  | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 79 Interconnecting Facility Piping       -       -       20,000         80 Gathering / Bulk Lines       -       -       -       -         81 Valves, Dumps, Controllers       -       -       -       -       -         82 Tank / Facility Containment       - </td <td>60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Lasing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$</td> <td>COSTS 122,234 687,039 687,039 64,820 64,820 14,732</td> <td>COSTS</td> <td>COSTS</td> <td>COSTS<br/>\$ 122,234<br/>344,284<br/></td> | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Lasing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$   | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 80 Gathering / Bulk Lines       -<  | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$  | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 82 Tank / Facility Containment     -     -     43,333       83 Flare Stack     -     -     16,667       84 Electrical / Grounding     -     -     50,000       85 Communications / SCADA     -     -     36,667       86 Instrumentation / Satety     -     -     833       TOTAL TANGIBLES > 1,233,109     0     989,167     2,25  | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$   | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 82 Tank / Facility Containment       -       -       43,333         83 Flare Stack       -       -       16,667         84 Electrical / Grounding       -       -       50,000         85 Communications / SCADA       -       -       36,667         86 Instrumentation / Satety       -       -       833         TOTAL TANGIBLES >       1,233,109       0       989,167       2,2   | 60 Surface Casing       5         61 Intermediate Casing       62         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubling       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         79 Interconnecting Facility Piping       79  | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>   |
| 83 Flare Slack     -     -     16,667       84 Electrical / Grounding     -     -     50,000       85 Communications / SCADA     -     -     36,667       86 Instrumentation / Satety     -     -     38,33       TOTAL TANGIBLES >     1,233,109     0     989,167     2,33  | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Laing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$  | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 84 Electrical / Grounding         -         -         50,000           85 Communications / SCADA         -         -         36,667           86 Instrumentation / Satety         -         -         833           TOTAL TANGIBLES >         1,233,109         0         989,167         2,  | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Laing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$  | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS<br> | COSTS<br>\$ 122,234<br>344,284<br>  |
| 85 Communications / SCADA<br>86 Instrumentation / Satety<br>TOTAL TANGIBLES > 1,233,109 0 989,167 2,  | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$   | COSTS 122,234 687,039 687,039 64,820 64,820 14,732   | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>344,284<br>  |
| 86 Instrumentation / Satety         833           TOTAL TANGIBLES >         1,233,109         0         989,167         2,2   | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       7         70 How Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Valves, Dumps, Controllers       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$   | COSTS  | COSTS     | COSTS<br> | COSTS<br>\$ 122,234<br>   |
| TOTAL TANGIBLES > 1,233,109 0 989,167 2,  | 60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       63         63 Production Casing       64         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Packers, Liner Hangers       68         68 Tanks       69         69 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73         73 Compressor       74         74 Installation Costs       75         75 Surface Pumps       76         76 Downhole Pumps       77         77 Measurement & Meter Installation       78         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80         80 Valves, Dumps, Controllers       82         81 Valves, Dumps, Contorlers       82         82 Tank / Facility Containment       83         84 Electrical / Grounding       10   | COSTS  | COSTS     | COSTS     | COSTS<br>\$ 122,234<br>   |
|   | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Laing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artiticial Litt Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$         84 Electrical / Grounding       \$         85 Communications / SCADA       \$   | COSTS  | COSTS     | COSTS<br> | COSTS<br>\$ 122,234<br>344,284<br>  |
| 101AL C0515 / 4,/47,525 5,567,000 1,761,334 11,   | 60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       63 Production Lasing         64 Production Liner       65         65 Tubing       66         66 Weilhead       67         67 Production Vessels       70         70 Flow Lines       71         71 Kod string       72         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       75         75 Surface Pumps       76 Downhole Pumps         76 Jownhole Pumps       77 Measurement & Meter Installation         78 Gas Conditioning / Dehydration       79         79 Interconnecting Facility Piping       80 Gathering / Bulk Lines         81 Valves, Dumps, Controllers       82 Tank / Facility Containment         83 Flare Stack       84 Electrical / Grounding         85 Communications / SCADA       86 Instrumentation / Satety  | COSTS  | COSTS     | COSTS<br> | COSTS<br>\$ 122,234<br>344,284<br>  |
|   | 60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Weilhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Kod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Cosits       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$         82 Tank / Facility Containment       \$         83 Flare Stack       \$         84 Electrical / Grounding       \$         85 Communications / SCADA       \$         86 Instrumentation / Satety       \$ | COSTS<br>122,234<br>344,284<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>-<br>- | COSTS     | COSTS<br> | COSTS<br>\$ 122,234<br>344,284<br>  |

## PREPARED BY Permian Resources Operating, LLC:

| Drilling Engineer:                            | PS          |                              |                 |              |
|---|-------------|------------------------------|-----------------|--------------|
| Completions Engineer.<br>Production Engineer. | ML<br>DC    |                              |                 |              |
| ermian Resources Operating, LL                | C APPROVAL: |                              | ···· ·······    |              |
| Co-CEO  | · · · · · · | Co-CEO                       | VP - Operations |              |
| VP - Land & Legal                             | WH<br>BC    | JW<br>VP - Geosciences<br>50 |                 | CRM          |
|   |             |                              |                 |              |
| ON OPERATING PARTNER A                        | PPROVAL:    |                              |                 |              |
| Company Name:                                 |             | Working Interest (%):        | Tax ID:         |              |
| Signed by:                                    |             | Date:                        |                 |              |
| Title:  |             | Approval:                    | Yes 🗖 N         | o (mark one) |

proportionals share of actual costs incurred, including, logid, curstive, regulatory, invitance and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by an costs of and graved labbility towarance axists participant provides Operator a certificate evidencing in own insurance in an amount acceptable to the Operator by the date of speci.

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

| 2.17.2023                  | AFE NO.:   | 1   |
|----------------------------|--|---|
| Joker 5-8 Federal Com 204H | FIELD:   | Tonto; Wolfcamp   |
| Section 5, T20S-R34E       | MD/TVD:  | 21,181' / 10,896'   |
| Lea County, New Mexico     | LATERAL LENGTH:  | 10,000'   |
|                            | DRILLING DAYS:   | 19.6  |
| WCXY                       | COMPLETION DAYS:   | 19  |
|                            | Joker 5-8 Federal Com 204H<br>Section 5, T20S-R34E<br>Lea County, New Mexico | Joker 5-8 Federal Com 204H     FIELD:       Section 5, T20S-R34E     MD/TVD:       Lea County, New Mexico     LATERAL LENGTH:       DRILLING DAYS:     DRILLING DAYS: |

|   | DRILLING                              | COMPLETION | PRODUCTION  | TOTAL   |
|---|---------------------------------------|------------|---|---|
| INTANGIBLE COSTS  | COSTS                                 | COSTS      | COSTS   | COSTS   |
| T Land/ Legal/ Kegulatory   | \$ 59,066                             |            | 37,500  | 5 96,566  |
| 2 Location, Surveys & Damages   | 288,079                               | 18,067     | 2,500   | 308,647   |
| 4 Freight / Transportation  | 47,628                                | 43,778     | 25,000  | 116,406   |
| 5 Kental - Surface Equipment  | 124,327                               | 215,417    | 105,000   | 444,744   |
| 6 Kental - Downhole Equipment   | 205,424                               | 59,805     |   | 265,229   |
| 7 Kental - Living Quarters  | 48,083                                | 54,480     | · · · ·   | 102,562   |
| 10 Directional Drilling, Surveys  | 429,543                               |            |   | 429,543   |
| 11 Drilling   | 753,820                               |            | <u>_</u> _  | 753,820   |
| 12 Drill Bits   | 100,176                               |            |   | 100,176   |
| 13 Fuel & Power   | 188,935                               | 725,061    | ·····   | 913,996   |
| 14 Cementing & Float Equip  | 243,296                               |            |   | 243,296   |
| 15 Completion Unit, Swab, CIU   |                                       |            | 15,000  | 15,000  |
| 16 Pertorating, Wireline, Slickline   | <u> </u>                              | 393,136    |   | 393,136   |
| 17 High Pressure Pump Truck   |                                       | 123,274    | <u> </u>  | 123,274   |
| 18 Completion Unit, Swab, CI'U  |                                       | 146,484    |   | 146,484   |
| 20 Mud Circulation System   | 105,209                               |            |   | 105,209   |
| 21 Mud Logging  | 17,529                                | ·····      |   | 17,529  |
| 22 Logging / Formation Evaluation   | 7,270                                 | 8,339      |   | 15,609  |
| 23 Mud & Chemicals  | 361,835                               | 438,185    | 10,000  | 810,020   |
| 24 Water  | 43,459                                | 661,625    | 300,000   | 1,005,083   |
| 25 Stimulation  |                                       | 814,033    | 500,000   | 814.033   |
| 26 Stimulation Flowback & Disp  | -                                     | 121,606    | 150,000   | 2/1,606   |
| 28 Mud / Wastewater Disposal  |                                       | 61,151     | 150,000   | 254,254   |
| 30 Rig Supervision / Engineering  | 193,104                               | 133,420    | 21,667  | 276,283   |
| 32 Drig & Completion Overhead   | 10,423                                |            | 21,007  | 10,423  |
| 35 Labor  | 153,358                               | 69,489     | 101.667   | 324,514   |
|   | 133,338                               |            | 101,007   | 1,255,227   |
| 54 Proppant   |                                       | 1,255,227  |   | 1,230,227   |
| 95 Insurance<br>97 Contingency  | 14,000                                |            |   |   |
|   |                                       | 24,421     | 3,833   |   |
| 99 Plugging & Abandonment   |                                       |            | <b>_</b>  |   |
| TOTAL INTANGIBLES   | i > 3,516,419                         | 5,367,000  | 772,167   | 9,655,585   |
|   | DRILLING                              | COMPLETION | PRODUCTION  | TOTAL   |
| TANGIBLE COSTS  | COSTS                                 | COSTS      | COSTS   | COSTS   |
| 60 Surface Casing   | \$ 122,234                            | <u>.</u>   | ······  | 5 122,234   |
| 61 Intermediate Casing  | 344,284                               | <u>-</u>   |   | 344,284   |
| 62 Drilling Liner   |                                       |            |   |   |
| 63 Production Casing  | 687,039                               |            |   | 687,039   |
| 64 Production Liner   |                                       |            |   |   |
| 65 Tubing   |                                       |            | 140,000   | 140,000   |
| 65 Wellhead   | 64,820                                |            | 40,000  | 104,820   |
| 67 Fackers, Liner Hangers   | 14,732                                |            | 20,000  | 34,732  |
| 68 Tanks  | 14,752                                |            | 45,833  | 45,833  |
| 69 Production Vessels   | ·                                     | ·          | 126,667   | 126,667   |
| 70 Flow Lines   |                                       | <u> </u>   | 66,667  | 66,667  |
| 71 Kod string   |                                       |            | 00,007  |   |
| 72 Artificial Litt Equipment  |                                       |            | 90,000  | 90,000  |
| 72 Anticial Eat Equipment<br>73 Compressor  |                                       |            | 5,833   | 5,833   |
| 73 Compressor<br>74 Installation Costs  | ·                                     | <u> </u>   | 3,033   | 5,035   |
|   |                                       |            | 61,667  | 61,667  |
|   | •                                     |            | 61,007  | 01,00/  |
| -   |                                       |            |   |   |
| 76 Downhole Pumps   |                                       |            | -   |   |
| 76 Downhole Pumps<br>77 Measurement & Meter installation  |                                       |            | 116,667   | 116,667   |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration   |                                       |            | •   | ·····   |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping   |                                       |            | 116,667   | 20,000  |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines  |                                       |            | 20,000  | 20,000  |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers   | · · · · · · · · · · · · · · · · · · · |            | 20,000  | 20,000  |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment   |                                       |            | 20,000  | 20,000  |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack   |                                       |            | 20,000<br>108,333<br>43,333<br>16,667                     | 20,000<br>108,333<br>43,333<br>16,667                     |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Slack<br>84 Electrical / Grounding                              |                                       |            | 20,000<br>108,333<br>43,333<br>16,667<br>50,000           | 20,000<br>108,333<br>43,333<br>16,667<br>50,000           |
| 77 Measurement & Meter Installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA                      |                                       |            | 20,000<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667 | 20,000<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667 |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding<br>85 Communications / SCADA |                                       |            | 20,000<br>108,333<br>43,333<br>16,667<br>50,000           | 20,000<br>108,333<br>43,333<br>16,667<br>50,000           |
| 76 Downhole Pumps<br>77 Measurement & Meter installation<br>78 Gas Conditioning / Dehydration<br>79 Interconnecting Facility Piping<br>80 Gathering / Bulk Lines<br>81 Valves, Dumps, Controllers<br>82 Tank / Facility Containment<br>83 Flare Stack<br>84 Electrical / Grounding                              |                                       |            | 20,000<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667 | 20,000<br>108,333<br>43,333<br>16,667<br>50,000<br>36,667 |

## PREPARED BY Permian Resources Operating, LLC:

|                           | and the second se |                       |                 |     |
|---------------------------|---|-----------------------|-----------------|-----|
| Drilling Engineer:        | PS  |                       |                 |     |
| Completions Engineer:     | ML  |                       |                 |     |
| Production Engineer:      | DC  |                       |                 |     |
| 1 Resources Operating, LL | C APPROVAL:   |                       |                 |     |
| Co-CEO                    |   | Co-CEO                | VP - Operations |     |
|                           | WH  | jw                    |                 | CRM |
| VP - Land & Legal         | BG  | VP - Geosciences      |                 |     |
| PERATING PARTNER A        | PPROVAL   |                       | ar              |     |
| Company Name:             |   | Working Interest (%): | Tax ID:         |     |
| Signed by:                |   | Date:                 |                 |     |
| · · · _                   |   |                       |                 |     |

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## **TAB 3**

### Case No. 23448-23451

- Exhibit B: Self-Affirmed Statement of Staci Mueller, Geologist
- Exhibit B-1: Locator Map & Stress Direction
- Exhibit B-2: Permit Status
- Exhibit B-3: Gun Barrel View
- Exhibit B-4: Development Plan Comparison
- Exhibit B-5: Subsea Structure Map
- Exhibit B-6: 3<sup>rd</sup> bone Spring Isopach Map
- Exhibit B-7: Structural Cross Section
- Exhibit B-8: 3rd Bone Spring Producers vs. all Wolfcamp Producers
- Exhibit B-9: All 3<sup>rd</sup> Bone Spring and Wolfcamp Producers
- Exhibit B-10: Comparing 3<sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)
- Exhibit B-11: 2<sup>nd</sup> Bone Spring Structure Map
- Exhibit B-12: 2<sup>nd</sup> Bone Spring Sand Isopach
- Exhibit B-13: 2<sup>nd</sup> Bone Spring Sand Cross Section
- Exhibit B-14: 2<sup>nd</sup> Bone Spring Sand vs. 3<sup>rd</sup> Bone Spring Carbonate Producers
- Exhibit B-15: PhilH L 2<sup>nd</sup> Sand vs. 3<sup>rd</sup> Carbonate
- Exhibit B-16: 1st Bone Spring Sand Structure
- Exhibit B-17: 1<sup>st</sup> Bone Spring Sand Isopach
- Exhibit B-18: 1st Bone Spring Structural Cross Section
- Exhibit B-19: Wolfcamp Structure Map (Subsea TVD)
- Exhibit B-20: Wolfcamp XY Isopach
- Exhibit B-21: Wolfcamp XY West to East Cross Section

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

## APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23448 – 23451 (Mighty Pheasant; Bone Spring)

## APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23594 – 23597 (Mighty Pheasant; Wolfcamp)

## APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23452 – 23455 (Loosey Goosey; Bone Spring)

## APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23598 – 23601 (Loosey Goosey; Wolfcamp)

## **SELF-AFFIRMED STATEMENT OF STACI MUELLER**

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

- 1. I am over the age of 18, and I have personal knowledge of the matters stated herein.
- 2. I am employed as a petroleum geologist for Cimarex Energy Co. ("Cimarex"), and I am

familiar with the subject application and the geology involved.

3. This testimony is submitted in connection with the filing by Cimarex in the abovereferenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.



- 4. I have testified previously by affidavit before the Oil Conservation Division ("Division") as an expert petroleum geologist; my credentials have been made a matter of record, and I have been qualified as an expert by the Division.
  - a. I have a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines.
  - b. I have worked on New Mexico Oil and Gas matters since July 2018.

5. Cimarex is an established operator in the Quail Ridge area, with 35 horizontal wells drilled within the basal 3<sup>rd</sup> Bone Spring Sand starting in 2010 through 2022. In most of the 3<sup>rd</sup> Sand developments, Triple Combo logs were taken to further the reservoir characterization of both the Bone Spring and Wolfcamp formations. From these extensive mapping efforts along with offset production analyses, Cimarex has verified that the 3<sup>rd</sup> Sand is the most economic target at the Mighty Pheasant and Loosey Goosey proposed development.

6. **Exhibit B-1** shows a map made by Jens-Erik Lund Snee and Mark D. Zoback from Stanford University, which depicts the maximum horizontal stress direction throughout the Delaware and Midland Basins. The map on the right is a zoomed in portion of the regional map (red outline), where the blue lines represent the digitized version of the same stress directions. Based on the regional trend observed by Lund Snee and Zoback, the estimated stress direction at Mighty Pheasant and Loosey Goosey is approximately N70E, which means the favorable well orientation is north-south instead of east-west. Both Cimarex and Permian Resources plan to drill in the north-south orientation.

7. **Exhibit B-2** is a table summarizing the permit status for the Mighty Pheasant and Loosey Goosey developments. Highlighted in yellow are the wells that Cimarex has submitted to the BLM,

and each well has "AFMSS-Accepted" noted to show that these wells are high enough on Cimarex's priority list for the BLM to be currently working on them. Ten permits were submitted between February and March 2022 for a 3<sup>rd</sup> Bone Spring Sand development (tier 1 target in area) plus a 1<sup>st</sup> Sand or 2<sup>nd</sup> Sand well to de-risk the sections in more highly channelized reservoirs.

8. **Exhibit B-3** is a gun barrel view of Cimarex's development plan across both Mighty Pheasant (Sections 5 & 8) and Loosey Goosey (Sections 4 & 9). Cimarex plans to develop the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Bone Spring Sands at 4 wells per section spacing. The 1<sup>st</sup> Sand target is the high porosity, clean sand in the upper half of the interval. The 2<sup>nd</sup> Sand target is the basal siltstone/sandstone interval, and the 3<sup>rd</sup> Sand target is the basal clean sand lobe, which is also the established target across several townships.

9. Exhibit B-4 is a gun barrel view of Cimarex's plan (left side) versus Permian Resources (right side). Permian Resources plans to include 3 additional landing zones in their full section development: the Upper 2<sup>nd</sup> Bone Spring Sand, the 3<sup>rd</sup> Carbonate, and the Wolfcamp XY Sands. This is a risky development scenario, because the 3<sup>rd</sup> Sand & Wolfcamop XY vertical spacing is about 95 ft, which is not considered a true stagger and subsequently treated as a flat development. Therefore, Permian Resource plans to develop the 3<sup>rd</sup> Sand & Wolfcamp XY combined reservoir tank at 8 wells per section, which is over-spaced for this area, where almost every operator has developed the 3<sup>rd</sup> Sand with 4 wells per section. Permian Resources' 3<sup>rd</sup> Carbonate target is approximately 135 ft vertical distance from their proposed Lower 2<sup>nd</sup> Sand target, which is also very tight vertical spacing when there is no frac baffle in between (no tight carbonates). The Lower 2<sup>nd</sup> Sand is the established target across several townships, while there has only been one well landed in the 3<sup>rd</sup> Carbonate (with no 2<sup>nd</sup> Sand above). The Upper 2<sup>nd</sup> Sand is a target that Cimarex has investigated and determined to be too risky to drill before collecting data.

10. **Exhibit B-5** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.

11. **Exhibit B-6** is an isopach map of the 3<sup>rd</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 3<sup>rd</sup> Sand is consistently between 260-280 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

12. Exhibit B-7 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3<sup>rd</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate.

These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3<sup>rd</sup> Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank.

13. **Exhibit B-8** is showing a map with all the producing 3<sup>rd</sup> Bone Spring Sand wells across almost three townships (left), versus all of the Wolfcamp producers across the area (right). This Exhibit highlights the fact that the 3<sup>rd</sup> Sand is the established target in the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there have only been two Wolfcamp developments plus some parent well tests. Cimarex is also an established operator in this area, with 36 wells drilled including a Wolfcamp test.

14. **Exhibit B-9** shows all of the 3<sup>rd</sup> Bone Spring Sand producing wells with blue diamonds, and all of the Wolfcamp Sands producing wells with orange diamonds. Mighty Pheasant and Loosey Goosey are located within the black and red box which lies among almost all 3<sup>rd</sup> Sand wells. There are a couple of Wolfcamp development tests two miles to the south, but the majority of Wolfcamp and 3<sup>rd</sup> Sand co-development occurs 3 townships to the south, where the total 3<sup>rd</sup> Sand and Wolfcamp Sands reservoir tank is much thicker and deeper into the basin.

15. **Exhibit B-10** shows the PhiH (porosity\*height) of the 3<sup>rd</sup> Bone Spring Sand (left) versus the Wolfcamp X and Y Sands (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control

points are displayed, along with the values of the closest control points to the subject development. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 3<sup>rd</sup> Sand, based on the closest control points, is 26.75 pore-ft. While the average PhiH within the Wolfcamp X and Y Sands is 10 pore-ft, which means that the 3<sup>rd</sup> Sand is at least 72.8% of the total reservoir, while the Wolfcamp Sands are 27.2% of the total reservoir. However, because there are no frac baffles separating the 3<sup>rd</sup> Sand and Wolfcamp Sands, and because the two Permian Resource targets would have about 95 ft of vertical separation, their Wolfcamp wells would drain a significant portion of the 3<sup>rd</sup> Sand reservoir that the four 3<sup>rd</sup> Sand wells would already be targeting.

16. **Exhibit B-11** is a structure map (Subsea TVD) of the top of the 3<sup>rd</sup> Bone Spring Carbonate, which is about 40 ft below the 2<sup>nd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 200 ft of relief on the eastern edge of the proposed development, and about 100 ft of relief on the western edge.

17. **Exhibit B-12** is an isopach map of the  $2^{nd}$  Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the  $2^{nd}$  Sand is consistently between 420-440 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

18. Exhibit B-13 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity

(RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The Lower 2<sup>nd</sup> Sand target is often characterized by the vellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 200 Ohms (not as low as basal 3<sup>rd</sup> Sand target). Cimarex's target is the standard Lower 2<sup>nd</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs. Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 2<sup>nd</sup> Bone Spring Carbonate and in the middle of the 2<sup>nd</sup> Sand. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). These frac baffles within the 2<sup>nd</sup> Sand, plus the vertical distance of approximately 400 ft, indicate that there may be another target within the Upper 2<sup>nd</sup> Sand (similar log characteristics as the Lower Sand target). However, this would be a several mile step-out test, so Cimarex is planning advanced logging/data collection through this interval to de-risk it while drilling the 3<sup>rd</sup> Sand wells.

19. Exhibit B-14 is showing a map with all the producing Lower  $2^{nd}$  Bone Spring Sand wells across almost nine townships (left), versus all of the  $3^{rd}$  Bone Spring Carbonate producers across the area (right). This Exhibit highlights the fact that the Lower  $2^{nd}$  Sand is the established target in the area surrounding the Mighty Pheasant and Loosey Goosey sections (black and red box), while there has only been one well landed in the  $3^{rd}$  Carbonate, with no  $2^{nd}$  Sand development above.

20. Exhibit B-15 shows the PhiH (porosity\*height) of the 2<sup>nd</sup> Bone Spring Sand (left) versus the 3<sup>rd</sup> Bone Spring Carbonate (right) as shown by the type log located at the blue star. PhiH is one of the most common reservoir maps to identify ideal target areas within the Bone Spring Sands because it represents total pore space, and more pore space means more room for hydrocarbon storage. Both maps have the same color scale, with a contour interval of 2 pore-ft. The Mighty Pheasant and Loosey Goosey sections are shown in the black and red box, and the well control points are displayed. Higher PhiH values are indicated in yellow and red, while lower values are shown in blue. The average PhiH within the 2<sup>nd</sup> Sand, based on the closest control points, is 30 pore-ft. While the average PhiH within the 3<sup>rd</sup> Carbonate is 20 pore-ft, which means that the 2<sup>nd</sup> Sand is at least 60% of the total reservoir, while the 3<sup>rd</sup> Carbonate is 40% of the total reservoir. However, because there are no frac baffles separating the 2<sup>nd</sup> Sand and 3<sup>rd</sup> Carbonate, and because the two Permian Resource targets would have about 135 ft of vertical separation, their 3<sup>rd</sup> Carbonate wells would drain a significant portion of the 2<sup>nd</sup> Sand reservoir that the four 2<sup>nd</sup> Sand wells would already be targeting.

21. **Exhibit B-16** is a structure map (Subsea TVD) of the top of the 1<sup>st</sup> Bone Spring Sand, which is about 40 ft above the 1<sup>st</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 85 ft of relief.

22. Exhibit B-17 is an isopach map of the 1<sup>st</sup> Bone Spring Sand, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the 1<sup>st</sup> Sand is consistently between 280-300 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

23. Exhibit B-18 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The 1<sup>st</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard 1<sup>st</sup> Bone Spring Sand target across the area (a few townships), which is shown as a green stick in all three logs.

#### WOLFCAMP STATEMENT

## <u>(See Cimarex's Motion for an Order to Prohibit the Drilling of Wells in the Upper</u> <u>Wolfcamp in Order to Protect Correlative Rights and Optimize Production of the Subject</u> <u>Lands</u>, filed as an Exhibit in Cases 23594 – 23597 and Cases 23598 - 23601)

24. **Exhibit B-19** is a structure map (Subsea TVD) of the top of the Wolfcamp, which is about 50 ft below the 3<sup>rd</sup> Bone Spring Sand Target, as noted by the type log located at the blue star. The contour interval is 100 ft, well control points are displayed, and structure is dipping to the south. From the first take point to the last take point of the Mighty Pheasant and Loosey Goosey wells (located within black and red box), there is approximately 100 ft of relief.

25. **Exhibit B-20** is an isopach map of the Wolfcamp X and Y Sands, as noted by the type log located at the blue star. The contour interval is 20 ft, well control points are displayed, and the

Wolfcamp X and Y Sands are consistently about 100 ft at the Mighty Pheasant and Loosey Goosey development (located within black and red box).

26. Exhibit B-21 is a structural cross section from west to east on the northern end of the Mighty Pheasant and Loosey Goosey sections. Gamma Ray is displayed in the first log track, on a scale from 0 to 150 API, shaded to the right with blue representing low Gamma Ray, brown representing high Gamma Ray, and yellow in between. The second track is deep resistivity (RDEEP), on a scale from 2 to 2000 Ohms, with RDEEP less than 20 Ohms shaded solid red to represent the Bone Spring Sand reservoirs. The third track is the photoelectric log (PEF) which is shaded blue and purple for higher values and yellow for lower values. The fourth track is neutron and density porosity (NPHI and DPHI). NPHI is shown in red, while DPHI is blue, and when DPHI crosses to the left of NPHI, the space in between the two curves is shaded yellow. Otherwise, it is shaded grey. The basal 3<sup>rd</sup> Sand target is often characterized by the yellow crossover shading in the NPHI and DPHI track, Gamma Ray around 50-70 API, and RDEEP below 20 Ohms. Cimarex's target is the standard basal 3<sup>rd</sup> Bone Spring Sand target across the area (a few townships), which is located above the Wolfcamp X & Y Sands (highlighted yellow on the left side). Frac baffles are shown in red and white striped boxes within the depth track, and there are only a couple frac baffles present within the 3<sup>rd</sup> Bone Spring Carbonate. These baffles are characterized by low Gamma Ray <50 API, indicating carbonate, along with high resistivity, and low neutron and density porosities (0-4%). There are no indications of any major geomechanical changes/frac baffles in between Cimarex's 3rd Sand target and Permian Resources' Wolfcamp Sands target, indicating that these two intervals are most likely one shared reservoir tank; therefore, Permian Resources' Wolfcamp XY Sands target will primarily produce from the 3<sup>rd</sup> Bone Spring Sand.

