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

CASE NO. 23582

HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Travis