27. The Exhibits to this Affidavit were prepared by me or compiled from Cimarex's company business records under my supervision.

28. The granting of this Application is in the interests of conservation, the prevention of waste, and the protection of correlative rights.

29. The foregoing is correct and complete to the best of my knowledge and belief.

## [Signature page follows]

## Signature page of Self-Affirmed Statement of Staci Mueller:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594 – 23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

STACI MUELLER

7/11/2023

Date Signed

# Geology Exhibits



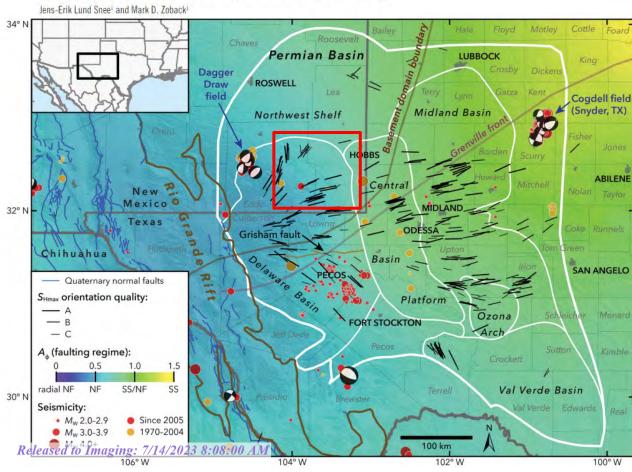
## **Locator Map & Stress Direction**

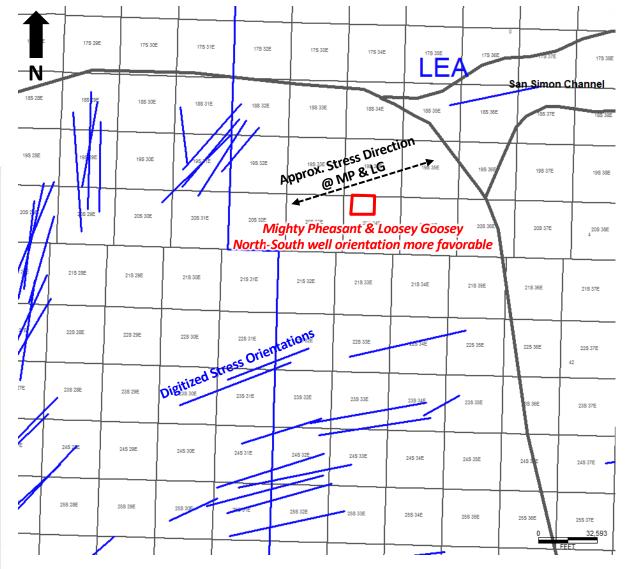
Coterra plans to develop Sections 4-9 and 5-8 with 2-mile laterals

- 1. 8 Lower 3<sup>rd</sup> Bone Spring Sand
- 2. 8 2<sup>nd</sup> Bone Spring Sand
- 3. 8 1<sup>st</sup> Bone Spring Sand

The wells will be drilled north to south from 2 pads/ Section

## State of stress in the Permian Basin, Texas and New Mexico: Implications for induced seismicity

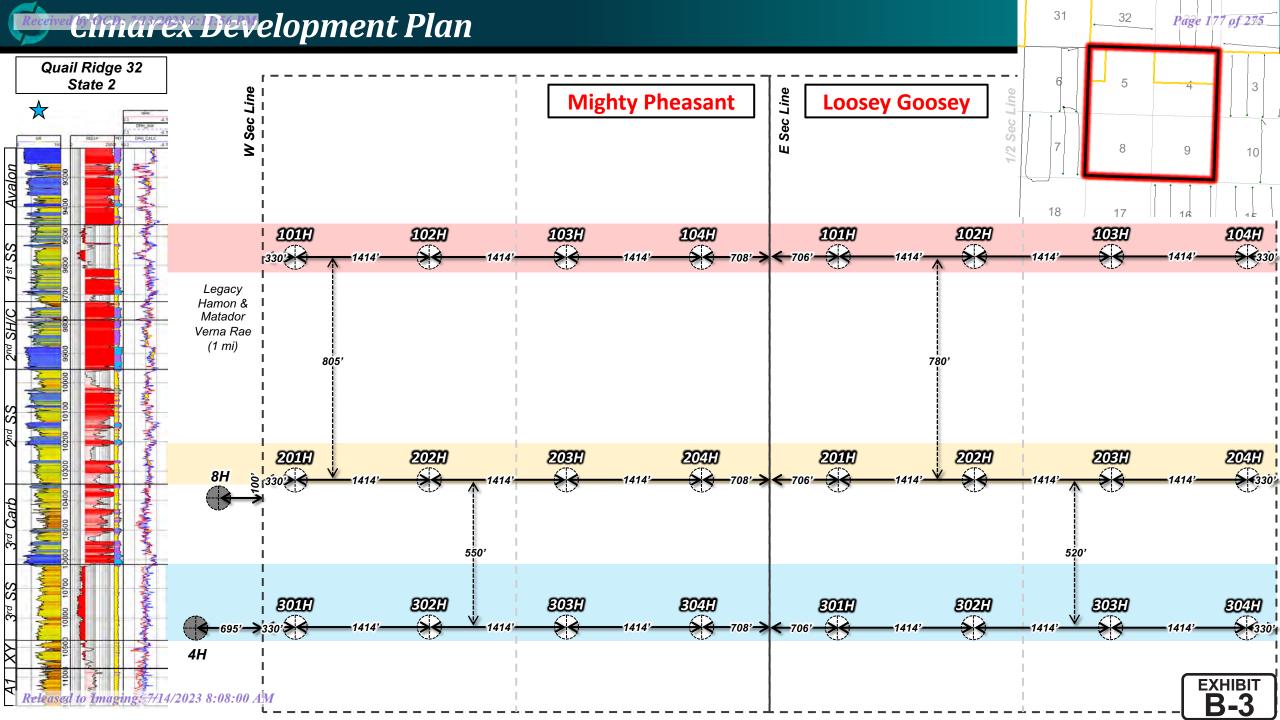


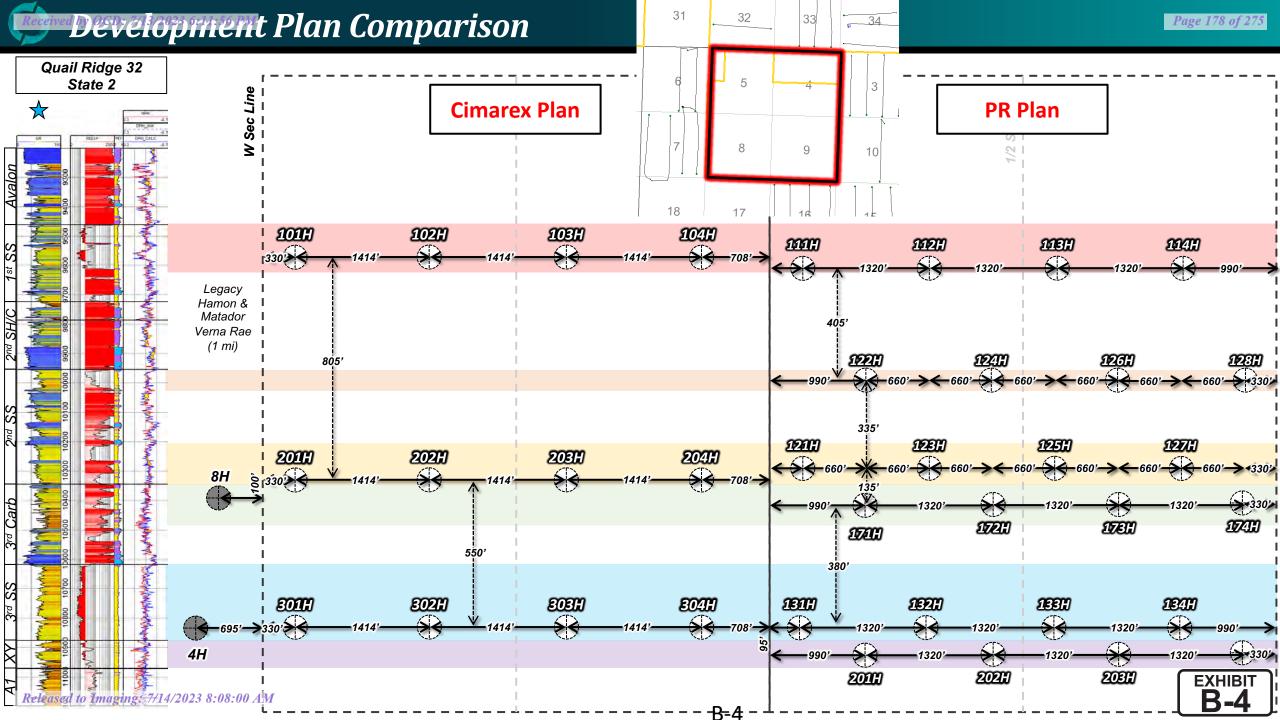




|  | State | County | Well Name & Number               | Permit Status   | Permit Submission<br>Due Date | Permit<br>Submitted Date | 10-Day Letter<br>Date | 10-Day Letter<br>Due |
|--|-------|--------|----------------------------------|-----------------|-------------------------------|--------------------------|-----------------------|----------------------|
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 101H | To be permitted |                               |                          |                       |                      |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 102H | To be permitted |                               |                          |                       |                      |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 103H | To be permitted |                               |                          |                       |                      |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 104H | To be permitted |                               |                          |                       |                      |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 201H | To be permitted |                               |                          |                       |                      |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 202H | To be permitted |                               |                          |                       |                      |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 203H | To be permitted |                               |                          |                       |                      |
| Г  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 204H | AFMSS-Accepted  | 2/14/2022                     | 2/14/2022                | 6/2/2023              | 7/17/2023            |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 301H | AFMSS-Accepted  | 3/1/2022                      | 3/1/2022                 |                       |                      |
| -  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 302H | AFMSS-Accepted  | 3/2/2022                      | 3/2/2022                 |                       |                      |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 303H | AFMSS-Accepted  | 2/14/2022                     | 2/14/2022                | 6/2/2023              | 7/17/2023            |
|  | NM    | Lea    | Mighty Pheasant 5-8 Fed Com 304H | AFMSS-Accepted  | 3/1/2022                      | 3/1/2022                 | 6/2/2023              | 7/17/2023            |
|  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 101H   | To be permitted |                               |                          |                       |                      |
| Submitted permits for 3 <sup>rd</sup> Sand         | NM    | Lea    | Loosey Goosey 4-9 Fed Com 102H   | To be permitted |                               |                          |                       |                      |
| development & 1 <sup>st</sup> Sand/2 <sup>nd</sup> | NM    | Lea    | Loosey Goosey 4-9 Fed Com 103H   | To be permitted |                               |                          |                       |                      |
| Sand test  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 104H   | To be permitted |                               |                          |                       |                      |
| BLM is currently working on                        | NM    | Lea    | Loosey Goosey 4-9 Fed Com 201H   | To be permitted |                               |                          |                       |                      |
| these  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 202H   | To be permitted |                               |                          |                       |                      |
|  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 203H   | To be permitted |                               |                          |                       |                      |
| Γ  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 204H   | AFMSS-Accepted  | 3/15/2022                     | 3/15/2022                |                       |                      |
|  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 301H   | AFMSS-Accepted  | 3/9/2022                      | 3/9/2022                 |                       |                      |
|  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 302H   | AFMSS-Accepted  | 3/9/2022                      | 3/9/2022                 |                       |                      |
|  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 303H   | AFMSS-Accepted  | 3/15/2022                     | 3/15/2022                |                       |                      |
|  | NM    | Lea    | Loosey Goosey 4-9 Fed Com 304H   | AFMSS-Accepted  | 3/15/2022                     | 3/15/2022                |                       |                      |



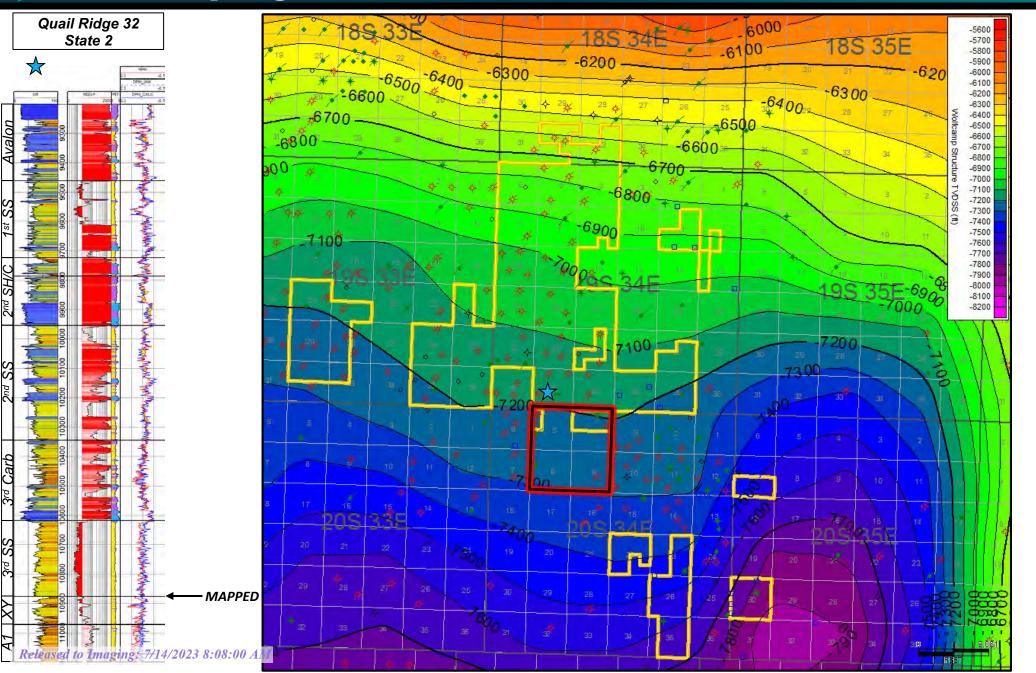




# 3<sup>rd</sup> Bone Spring Sand

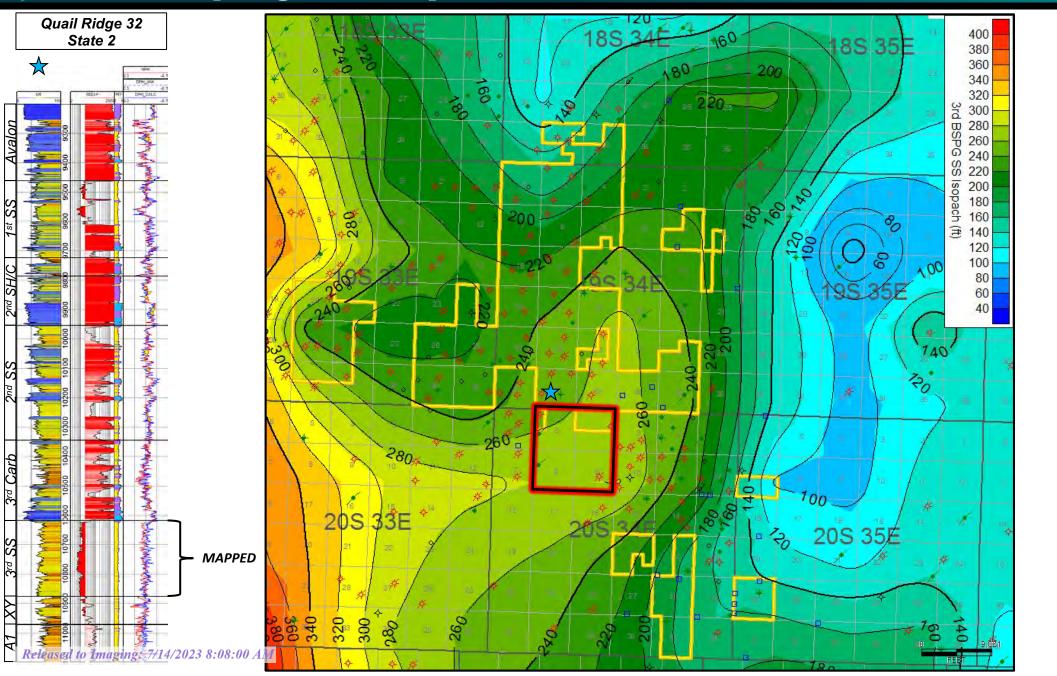


# <u>3rd Bome Spring Sand Structure</u>



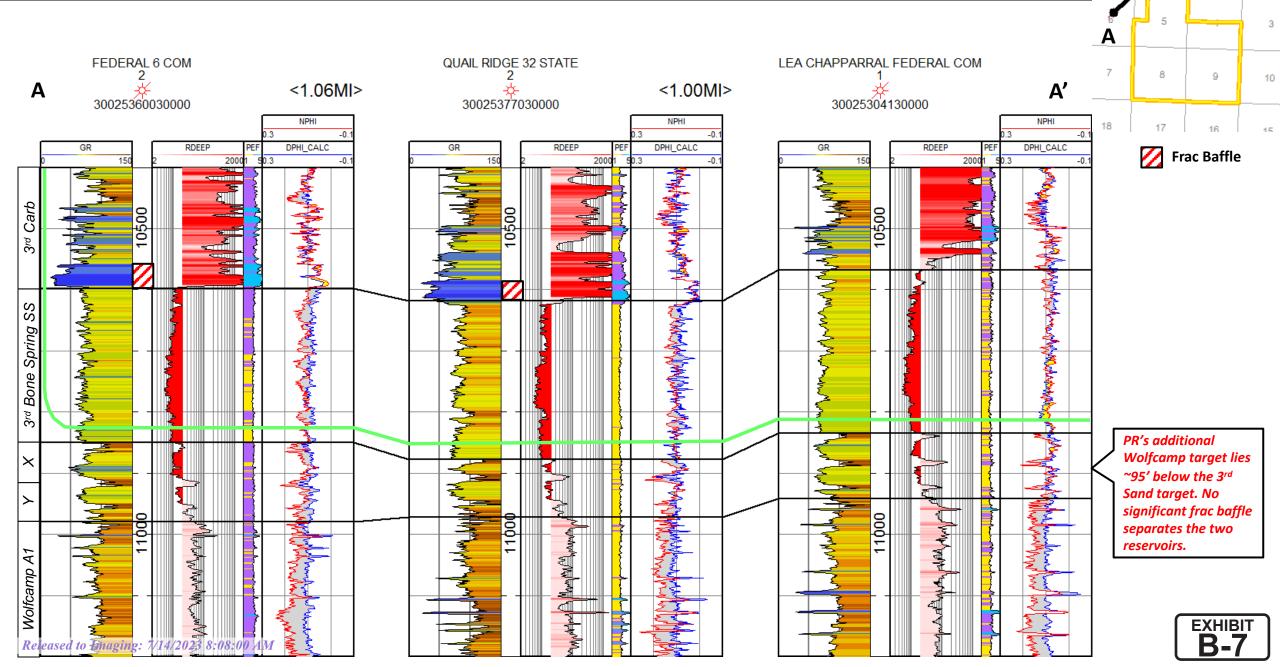


### **3**<sup>rd</sup> Bone Spring Sand Isopach





## **3rd Bone Spring Sand Cross Section**

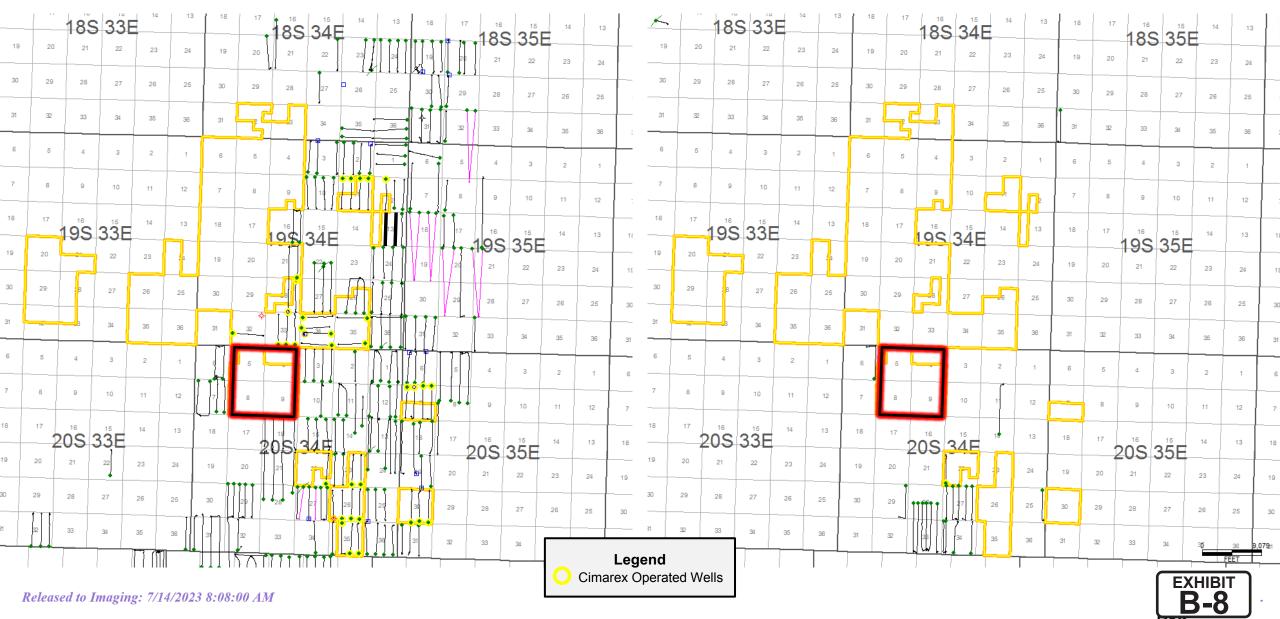


31

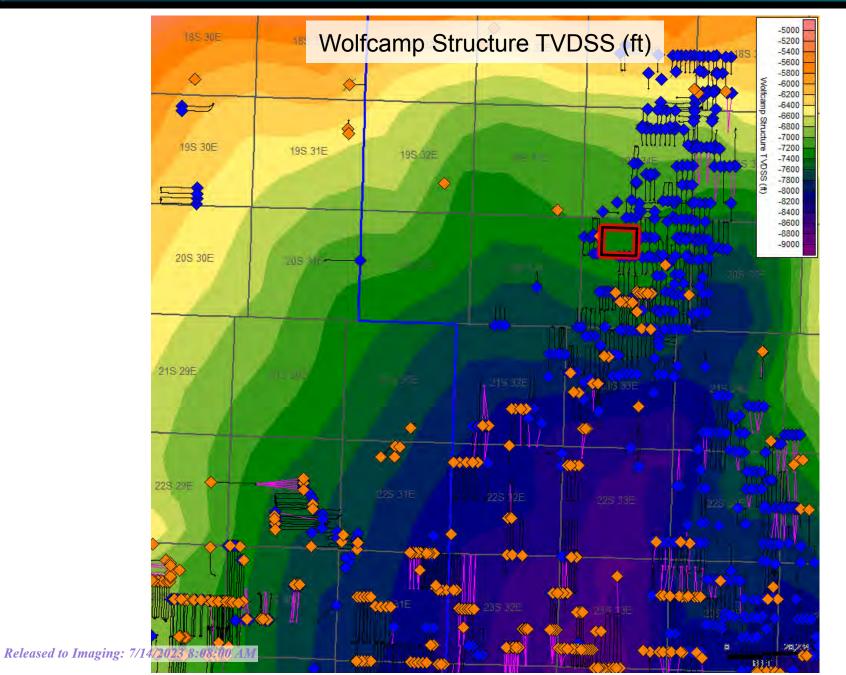
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**3rd Bone Spring Sand Producers** 

**Wolfcamp Producers** 



## Co-Wolfcamp SS/3<sup>rd</sup> SS Development Begins Further South

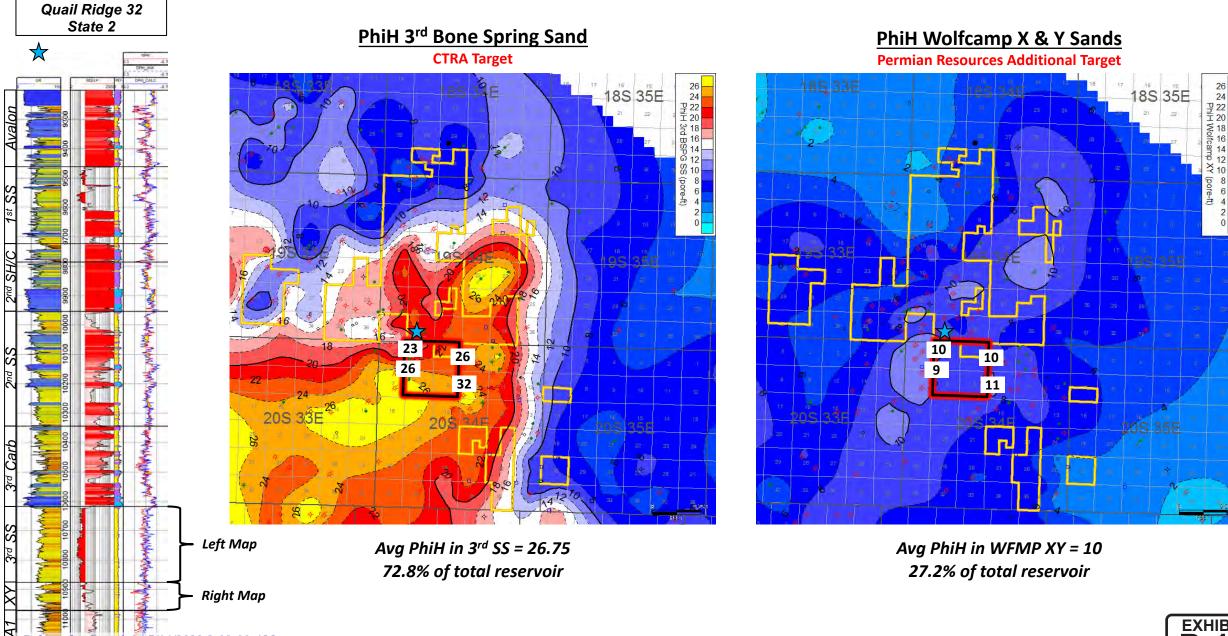


→ 3<sup>rd</sup> Bone Spring Sand
 → Wolfcamp Sands



# Comparing 3<sup>rd</sup> Sand to Wolfcamp Reservoir (SoPhiH)

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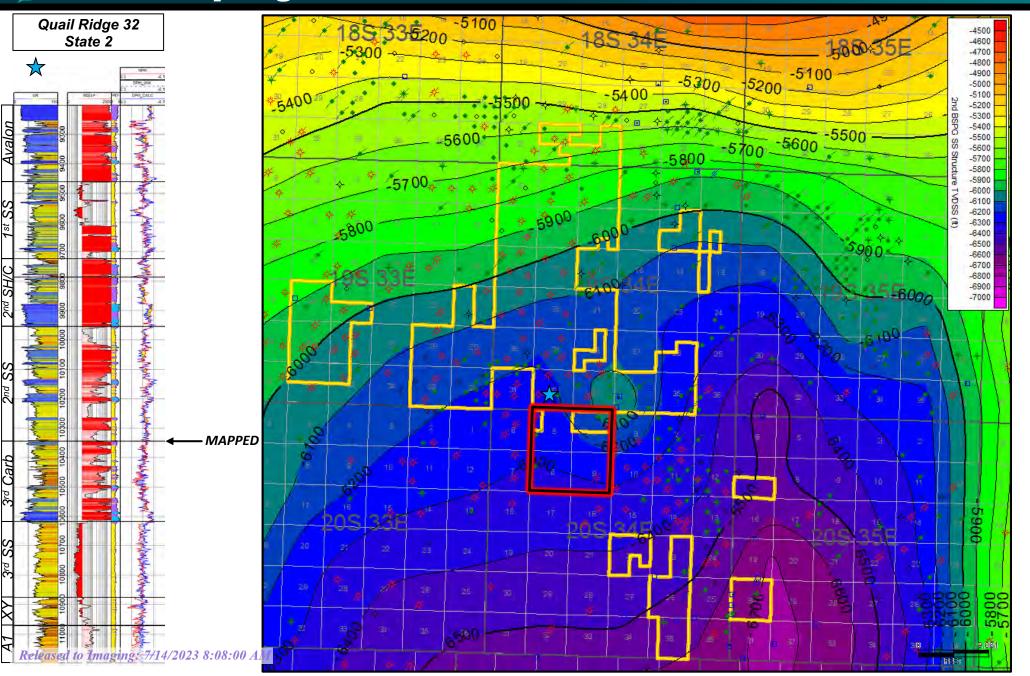




# 2<sup>nd</sup> Bone Spring Sand

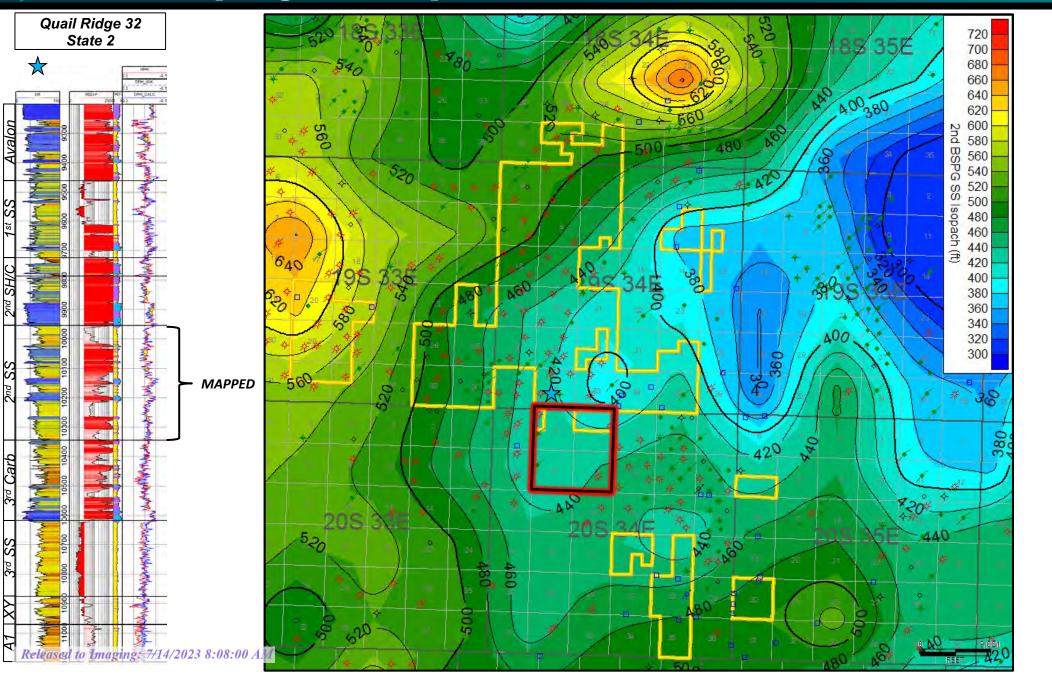


#### **2**<sup>nd</sup> Bone Spring Sand Structure



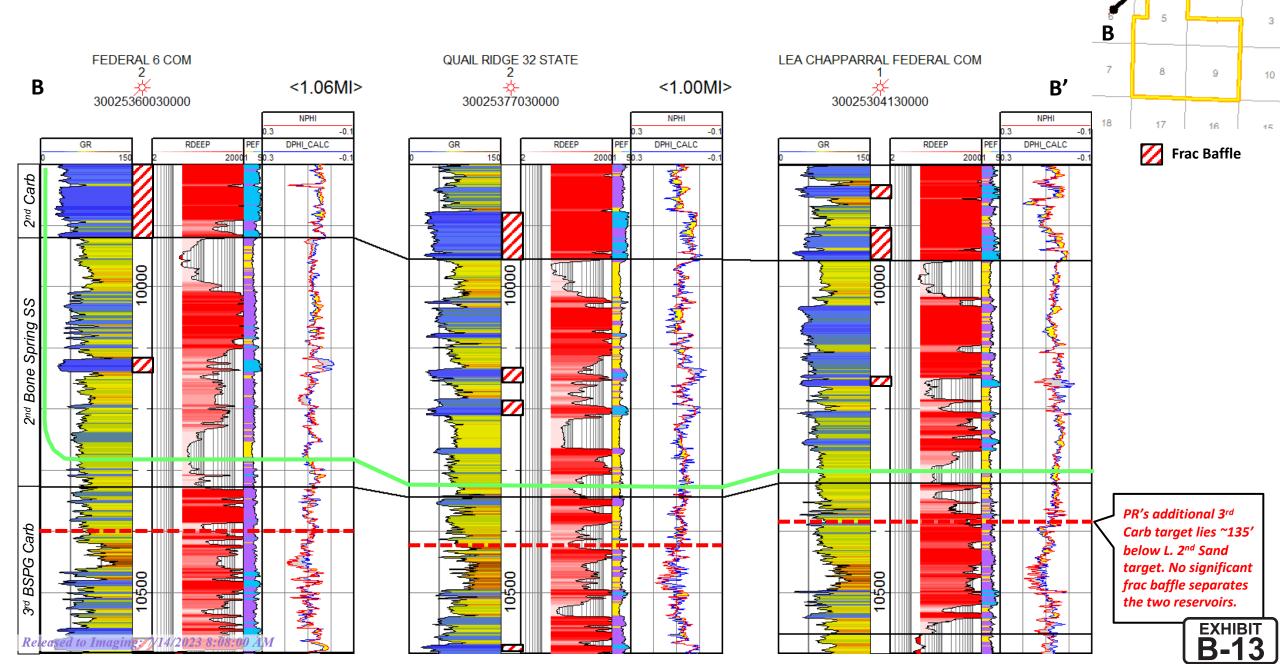


#### **2**<sup>nd</sup> Bone Spring Sand Isopach



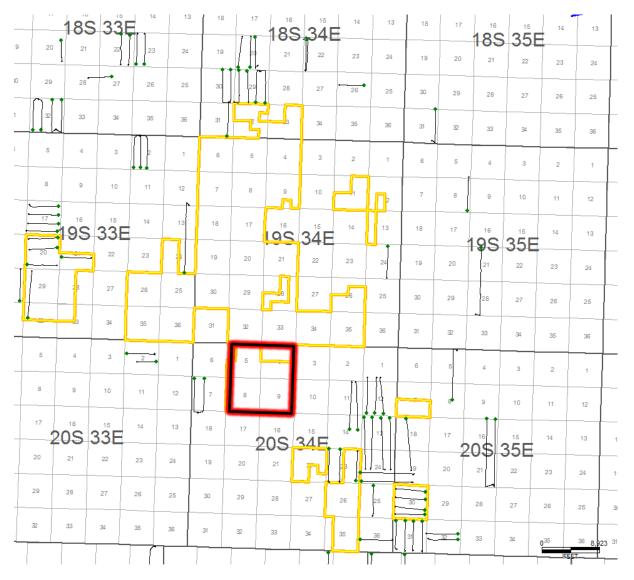


## **2**<sup>nd</sup> Bone Spring Sand Cross Section

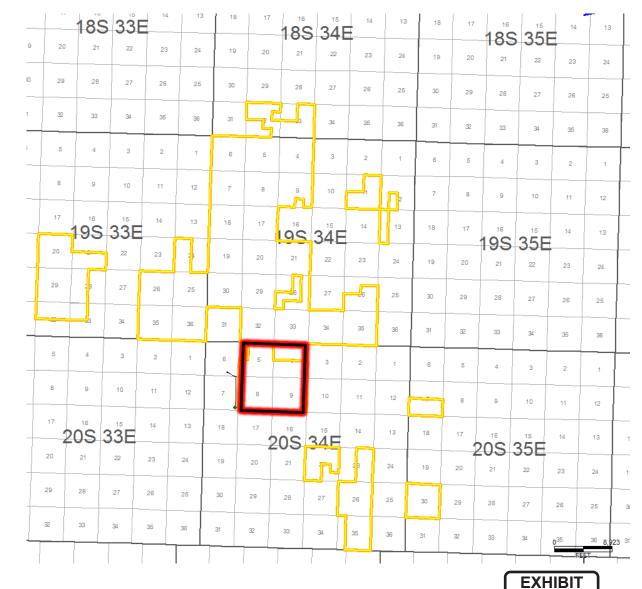


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#### Lower 2<sup>nd</sup> Bone Spring Sand Producers



#### **3<sup>rd</sup> Bone Spring Carb Producers**



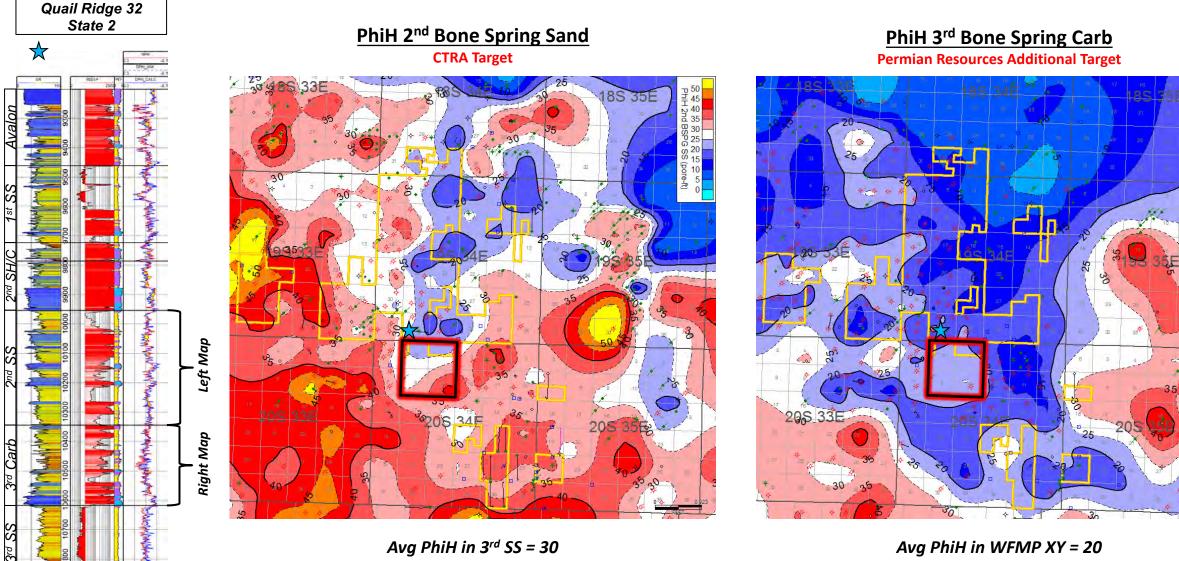


**B-14** 

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# PhiHL 2<sup>nd</sup> Sand vs. 3<sup>rd</sup> Carb

± 45 3 40



60% of total reservoir

40% of total reservoir



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H

# 1<sup>st</sup> Bone Spring Sand



## **1**<sup>st</sup> Bone Spring Sand Structure

Avalon

st SS

SH/C

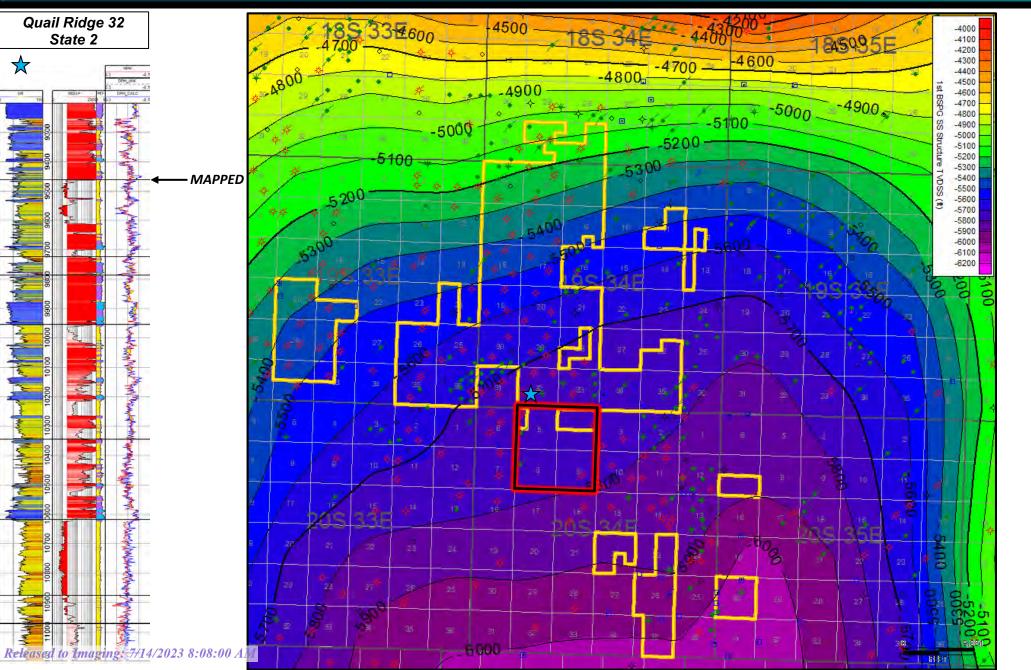
SS

3rd Carb

3rd SS

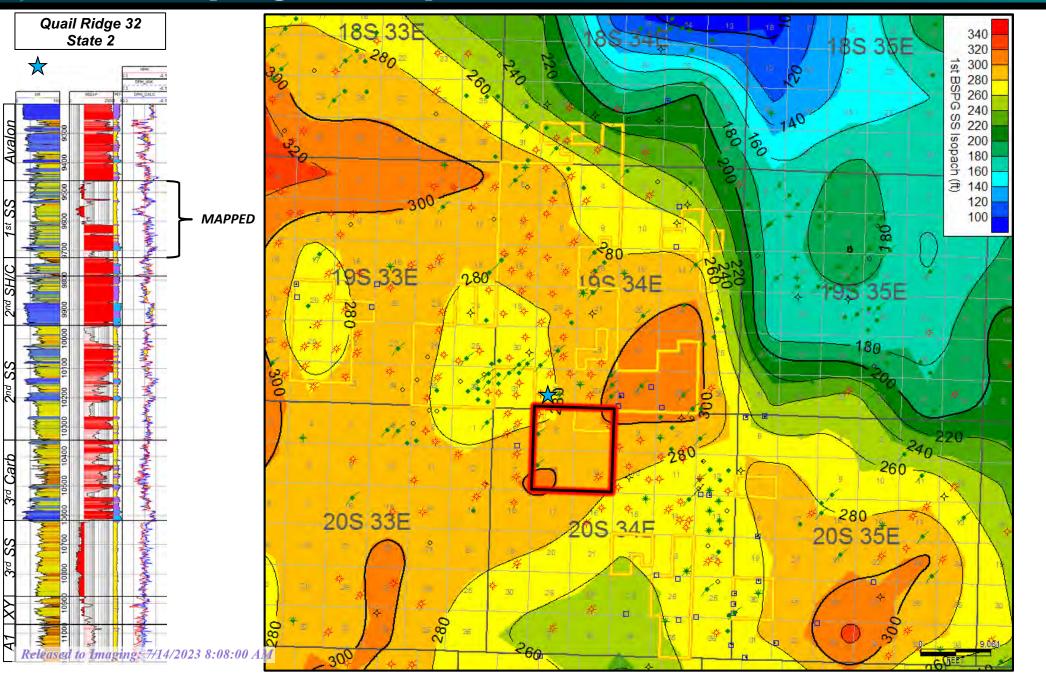
X

A



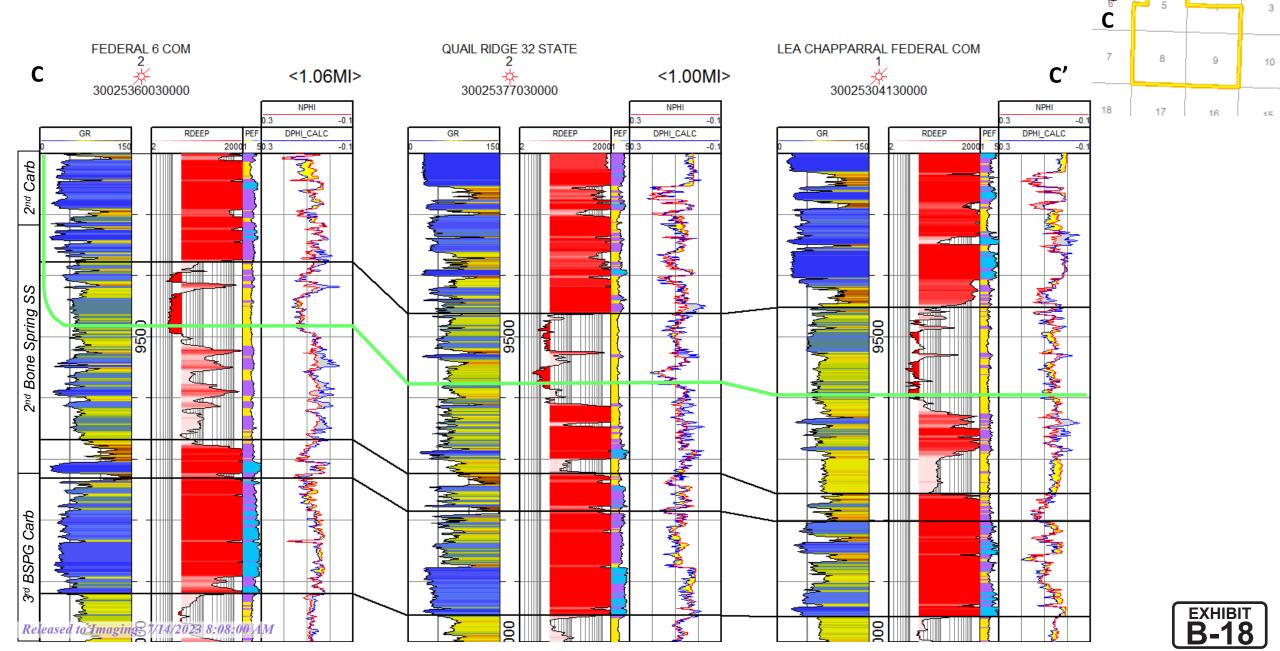


## **1**<sup>st</sup> Bone Spring Sand Isopach





## **1**<sup>st</sup> Bone Spring Sand Cross Section

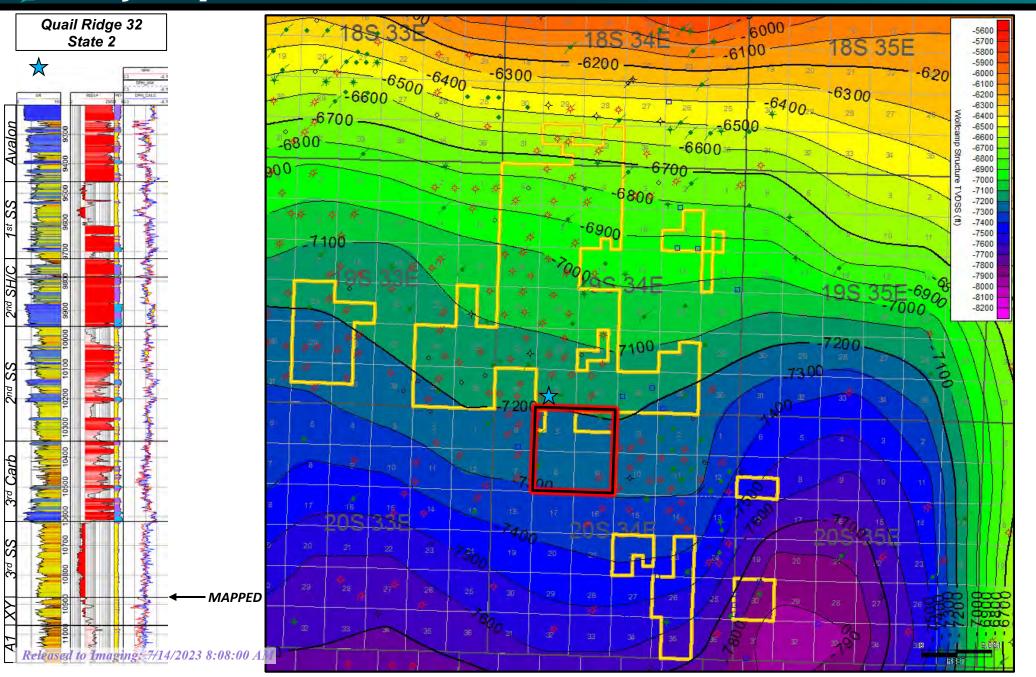


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# Wolfcamp XY

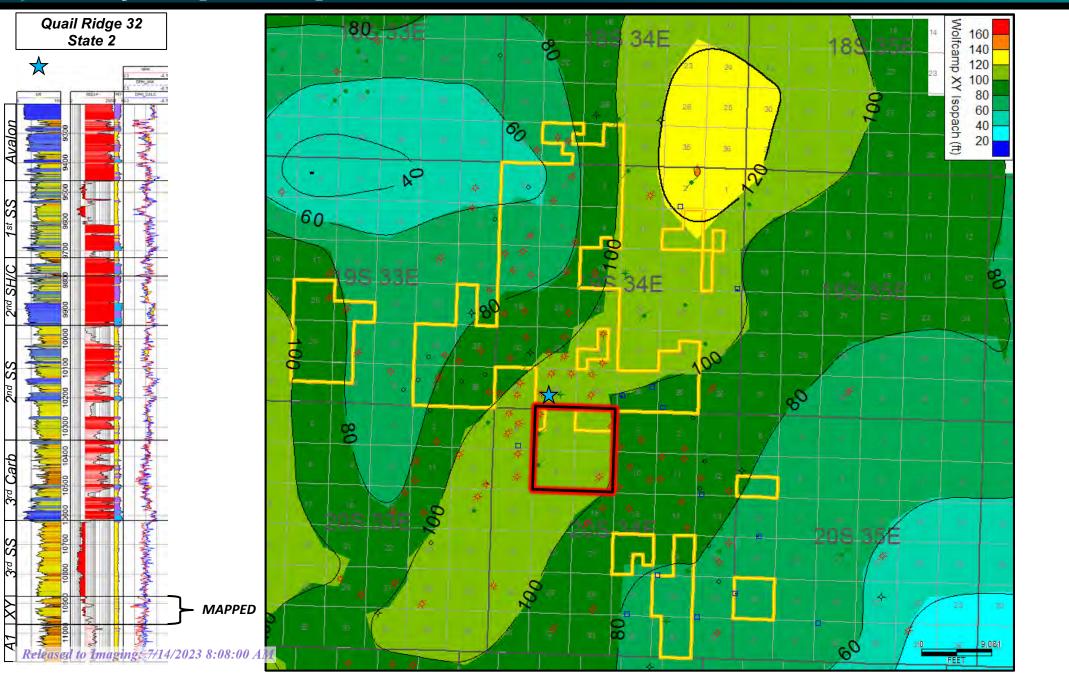


#### Wolfcamp XY Structure



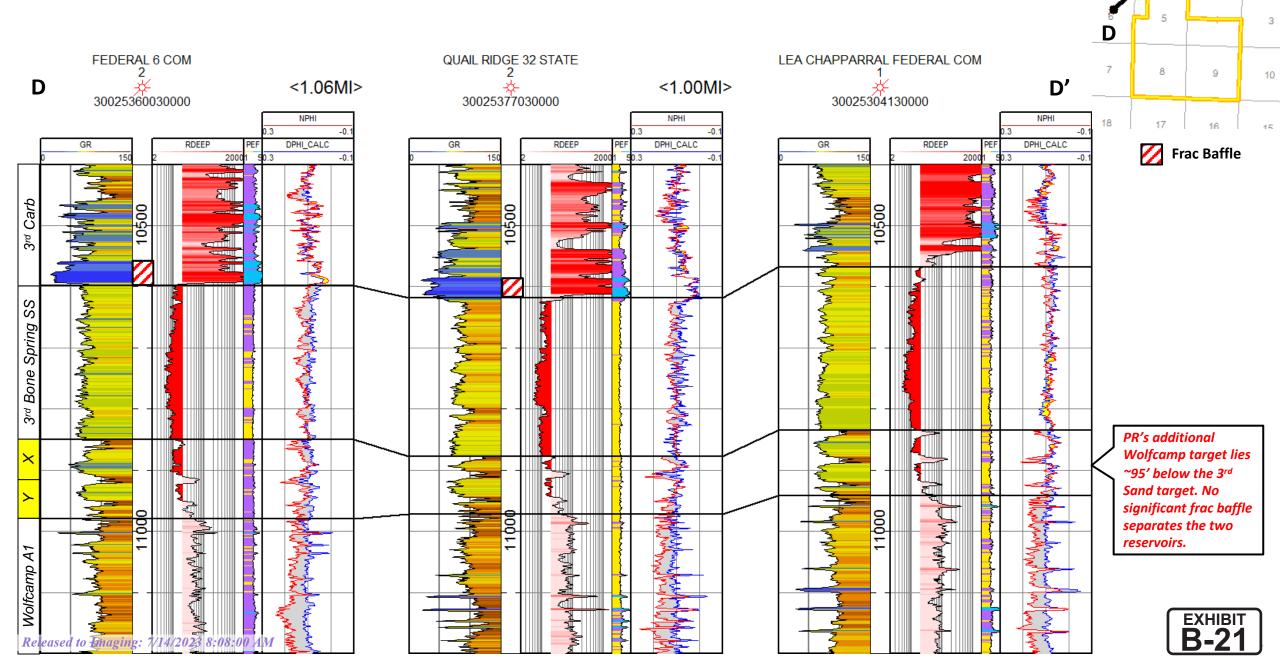


### Wolfcamp XY Isopach





### Wolfcamp XY Cross Section



31

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#### **TAB 4**

Case No. 23448-23451

| Exhibit C:   | Self-Affirmed Statement of Eddle Benm, Petroleum Engineer |
|--------------|---|
| Exhibit C-1: | Mighty Pheasant Loosey Goosey Development Plan            |

( CE 11' D 1

**D** (

Exhibit C-2: Capital Plan Comparison Cimarex vs. Permian

1.04.4

Exhibit C-3: Map of 3<sup>rd</sup> Bone Spring Sand Producers

G 10 1 00

- Exhibit C-4: 3<sup>rd</sup> Sand Well Count by Landing and Operators
- Exhibit C-5: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 wells (Before WC completion)
- Exhibit C-6: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post Wolfcamp Frac
- Exhibit C-7: Black and Tan Wolfcamp Composite Forecast 5 wells
- Exhibit C-8: Lessons Learned from the Black and Tan Development
- Exhibit C-9: Diagram of Staggered Landing Wolfcamp 3<sup>rd</sup> SS Vs. 3<sup>rd</sup> SS Flat
- Exhibit C-10: Black and Tan Analog comparison to MP/LG
- Exhibit C-11: Landing Zone Matters; Five Years Ago, Cimarex's Perry Test Confirmed 3<sup>rd</sup> SS Landing as Best Target
- Exhibit C-12: Dataset Identifying all Wells in Area of Interest

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

#### APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23448 – 23451 (Mighty Pheasant; Bone Spring; Secs. 5 & 8)

#### APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23594 – 23597 (Mighty Pheasant; Wolfcamp; Secs. 5 & 8)

#### APPLICATIONS OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23452 – 23455 (Loosey Goosey; Bone Spring; Secs. 4 & 9)

#### APPLICATIONS OF CIMAREX ENERGY CO. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23598 – 23601 (Loosey Goosey; Wolfcamp; Secs. 4 & 9)

#### <u>SELF-AFFIRMED STATEMENT OF EDDIE BEHM</u>

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

1. I am over the age of 18 and have the capacity to provide this Statement; I am a Reservoir

Engineer for Cimarex Energy Co. ("Cimarex") and have personal knowledge of the matters stated herein.

2. I attended the University of Tulsa and graduated with a bachelor's in petroleum engineering

in 2011. I have worked for Occidental, California Resources prior to working for Cimarex Energy



Co. ("Cimarex") and have been employed as a Production and Reservoir engineer for Cimarex for the last 6 years, working in the Delaware Basin with a primary focus on Lea County, New Mexico. I am familiar with the subject applications filed in the above-referenced Cases and the engineering involved.

3. I have previously testified before the Oil Conservation Division ("Division") as an expert reservoir engineer, and my credentials have been accepted of record by the Division.

4. This testimony is submitted in connection with the filing by Cimarex in the abovereferenced compulsory pooling application pursuant to 19.15.4.12.A(1) NMAC.

5. I am also thoroughly familiar with the competing applications filed by Read & Stevens, Inc. who designated Permian Resources Operating, LLC as the Operator (Read & Stevens and Permian Resources collectively referred to herein as "Permian" or "Permian Resources") in Case Nos. 23508 through 23523. This Statement provides a description and overview of Cimarex's development plan in comparison to Permian's development plans.

6. Exhibit C-1, Slide 2: Mighty Pheasant Loosey Goosey Development Plan. Cimarex's development plan includes the Mighty Pheasant Wells in Sections 5 and 8, Township 20 South, Range 34 East; and the Loosey Goosey Wells in Sections 4 and 9, Township 20 South, Range 34 East, all in Lea County, and Cimarex plans to develop the entire 2880 acres of the proposed units with only 33.9 acres of disturbance to the surface, thus substantially minimizing environmental impact (resulting in only a minimal 1.17% disturbance). Once the four drill pads and bulk gathering lines are installed, Cimarex will be able to rotate back to these existing drill pads for all activities and operations, thus requiring no further disturbance to the lands; by minimizing dirt work in this way, Cimarex will reduce potential air pollution and preserve native vegetation and natural habitat. Furthermore, Cimarex will develop this area with best-in-class gas

capture technology and operations and has already initiated this approach by securing proposals for oil, water, and gas takeaway and submitting load requests to power surface equipment to develop the acreage. As a company we permit zero (0) routine flaring and build tankless facilities that offer superior capture rates of low-pressure gas (>=90% low pressure capture) for new developments which will be utilized in our proposed development plan.

7. Exhibit C-2, Slide 3: Capital Plan Comparison of Mighty Pheasant vs. Joker
(1280-acre Capital comparison is shown for Sections 5 & 8) to Highlight:

- a) The \$92.7MM in Capital waste that results from the extra wells proposed by Permian Resources; public data show that Permian's extra wells will be nonadditive to EUR and PV10
- b) The \$31.6 MM in extra well cost driven by the wasteful execution of Permian Resources' plan.
- c) Permian's unnecessary expenditure of \$11 MM on one additional 2<sup>nd</sup> Sand well in comparison to Cimarex's plan which avoids such waste.
- d) At the time of its proposal, Permian Resources will spend \$270MM more than Cimarex to develop all 4 sections, thus in comparison, Permian would create financial waste that excessively burdens, undermines, and harms the correlative rights of working interest owners.

8. Exhibit C-3, slide 6: 3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target at 4 Wells Per Section (WPS) Within the Area of Interest (AOI). The map of 3<sup>rd</sup> Bone Spring Sand Producers shows significant single bench development of the 3<sup>rd</sup> Sand at 4 wells per section spacing. The Map of Wolfcamp producers shows that the Wolfcamp is not primarily targeted with 3<sup>rd</sup> Sand development. Furthermore, where Wolfcamp is developed, it is predominantly drilled and developed without the 3<sup>rd</sup> Sand because the reservoir is adequately captured with a single landing within the flow unit. There is only one development plan within the entire AOI similar to the plan Permian has proposed for the 3<sup>rd</sup> Sand. This plan, similar to Permian's plan, is located just 2 miles south of the subject lands, and it was based on similar well drainage assumptions that utilized outdated completion height assumptions. The Black and Tan Development Plan is the best analog and example that demonstrates the likely outcome of Permian Resources' proposal when both the 3<sup>rd</sup> Sand and Wolfcamp are developed as if they were separate and equal targets. A summary of the production results at **Exhibit C-10 (Slide 14)** herein speaks for itself, demonstrating what happened with the Black and Tan Development Plan, and therefore showing the substantial underproduction and waste that would likely result from Permian's approach, which is based on the same underlying assumptions. Cimarex's plan would avoid such an outcome.

9. Exhibit C-4, Slide 7: Well Count by Landing and Operators Shows 3<sup>rd</sup> Sand is the Consensus Landing. Ninety-seven percent of wells drilled in this area, that is, 236 out of 244 wells, are executed as single bench, non-staggered developments. This means it is not just Cimarex's idiosyncratic opinion that the best development plan for the Subject Lands requires a single landing target, but this is a consensus shared by all companies active within the area and directly supported by the data. Furthermore, 222 wells out of 244 total wells within the AOI land in the 3<sup>rd</sup> Sand supporting Cimarex's assessment of 3<sup>rd</sup> Sand as the optimum landing. Cimarex has executed 36 wells within the AOI, 15% of all wells, and has development experience specific to this area and its landing requirements.

10. Exhibit C-5, Slide 9: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 wells (Before WC completion) This Forecast shows the aggregate well performance of 6 wells <u>prior to</u>

underlying Wolfcamp development. Significant reserves (that of 2.5MM barrels of oil) and rates (that being 3356 BOPD IP30) were accessed by these 1-mile wells supporting 3<sup>rd</sup> Sand as a proven landing for optimal production.

11. **Exhibit C-6, Slide 10: Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post Wolfcamp Frac.** This Forecast shows the aggregate well performance of 3<sup>rd</sup> Bone Spring Sand wells <u>after</u> underlying Wolfcamp development. Unfavorable results included elevated water cut, rapid GOR Incline, and steep oil decline which are signatures of interference between the five Wolfcamp wells drilled below these six 3<sup>rd</sup> Sand wells. After the Wolfcamp wells were drilled and produced, overall reserves appear to have fallen to 1.63 MM barrels of oil with steep decline profile. This highlights the degradation a 2<sup>nd</sup> landing causes within the AOI.

12. Exhibit C-7, Slide 11: Black and Tan Wolfcamp Composite Forecast 5 wells. This plot shows the aggregate performance and forecast to the five Wolfcamp wells completed below the six 3<sup>rd</sup> Sand wells shown on exhibits C-4 and C-5. Data clearly shows that vertical interference occurs in staggered developments, causing these 5 wells to add only 885MBO oil reserves and 500 BOPD IP in the aggregate. Elevated water cut and rapid GOR incline are evidence of interference with 3<sup>rd</sup> sand wells above.

13. **Exhibit C-8, Slide 12: Lessons Learned from the Black and Tan Development**. Exhibit C-8 table 1.0 shows some simple forecast metrics highlighting the fact that only a negligible rate and a negligible amount of EUR were detectible from drilling the five extra, not to mention expensive, Wolfcamp wells. It is noteworthy and significant how little benefit the five wells added and how much they negatively impacted 3<sup>rd</sup> sand production. The aggregate rate change is so small it is essentially zero (0) which does not support or justify as effective capital stewardship the drilling of the 8 additional \$11MM dollar wells proposed by Permian Resources.

Table 1.1 shows the pore space distribution, 3<sup>rd</sup> Sand has 268% more PHIH than the upper Wolfcamp and is clearly the predominant contributing reservoir. The hypothesis that landing in 3<sup>rd</sup> Sand with 268% more porosity and height combined with better flow properties is the best way to access all the bbls becomes unarguable with production data from Black And Tan where the addition of Wolfcamp landings added no reserves and only negatively impacted the 3<sup>rd</sup> Sand raising aggregate section OpEx. The lesson learned from this data is that drilling into the Upper Wolfcamp itself is financially wasteful and jeopardizes optimal 3<sup>rd</sup> Sand production. A setback from 3<sup>rd</sup> sand is in the best interest of efficient low risk recovery of the area reserves.

14. Exhibit C-9, Slide 13: Diagram of Staggered Landing Wolfcamp 3<sup>rd</sup> SS Vs. 3<sup>rd</sup> SS Flat. This exhibit shows what Cimarex believes happened in the Black and Tan analog example which reflects the nature of Permian Resources' proposal and therefore Permian's likely outcome. The Majority of Stimulated Rock Volume accessed by 3<sup>rd</sup> Sand well's landed flat must be very similar to the Stimulated rock volume accessed by staggered Wolfcamp and 3<sup>rd</sup> landings. If this were not true, the sum of Wolfcamp and 3<sup>rd</sup> sand production out of the Black and Tan development would be significantly higher once the 2<sup>nd</sup> bench was added instead of about the same. Where appropriate geologically, Cimarex executes as many as 9 landings within the same section in Lea County. Due to the location of barriers and target reservoir height executing two landings within the contested acreage in the 3<sup>rd</sup> Sand Wolfcamp target or the lower 2<sup>nd</sup> Sand 3<sup>rd</sup> Shale target serves only to double development CapEx. Cimarex has proprietary data from South Lea County developments in thicker pay that support the accuracy of how we have assessed the vertical interference and is confident additional landings serve only to dilute sweet spot landing production. Not everyone has access to the same data but there is a wealth of public data available from the

Hydraulic Fracture Test Site 2 DOE and industry partnership that would lead to the same conclusion.

15. Exhibit C-10, Slide 14: Black and Tan Analog comparison to MP/LG. Mighty Pheasant and Loosey Goosey have a similar pore space distribution as the Black and Tan Development with slightly higher porosity. The extra porosity is more likely to correlate to better permeability and allow a single landing to capture proven  $3^{rd}$  sand reserves even more efficiently. Sensitivities run vs. reserves (table 1.3) and P50 expectations (table 1.4) show the PV 10 degradation and how much uplift would be needed to break even on the additional wells proposed by Permian. Given Black and Tan's added negligible bbls and rate, close to 0%, in similar rock two miles away, the public data simply does not support the 30% to 40% EUR and rate improvement needed to even break even on the extra incremental CapEx proposed by Permian resources well count. Furthermore, due to optimum well count Cimarex's plan is self-funding with payout in < 1 year. This is important for follow up benches that Cimarex will be able to rapidly develop out of lease cashflow, whereas Permian resources would require debt to fund an annual drilling program and would be significantly more exposed to commodity pricing jeopardizing timely development of subsequent benches.

16. Exhibit C-11, Slide 15: Landing Zone Matters; Five Years Ago, Cimarex's Perry Test Confirmed 3<sup>rd</sup> SS Landing as Best Target. Cimarex confirmed 3<sup>rd</sup> sand as best landing zone 5 years ago in 2018 with the Perry 4H 1 mile South of the contested acreage block. Over the life of the well, we see the old conventional 3<sup>rd</sup> Sand landing outperform other landings. Fracs evolved over time to modern slick water completions. Today most companies pump between 2000#/ft and 3000#/ft and 38 bbl/ft up to 60 bbl/ft with 6 to 14 clusters per stage depending on the target. It is highly unusual for a legacy frac, that is, one more conventional (i.e., <2016 with low

cluster count, long stages, and unfocused frac energy), to better access reservoir than a modern frac (>2016 vintage with high cluster count, short stages, very focused frac energy). The best explanation for 478#/ft 3<sup>rd</sup> Sand frac outperforming 5 to 6 times the frac energy pumped in the Wolfcamp test well is that the vast majority of oil reserves and best rock fabric flow properties are located within the 3<sup>rd</sup> Sand, and not in the Upper Wolfcamp. Thus, drilling into the Upper Wolfcamp is a waste of resources.

17. The dataset that identifies all the wells in the Area of Interest that I used in my analysis and that played a role in my conclusions is attached hereto as **Exhibit C-12**.

18. The Exhibits to this Self-Affirmed Statement were prepared by me or compiled from Cimarex's company business records under my supervision.

19. As explained by the foregoing, the granting of Cimarex's Applications are in the best interests of conservation, the prevention of waste, and the protection of correlative rights.

20. The foregoing is correct and complete to the best of my knowledge and belief.

[Signature page follows]

Signature page of Self-Affirmed Statement of Eddie Behm:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23455 and 23594 – 23601 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Eddie Behm

7/11/2023

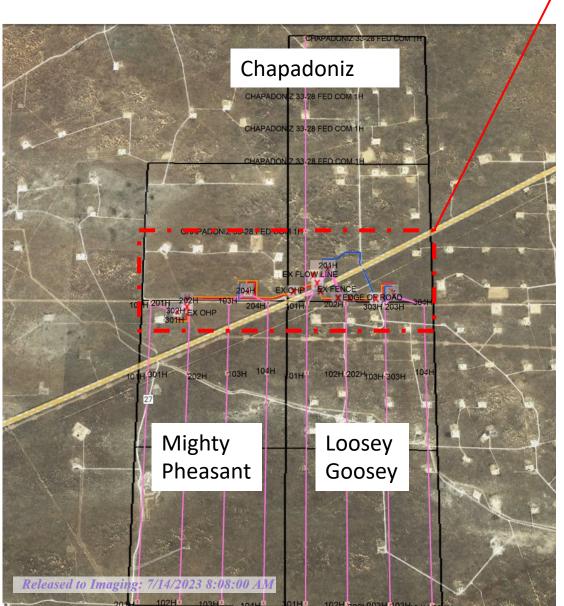
Date Signed

# Development Strategy



#### Mighty Pheasant Loosey Goosey Development Plan

1 mile





Single Battery develops – 27 to 34 planned wells

- Oil water gas power ROW connects 4 drilling pads with on pad separation to Battery
- Single battery eliminates 2 additional batteries worth of disturbance and high-risk emissions devices.
- Cimarex permits 0 routine flaring, and our design has >=90% low pressure vapor capture
- Roads (2.33) acres, pads (25.25 acres) and battery (6.31 acres) create ~33.9 acres of disturbance allowing for full development of ~2880 acres, 1.17% disturbance.
- Pipelines are onetime construction; follow-up wells will use existing gathering off pad which is installed the first time a well is drilled off a drill pad. All future wells create no new disturbance off drill pads minimizing environmental impact



### Capital Plan Comparison Mighty Pheasant vs. Joker

| Mighty Pheasant        |          |               |                   |                 |  |  |  |  |  |  |
|------------------------|----------|---------------|-------------------|-----------------|--|--|--|--|--|--|
| Res                    | Well     | AFE CapEx     | June Current Cost | AFE Bench Total |  |  |  |  |  |  |
| 1st                    | 101H     | \$8,570,695   | \$9,651,993       |                 |  |  |  |  |  |  |
| 1st                    | 102h     | \$9,450,693   | \$9,651,993       | 62C 022 774     |  |  |  |  |  |  |
| 1st                    | 103H     | \$9,450,693   | \$9,651,993       | \$36,922,774    |  |  |  |  |  |  |
| 1st                    | 104H     | \$9,450,693   | \$9,651,993       |                 |  |  |  |  |  |  |
| upper 2 <sup>nd*</sup> | NA       | \$8,570,695   | \$9,651,993       |                 |  |  |  |  |  |  |
| upper 2 <sup>nd*</sup> | NA       | \$8,570,695   | \$9,651,993       | \$25,712,085    |  |  |  |  |  |  |
| upper 2 <sup>nd*</sup> | NA       | \$8,570,695   | \$9,651,993       |                 |  |  |  |  |  |  |
| 2nd                    | 201H     | \$8,570,695   | \$9,651,993       |                 |  |  |  |  |  |  |
| 2nd                    | 202H     | \$8,570,695   | \$9,651,993       | 624 292 790     |  |  |  |  |  |  |
| 2nd                    | 203H     | \$8,570,695   | \$9,651,993       | \$34,282,780    |  |  |  |  |  |  |
| 2nd                    | 204H     | \$8,570,695   |                   |                 |  |  |  |  |  |  |
| 3rd                    | 301H     | \$9,428,854   | \$10,621,993      |                 |  |  |  |  |  |  |
| 3rd                    | 302H     | \$9,428,854   | \$10,621,993      | 627 C75 409     |  |  |  |  |  |  |
| 3rd                    | 303H     | \$9,408,850   | \$10,621,993      | \$37,675,408    |  |  |  |  |  |  |
| 3rd                    | 304H     | \$9,408,850   | \$10,621,993      |                 |  |  |  |  |  |  |
| Total Gro              | ss CapEx | \$134,593,047 | \$148,659,895     | \$134,593,047   |  |  |  |  |  |  |

\*Note: we have planned for upper 2<sup>nd</sup>, acquiring data on 3<sup>rd</sup> sand wells to confirm adequate flow, saturation, and in place in this ~60-foot target and will execute if viable.

| Permian Resources - Joker |           |               |                   |                 |  |  |  |  |  |  |  |  |
|---------------------------|-----------|---------------|-------------------|-----------------|--|--|--|--|--|--|--|--|
| Res                       | Well      | AFE CapEx     | June Current Cost | AFE Bench Total |  |  |  |  |  |  |  |  |
| 1st                       | 111       | \$10,724,193  |                   |                 |  |  |  |  |  |  |  |  |
| 1st                       | 112       | \$10,724,193  |                   | ¢42,906,772     |  |  |  |  |  |  |  |  |
| 1st                       | 113       | \$10,724,193  |                   | \$42,896,772    |  |  |  |  |  |  |  |  |
| 1st                       | 114       | \$10,724,193  |                   |                 |  |  |  |  |  |  |  |  |
| uppr 2nd                  | 122       | \$11,020,308  |                   |                 |  |  |  |  |  |  |  |  |
| uppr 2nd                  | 124       | \$11,020,308  |                   | \$44,081,232    |  |  |  |  |  |  |  |  |
| uppr 2nd                  | 126       | \$11,020,308  |                   | \$44,061,252    |  |  |  |  |  |  |  |  |
| uppr 2nd                  | 128       | \$11,020,308  |                   |                 |  |  |  |  |  |  |  |  |
| 2nd                       | 121       | \$11,020,308  |                   |                 |  |  |  |  |  |  |  |  |
| 2nd                       | 123       | \$11,020,308  |                   | ¢44.001.000     |  |  |  |  |  |  |  |  |
| 2nd                       | 125       | \$11,020,308  |                   | \$44,081,232    |  |  |  |  |  |  |  |  |
| 2nd                       | 127       | \$11,020,308  |                   |                 |  |  |  |  |  |  |  |  |
| 3rd bs                    | 131H      | \$11,535,757  |                   |                 |  |  |  |  |  |  |  |  |
| 3rd bs                    | 132H      | \$11,535,757  |                   | \$46,143,028    |  |  |  |  |  |  |  |  |
| 3rd bs                    | 133H      | \$11,535,757  |                   | \$40,145,028    |  |  |  |  |  |  |  |  |
| 3rd bs                    | 134H      | \$11,535,757  |                   |                 |  |  |  |  |  |  |  |  |
| 3rd bs                    | 171H      | \$11,308,013  |                   |                 |  |  |  |  |  |  |  |  |
| 3rd bs                    | 172H      | \$11,308,013  |                   |                 |  |  |  |  |  |  |  |  |
| 3rd bs                    | 173H      | \$11,308,013  |                   |                 |  |  |  |  |  |  |  |  |
| 3rd bs                    | 174H      | \$11,308,013  |                   | Ć02 742 500     |  |  |  |  |  |  |  |  |
| WC                        | 201H      | \$11,877,862  |                   | \$92,743,500    |  |  |  |  |  |  |  |  |
| WC                        | 202H      | \$11,877,862  |                   |                 |  |  |  |  |  |  |  |  |
| WC                        | 203H      | \$11,877,862  |                   |                 |  |  |  |  |  |  |  |  |
| WC                        | 204H      | \$11,877,862  |                   |                 |  |  |  |  |  |  |  |  |
| Total Gro                 | oss CapEx | \$269,945,764 | ?                 | \$269,945,764   |  |  |  |  |  |  |  |  |

#### Permian plan is \$135MM more / 1280 acres with proposal Capex, ~100% more CapEx, bad for WI owners:

- \$92.7 MM, shown in red, Cimarex models as uneconomic non additive wells with reserves best captured by single landing.
- \$31.6 MM, where well counts are ~= Permian costs are \$2.1 MM to \$2.4MM higher/well at time of proposal
- \$ 11 MM, one additional 2<sup>nd</sup> sand well vs. Cimarex Proven spacing.

• Reperintary Resources, and development plan is >= \$121MM of waste driven by Frac cost and Well Count

**EXHIBIT** 

|  |    |     | Well Name & Number               | Permit Status   | Permit Submission<br>Due Date | Permit<br>Submitted Date | 10-Day Letter<br>Date | 10-Day Letter<br>Due |
|--|----|-----|----------------------------------|-----------------|-------------------------------|--------------------------|-----------------------|----------------------|
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 101H | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 102H | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 103H | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 104H | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 201H | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 202H | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 203H | To be permitted |                               |                          |                       |                      |
| Г  | NM | Lea | Mighty Pheasant 5-8 Fed Com 204H | AFMSS-Accepted  | 2/14/2022                     | 2/14/2022                | 6/2/2023              | 7/17/2023            |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 301H | AFMSS-Accepted  | 3/1/2022                      | 3/1/2022                 |                       |                      |
| -  | NM | Lea | Mighty Pheasant 5-8 Fed Com 302H | AFMSS-Accepted  | 3/2/2022                      | 3/2/2022                 |                       |                      |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 303H | AFMSS-Accepted  | 2/14/2022                     | 2/14/2022                | 6/2/2023              | 7/17/2023            |
|  | NM | Lea | Mighty Pheasant 5-8 Fed Com 304H | AFMSS-Accepted  | 3/1/2022                      | 3/1/2022                 | 6/2/2023              | 7/17/2023            |
|  | NM | Lea | Loosey Goosey 4-9 Fed Com 101H   | To be permitted |                               |                          |                       |                      |
| Submitted permits for 3 <sup>rd</sup> Sand         | NM | Lea | Loosey Goosey 4-9 Fed Com 102H   | To be permitted |                               |                          |                       |                      |
| development & 1 <sup>st</sup> Sand/2 <sup>nd</sup> | NM | Lea | Loosey Goosey 4-9 Fed Com 103H   | To be permitted |                               |                          |                       |                      |
| Sand test  | NM | Lea | Loosey Goosey 4-9 Fed Com 104H   | To be permitted |                               |                          |                       |                      |
| BLM is currently working on                        | NM | Lea | Loosey Goosey 4-9 Fed Com 201H   | To be permitted |                               |                          |                       |                      |
| these  | NM | Lea | Loosey Goosey 4-9 Fed Com 202H   | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Loosey Goosey 4-9 Fed Com 203H   | To be permitted |                               |                          |                       |                      |
|  | NM | Lea | Loosey Goosey 4-9 Fed Com 204H   | AFMSS-Accepted  | 3/15/2022                     | 3/15/2022                |                       |                      |
|  | NM | Lea | Loosey Goosey 4-9 Fed Com 301H   | AFMSS-Accepted  | 3/9/2022                      | 3/9/2022                 |                       |                      |
| 4  | NM | Lea | Loosey Goosey 4-9 Fed Com 302H   | AFMSS-Accepted  | 3/9/2022                      | 3/9/2022                 |                       |                      |
|  | NM | Lea | Loosey Goosey 4-9 Fed Com 303H   | AFMSS-Accepted  | 3/15/2022                     | 3/15/2022                |                       |                      |
|  | NM | Lea | Loosey Goosey 4-9 Fed Com 304H   | AFMSS-Accepted  | 3/15/2022                     | 3/15/2022                |                       |                      |

# 3<sup>rd</sup> Bone Spring Sand

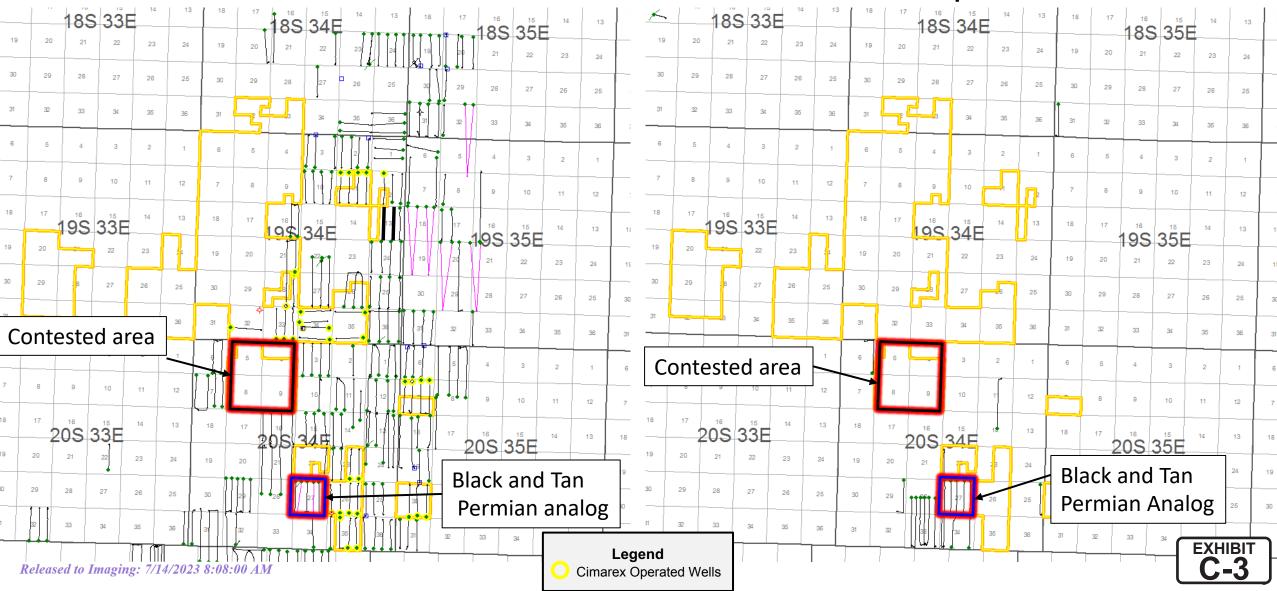


*3<sup>rd</sup> Bone Spring Sand is the Established Single Bench Target at 4 WPS withi<del>n AOP</del>* 

42,650 acres developed with more than 1 well, all but one development, 98.5% of sections similar to Cimarex proposal

#### **3rd Bone Spring Sand Producers**

#### **Wolfcamp Producers**



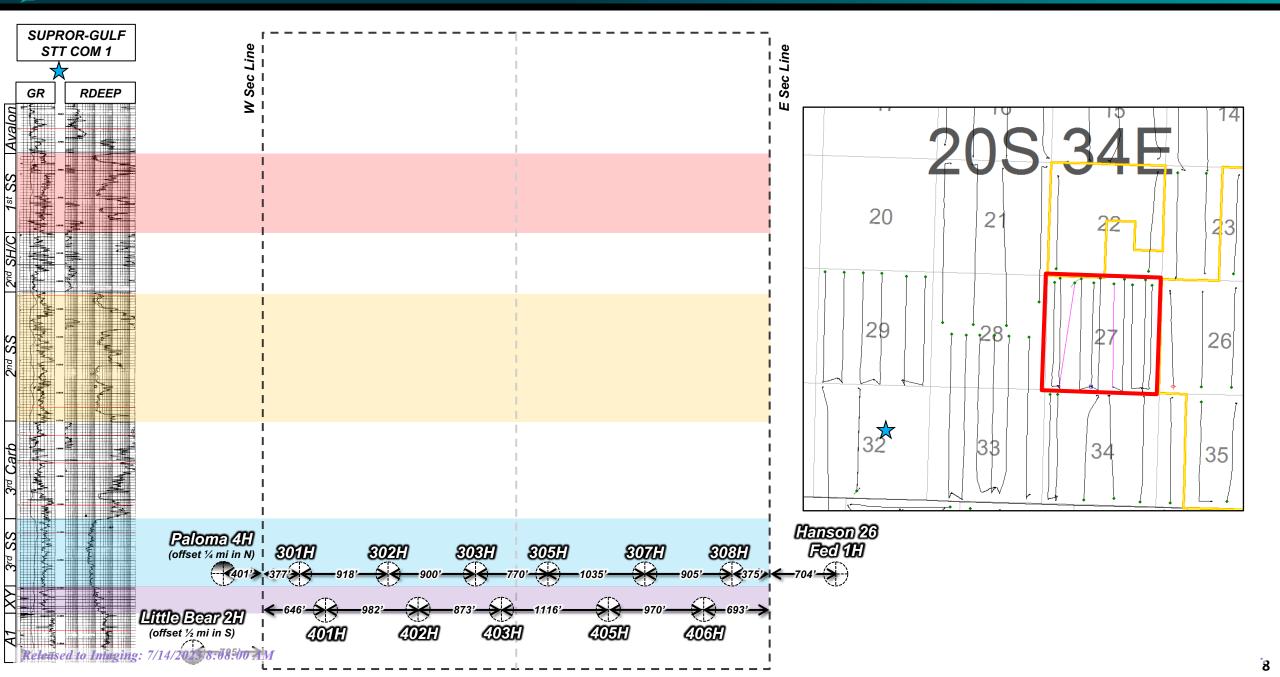
# Well Count by Landing and Operators Shows 3<sup>rd</sup> Sand is the Consensus Landing<sup>23</sup>

- 3<sup>rd</sup> Sand / single b landing supported 236 wells, 97%.
- 13 of 22 WCMP w • drilled instead of
- 5 of 22 WCMP dril • as a separate ben
- **3 WCMP stack tes** ٠ with 3<sup>rd</sup> Sand

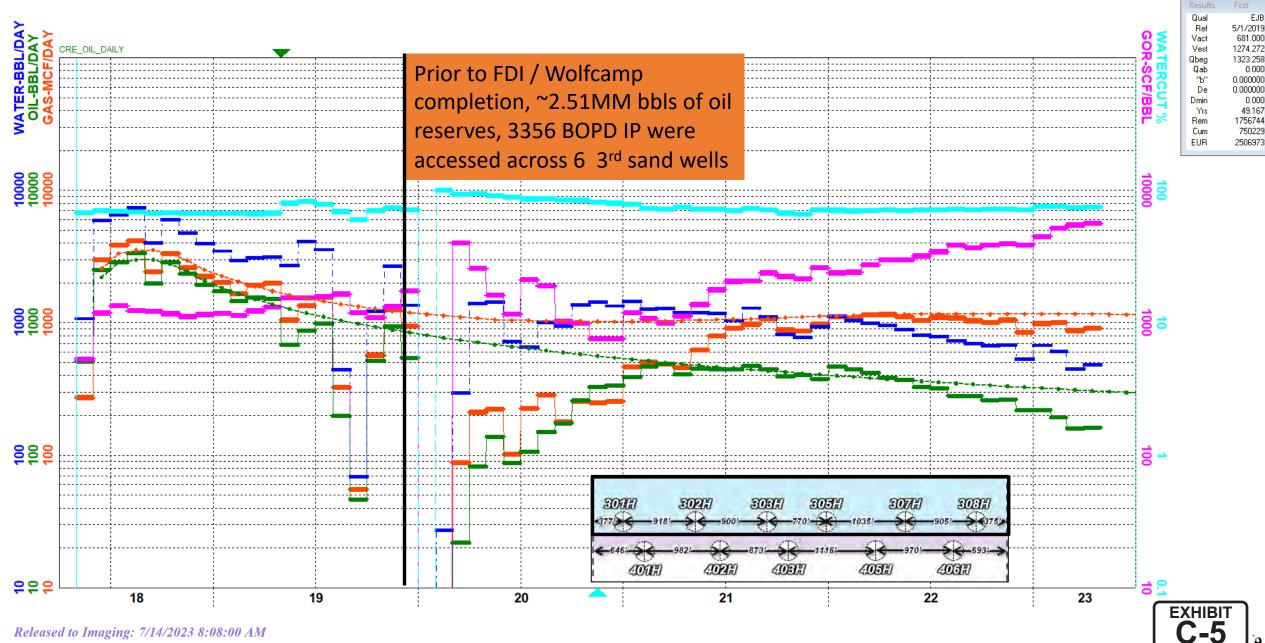
| CMP were  | 45 -<br>40 -<br>35 - |      |      |      |      | _    |      |                                       |             | l 3 <sup>r</sup><br>we |      | 5:   |      |      |                                       | -    |      | <b>fota</b>   |              |       |      |
|---|----------------------|------|------|------|------|------|------|---------------------------------------|-------------|------------------------|------|------|------|------|---------------------------------------|------|------|---------------|--------------|-------|------|
| tead of 3rd SS30CMP drilled25ate bench20tack tests15105 | 25<br>20<br>15<br>10 |      |      |      |      |      |      |                                       |             |                        |      |      |      |      |                                       |      | 22   | CN<br>we      | ells<br>•    |       |      |
|   |                      | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016<br>3rd                           | 2017<br>dSS | 2018                   | 2019 | 2020 | 2021 | 2022 | 2023                                  | 2015 | 2016 | 2017<br>Wolfe | 2018<br>camp | 2019  | 2020 |
| APACHE CORP   |                      |      |      |      |      |      |      | · · · · · · · · · · · · · · · · · · · |             | 6                      |      |      |      |      |                                       |      |      |               | F.           |       | 5    |
| CAZA OPERATING LLC                                      |                      |      |      |      |      | 1    |      | 1                                     | 1           | 1                      | 1    |      | 2    | 1    | · · · · ·                             |      |      |               |              |       |      |
| CIMAREX ENERGY CO                                       |                      | 2    | 7    | 2    | 8    | 7    | 1    | · · · · ·                             | 1           | 3                      | 3    |      |      | 1    | 1                                     |      |      |               | 1            |       |      |
| COG OPERATING LLC                                       |                      |      | 1    | 7    | 9    | 14   | 16   | 5                                     | 1           | 2                      |      |      |      | 1    | []                                    |      |      | 1             | 1            | 8     |      |
| ■ EA RT HS TONE OPERATING LLC                           |                      |      |      |      |      | 3    |      | 1                                     | 1           |                        |      |      |      |      |                                       |      |      |               | 1            |       |      |
| ■ EOG RESOURCES INC                                     |                      |      |      |      |      | 1    |      | 1                                     |             |                        | 4    |      |      |      |                                       |      | 1    |               |              |       |      |
| ■ FASKEN OIL & RANCH LTD                                |                      |      |      | 1    | 1    | 2    | 4    |                                       |             |                        |      |      |      |      |                                       |      |      |               |              |       |      |
| FRANKLIN MOUNTAIN ENERGY                                | 3 LLC                |      |      | 2    | 11   | 5    | 1    |                                       |             |                        | 2    |      |      | 2    |                                       |      |      |               |              |       |      |
| ■ LEGACY RESERVES OPERATING L                           | .Р                   |      | 1    | 1    | 2    | 1    | 5    | 1                                     | 4           | 2                      | 1    |      |      |      |                                       |      |      |               |              | 1     |      |
| MARATHON OIL PERMIAN LLC                                |                      |      |      |      |      | 1    | 1    |                                       |             |                        |      |      |      |      |                                       | 1    |      |               |              |       |      |
| ■ MATADOR PRODUCTION CO                                 |                      |      |      | 2    |      |      | 1    | 4                                     | 2           | 2                      | 3    |      |      |      |                                       |      |      | 1             |              | 1     |      |
| MEWBOURNE OIL CO  |                      |      |      |      |      | 5    | 4    |                                       |             |                        |      | 1    | 2    | 4    | 2                                     |      |      |               |              |       |      |
| ■ RAYBAW OPERATING LLC                                  |                      |      |      |      | 1    |      |      |                                       | 1           |                        |      |      |      |      |                                       |      |      |               |              |       |      |
| ■ READ & STEVENS INC                                    |                      |      |      |      |      |      | 2    |                                       |             | 2                      |      |      |      | 1    |                                       |      |      |               |              |       |      |
| XTO ENERGY INC  |                      |      |      |      | 1    |      | 7    |                                       | 1           | 7                      |      |      |      |      | · · · · · · · · · · · · · · · · · · · |      |      |               |              | EXHIB | П    |

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## Black and Tan

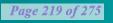


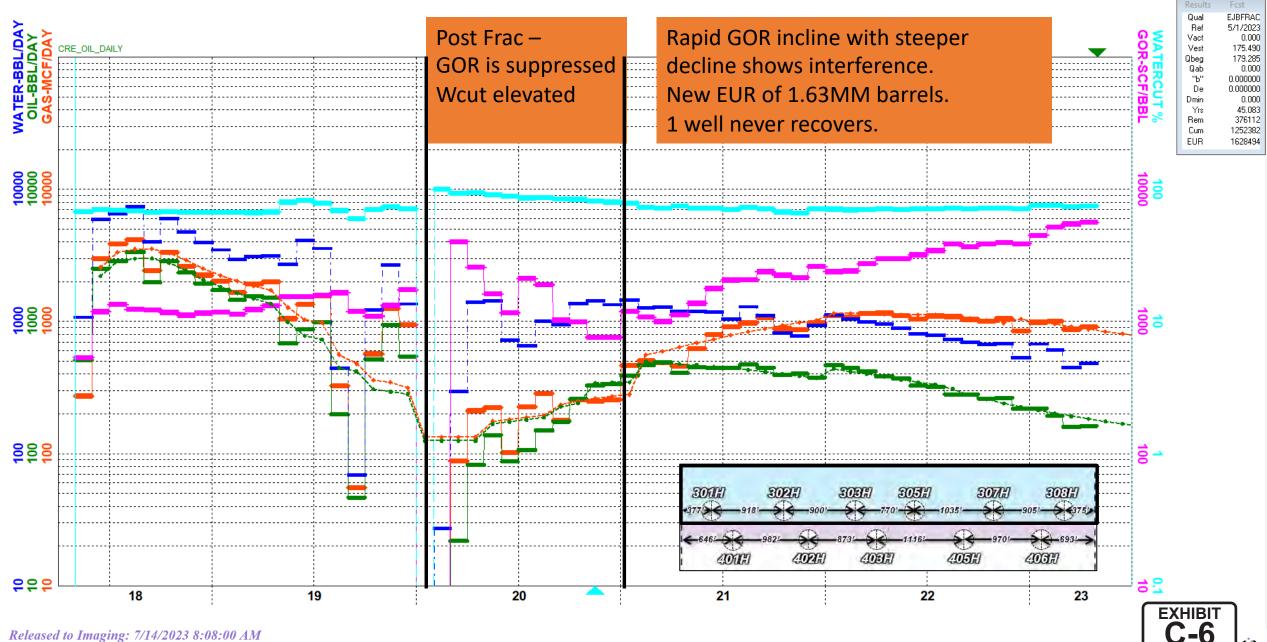
## Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells ( Before WC completion)<sup>352 218 of 275</sup>



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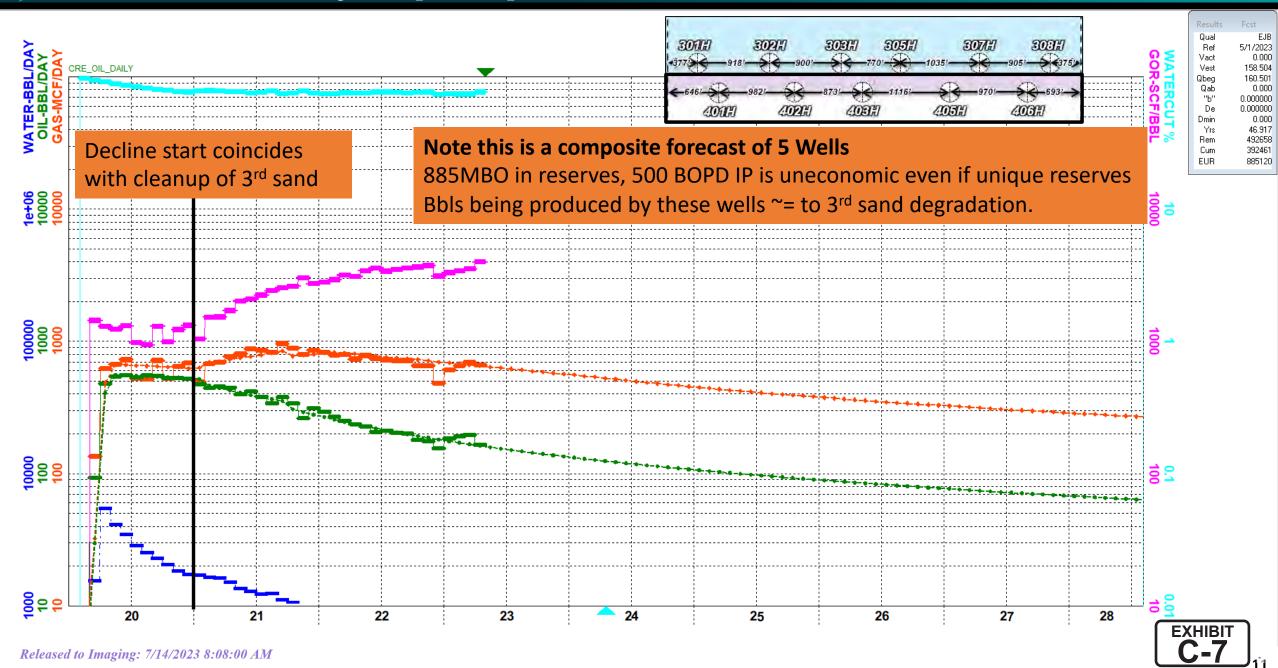
## Black and Tan 3<sup>rd</sup> Sand Composite Forecast 6 Wells Post Wolfcamp Frac





## Black and Tan Wolfcamp Composite Forecast 5 Wells

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| E PROJECT = Black & Tan 27  |               |
|---|---------------|
| - 👌 30025461240000   BLACK & TAN 27 FEDERAL COM #405H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP A   APACHE CORP   LEA   4583   09/01/2019   02/26/2020   0EF33AE781           |               |
| 01/22/2020   BLACK & TAN 27 FEDERAL COM #401H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP A   APACHE CORP   LEA   4666   10/19/2019   01/22/2020   AFD8F0925C                   | Completed 2nd |
| - 👌 30025460730000   BLACK & TAN 27 FEDERAL COM #402H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4561   08/17/2019   02/26/2020   B4C53386 |               |
| - 👌 30025461230000   BLACK & TAN 27 FEDERAL COM #403H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4629   09/08/2019   02/26/2020   607292AC |               |
| 6 30025460750000   BLACK & TAN 27 FEDERAL COM #406H   BLACK & TAN 27 FEDERAL COM   WOLFCAMP SANDS XY SAND   APACHE CORP   LEA   4694   09/29/2019   02/26/2020   F44F25453  |               |
| - 👌 30025440180000   BLACK & TAN 27 FEDERAL COM #302H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4416   12/11/2017   06/01/2018   163AC020E2 |               |
| - 👌 30025440170000   BLACK & TAN 27 FEDERAL COM #301H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4526   11/15/2017   06/01/2018   40288A1B23 |               |
| - 👌 30025439210100   BLACK & TAN 27 FEDERAL COM #303H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4360   10/24/2017   05/18/2018   748D250B4E |               |
| - 👌 30025439400000   BLACK & TAN 27 FEDERAL COM #305H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4524   03/17/2018   05/23/2018   A635466B07 | Completed 1st |
| - 👌 30025440440000   BLACK & TAN 27 FEDERAL COM #307H   BLACK & TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4303   01/07/2018   05/16/2018   CF72E02929 |               |
| 😓 👌 30025440450000   BLACK AND TAN 27 FEDERAL COM #308H   BLACK AND TAN 27 FEDERAL COM   3RD BONE SPRING SAND   APACHE CORP   LEA   4340   01/30/2018   05/05/2018   A7CD7; |               |

### WC vs. 3<sup>rd</sup> sand comparison shows stagger is capital waste

- 3<sup>rd</sup> sand IP is > 6 X Wolfcamp
- Wolfcamp oil rate ~= to 3<sup>rd</sup> sand rate decrease
- Wolfcamp reserves ~= to 3<sup>rd</sup> sand EUR decrease
- 5 Wolfcamp wells added ~ 0 additional bbls

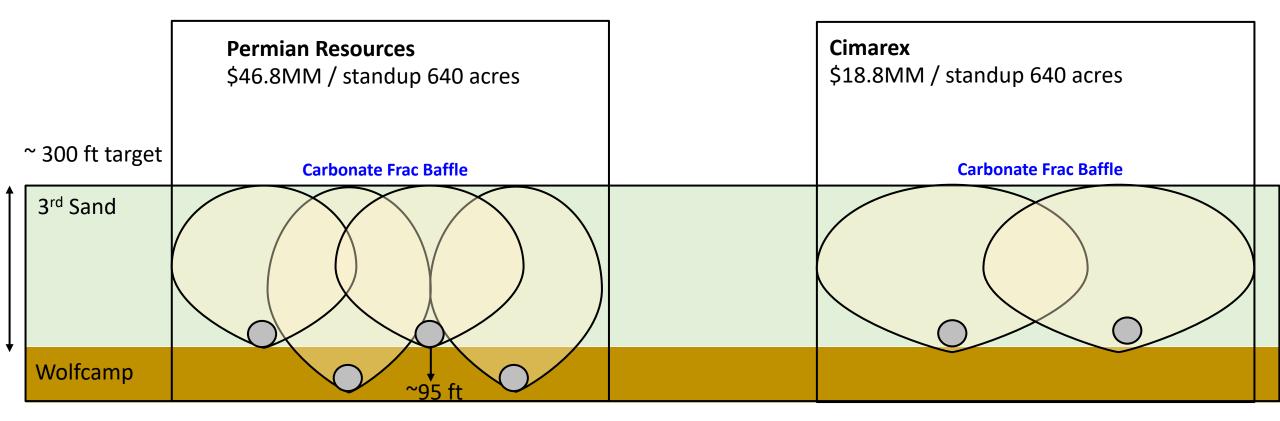
| Table 1.0. Comparison      |          | 3rd Sand      |                |          | (Wolfcamp - 3rd Sand |
|----------------------------|----------|---------------|----------------|----------|----------------------|
| Table 1.0 Comparison       | 3rd Bone | 3rd Bone Post | 3rd Sand Delta | Wolfcamp | Delta) = value added |
| of 3rd sand to Wolfcamp    | Spring   | frac          | 3rd Sand Delta |          | from 5 wells         |
| IP30 BOPD                  | 3,356    | NA            | NA             | 555      | NA                   |
| Pre vs. Post frac oil rate |          |               |                |          |                      |
| BOPD                       | 950      | 500           | -450           | +555     | 105                  |
| EUR MMBO                   | 2.51     | 1.63          | -0.88          | +0.89    | 0.01                 |

### **3**<sup>rd</sup> sand is the landing for this single bench target

- 268% Phi H vs. Wolfcamp
- 3<sup>rd</sup> sand delta compounded by being cleaner with better flow property's than the Wolfcamp

| Table 1.1<br>Analog Comparison | 3rd Sand | Wolfcamp | 3 <sup>rd</sup> SS % of total | 3rd / Wolfcamp<br>Comparison % |
|--------------------------------|----------|----------|-------------------------------|--------------------------------|
| РНІН                           | 26.75    | 10       | 72.8                          | 268                            |





- Cimarex has experience developing as many as 8 landings within a DSU successfully in Lea county with 9<sup>th</sup> drilling now, 35 to 38 wells / section. The difference is the combination of geology (barriers, reservoir height, and flow units) don't support the proposed staggers at Mighty Pheasant Loosey Goosey as demonstrated by area developments like Black and Tan.
- 3<sup>rd</sup> and Wolfcamp landed this close together are equivalent to 8 WPS flat in the 3<sup>rd</sup> Sand, double the AOI proven density.
- A wealth of data from the DOE and industry funded Hydraulic Fracture Test Site 2 supports an upper Wolfcamp buffer zone in this specific location to protect proven 3<sup>rd</sup> Sand correlative rights and prevent capital waste.



## Black and Tan Analog Comparison To MP/LG

| Table 1.2         | Black and Tan                     |   |          | Mighty                        | y Pheasant Loosey Goo | osey |
|-------------------|-----------------------------------|---|----------|-------------------------------|-----------------------|------|
| Analog Comparison | 3rd SandWolfcamp3rd SS % of total |   | 3rd Sand | 3 <sup>rd</sup> SS % of total |                       |      |
| РНІН              | 22                                | 7 | 76       | 27                            | 10                    | 73   |

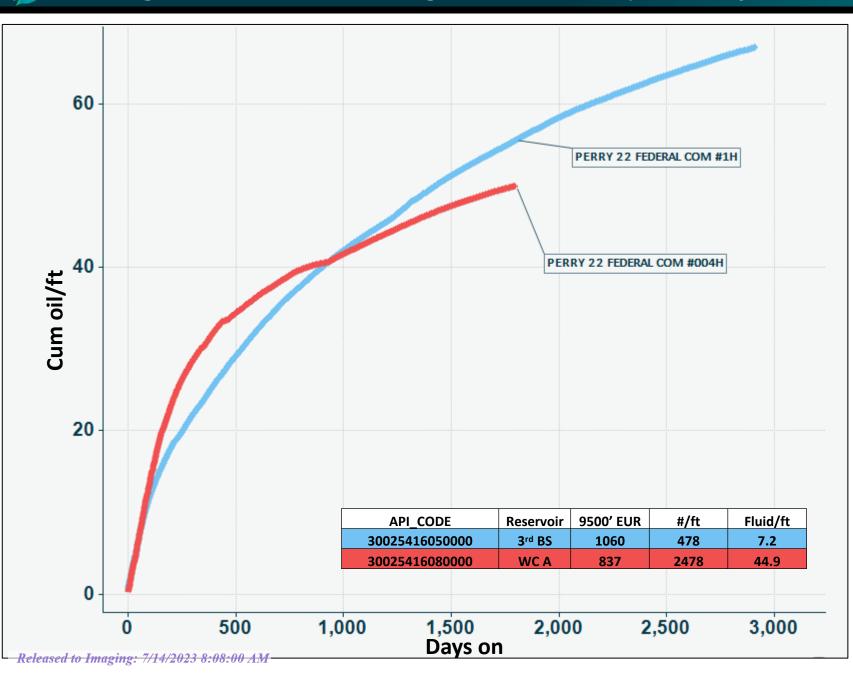
- Contested acreage is expected to outperform Black and Tan 2.5MMbo / 640-acre Technical EUR by ~20%
- Over performance driven by improved PHIH of 3<sup>rd</sup> sand. 27/22 = 122%.
- Sensitivities highlight impact of capital waste given 0% uplift on Black and Tan Wolfcamp 3<sup>rd</sup> SS analog
  - Table 1.3 Wolfcamp must add ~40% reserves to break even vs Cimarex Development at P90 reserves case
  - Table 1.4 Wolfcamp must add ~31% reserves to break even vs. Cimarex Development at SM business case
  - Neither Table 1.3 or 1.4 increase in performance is reasonable to expect given public data

| Table 1.3 Reserves Economic Comparison 10MM Technical EUR DSU |  |        |              |               |              |               |  |  |
|---|--|--------|--------------|---------------|--------------|---------------|--|--|
| \$65 flat anal  | \$65 flat analysis at Cimarex WI & NRI |        |              | Permian       | Cimarex      |               |  |  |
| Reserves  |  |        | PV10<br>\$MM | Payout months | PV10<br>\$MM | Payout months |  |  |
| 100%  | 14,738                                 | 8,860  | 14.7         | 43            | 41.8         | 12            |  |  |
| 110% expected   | 16,212                                 | 9,820  | 21.4         | 33            |              |               |  |  |
| 120% expected   | 17,685                                 | 10,780 | 28.2         | 26            |              |               |  |  |
| 130% expected   | 19,159                                 | 11,740 | 34.9         | 23            |              |               |  |  |
| 140% expected   | 20,633                                 | 12,700 | 41.5         | 21            |              |               |  |  |

| Table 1.4 Development Comparison 12MM Technical EUR DSU |  |              |               |         |               |         |  |  |
|---|--|--------------|---------------|---------|---------------|---------|--|--|
| \$65 flat analy   | \$65 flat analysis at Cimarex WI & NRI |              |               | Permian |               | Cimarex |  |  |
| 12 MM EUR IP Economic EUR MBO                           |  | PV10<br>\$MM | Payout months | PV10    | Payout months |         |  |  |
| 100%  | 18,897                                 | 11,026       | 34.8          | 23      | 61.9          | 10      |  |  |
| 110% expected   | 20,787                                 | 12,987       | 43.6          | 20      |               |         |  |  |
| 120% expected   | 22,676                                 | 14,233       | 52.3          | 18      |               |         |  |  |
| 130% expected<br>Released to Imaging:                   | 7/24/2623                              | 15,480       | 61            | 16      |               |         |  |  |
| 140% expected   | 26,456                                 | 16,727       | 69.7          | 15      |               |         |  |  |

- In order to create equivalent PV10, Wolfcamp landings must add ~40% more reserves vs reserves estimate (table 1.3) and 31% more reserves vs. P50 expectation (table 1.4). This outcome is unrealistic vs. observed results.
- Cimarex lower terminal fixed OpEx + less well degradation results in 9.1MM EUR vs. Permian 8.9MM EUR at 100% reserves expectation.
- The Cimarex plan self-funds annual drilling after first batch of wells supporting rapid development
   EXHIBIT C-10
- Permian plan supports slower development speed

## Landing Zone Matters; 5 Years Ago, Cimarex's Perry Test Confirmed 3<sup>rd</sup> SS Landing as Best Target Page 224 of 275



# Note: 5 to 6 x the frac energy is not as important as the right landing zone.

- The Perry 1H 2014 vintage 3<sup>rd</sup> sand well outperforms modern 2018 Perry 4H Wolfcamp completion in the same section at better oil cut 1 mile south of contested development area.
- The best flow properties and majority of bbls are best accessed from the 3<sup>rd</sup> sand where they are located



| Exhibit C12 API list |                              |                                |           |  |  |  |  |
|----------------------|------------------------------|--------------------------------|-----------|--|--|--|--|
| UWI (APINum)         | Well Label                   | Operator                       | Formation |  |  |  |  |
| 30025024240100       | LEA UNIT 4H                  | LEGACY RESERVES OPERATING LP   | 3rd SS    |  |  |  |  |
| 30025328180000       | ) MALLON `34` FEDERAL 16     | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025393820100       | ) MALLON 35 FEDERAL 4H       | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025395550000       | TUSK FEDERAL 2H              | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
| 30025397630100       | MALLON 34 FEDERAL 18H        | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025398940100       | MALLON 34 FEDERAL 19         | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025400350000       | AIRCOBRA 12 STATE 002H       | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
| 3002540040000        | QUAIL RIDGE 32 STATE 3H      | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025400860000       | MALLON 35 FEDERAL 7H         | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025401150000       | LYNCH 23 FEDERAL 1H          | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 3002540123000        | LYNCH 23 FEDERAL 2H          | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025401350000       | MALLON 34 FEDERAL 20         | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
|                      | CHAPARRAL 33 FEDERAL 3H      | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
|                      | HANSON 26 FEDERAL 1H         | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
|                      | CHAPARRAL 33 FEDERAL COM 4   | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
|                      | EAGLE `2` STATE 006H         | MATADOR PRODUCTION CO          | 3rd SS    |  |  |  |  |
|                      | QUAIL `16` STATE COM 003H    | FASKEN OIL & RANCH LTD         | 3rd SS    |  |  |  |  |
|                      | KING COBRA 2 STATE 1H        | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
|                      | AIRSTRIP 6 STATE COM 2H      | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
|                      | WILD COBRA 1 STATE 2H        | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
|                      | PLAYA 2 STATE 001H           | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | WEST PEARL 36 STATE 002H     | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
|                      | TIGER `11` FEDERAL 1H        | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
|                      | QUAIL `16` STATE 004H        | FASKEN OIL & RANCH LTD         | 3rd SS    |  |  |  |  |
|                      | PLAYA 2 STATE 002H           | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | IGLOO 19 STATE 2H            | CAZA OPERATING LLC             | 3rd SS    |  |  |  |  |
|                      |                              |                                |           |  |  |  |  |
|                      | IRONHOUSE 20 STATE 001H      | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | BUTTER CUP 35 STATE COM 001H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | HANSON 26 FEDERAL 3H         |                                | 3rd SS    |  |  |  |  |
|                      | BUTTER CUP 36 STATE COM 001H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | BUTTER CUP 36 STATE COM 002H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | BUTTER CUP 35 STATE COM 002H | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | IRONHOUSE 19 STATE COM 001H  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
|                      | LAGUNA 23 FEDERAL COM 002H   | EARTHSTONE OPERATING LLC       | 3rd SS    |  |  |  |  |
| 30025406980100       |                              | LEGACY RESERVES OPERATING LP   | 3rd SS    |  |  |  |  |
| 30025406990100       |                              | LEGACY RESERVES OPERATING LP   | 3rd SS    |  |  |  |  |
| 30025407250100       | OUTLAW `22` FEDERAL COM 1H   | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
| 30025407270000       | MONGOOSE FEE 001H            | MATADOR PRODUCTION CO          | 3rd SS    |  |  |  |  |
|                      | LAGUNA 23 FEDERAL COM 1H     | EARTHSTONE OPERATING LLC       | 3rd SS    |  |  |  |  |
| 30025407480000       | IRONHOUSE 20 STATE COM 002H  | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
| 3002540750000        | LYNCH 35-2H                  | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025407780100       | PRICKLY PEAR 6 FEDERAL 4H    | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
| 3002540804000        | HANSON 26 FEDERAL 4H         | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025408140100       | CONDOR STATE 001H            | COG OPERATING LLC              | 3rd SS    |  |  |  |  |
| 30025408190000       | HANSON 26 FEDERAL 2H         | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025408250000       | LYNCH 35 FEE 1H              | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 3002540836000        | MERIT 32 DM STATE COM 001H   | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS    |  |  |  |  |
| 30025408410000       | QUAIL 11 STATE COM 1H        | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
|                      | QUAIL 11 STATE COM 2H        | CIMAREX ENERGY CO              | 3rd SS    |  |  |  |  |
| 30025408750000       | AIRCOBRA 12 STATE 1H         | COG OPERATING LLC              | 3rd SS    |  |  |  |  |



|   |   | 3rd SS  |
|---|---|---|
|   |   | 3rd SS  |
| •   |   | 3rd SS  |
|   |   | 3rd SS  |
| IRONHOUSE `19` STATE COM 004H               | FRANKLIN MOUNTAIN ENERGY 3 LLC  | 3rd SS  |
| HAMON A FEDERAL COM 3H                      | LEGACY RESERVES OPERATING LP  | 3rd SS  |
| TUSK FEDERAL 4H                             | COG OPERATING LLC   | 3rd SS  |
| QUAIL `16` STATE 8H                         | FASKEN OIL & RANCH LTD  | 3rd SS  |
| LEA SOUTH 25 FEDERAL COM 5H                 | EARTHSTONE OPERATING LLC  | 3rd SS  |
| NIGHTHAWK STATE COM 1H                      | MARATHON OIL PERMIAN LLC  | 3rd SS  |
| SCHARB 10 PA STATE 1H                       | MEWBOURNE OIL CO  | 3rd SS  |
| ALBATROSS STATE COM 2H                      | COG OPERATING LLC   | 3rd SS  |
| TANGO BTP STATE COM 004H                    | EOG RESOURCES INC   | 3rd SS  |
| PRICKLY PEAR 6 FEDERAL 2H                   | COG OPERATING LLC   | 3rd SS  |
| TUSK FEDERAL 3H                             | COG OPERATING LLC   | 3rd SS  |
| TUSK FEDERAL 5H                             | COG OPERATING LLC   | 3rd SS  |
| MARATHON ROAD 15 PA FEDERAL 1H              | MEWBOURNE OIL CO  | 3rd SS  |
| IRONHOUSE 24 STATE COM 002H                 | FRANKLIN MOUNTAIN ENERGY 3 LLC  | 3rd SS  |
| PERRY 22 FEDERAL COM 1H                     | CIMAREX ENERGY CO   | 3rd SS  |
| ORIOLE STATE 1H                             | COG OPERATING LLC   | 3rd SS  |
| HAMON A FEDERAL COM 4H                      | LEGACY RESERVES OPERATING LP  | 3rd SS  |
| PRICKLY PEAR 6 FEDERAL 3H                   | COG OPERATING LLC   | 3rd SS  |
| HAMON FEDERAL COM A 2H                      | LEGACY RESERVES OPERATING LP  | 3rd SS  |
| LYNCH 35 FED COM 3H                         | CIMAREX ENERGY CO   | 3rd SS  |
| IRONHOUSE 24 STATE COM 003H                 | FRANKLIN MOUNTAIN ENERGY 3 LLC  | 3rd SS  |
| IRONHOUSE 24 STATE COM 004H                 | FRANKLIN MOUNTAIN ENERGY 3 LLC  | 3rd SS  |
| TOMCAT FEE 1H                               | COG OPERATING LLC   | 3rd SS  |
| CUATRO HIJOS FEE 4H                         | COG OPERATING LLC   | 3rd SS  |
|   | MEWBOURNE OIL CO  | 3rd SS  |
|   |   | 3rd SS  |
| KINGFISHER STATE COM 1H                     | COG OPERATING LLC   | 3rd SS  |
|   |   |   |
|   |   | 3rd SS  |
| KINGFISHER STATE COM 2H<br>TEAL 12 STATE 2H | COG OPERATING LLC<br>CIMAREX ENERGY CO  | 3rd SS<br>3rd SS  |
|   | TUSK FEDERAL 4H<br>QUAIL `16` STATE 8H<br>LEA SOUTH 25 FEDERAL COM 5H<br>NIGHTHAWK STATE COM 1H<br>SCHARB 10 PA STATE 1H<br>ALBATROSS STATE COM 2H<br>TANGO BTP STATE COM 004H<br>PRICKLY PEAR 6 FEDERAL 2H<br>TUSK FEDERAL 3H<br>TUSK FEDERAL 5H<br>MARATHON ROAD 15 PA FEDERAL 1H<br>IRONHOUSE 24 STATE COM 002H<br>PERRY 22 FEDERAL COM 1H<br>ORIOLE STATE 1H<br>HAMON A FEDERAL COM 4H<br>PRICKLY PEAR 6 FEDERAL 3H<br>HAMON FEDERAL COM A 2H<br>LYNCH 35 FED COM 3H<br>IRONHOUSE 24 STATE COM 003H<br>IRONHOUSE 24 STATE COM 004H<br>TOMCAT FEE 1H | QUAIL '16' STATE 007HFASKEN OIL & RANCH LTDSTRATDIET 31 STATE COM 2HCOG OPERATING LLCTRES PRIMOS 3 STATE 1HCOG OPERATING LLCMARATHON ROAD 14 NC FEDERAL 1HMEWBOURNE 0IL COCONDOR STATE 2HCOG OPERATING LLCIRONHOUSE 19 STATE COM 003HFRANKLIN MOUNTAIN ENERGY 3 LLCKING COBRA 2 STATE 2HCOG OPERATING LLCGOOSE STATE 01HCOG OPERATING LLCGOOSE STATE 01HCOG OPERATING LLCWILD COBRA 1 STATE 1HCOG OPERATING LLCQUAIL 11 STATE COM 3HCIMAREX ENERGY COCAPROCK 27 STATE FEDERAL COM 1HXTO ENERGY INCQUAIL 11 STATE COM 3HCIMAREX ENERGY COCAPROCK 27 STATE FEDERAL COM 1HRAYBAW OPERATING LLCRONHOUSE 24 STATE COM 001HFRANKLIN MOUNTAIN ENERGY 3 LLCGOOSE STATE COM 2HCOG OPERATING LLCQUAIL 11 STATE COM 3HCIMAREX ENERGY COMARATHON NOAD 14 MD FEDERAL 1HMEWBOURNE OIL COIRONHOUSE '19' STATE COM 004HFRANKLIN MOUNTAIN ENERGY 3 LLCHAMON A FEDERAL COM 3HLEGACY RESERVES OPERATING LPTUSK FEDERAL CM 3HEASKEN OIL & RANCH LTDLEA SOUTH 25 FEDERAL COM 5HEARTHSTONE OPERATING LLCNIGHTHAWK STATE COM 02HEASKEN OIL & RANCH LTDLEA SOUTH 25 FEDERAL COM 5HEARTHSTONE OPERATING LLCNIGHTHAWK STATE COM 02HEOG OPERATING LLCTANGO BTP STATE COM 02HEOG OPERATING LLCTANGO BTA STATE 1HMEWBOURNE OIL COALBATROSS STATE COM 02HEOG OPERATING LLCTANGO BTA STATE COM 02HEOG OPERATING LLCTANGO BTA S |

| 20025419620000 | PERLA VERDE 31 STATE 003H        | XTO ENERGY INC                 | 3rd SS           |
|----------------|----------------------------------|--------------------------------|------------------|
|                | PERLA VERDE 31 STATE 4H          | XTO ENERGY INC                 | 3rd SS           |
|                |                                  |                                |                  |
|                | CHAPARRAL 33 FEDERAL COM 5H      | CIMAREX ENERGY CO              | 3rd SS<br>3rd SS |
|                | LEA SOUTH 25 FEDERAL COM 6H      |                                |                  |
|                | MARATHON ROAD 15 B30B FEDERAL 1H |                                | 3rd SS           |
|                | PALOMA 21 FEDERAL COM 4H         | FASKEN OIL & RANCH LTD         | 3rd SS           |
|                | SCHARB 10 B3NC STATE 1H          | MEWBOURNE OIL CO               | 3rd SS           |
|                | SUPER COBRA STATE COM 1H         | COG OPERATING LLC              | 3rd SS           |
|                | PALOMA 21 FEDERAL COM 1H         | FASKEN OIL & RANCH LTD         | 3rd SS           |
|                | PALOMA 21 FEDERAL COM 2H         | FASKEN OIL & RANCH LTD         | 3rd SS           |
|                | PALOMA 21 FEDERAL COM 3H         | FASKEN OIL & RANCH LTD         | 3rd SS           |
|                | STRATOSPHERE 36 STATE COM 3H     | COG OPERATING LLC              | 3rd SS           |
|                | STRATOSPHERE 36 STATE COM 4H     | COG OPERATING LLC              | 3rd SS           |
|                | STRATOSPHERE 36 STATE COM 5H     | COG OPERATING LLC              | 3rd SS           |
|                | STRATOSPHERE 36 STATE COM 6H     | COG OPERATING LLC              | 3rd SS           |
|                | PERLA VERDE 31 STATE 001H        | XTO ENERGY INC                 | 3rd SS           |
|                | NORTH LEA `3` FEDERAL COM 001H   | READ & STEVENS INC             | 3rd SS           |
|                | TRES PRIMOS 3 STATE 2H           | COG OPERATING LLC              | 3rd SS           |
| 30025421410000 | PEARL WEST 36 STATE COM 6H       | COG OPERATING LLC              | 3rd SS           |
| 30025421450000 | WEST PEARL 36 STATE COM 003H     | COG OPERATING LLC              | 3rd SS           |
| 30025421460000 | PEARL WEST 36 STATE COM 4H       | COG OPERATING LLC              | 3rd SS           |
| 30025421470000 | WEST PEARL 36 STATE COM 005H     | COG OPERATING LLC              | 3rd SS           |
| 30025421730000 | RAPTOR WEST 3 STATE 004H         | MARATHON OIL PERMIAN LLC       | 3rd SS           |
| 30025422010000 | MARATHON ROAD 15 NC FEDERAL 1H   | MEWBOURNE OIL CO               | 3rd SS           |
| 30025422120000 | MALLON 27 FEDERAL COM 001H       | MATADOR PRODUCTION CO          | 3rd SS           |
| 30025422270000 | NORTH LEA 3 FEDERAL COM 002H     | READ & STEVENS INC             | 3rd SS           |
| 30025422280000 | NORTH LEA `3` FEDERAL COM 003H   | READ & STEVENS INC             | 3rd SS           |
| 30025422680000 | LEA 7 FEDERAL COM 1H             | CIMAREX ENERGY CO              | 3rd SS           |
| 30025422760000 | CUATRO HIJOS FEE 3H              | COG OPERATING LLC              | 3rd SS           |
| 30025422920000 | BLACK PEARL 1 FEDERAL COM 1H     | COG OPERATING LLC              | 3rd SS           |
| 30025422930000 | BLACK PEARL 1 FEDERAL 002H       | COG OPERATING LLC              | 3rd SS           |
| 30025422940000 | BLACK PEARL 1 FEDERAL 3H         | COG OPERATING LLC              | 3rd SS           |
| 30025422950000 | BLACK PEARL 1 FEDERAL 4H         | COG OPERATING LLC              | 3rd SS           |
| 30025423150000 | MALLON 27 FEDERAL COM 2H         | MATADOR PRODUCTION CO          | 3rd SS           |
| 30025423380100 | BLUE JAY FEDERAL 001H            | COG OPERATING LLC              | 3rd SS           |
| 30025423420000 | LEA UNIT 32H                     | LEGACY RESERVES OPERATING LP   | 3rd SS           |
| 30025423430000 | LEA UNIT 33H                     | LEGACY RESERVES OPERATING LP   | 3rd SS           |
| 30025423440000 | LEA UNIT 34H                     | LEGACY RESERVES OPERATING LP   | 3rd SS           |
| 30025423520000 | CIMARRON 16-19-34 RN STATE 134H  | MATADOR PRODUCTION CO          | 3rd SS           |
| 30025423570100 | IGLOO `19` STATE 3H              | CAZA OPERATING LLC             | 3rd SS           |
|                | BUTTER CUP 36 STATE COM 003H     | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS           |
|                | IGGLES STATE COM 001H            | COG OPERATING LLC              | 3rd SS           |
|                | STRATOJET 31 STATE COM 8H        | COG OPERATING LLC              | 3rd SS           |
|                | KINGFISHER STATE COM 5H          | COG OPERATING LLC              | 3rd SS           |
|                | PICKARD 20 18 34 RN STATE 124H   | MATADOR PRODUCTION CO          | 3rd SS           |
|                | SCHARB 10 B3MD STATE 1H          | MEWBOURNE OIL CO               | 3rd SS           |
|                | LEA 7 FEDERAL COM 2H (P&A 12/27/ | CIMAREX ENERGY CO              | 3rd SS           |
|                | PERLA NEGRA FEDERAL COM 4H       | XTO ENERGY INC                 | 3rd SS           |
|                | NORTH LEA `3` FEDERAL COM 004H   | READ & STEVENS INC             | 3rd SS           |
|                | PERLA NEGRA FEDERAL COM 2H       | XTO ENERGY INC                 | 3rd SS           |
|                |                                  |                                |                  |
|                | PERLA NEGRA FEDERAL COM 3H       | XTO ENERGY INC                 | 3rd SS           |

| 20025 420 400000 |                                      |                                |        |
|------------------|--------------------------------------|--------------------------------|--------|
| 30025429490000   |                                      | LEGACY RESERVES OPERATING LP   | 3rd SS |
|                  | MAS FEDERAL 3H                       |                                | 3rd SS |
| 30025429580000   |                                      | LEGACY RESERVES OPERATING LP   | 3rd SS |
|                  | DESERT ROSE 17-8 FEDERAL COM 001     | CAZA OPERATING LLC             | 3rd SS |
|                  | CIMARRON 16 19S 34E RN STATE COM     | MATADOR PRODUCTION CO          | 3rd SS |
|                  | EAGLECLAW FEDERAL 001H               | CAZA OPERATING LLC             | 3rd SS |
|                  | LEA SOUTH 25 FEDERAL COM 3BS 007     | EARTHSTONE OPERATING LLC       | 3rd SS |
| 30025430350000   |                                      | LEGACY RESERVES OPERATING LP   | 3rd SS |
|                  | DELLA 29 FEDERAL COM 602H            | EOG RESOURCES INC              | 3rd SS |
| 30025430770000   |                                      | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025432470100   |                                      | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025432500000   | HAMON A FED COM 009H                 | LEGACY RESERVES OPERATING LP   | 3rd SS |
| 30025434150000   | SEVERUS 31 FEDERAL COM 001H          | XTO ENERGY INC                 | 3rd SS |
| 30025434160000   | SEVERUS 31 FEDERAL COM 002H          | XTO ENERGY INC                 | 3rd SS |
| 30025434170000   | SEVERUS 31 FEDERAL COM 003H          | XTO ENERGY INC                 | 3rd SS |
| 30025434180000   | SEVERUS 31 FEDERAL COM 004H          | XTO ENERGY INC                 | 3rd SS |
| 30025434680100   | CHIEF 30 STATE 7H                    | CIMAREX ENERGY CO              | 3rd SS |
| 30025435330000   | BLUE JAY FEDERAL COM 002H            | COG OPERATING LLC              | 3rd SS |
| 30025436800000   | NORTH LEA 10 FEDERAL 002H            | READ & STEVENS INC             | 3rd SS |
| 30025437410000   | ESPEJO FEDERAL COM 001H              | XTO ENERGY INC                 | 3rd SS |
| 30025437420000   | ESPEJO FEDERAL COM 002H              | XTO ENERGY INC                 | 3rd SS |
| 30025437770000   | ESPEJO FEDERAL COM 003H              | XTO ENERGY INC                 | 3rd SS |
| 30025437920000   | STRATOJET 31 STATE COM 007H          | COG OPERATING LLC              | 3rd SS |
| 30025438160100   | AIRSTRIP 31 18 35 RN STATE COM #132H | MATADOR PRODUCTION CO          | 3rd SS |
| 30025439210100   | BLACK & TAN 27 FEDERAL COM 303H      | APACHE CORP                    | 3rd SS |
| 30025439400000   | BLACK & TAN 27 FEDERAL COM 305H      | APACHE CORP                    | 3rd SS |
| 30025440170000   | BLACK & TAN 27 FEDERAL COM 301H      | APACHE CORP                    | 3rd SS |
|                  | BLACK & TAN 27 FEDERAL COM 302H      | APACHE CORP                    | 3rd SS |
| 30025440440000   | BLACK & TAN 27 FEDERAL COM 307H      | APACHE CORP                    | 3rd SS |
|                  | BLACK AND TAN 27 FEDERAL COM 308     | APACHE CORP                    | 3rd SS |
|                  | MAS FEDERAL COM 001H                 | COG OPERATING LLC              | 3rd SS |
|                  | CHIEF 30 STATE 8H                    | CIMAREX ENERGY CO              | 3rd SS |
|                  | AIRSTRIP 31-18-35 RN STATE COM 1     | MATADOR PRODUCTION CO          | 3rd SS |
|                  | VERNA RAE FEDERAL COM 133H           | MATADOR PRODUCTION CO          | 3rd SS |
|                  | VERNA RAE FEDERAL COM 134H           | MATADOR PRODUCTION CO          | 3rd SS |
|                  | DELLA 29 FEDERAL COM 603H            | EOG RESOURCES INC              | 3rd SS |
|                  | DELLA 29 FEDERAL 604H                | EOG RESOURCES INC              | 3rd SS |
|                  | DELLA 29 FEDERAL 605H                | EOG RESOURCES INC              | 3rd SS |
|                  | DELLA 29 FEDERAL 606H                | EOG RESOURCES INC              | 3rd SS |
|                  | EAGLECLAW FEDERAL COM 002H           | CAZA OPERATING LLC             | 3rd SS |
|                  | AIRSTRIP 31-18-35 RN STATE COM 1     | MATADOR PRODUCTION CO          | 3rd SS |
|                  | CHIEF 30 STATE 9H                    | CIMAREX ENERGY CO              | 3rd SS |
|                  | MESCALERO RIDGE 21 FEDERAL 1H        | CIMAREX ENERGY CO              | 3rd SS |
| 30025451540000   |                                      | LEGACY RESERVES OPERATING LP   | 3rd SS |
|                  | LEA 7 FEDERAL COM 29H                | CIMAREX ENERGY CO              | 3rd SS |
|                  | LEA 7 FEDERAL COM 30H                | CIMAREX ENERGY CO              | 3rd SS |
| 30025452100000   |                                      | LEGACY RESERVES OPERATING LP   | 3rd SS |
|                  | AIRSTRIP 31-18S-35E RN STATE COM     | MATADOR PRODUCTION CO          | 3rd SS |
|                  | ANCHOR 19 35 33 STATE 001H           | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
|                  | CABLE 19 35 9 STATE COM 001H         | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS |
|                  | HEREFORD 29-20 W10B FED COM 001H     | MEWBOURNE OIL CO               | 3rd SS |
|                  | SANTA VACA 19-18 B3MD STATE COM      |                                |        |
| 50025408050000   | JANTA VACA 19-10 DSIVID STATE CUIVI  | MEWBOURNE OIL CO               | 3rd SS |

|                |                                  |                                | 1        |
|----------------|----------------------------------|--------------------------------|----------|
|                | TALON 5-8 FEDERAL 001H           | CAZA OPERATING LLC             | 3rd SS   |
|                | HEREFORD 29-20 W1MD STATE COM 00 | MEWBOURNE OIL CO               | 3rd SS   |
|                | HEREFORD 29-20 W1NC STATE COM 00 | MEWBOURNE OIL CO               | 3rd SS   |
| 30025474860000 | TALON 5-8 FEDERAL 005H           | CAZA OPERATING LLC             | 3rd SS   |
|                | SANTA VACA 19 18 B3NC STATE COM  | MEWBOURNE OIL CO               | 3rd SS   |
| 30025499040000 | CHAROLAIS 28 21 W1MD STATE COM 0 | MEWBOURNE OIL CO               | 3rd SS   |
| 30025499350000 | HEREFORD 29 20 W1PA STATE COM 00 | MEWBOURNE OIL CO               | 3rd SS   |
| 30025501680000 | FOXTAIL E2 05 32 W1 STATE COM 00 | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS   |
| 30025501690000 | FOXTAIL E2 05 32 W1 STATE COM 00 | FRANKLIN MOUNTAIN ENERGY 3 LLC | 3rd SS   |
| 30025502420000 | SANTA VACA 19-18 B3OB FEE 001H   | MEWBOURNE OIL CO               | 3rd SS   |
| 30025503260000 | SANTA VACA 19-18 B3PA FEE 001H   | MEWBOURNE OIL CO               | 3rd SS   |
| 30025507240000 | MESCALERO RIDGE 21-28 FED COM 2H | CIMAREX ENERGY CO              | 3rd SS   |
| 30025416080000 | PERRY 22 FEDERAL COM 4H          | CIMAREX ENERGY CO              | Wolfcamp |
| 30025419500000 | NIGHTHAWK STATE COM 003H         | MARATHON OIL PERMIAN LLC       | Wolfcamp |
| 30025430530000 | DELLA 29 FEDERAL COM 701H        | EOG RESOURCES INC              | Wolfcamp |
| 30025431100000 | LEA SOUTH 25 FEDERAL COM WCA 012 | EARTHSTONE OPERATING LLC       | Wolfcamp |
| 30025433950000 | AIRSTRIP 31 18 35 RN STATE COM 2 | MATADOR PRODUCTION CO          | Wolfcamp |
| 30025434820000 | MAS FEDERAL 4H                   | COG OPERATING LLC              | Wolfcamp |
| 30025442140100 | MAS FEDERAL COM 002H             | COG OPERATING LLC              | Wolfcamp |
| 30025444940000 | VERNA RAE FEDERAL COM 204H       | MATADOR PRODUCTION CO          | Wolfcamp |
| 30025450980100 | LITTLE BEAR FEDERAL COM 001H     | COG OPERATING LLC              | Wolfcamp |
| 30025450990000 | LITTLE BEAR FEDERAL COM 003H     | COG OPERATING LLC              | Wolfcamp |
| 30025451000000 | LITTLE BEAR FEDERAL COM 004H     | COG OPERATING LLC              | Wolfcamp |
| 30025451020000 | LITTLE BEAR FEDERAL COM 006H     | COG OPERATING LLC              | Wolfcamp |
| 30025451030000 | LITTLE BEAR FEDERAL COM 007H     | COG OPERATING LLC              | Wolfcamp |
| 30025451040000 | LITTLE BEAR FEDERAL COM 008H     | COG OPERATING LLC              | Wolfcamp |
| 30025451050000 | LITTLE BEAR FEDERAL COM 009H     | COG OPERATING LLC              | Wolfcamp |
| 30025451490000 | LITTLE BEAR FEDERAL COM 002H     | COG OPERATING LLC              | Wolfcamp |
| 30025452110100 | LEA UNIT 100H                    | LEGACY RESERVES OPERATING LP   | Wolfcamp |
| 30025460720000 | BLACK & TAN 27 FEDERAL COM 401H  | APACHE CORP                    | Wolfcamp |
| 30025460730000 | BLACK & TAN 27 FEDERAL COM 402H  | APACHE CORP                    | Wolfcamp |
| 30025460750000 | BLACK & TAN 27 FEDERAL COM 406H  | APACHE CORP                    | Wolfcamp |
| 30025461230000 | BLACK & TAN 27 FEDERAL COM 403H  | APACHE CORP                    | Wolfcamp |
| 30025461240000 | BLACK & TAN 27 FEDERAL COM 405H  | APACHE CORP                    | Wolfcamp |

## **TAB 5**

Case No. 23448-23451

- Self-Affirmed Statement of Notice, Darin C. Savage Exhibit D:
- Exhibit D-1: Notice Letter
- Exhibit D-2: Mailing List Exhibit D-3: Affidavits of Publication

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

#### APPLICATION OF CIMAREX ENERGY CO. FOR A HORIZONTAL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case Nos. 23448-23451

#### **SELF-AFFIRMED STATEMENT OF NOTICE**

STATE OF NEW MEXICO ) ) ss. COUNTY OF SANTA FE )

I, Darin C. Savage, attorney and authorized representative of Cimarex Energy Co. ("Cimarex"), the Applicant herein, being first duly sworn, upon oath, states the following:

1. Notice of the applications and hearing in the above-reference cases was timely sent by certified mail, return receipt requested, through the United States Postal Service on March 15, 2023, to all uncommitted interest owners sought to be pooled in this proceeding. See Exhibit D-2, attached hereto. Copies of notice letters and evidence of mailing to parties are attached hereto as Exhibits D-1 and D-2.

Notice was sent to the Hobbs News-Sun, a newspaper of general circulation in Lea
 County, New Mexico, and timely published in said newspaper on March 17, 2023. See Exhibit D 3.

3. It is my understanding that Cimarex has made a reasonably diligent effort to find the names and addresses for the interest owners entitled to receive notice of the application and case herein.



i

#### Signature page of Self-Affirmed Statement of Darin C. Savage:

I understand that this Self-Affirmed Statement will be used as written testimony before the Division in Case Nos. 23448-23451 and affirm that my testimony herein is true and correct, to the best of my knowledge and belief and made under penalty of perjury under the laws of the State of New Mexico.

Darin Savage

7-13-2023

Date Signed

**Received by OCD:** 7/13/2023 6:11:56 PM



#### ABADIEISCHILLPC

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Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

March 15, 2023

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and compulsory pooling, Lea County, New Mexico <u>Mighty Pheasant 5-8 Fed Com 204H Well</u> (Case No. 23448) <u>Mighty Pheasant 5-8 Fed Com 304H Well</u> (Case No. 23448)

Case No. 23448:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23448, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23448, Cimarex seeks to establish a standard 320.09-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, Lea County, NMPM, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced wells.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

**EXHIBIT** 

However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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.

Parties appearing in cases are required by Division Rule 19.15.4.13.B NMAC to file a Prehearing Statement at least four business days in advance of a scheduled hearing, but in no event later than 5 p.m. mountain time on the Thursday preceding the scheduled hearing date. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: The names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Production Company, L.P.

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#### ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

March 15, 2023

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and compulsory pooling, Lea County, New Mexico <u>Mighty Pheasant 5-8 Fed Com 301H Well</u> (Case No. 23449)

Case No. 23449:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23449, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23449, Cimarex seeks to establish a standard 320.01-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

214 McKenzie Street, Santa Fe, New Mexico, 87501

O: 970.385.4401 • F: 970.385.4901

However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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.

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If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.

**Received by OCD:** 7/13/2023 6:11:56 PM



#### ABADIE I SCHILL PC

Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

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March 15, 2023

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and compulsory pooling, Lea County, New Mexico Mighty Pheasant 5-8 Fed Com 302H Well (Case No. 23450)

Case No. 23450:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23450, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23450, Cimarex seeks to create a standard 320.04-acre, more or less, horizontal spacing and proration unit comprised of Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and the E/2 SW/4 of Section 5 and the E/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

O: 970.385.4401 • F: 970.385.4901

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Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.

**Received by OCD:** 7/13/2023 6:11:56 PM



#### ABADIE I SCHILL PC

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Colorado New Mexico Louisiana Texas Nebraska Kansas Montana Wyoming Oklahoma California North Dakota

March 15, 2023

#### VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Cimarex Energy Co., for a horizontal spacing unit and compulsory pooling, Lea County, New Mexico <u>Mighty Pheasant 5-8 Fed Com 303H Well</u> (Case No. 23451)

Case No. 23451:

Dear Interest Owners:

This letter is to advise you that Cimarex Energy Co. ("Cimarex") has filed the enclosed application, Case No. 23451, with the New Mexico Oil Conservation Division ("Division") for the compulsory pooling of units within the interval of the Bone Spring formation, as described in the application.

In Case No. 23451, Cimarex seeks to establish a standard 320.06-acre, more or less, horizontal spacing and proration unit comprised of Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and the W/2 SE/4 of Section 5 and the W/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. The unit will be dedicated to the above-referenced well.

A hearing has been requested before a Division Examiner on April 6, 2023, and the status of the hearing can be monitored through the Division's website. Division hearings will commence at 8:15 a.m., traditionally in Porter Hall at the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505.

O: 970.385.4401 • F: 970.385.4901

However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and status of the case, you can visit the Division's website at: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u> or call (505) 476-3441.

You are being notified as an interest owner (subject to title examination) and 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.

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If you have any questions about this matter, please contact John Coffman at (432) 571-7883 or at john.coffman@coterra.com.

Sincerely,

Darin C. Savage

Attorney for Cimarex Energy Co.

#### Mailing (E2E2 23448)

| ReferenceNumber | TYPE | Name1   | Name2 | Address1                | Address2   | Address3 City | State | Zip   |
|-----------------|------|---|-------|-------------------------|------------|---------------|-------|-------|
| 4207.25         | RI   | Bureau of Land Management                     |       | 414 W Taylor St         |            | Hobbs         | NM    | 88240 |
| 4207.25         | WI   | Moore & Shelton Co., Ltd                      |       | PO Box 3070             |            | Galveston     | ТХ    | 77552 |
| 4207.25         | WI   | HOG Partnership, LP                           |       | 5950 Cedar Springs Rd.  |            | Dallas        | ТХ    | 75235 |
| 4207.25         | WI   | Challenger Crude, Ltd.                        |       | 400 West Illinois Ave.  | Suite 1210 | Midland       | ТХ    | 79701 |
| 4207.25         | WI   | Read & Stevens, Inc.                          |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | ТХ    | 79701 |
| 4207.25         | WI   | First Century Oil, Inc.                       |       | 300 N. Marienfeld St.   | Suite 1000 | Midland       | ТХ    | 79701 |
|                 |      | Francis Hill Hudson, Trustee of Lindy's Livin | ng    |                         |            |               |       |       |
| 4207.25         | WI   | Trust   |       | 4200 S. Hulen St.       | Suite 302  | Fort Worth    | ТХ    | 76109 |
|                 |      | Bank of America, N.A., Successor Trustee of   |       |                         |            |               |       |       |
| 4207.25         | WI   | the Delmar Hudson Lewis Living Trust          |       | 301 Commerce St.        | Suite 2400 | Fort Worth    | ТХ    | 76102 |
| 4207.25         | WI   | Magnum Hunter Production                      |       | 600 N. Marienfeld St.   | Suite 600  | Midland       | ТХ    | 79701 |
| 4207.25         | WI   | Zorro Partners, Ltd.                          |       | 616 Texas St.           |            | Fort Worth    | ТХ    | 76102 |
| 4207.25         | WI   | Frost Bank, Trustee of the Josephine T.       |       | 640 Taylor Street       | 17th floor | Fort Worth    | ТХ    | 76102 |
| 4207.25         | WI   | Ard Oil, LTD                                  |       | PO Box 101027           |            | Fort Worth    | ТХ    | 76185 |
| 4207.25         | WI   | Chase Oil Corporation                         |       | PO Box 1767             |            | Artesia       | NM    | 88211 |
| 4207.25         | WI   | Avalon Energy Corporation                     |       | 310 West Wall St.       | Suite 305  | Midland       | TX    | 79701 |
| 4207.25         | WI   | Wilbanks Reserve Corporation                  |       | 450 E. 17th Ave         | Suite 220  | Denver        | CO    | 80203 |
|                 |      | Prime Rock Resources AgentCo, Inc., as        |       |                         |            |               |       |       |
|                 |      | nominee for the benefit of Prime Rock         |       |                         |            |               |       |       |
| 4207.25         | WI   | Resources, LLC                                |       | 203 W. Wall Street      | Suite 1000 | Midland       | ТХ    | 79701 |
| 4207.25         | WI   | Marks Oil, Inc.                               |       | 1775 Sherman St.        | Suite 2990 | Denver        | CO    | 80203 |
| 4207.25         | WI   | Javelina Partners                             |       | 616 Texas St.           |            | Fort Worth    | ТХ    | 76102 |
| 4207.25         | WI   | William A. Hudson, II                         |       | 616 Texas St.           |            | Fort Worth    | ТХ    | 76102 |
| 4207.25         | WI   | Union Hill Oil & Gas Co. Inc.                 |       | 7712 Glenshannon Circle | e          | Dallas        | ТХ    | 75225 |
|                 |      |   |       |                         |            |               |       |       |



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#### Mailing (W2W2 23449)

| ReferenceNumber | TYPE | Name1   | Name2      | Address1                | Address2   | Address3 | City       | State | Zip   |
|-----------------|------|---|------------|-------------------------|------------|----------|------------|-------|-------|
| 4207.25         | RI   | Bureau of Land Management   |            | 414 W Taylor St         |            |          | Hobbs      | NM    | 88240 |
| 4207.25         | WI   | Moore & Shelton Co., Ltd  |            | PO Box 3070             |            |          | Galveston  | ΤХ    | 77552 |
| 4207.25         | WI   | HOG Partnership, LP   |            | 5950 Cedar Springs Rd.  |            |          | Dallas     | ΤХ    | 75235 |
| 4207.25         | WI   | Challenger Crude, Ltd.  |            | 400 West Illinois Ave.  | Suite 1210 |          | Midland    | ΤХ    | 79701 |
| 4207.25         | WI   | Read & Stevens, Inc.  |            | 300 N. Marienfeld St.   | Suite 1000 |          | Midland    | ΤХ    | 79701 |
| 4207.25         | WI   | First Century Oil, Inc.   |            | 300 N. Marienfeld St.   | Suite 1000 |          | Midland    | ΤХ    | 79701 |
| 4207.25         | WI   | Francis Hill Hudson, Trustee of Lindy's Living Trust                        |            | 4200 S. Hulen St.       | Suite 302  |          | Fort Worth | ΤХ    | 76109 |
| 4207.25         | WI   | Bank of America, N.A., Successor Trustee of the Delmar Hudson Lewis Living  | g Trust    | 301 Commerce St.        | Suite 2400 |          | Fort Worth | ΤХ    | 76102 |
| 4207.25         | WI   | Magnum Hunter Production  |            | 600 N. Marienfeld St.   | Suite 600  |          | Midland    | ΤХ    | 79701 |
| 4207.25         | WI   | Zorro Partners, Ltd.  |            | 616 Texas St.           |            |          | Fort Worth | ΤХ    | 76102 |
| 4207.25         | WI   | Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. T  | errell Ard | 640 Taylor Street       | 17th floor |          | Fort Worth | ΤХ    | 76102 |
| 4207.25         | WI   | Ard Oil, LTD  |            | PO Box 101027           |            |          | Fort Worth | ТΧ    | 76185 |
| 4207.25         | WI   | Chase Oil Corporation   |            | PO Box 1767             |            |          | Artesia    | NM    | 88211 |
| 4207.25         | WI   | Avalon Energy Corporation   |            | 310 West Wall St.       | Suite 305  |          | Midland    | ΤХ    | 79701 |
| 4207.25         | WI   | Wilbanks Reserve Corporation  |            | 450 E. 17th Ave         | Suite 220  |          | Denver     | CO    | 80203 |
|                 |      | Prime Rock Resources AgentCo, Inc., as nominee for the benefit of Prime Roc | :k         |                         |            |          |            |       |       |
| 4207.25         | WI   | Resources, LLC  |            | 203 W. Wall Street      | Suite 1000 |          | Midland    | ΤХ    | 79701 |
| 4207.25         | WI   | Marks Oil, Inc.   |            | 1775 Sherman St.        | Suite 2990 |          | Denver     | CO    | 80203 |
| 4207.25         | WI   | Javelina Partners   |            | 616 Texas St.           |            |          | Fort Worth | ΤХ    | 76102 |
| 4207.25         | WI   | William A. Hudson, II   |            | 616 Texas St.           |            |          | Fort Worth | ΤХ    | 76102 |
| 4207.25         | WI   | Union Hill Oil & Gas Co. Inc.   |            | 7712 Glenshannon Circle | 9          |          | Dallas     | ΤХ    | 75225 |
| 4207.25         | WI   | Highland (Texas) Energy Company   |            | 11886 Greenville Ave    | Suite 106  |          | Dallas     | ΤХ    | 75243 |
| 4207.25         | WI   | Richardson Oil Company, LLC   |            | 11886 Greenville Ave    | Suite 106  |          | Dallas     | ΤХ    | 75243 |
| 4207.25         | WI   | Carolyn R. Beall  |            | PO Box 3098             |            |          | Midland    | ΤХ    | 79702 |
| 4207.25         | WI   | Diamond Star Production Co., LLC  |            | 331 G St, SW            |            |          | Ardmore    | OK    | 73401 |
| 4207.25         | WI   | Tierra Encantada, LLC   |            | P.O. Box 811            |            |          | Roswell    | NM    | 88202 |
| 4207.25         | WI   | David Luna  |            | P.O. Box 1518           |            |          | Roswell    | NM    | 88202 |
|                 |      |   |            |                         |            |          |            |       |       |

### Mailing (E2W2 23450)

| ReferenceNumber | TYPE | Name1  | Name2 | Address1                | Address2   | Address3 | City       | State | Zip   |
|-----------------|------|--|-------|-------------------------|------------|----------|------------|-------|-------|
| 4207.25         | RI   | Bureau of Land Management  |       | 414 W Taylor St         |            |          | Hobbs      | NM    | 88240 |
| 4207.25         | WI   | Moore & Shelton Co., Ltd   |       | PO Box 3070             |            |          | Galveston  | ТХ    | 77552 |
| 4207.25         | WI   | HOG Partnership, LP  |       | 5950 Cedar Springs Rd.  |            |          | Dallas     | ТХ    | 75235 |
| 4207.25         | WI   | Challenger Crude, Ltd.   |       | 400 West Illinois Ave.  | Suite 1210 |          | Midland    | TX    | 79701 |
| 4207.25         | WI   | Read & Stevens, Inc.   |       | 300 N. Marienfeld St.   | Suite 1000 |          | Midland    | TX    | 79701 |
| 4207.25         | WI   | First Century Oil, Inc.  |       | 300 N. Marienfeld St.   | Suite 1000 |          | Midland    | TX    | 79701 |
| 4207.25         | WI   | Francis Hill Hudson, Trustee of Lindy's Living Trust                                 |       | 4200 S. Hulen St.       | Suite 302  |          | Fort Worth | TX    | 76109 |
| 4207.25         | WI   | Bank of America, N.A., Successor Trustee of the Delmar Hudson Lewis Living Trust     |       | 301 Commerce St.        | Suite 2400 |          | Fort Worth | TX    | 76102 |
| 4207.25         | WI   | Magnum Hunter Production   |       | 600 N. Marienfeld St.   | Suite 600  |          | Midland    | TX    | 79701 |
| 4207.25         | WI   | Zorro Partners, Ltd.   |       | 616 Texas St.           |            |          | Fort Worth | TX    | 76102 |
| 4207.25         | WI   | Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard | l     | 640 Taylor Street       | 17th floor |          | Fort Worth | TX    | 76102 |
| 4207.25         | WI   | Ard Oil, LTD   |       | PO Box 101027           |            |          | Fort Worth | TX    | 76185 |
| 4207.25         | WI   | Chase Oil Corporation  |       | PO Box 1767             |            |          | Artesia    | NM    | 88211 |
| 4207.25         | WI   | Avalon Energy Corporation  |       | 310 West Wall St.       | Suite 305  |          | Midland    | TX    | 79701 |
| 4207.25         | WI   | Wilbanks Reserve Corporation   |       | 450 E. 17th Ave         | Suite 220  |          | Denver     | CO    | 80203 |
|                 |      | Prime Rock Resources AgentCo, Inc., as nominee for the benefit of Prime Rock         |       |                         |            |          |            |       |       |
| 4207.25         | WI   | Resources, LLC   |       | 203 W. Wall Street      | Suite 1000 |          | Midland    | TX    | 79701 |
| 4207.25         | WI   | Marks Oil, Inc.  |       | 1775 Sherman St.        | Suite 2990 |          | Denver     | CO    | 80203 |
| 4207.25         | WI   | Javelina Partners  |       | 616 Texas St.           |            |          | Fort Worth | TX    | 76102 |
| 4207.25         | WI   | William A. Hudson, II  |       | 616 Texas St.           |            |          | Fort Worth | TX    | 76102 |
| 4207.25         | WI   | Union Hill Oil & Gas Co. Inc.  |       | 7712 Glenshannon Circle | 9          |          | Dallas     | TX    | 75225 |
| 4207.25         | WI   | MRC Permian Company  |       | 5400 LBJ Freeway        | Suite 1500 |          | Dallas     | TX    | 75240 |
| 4207.25         | WI   | CM Resources II, LLC   |       | 300 N. Marienfeld St.   | Suite 1000 |          | Midland    | ТΧ    | 79701 |
| 4207.25         | WI   | CBR Oil Properties, LLC  |       | 400 N. Pennsylvania     | Suite 1080 |          | Roswell    | NM    | 88201 |
| 4207.25         | WI   | Laura K. Read, LLC   |       | P.O. Box 1090           |            |          | Roswell    | NM    | 88202 |
|                 |      |  |       |                         |            |          |            |       |       |

### Mailing (W2E2 23451)

| ReferenceNumber | TYPE | Name1  | Name2 | Address1                | Address2   | Address3 | City       | State | Zip   |
|-----------------|------|--|-------|-------------------------|------------|----------|------------|-------|-------|
| 4207.25         | RI   | Bureau of Land Management  |       | 414 W Taylor St         |            |          | Hobbs      | NM    | 88240 |
| 4207.25         | WI   | Moore & Shelton Co., Ltd   |       | PO Box 3070             |            |          | Galveston  | ТΧ    | 77552 |
| 4207.25         | WI   | HOG Partnership, LP  |       | 5950 Cedar Springs Rd.  |            |          | Dallas     | ТΧ    | 75235 |
| 4207.25         | WI   | Challenger Crude, Ltd.   |       | 400 West Illinois Ave.  | Suite 1210 |          | Midland    | ТΧ    | 79701 |
| 4207.25         | WI   | Read & Stevens, Inc.   |       | 300 N. Marienfeld St.   | Suite 1000 |          | Midland    | ТΧ    | 79701 |
| 4207.25         | WI   | First Century Oil, Inc.  |       | 300 N. Marienfeld St.   | Suite 1000 |          | Midland    | ТΧ    | 79701 |
| 4207.25         | WI   | Francis Hill Hudson, Trustee of Lindy's Living Trust                                 |       | 4200 S. Hulen St.       | Suite 302  |          | Fort Worth | ТΧ    | 76109 |
| 4207.25         | WI   | Bank of America, N.A., Successor Trustee of the Delmar Hudson Lewis Living Trust     |       | 301 Commerce St.        | Suite 2400 |          | Fort Worth | ТΧ    | 76102 |
| 4207.25         | WI   | Magnum Hunter Production   |       | 600 N. Marienfeld St.   | Suite 600  |          | Midland    | ТΧ    | 79701 |
| 4207.25         | WI   | Zorro Partners, Ltd.   |       | 616 Texas St.           |            |          | Fort Worth | ТΧ    | 76102 |
| 4207.25         | WI   | Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust FBO J. Terrell Ard |       | 640 Taylor Street       | 17th floor |          | Fort Worth | ТΧ    | 76102 |
| 4207.25         | WI   | Ard Oil, LTD   |       | PO Box 101027           |            |          | Fort Worth | ТΧ    | 76185 |
| 4207.25         | WI   | Chase Oil Corporation  |       | PO Box 1767             |            |          | Artesia    | NM    | 88211 |
| 4207.25         | WI   | Avalon Energy Corporation  |       | 310 West Wall St.       | Suite 305  |          | Midland    | ТΧ    | 79701 |
| 4207.25         | WI   | Wilbanks Reserve Corporation   |       | 450 E. 17th Ave         | Suite 220  |          | Denver     | CO    | 80203 |
|                 |      | Prime Rock Resources AgentCo, Inc., as nominee for the benefit of Prime Rock         |       |                         |            |          |            |       |       |
| 4207.25         | WI   | Resources, LLC   |       | 203 W. Wall Street      | Suite 1000 |          | Midland    | ТΧ    | 79701 |
| 4207.25         | WI   | Marks Oil, Inc.  |       | 1775 Sherman St.        | Suite 2990 |          | Denver     | CO    | 80203 |
| 4207.25         | WI   | Javelina Partners  |       | 616 Texas St.           |            |          | Fort Worth | ТΧ    | 76102 |
| 4207.25         | WI   | William A. Hudson, II  |       | 616 Texas St.           |            |          | Fort Worth | ТΧ    | 76102 |
| 4207.25         | WI   | Union Hill Oil & Gas Co. Inc.  |       | 7712 Glenshannon Circle |            |          | Dallas     | ТΧ    | 75225 |

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|                        |             | Mailed<br>U                                    | ivity Report - CertifiedPro.net<br>from 3/1/2023 to 3/31/2023<br>ser Name: abadieschill<br>ted: 7/12/2023 12:52:26 PM |                         |            |            |       |       |                |   |
|------------------------|-------------|--|---|-------------------------|------------|------------|-------|-------|----------------|---|
| USPS Article Number    | Date Mailed | Name 1   | Name 2  | Address 1               | Address 2  | City       | State | Zip   | Mailing Status | Service Options                             |
| 9314869904300105478180 | 03/15/2023  | Bureau of Land Management                      |   | 414 W Taylor St         |            | Hobbs      | NM    | 88240 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478197 | 03/15/2023  | Moore & Shelton Co., Ltd                       |   | PO Box 3070             |            | Galveston  | ТΧ    | 77552 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478203 | 03/15/2023  | HOG Partnership, LP                            |   | 5950 Cedar Springs Rd.  |            | Dallas     | ТΧ    | 75235 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478210 | 03/15/2023  | Challenger Crude, Ltd.                         |   | 400 West Illinois Ave.  | Suite 1210 | Midland    | ТΧ    | 79701 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478227 | 03/15/2023  | Read & Stevens, Inc.                           |   | 300 N. Marienfeld St.   | Suite 1000 | Midland    | ТΧ    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478234 | 03/15/2023  | First Century Oil, Inc.                        |   | 300 N. Marienfeld St.   | Suite 1000 | Midland    | ТΧ    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478241 | 03/15/2023  | Francis Hill Hudson                            | Trustee of Lindy's Living Trust   | 4200 S. Hulen St.       | Suite 302  | Fort Worth | ТΧ    | 76109 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478258 | 03/15/2023  | Bank of America, N.A., Successor Trustee       | of Delmar Hudson Lewis Living Trust   | 301 Commerce St.        | Suite 2400 | Fort Worth | ТΧ    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478265 | 03/15/2023  | Magnum Hunter Production                       |   | 600 N. Marienfeld St.   | Suite 600  | Midland    | ТΧ    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478272 | 03/15/2023  | Zorro Partners, Ltd.                           |   | 616 Texas St.           |            | Fort Worth | ТΧ    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478289 | 03/15/2023  | Frost Bank, Trustee of the Josephine T.        | Hudson Testamentary Trust FBO J. Terrell Ard  | 640 Taylor Street       | 17th floor | Fort Worth | ТΧ    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478296 | 03/15/2023  | Ard Oil, LTD                                   |   | PO Box 101027           |            | Fort Worth | ТΧ    | 76185 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478302 | 03/15/2023  | Chase Oil Corporation                          |   | PO Box 1767             |            | Artesia    | NM    | 88211 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478319 | 03/15/2023  | Avalon Energy Corporation                      |   | 310 West Wall St.       | Suite 305  | Midland    | ТΧ    | 79701 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478326 | 03/15/2023  | Wilbanks Reserve Corporation                   |   | 450 E. 17th Ave         | Suite 220  | Denver     | CO    | 80203 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478333 | 03/15/2023  | Prime Rock Resources AgentCo, Inc., as nominee | for the benefit of Prime Rock Resources, LLC  | 203 W. Wall Street      | Suite 1000 | Midland    | ТΧ    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478340 |             | Marks Oil, Inc.                                |   | 1775 Sherman St.        | Suite 2990 | Denver     | CO    | 80203 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478357 | 03/15/2023  | Javelina Partners                              |   | 616 Texas St.           |            | Fort Worth | ТΧ    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478364 | 03/15/2023  | William A. Hudson, II                          |   | 616 Texas St.           |            | Fort Worth | ТΧ    | 76102 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478371 | 03/15/2023  | Union Hill Oil & Gas Co. Inc.                  |   | 7712 Glenshannon Circle |            | Dallas     | ТΧ    | 75225 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478388 | 03/15/2023  | MRC Permian Company                            |   | 5400 LBJ Freeway        | Suite 1500 | Dallas     | ТΧ    | 75240 | Mailed         | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478395 | 03/15/2023  | CM Resources II, LLC                           |   | 300 N. Marienfeld St.   | Suite 1000 | Midland    | ТΧ    | 79701 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478401 | 03/15/2023  | CBR Oil Properties, LLC                        |   | 400 N. Pennsylvania     | Suite 1080 | Roswell    | NM    | 88201 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478418 | 03/15/2023  | Laura K. Read, LLC                             |   | P.O. Box 1090           |            | Roswell    | NM    | 88202 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478425 | 03/15/2023  | Highland (Texas) Energy Company                |   | 11886 Greenville Ave    | Suite 106  | Dallas     | ТΧ    | 75243 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478432 | 03/15/2023  | Richardson Oil Company, LLC                    |   | 11886 Greenville Ave    | Suite 106  | Dallas     | ТΧ    | 75243 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478449 | 03/15/2023  | Carolyn R. Beall                               |   | PO Box 3098             |            | Midland    | ТΧ    | 79702 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478456 |             | Diamond Star Production Co., LLC               |   | 331 G St, SW            |            | Ardmore    | OK    | 73401 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478463 | 03/15/2023  | Tierra Encantada, LLC                          |   | P.O. Box 811            |            | Roswell    | NM    | 88202 | Delivered      | Return Receipt - Electronic, Certified Mail |
| 9314869904300105478470 | 03/15/2023  | David Luna                                     |   | P.O. Box 1518           |            | Roswell    | NM    | 88202 | Delivered      | Return Receipt - Electronic, Certified Mail |

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 70**.

| Item Details            |  |  |  |  |  |
|-------------------------|--|--|--|--|--|
| Status:                 | Delivered, Individual Picked Up at Post Office |  |  |  |  |
| Status Date / Time:     | March 20, 2023, 09:18 a.m.                     |  |  |  |  |
| Location:               | ROSWELL, NM 88201                              |  |  |  |  |
| Postal Product:         | First-Class Mail®                              |  |  |  |  |
| Extra Services:         | Certified Mail™                                |  |  |  |  |
|                         | Return Receipt Electronic                      |  |  |  |  |
| Recipient Name:         | David Luna                                     |  |  |  |  |
| Shipment Details        |  |  |  |  |  |
| Weight:                 | 2.0oz  |  |  |  |  |
| Recipient Signature     |  |  |  |  |  |
| Signature of Recipient: | -M Navak<br>M. Neverk                          |  |  |  |  |
| Address of Recipient:   | 1518   |  |  |  |  |

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 63**.

| Item Details            |  |  |  |  |
|-------------------------|--|--|--|--|
| Status:                 | Delivered, Individual Picked Up at Post Office |  |  |  |
| Status Date / Time:     | March 20, 2023, 02:15 p.m.                     |  |  |  |
| _ocation:               | ROSWELL, NM 88201                              |  |  |  |
| Postal Product:         | First-Class Mail®                              |  |  |  |
| Extra Services:         | Certified Mail™                                |  |  |  |
|                         | Return Receipt Electronic                      |  |  |  |
| Recipient Name:         | Tierra Encantada LLC                           |  |  |  |
| Shipment Details        |  |  |  |  |
| Veight:                 | 2.0oz  |  |  |  |
| Recipient Signature     |  |  |  |  |
| Signature of Recipient: | Betty Young<br>Betty YOUNY                     |  |  |  |
| Address of Recipient:   | P & Brozill<br>,/Roswell MM<br>FiloZe          |  |  |  |

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 56**.

| Item Details                 |  |
|------------------------------|--|
| Status:                      | Delivered, Individual Picked Up at Post Office |
| Status Date / Time:          | March 20, 2023, 09:58 a.m.                     |
| Location:                    | ARDMORE, OK 73401                              |
| Postal Product:              | First-Class Mail <sup>®</sup>                  |
| Extra Services:              | Certified Mail™                                |
|                              | Return Receipt Electronic                      |
| Recipient Name:              | Diamond Star Production Co LLC                 |
| Shipment Details             |  |
| Weight:                      | 2.0oz  |
| Destination Delivery Address |  |
| Street Address:              | 331 G ST SW                                    |
| City, State ZIP Code:        | ARDMORE, OK 73401-4956                         |
| Recipient Signature          |  |
| Signature of Recipient:      | Q-   |
|                              | In mus B Remt.<br>331 G ST SW                  |
| Address of Recipient:        | ARDMORE, OK 73401-4958                         |

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

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

Information in this section provided by Covius Document Services, LLC.

March 22, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 49**.

| Item Details                   |   |  |  |  |  |
|--------------------------------|---|--|--|--|--|
| Status:<br>Status Date / Time: | Delivered, Individual Picked Up at Post Office  |  |  |  |  |
| Location:                      | March 21, 2023, 03:19 p.m.<br>MIDLAND, TX 79701 |  |  |  |  |
| Postal Product:                | First-Class Mail®                               |  |  |  |  |
| Extra Services:                | Certified Mail™<br>Return Receipt Electronic    |  |  |  |  |
| Recipient Name:                | Carolyn R Beall                                 |  |  |  |  |
| Shipment Details               |   |  |  |  |  |
| Weight:                        | 2.0oz   |  |  |  |  |
| Recipient Signature            |   |  |  |  |  |
| Signature of Recipient:        | Am Shenr  |  |  |  |  |
| Address of Recipient:          | 318   |  |  |  |  |

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 32**.

| Item Details                                  |                                       |  |  |  |  |  |
|---|---------------------------------------|--|--|--|--|--|
| Status:                                       | Delivered to Agent for Final Delivery |  |  |  |  |  |
| Status Date / Time:                           | March 20, 2023, 02:00 p.m.            |  |  |  |  |  |
| Location:                                     | DALLAS, TX 75243                      |  |  |  |  |  |
| Postal Product:                               | First-Class Mail®                     |  |  |  |  |  |
| Extra Services:                               | Certified Mail™                       |  |  |  |  |  |
|   | Return Receipt Electronic             |  |  |  |  |  |
| Recipient Name:                               | Richardson Oil Company LLC            |  |  |  |  |  |
| Shipment Details                              |                                       |  |  |  |  |  |
| Weight:                                       | 2.0oz                                 |  |  |  |  |  |
| Recipient Signature                           |                                       |  |  |  |  |  |
| Signature of Recipient:<br>(Authorized Agent) | 11-17                                 |  |  |  |  |  |
| Address of Recipient:                         | 11886 Greenville Al                   |  |  |  |  |  |

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

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 25**.

| Item Details                                  |                                       |  |  |  |  |
|---|---------------------------------------|--|--|--|--|
| Status:                                       | Delivered to Agent for Final Delivery |  |  |  |  |
| Status Date / Time:                           | March 20, 2023, 02:00 p.m.            |  |  |  |  |
| Location:                                     | DALLAS, TX 75243                      |  |  |  |  |
| Postal Product:                               | First-Class Mail®                     |  |  |  |  |
| Extra Services:                               | Certified Mail™                       |  |  |  |  |
|   | Return Receipt Electronic             |  |  |  |  |
| Recipient Name:                               | Highland Texas Energy Company         |  |  |  |  |
| Shipment Details                              |                                       |  |  |  |  |
| Weight:                                       | 2.0oz                                 |  |  |  |  |
| Recipient Signature                           |                                       |  |  |  |  |
| Signature of Recipient:<br>(Authorized Agent) | 11-17                                 |  |  |  |  |
| Address of Recipient:                         | 11886 Greenville Al                   |  |  |  |  |

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

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

Information in this section provided by Covius Document Services, LLC.

Page 252 of 275

POSTAL SERVICE

March 23, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 18**.

| Item Details            |  |  |  |  |  |
|-------------------------|--|--|--|--|--|
| Status:                 | Delivered, Individual Picked Up at Post Office   |  |  |  |  |
| Status Date / Time:     | March 22, 2023, 01:22 p.m.   |  |  |  |  |
| Location:               | ROSWELL, NM 88201  |  |  |  |  |
| Postal Product:         | First-Class Mail®  |  |  |  |  |
| Extra Services:         | Certified Mail™  |  |  |  |  |
|                         | Return Receipt Electronic  |  |  |  |  |
| Recipient Name:         | Laura K Read LLC   |  |  |  |  |
| Shipment Details        |  |  |  |  |  |
| Weight:                 | 2.0oz  |  |  |  |  |
| Recipient Signature     |  |  |  |  |  |
| Signature of Recipient: | Defusion and the second |  |  |  |  |
| Address of Recipient:   | ROSWELL, NM 88202-1090   |  |  |  |  |

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

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4784 01**.

| Item Details                 |  |
|------------------------------|--|
| Status:                      | Delivered, Front Desk/Reception/Mail Room                |
| Status Date / Time:          | March 20, 2023, 11:16 a.m.                               |
| Location:                    | ROSWELL, NM 88201  |
| Postal Product:              | First-Class Mail®  |
| Extra Services:              | Certified Mail™  |
|                              | Return Receipt Electronic                                |
| Recipient Name:              | CBR Oil Properties LLC                                   |
| Shipment Details             |  |
| Weight:                      | 2.0oz  |
| Destination Delivery Address |  |
| Street Address:              | 400 N PENNSYLVANIA AVE STE 1080                          |
| City, State ZIP Code:        | ROSWELL, NM 88201-4715                                   |
| Recipient Signature          |  |
| Signature of Recipient:      | Rebelsterers<br>Reras                                    |
| Address of Recipient:        | 400 N PENNSYLVANIA AVE<br>STE 1000, ROSWELL, NM<br>88201 |

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

Information in this section provided by Covius Document Services, LLC.

March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 95**.

| Item Details                 |                                  |
|------------------------------|----------------------------------|
| Status:                      | Delivered, Left with Individual  |
| Status Date / Time:          | March 18, 2023, 11:17 a.m.       |
| Location:                    | MIDLAND, TX 79701                |
| Postal Product:              | First-Class Mail®                |
| Extra Services:              | Certified Mail™                  |
|                              | Return Receipt Electronic        |
| Recipient Name:              | CM Resources II LLC              |
| Shipment Details             |                                  |
| Weight:                      | 2.0oz                            |
| Destination Delivery Address |                                  |
| Street Address:              | 300 N MARIENFELD ST STE 1000     |
| City, State ZIP Code:        | MIDLAND, TX 79701-4688           |
| Recipient Signature          |                                  |
| Signature of Recipient:      | Engene<br>Congene<br>Just Marand |
|                              |                                  |
| Address of Recipient:        | Sur mariner                      |

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

Information in this section provided by Covius Document Services, LLC.

March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 71**.

| Item Details                 |                                 |
|------------------------------|---------------------------------|
| Status:                      | Delivered, Left with Individual |
| Status Date / Time:          | March 18, 2023, 02:45 p.m.      |
| Location:                    | DALLAS, TX 75225                |
| Postal Product:              | First-Class Mail <sup>®</sup>   |
| Extra Services:              | Certified Mail™                 |
|                              | Return Receipt Electronic       |
| Recipient Name:              | Union Hill Oil Gas Co Inc       |
| Shipment Details             |                                 |
| Weight:                      | 8.0oz                           |
| Destination Delivery Address |                                 |
| Street Address:              | 7712 GLENSHANNON CIR            |
| City, State ZIP Code:        | DALLAS, TX 75225-2054           |
| Recipient Signature          |                                 |
| Signature of Recipient:      |                                 |
| Address of Recipient:        |                                 |

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 64**.

| Item Details                 |                                 |
|------------------------------|---------------------------------|
| Status:                      | Delivered, Left with Individual |
| Status Date / Time:          | March 20, 2023, 03:22 p.m.      |
| Location:                    | FORT WORTH, TX 76102            |
| Postal Product:              | First-Class Mail®               |
| Extra Services:              | Certified Mail™                 |
|                              | Return Receipt Electronic       |
| Recipient Name:              | William A Hudson II             |
| Shipment Details             |                                 |
| Weight:                      | 8.0oz                           |
| Destination Delivery Address |                                 |
| City, State ZIP Code:        | FORT WORTH, TX 76102-4662       |
| Recipient Signature          |                                 |
| Signature of Recipient:      | Covey<br>GIGTEXIAS              |
| Address of Recipient:        | 616 Texias<br>St                |

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

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 57**.

| Item Details                 |                                 |
|------------------------------|---------------------------------|
| Status:                      | Delivered, Left with Individual |
| Status Date / Time:          | March 20, 2023, 03:22 p.m.      |
| Location:                    | FORT WORTH, TX 76102            |
| Postal Product:              | First-Class Mail®               |
| Extra Services:              | Certified Mail™                 |
|                              | Return Receipt Electronic       |
| Recipient Name:              | Javelina Partners               |
| Shipment Details             |                                 |
| Weight:                      | 8.0oz                           |
| Destination Delivery Address |                                 |
| City, State ZIP Code:        | FORT WORTH, TX 76102-4662       |
| Recipient Signature          |                                 |
| Signature of Recipient:      | Coray<br>Coray<br>616 Texnas    |
| Address of Recipient:        | 616 Texias<br>St                |

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 40**.

| Item Details                                  |                                       |
|---|---------------------------------------|
| Status:                                       | Delivered to Agent for Final Delivery |
| Status Date / Time:                           | March 20, 2023, 04:38 p.m.            |
| Location:                                     | DENVER, CO 80203                      |
| Postal Product:                               | First-Class Mail®                     |
| Extra Services:                               | Certified Mail™                       |
|   | Return Receipt Electronic             |
| Recipient Name:                               | Marks Oil Inc                         |
| Shipment Details                              |                                       |
| Weight:                                       | 8.0oz                                 |
| Recipient Signature                           |                                       |
| Signature of Recipient:<br>(Authorized Agent) | Bide & Den A                          |
| Address of Recipient:                         | 1775 Sherran - 2015                   |

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 33**.

| Item Details                 |   |
|------------------------------|---|
| Status:                      | Delivered, Left with Individual               |
| Status Date / Time:          | March 20, 2023, 04:37 p.m.                    |
| Location:                    | MIDLAND, TX 79701                             |
| Postal Product:              | First-Class Mail <sup>®</sup>                 |
| Extra Services:              | Certified Mail™                               |
|                              | Return Receipt Electronic                     |
| Recipient Name:              | Prime Rock Resources AgentCo Inc as nominee f |
| Shipment Details             |   |
| Weight:                      | 8.0oz   |
| Destination Delivery Address |   |
| Street Address:              | 203 W WALL ST STE 1000                        |
| City, State ZIP Code:        | MIDLAND, TX 79701-4525                        |
| Recipient Signature          |   |
| Signature of Recipient:      | M.Sire J                                      |
| Address of Recipient:        | 7070-Wall<br>1072                             |

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 26**.

| Item Details                 |   |
|------------------------------|---|
| Status:                      | Delivered, Front Desk/Reception/Mail Room |
| Status Date / Time:          | March 20, 2023, 03:39 p.m.                |
| Location:                    | DENVER, CO 80203                          |
| Postal Product:              | First-Class Mail®                         |
| Extra Services:              | Certified Mail™                           |
|                              | Return Receipt Electronic                 |
| Recipient Name:              | Wilbanks Reserve Corporation              |
| Shipment Details             |   |
| Weight:                      | 8.0oz                                     |
| Destination Delivery Address |   |
| Street Address:              | 450 E 17TH AVE UNIT 220                   |
| City, State ZIP Code:        | DENVER, CO 80203-1254                     |
| Recipient Signature          |   |
| Signature of Recipient:      | $\frac{1}{344}$                           |
| Address of Recipient:        | Marth<br>Box                              |

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Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4783 02**.

| Item Details            |  |
|-------------------------|--|
| Status:                 | Delivered, Individual Picked Up at Post Office |
| Status Date / Time:     | March 20, 2023, 11:20 a.m.                     |
| Location:               | ARTESIA, NM 88210                              |
| Postal Product:         | First-Class Mail®                              |
| Extra Services:         | Certified Mail™                                |
|                         | Return Receipt Electronic                      |
| Recipient Name:         | Chase Oil Corporation                          |
| Shipment Details        |  |
| Weight:                 | 8.0oz  |
| Recipient Signature     |  |
| Signature of Recipient: | Branreyard                                     |
| Address of Recipient:   | 161  |

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March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4782 96**.

| Item Details   |   |
|--|---|
| Status:<br>Status Date / Time:<br>Location:<br>Postal Product:<br>Extra Services:<br>Recipient Name: | Delivered<br>March 20, 2023, 06:53 a.m.<br>FORT WORTH, TX 76185<br>First-Class Mail <sup>®</sup><br>Certified Mail™<br>Return Receipt Electronic<br>Ard Oil LTD |
| Shipment Details   |   |
| Weight:  | 8.0oz   |
| Destination Delivery Address   |   |
| Street Address:<br>City, State ZIP Code:   | PO BOX 101027<br>FORT WORTH, TX 76185-1027  |
| Recipient Signature  |   |
| Signature of Recipient:  | Bennie Stackten   |
| Address of Recipient:  | NU21  |

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Information in this section provided by Covius Document Services, LLC.

**UNITED STATES** POSTAL SERVICE

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4782 89**.

| Item Details                 |  |
|------------------------------|--|
| Status:                      | Delivered, Left with Individual                |
| Status Date / Time:          | March 20, 2023, 01:05 p.m.                     |
| Location:                    | FORT WORTH, TX 76102                           |
| Postal Product:              | First-Class Mail <sup>®</sup>                  |
| Extra Services:              | Certified Mail™                                |
|                              | Return Receipt Electronic                      |
| Recipient Name:              | Frost Bank Trustee of the Josephine T Hudson T |
| Shipment Details             |  |
| Weight:                      | 8.0oz  |
| Destination Delivery Address |  |
| Street Address:              | 640 TAYLOR ST                                  |
| City, State ZIP Code:        | FORT WORTH, TX 76102-4809                      |
| Recipient Signature          |  |
| Signature of Recipient:      | H. PAHANE PE                                   |
| Address of Recipient:        | 1 616 laylor troot                             |

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4782 72**.

| Item Details                 |                                 |
|------------------------------|---------------------------------|
| Status:                      | Delivered, Left with Individual |
| Status Date / Time:          | March 20, 2023, 03:22 p.m.      |
| Location:                    | FORT WORTH, TX 76102            |
| Postal Product:              | First-Class Mail®               |
| Extra Services:              | Certified Mail™                 |
|                              | Return Receipt Electronic       |
| Recipient Name:              | Zorro Partners Ltd              |
| Shipment Details             |                                 |
| Weight:                      | 8.0oz                           |
| Destination Delivery Address |                                 |
| City, State ZIP Code:        | FORT WORTH, TX 76102-4662       |
| Recipient Signature          |                                 |
| Signature of Recipient:      | Covey<br>GIGTEXIAS              |
| Address of Recipient:        | 616 Texias<br>St                |

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

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4782 65**.

| Item Details                 |  |
|------------------------------|--|
| Status:                      | Delivered, Individual Picked Up at Post Office |
| Status Date / Time:          | March 20, 2023, 01:10 p.m.                     |
| Location:                    | MIDLAND, TX 79701                              |
| Postal Product:              | First-Class Mail <sup>®</sup>                  |
| Extra Services:              | Certified Mail™                                |
|                              | Return Receipt Electronic                      |
| Recipient Name:              | Magnum Hunter Production                       |
| Shipment Details             |  |
| Weight:                      | 8.0oz  |
| Destination Delivery Address |  |
| Street Address:              | 600 N MARIENFELD ST STE 600                    |
| City, State ZIP Code:        | MIDLAND, TX 79701-4405                         |
| Recipient Signature          |  |
| Signature of Recipient:      | ( - Ocldo-<br>Pam Waldon                       |
| Address of Recipient:        | 600 N MARINAL She lot<br>Midle JJ. TX 71761    |

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

Information in this section provided by Covius Document Services, LLC.

March 24, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4782 58**.

| Item Details                 |  |
|------------------------------|--|
| Status:                      | Delivered, Left with Individual              |
| Status Date / Time:          | March 23, 2023, 11:16 a.m.                   |
| Location:                    | FORT WORTH, TX 76102                         |
| Postal Product:              | First-Class Mail®                            |
| Extra Services:              | Certified Mail™                              |
|                              | Return Receipt Electronic                    |
| Recipient Name:              | Bank of America NA Successor Trustee of Delm |
| Shipment Details             |  |
| Weight:                      | 8.0oz  |
| Destination Delivery Address |  |
| Street Address:              | 301 COMMERCE ST STE 2400                     |
| City, State ZIP Code:        | FORT WORTH, TX 76102-4124                    |
| Recipient Signature          |  |
| Signature of Recipient:      | J. Garcia<br>T. G. ARELA                     |
| Address of Recipient:        | 30/ Connepte # 2400                          |

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

Information in this section provided by Covius Document Services, LLC.

March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4782 34**.

| Item Details                 |                                 |
|------------------------------|---------------------------------|
| Status:                      | Delivered, Left with Individual |
| Status Date / Time:          | March 18, 2023, 11:17 a.m.      |
| Location:                    | MIDLAND, TX 79701               |
| Postal Product:              | First-Class Mail®               |
| Extra Services:              | Certified Mail™                 |
|                              | Return Receipt Electronic       |
| Recipient Name:              | First Century Oil Inc           |
| Shipment Details             |                                 |
| Weight:                      | 8.0oz                           |
| Destination Delivery Address |                                 |
| Street Address:              | 300 N MARIENFELD ST STE 1000    |
| City, State ZIP Code:        | MIDLAND, TX 79701-4688          |
| Recipient Signature          |                                 |
| Signature of Recipient:      | Chyche<br>Chyche                |
| Address of Recipient:        | Jul Marenet                     |

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

Information in this section provided by Covius Document Services, LLC.

March 20, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4782 27**.

| Item Details                 |                                 |
|------------------------------|---------------------------------|
| Status:                      | Delivered, Left with Individual |
| Status Date / Time:          | March 18, 2023, 11:17 a.m.      |
| Location:                    | MIDLAND, TX 79701               |
| Postal Product:              | First-Class Mail®               |
| Extra Services:              | Certified Mail™                 |
|                              | Return Receipt Electronic       |
| Recipient Name:              | Read Stevens Inc                |
| Shipment Details             |                                 |
| Weight:                      | 8.0oz                           |
| Destination Delivery Address |                                 |
| Street Address:              | 300 N MARIENFELD ST STE 1000    |
| City, State ZIP Code:        | MIDLAND, TX 79701-4688          |
| Recipient Signature          |                                 |
| Signature of Recipient:      | Chyphe<br>Chyphe<br>200 Marchal |
| Address of Recipient:        | 200 Marchal                     |

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<sup>®</sup> for your mailing needs. If you require additional assistance, please contact your local Post Office<sup>™</sup> or a Postal representative at 1-800-222-1811.

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

Information in this section provided by Covius Document Services, LLC.

March 21, 2023

Dear WALZ GROUP:

The following is in response to your request for proof of delivery on your item with the tracking number: **9314 8699 0430 0105 4781 80**.

| Item Details                 |                                 |
|------------------------------|---------------------------------|
| Status:                      | Delivered, Left with Individual |
| Status Date / Time:          | March 20, 2023, 11:33 a.m.      |
| Location:                    | HOBBS, NM 88240                 |
| Postal Product:              | First-Class Mail®               |
| Extra Services:              | Certified Mail™                 |
|                              | Return Receipt Electronic       |
| Recipient Name:              | Bureau of Land Management       |
| Shipment Details             |                                 |
| Weight:                      | 8.0oz                           |
| Destination Delivery Address |                                 |
| Street Address:              | 414 W TAYLOR ST                 |
| City, State ZIP Code:        | HOBBS, NM 88240-6054            |
| Recipient Signature          |                                 |
|                              |                                 |
| Signature of Recipient:      |                                 |
| Address of Recipient:        | I VI (KG                        |
|                              |                                 |

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

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

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STATE OF NEW MEXICO COUNTY OF LEA

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

> Beginning with the issue dated March 17, 2023 and ending with the issue dated March 17, 2023.

Publisher

Sworn and subscribed to before me this 17th day of March 2023.

**Business Manager** 

My commission expires January 29, 2027 STATE OF NEW MEXICO (Seal) NOTARY PUBLIC GUSSIE RUTH BLACK COMMISSION # 1087528 COMMISSION EXPIRES 01/29/2027

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

67115820

#00276727

00276727

DAVID SESSIONS ABADIE SCHILL 555 RIVERGATE LANE 84-180 **DURANGO, CO 81301** 

# LEGAL NOTICE March 17, 2023 March 17, 2023 <u>CASE No. 23448</u>: Notice – to all parties and persons having any right, title, Interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUDE, LTD; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF LINDY'S LIVING TRUST; BANK OF AMERICA, N.A. SUCCESSOR TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II and UNION HILL OIL & GAS CO. INC., of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its OII Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally heid at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally heid at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 478-3441. Cimarex Energy CO.

For information about remote access and the status of the case, you can visit the Division's website at: https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienfeld St. Suite 600, 79701, HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.09-acre, more or less, horizontal spacing and proration unit comprised of Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 leet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 leet, that being the base of said Bone Spring, designated as an oil pool, underlying the unit. Section 5 is an irregular section containing correction lots. The proposed wells to be declicated to the horizontal spacing unit are the Mighty Pheasant 5-8 Fed Com 204H Well and the Mighty Pheasant 5-8 Fed Com 204H Well and the Mighty Range 34 East, NMPM. The wells will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as dominating correction by and a 200% of the another to the Applicant as dominating and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof; actual operating costs and charges for supervision; the designation of the Applicant as Observision; the designation of the Applicant as the set of the more supervision of the costs thereof; actual operating costs and charges for supervision;

Operating costs and charges for supervision; the designation of the Applicant as Operator of the wells and unit; and a 200% charge for the risk involved in drilling and completing the wells. The wells and lands are located approximately 40 miles northeast of Carisbad, New Mexico.

**Released to Imaging: 7/14/2023 8:08:00 AM** 

STATE OF NEW MEXICO COUNTY OF LEA

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Publisher

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Plack

**Business Manager** 

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

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said 67115820

00276729

DAVID SESSIONS ABADIE SCHILL 555 RIVERGATE LANE 84-180 DURANGO, CO 81301

LEGAL NOTICE March 17, 2023 CASE No. 23449: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include MOORE & SHELTON CO., LTD: HOG PARTNERSHIP, LP: CHALLENGER CRUDE, LTD.; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUD5ON, TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE JOSEPHINE T. HUDSON TESTAMENTARY TRUST FBO J. TERRELL ARD; ARD OIL, LTD; CHASE OIL, CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; PRIME ROCK RESOURCES AGENTCO, INC., AS NOMINEE FOR THE BENEFIT OF PRIME ROCK RESOURCES, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II; UNION HILL OIL & GAS CO. INC.; HIGHLAND (TEXAS) ENERGY COMPANY; RICHARDSON OIL, COMPANY, LLC; CAROLYN R. BEALL; DIAMOND STAR PRODUCTION CO., LLG; TIERRA ENCANTADA, LLC AND DAVID LUNA, of Cimarex Energy Co.'s application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico. The State of New Mexico, through its Oil Conservation Division hereby gives notice that the Division Examiner will conduct a public hearing at 8.15 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can yisif the Division's website at https://www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Cimarex

New Mexico, 87505. However, under current Division policies, the hearing will be conducted remotely online. For information about remote access and the status of the case, you can visit the Division's website at this//www.emnrd.nm.gov/ocd/hearing-info/ or call (505) 476-3441. Cimarex Energy Co. (operational office at 600 N. Marienteld St. Suite 600, 79701; HQ office at 1700 Lincoln Street, Suite 3700, Denver CO 80203) seeks an order from the Division: (1) establishing a standard 320.01-acre, more or less, horizontal spacing and proration unit comprised of Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and the W/2 SW/4 of Section 5 and the W/2 W/2 of Section 8, in Township 20 South, Range 34 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests from a depth of 9,373 feet (top of first Bone Spring) in the Quail Ridge; Bone Spring formation [Pool Code 50460], to a depth of 10,845 feet, that being the base of said Bone Spring, designated as an oll pool, underlying the unit. Section 5 is an irregular section containing correction lots. The proposed well to be dedicated to the horizontal spacing unit is the Mighty Pheasant 5-8 Fed Com 301H Well, an oil well, to be horizontally drilled from a surface location in Lot 4 (NW/4 NW/4 equivalent) of Section 5 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 8. The well will be orthodox, and the take points and completed interval will comply with the setback requirements under the statewide Rules; also to be considered will be the cost of drilling and completing the well and the allocation of the Applicant as Operating costs and charges for supervision; the designation of the Applicant as Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico.

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STATE OF NEW MEXICO COUNTY OF LEA

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Publisher

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**Business Manager** 

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LEGAL NOTICE March 17, 2023

LEGAL NOTICE March 17, 2023 CASE No. 23450. Notice - to all parties and persons having any right, title, interest or claim in this case, including owners of working Interest, overtiding royalty interest, and record title, among others, whether such parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devisees, assigns and successors of such affected parties and persons, which based on reasonable diligence include MOORE & SHELTON CO., LTD; HOG PARTNERSHIP, LP, CHALLENGER CRUDE, LTD; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD; FROST BANK, TRUSTEE OF THE JOSEPHINE T, HUDSON TESTAMENTARY TRUST FBO J, TERRELL ARD; ARD OIL, LTD; CHASE OIL CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; AVALON ENERGY CORPORATION; WILBANKS NEESENVE CORPORATION; AVALON ENERGY CORPORATION; CM RESOURCES II, LLC; CBR OIL PROPENTIES, LLC AND LAURA K, READ, LLC; MARKS OIL, INC.; JAVELINA PARTNERS; WILLIAM A. HUDSON, II; JVIION HILL OIL & GAS CO, INC.; MRC PERMIAN COMPANY; CM RESOURCES II, LLC; CBR OIL PROPENTIES, LLC AND LAURA K, READ, LLC; CONSTAUE, SANA FE, New Mexico, 8505. However, under current Division policies, the hearing will be conducted remotely online. For Information about remote access and the status of the case. You can visit the Division's website at thtps://www.emmrd.mm.gov/cd/hearing-info/ or alpic hearing at at5 a.m. on April 6, 2023, traditionally held at 1220 S. St. Francis, Santa Fe, New Mexico, 8505. However, under current Division (SO4) 4704. Cimarex Energy CC, (operational office at 600 N. Marienfeld SI, Suite 600, 7701. HO office at 7000 Lincoin Street, Suite 3700, Denver CO 80203 seeks an order from the Division: (1) creating a standard 320.04 acre. more or less, horizontali brodifice at roto unit comprised of LO3 (NE/4 NW operating costs and charges for supervision; the designation of the costs thereor; actual Operator of the well and unit; and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 40 miles northeast of Carlsbad, New Mexico. #00276730

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DAVID SESSIONS ABADIE SCHILL 555 RIVERGATE LANE 84-180 **DURANGO, CO 81301** 

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### LEGAL NOTICE March 17, 2023

CASE No. 23451: Notice -- to all parties and persons having any right, title, interest or claim in this case, including owners of working interest, overriding royalty interest, and record title, among others, whether such CASE No. 23451: Notice – to all parties and persons having any right, title, interest or claim in this case, including owners of working interest overriding royality interest, and record title, among others, whether such and unknown heirs, devices, assigns and successors of such alfacted parties or persons are listed herein or not, as well as notice to all known and unknown heirs, devices, assigns and successors of such alfacted to the supersons, which based on reasonable diligence include MOOHE & SHELTON CO., LTD; HOG PARTNERSHIP, LP; CHALLENGER CRUEL END; READ & STEVENS, INC.; FIRST CENTURY OIL, INC.; FRANCIS HILL HUDSON, TRUSTEE OF THE DELMAR HUDSON LEWIS LIVING TRUST; MAGNUM HUNTER PRODUCTION; ZORRO PARTNERS, LTD.; FROST BANK, TRUSTEE OF THE DELMAR HUDSON TESTAMENTARY AVALON ENERGY CORPORATION; WILBANKS RESERVE CORPORATION; AVALON ENERGY COMPORATION; WILBANKS RESERVE CORPORATION; AVALON ENERGY COLS: application for approval of a spacing unit and compulsory pooling, Lea County, New Mexico, The State of New Mexico, through its Oil Conservation Division, hereby gives notice that the Division Examiner will conduct a public hearing at 8:15 a.m. on April 6, 2023, traditionally heid at 1220 S. St. Francis, Santa Fe, New Mexico, 37505. However, under current Division policies, the hearing will be conducted remotely online. For Information about remote access and the status of the case, you can visit the Division's website at: https://www.emmd/n.m. gov/ocd/hearing-info/ or call (605) 476-3441. Climarex Energy Co. (operational office at 600 N. Marienial St. Suite 607, 7971. HO office at 1700 Lincon Street, Suite 3700, Denver

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DAVID SESSIONS ABADIE SCHILL 555 RIVERGATE LANE 84-180 DURANGO, CO 81301

# TAB 6

Case No. 23448-23451

Exhibit E:Resume of Facilities Engineer: Calvin BoyleExpert Facilities Witness Available for Questions and Consultation

# **Calvin Thomas Boyle**

6001 Deauville Blvd. Suite 300N Midland, TX 79706 | (918)-891-1095 | calvin.boyle@coterra.com

### Education

## Master of Business Administration

Concentration: Energy Business Oklahoma State University – Stillwater, OK Graduated August 2018; GPA: 4.00 **Bachelor of Science in Petroleum Engineering** University of Oklahoma – Norman, OK Graduated May 2016; GPA: 3.71

### Work Experience

### **Coterra Energy (Formerly Cimarex Energy) – Facility Engineer**

Midland, TX (April 2021-present)

- Plan, supervise, and design capital projects to minimize environmental impact
- Efficiently allocate capital to optimize production facilities
- Manage \$74MM capital construction budget
- Implement Vapor Recovery Unit life plan to effectively decrease emissions
- Coordinate with field personnel and executive management for successful project execution
- Software proficiencies: Promax, ARIES, Carte, XSPOC, Spotfire, Google Earth, and various

# **Coterra Energy (Formerly Cimarex Energy) – Production Engineer**

Midland, TX (March 2020-April 2021)

- Monitor production of more than 200 oil and gas wells in Lea and Eddy County New Mexico (Gas Lift, ESP, flowing, and pumping wells)
- Proposed, oversaw, and executed the divestiture of a 30 well asset
- Design and implement workovers (Rod Lift, ESP, Plunger, Acid Stimulation)
- Implemented the XSPOC system which decreased downtime by 12%

# Coterra Energy (Formerly Cimarex Energy) – Field Engineer

Jal, NM (March 2019 to March 2020)

- Managed production of 31 oil wells (Gas lift, pumping, plunger, and flowing)
- Optimized the wells to increase production and decrease LOE
- Monitored flare pilot and VRUs to prevent methane emissions from flares and tanks
- Maintained production facilities

### Halliburton Energy Services – Technical Professional, Cement

El Reno, OK (June 2017 to March 2019)

- Manage and design the cementing program for all of XTO's drilling rigs in the Mid-Continent; designing the cement programs in order to meet or exceed all of the XTO's specifications on each well drilled
- Design cement slurries for thickening time, compressive strength, rheological properties, and fluid loss; proactively tailoring cement slurries to achieve desired properties and alleviate risk for both my customers and Halliburton
- Run foam cement jobs on location; monitoring multiple variables and pumping nitrogen to ensure a successful job

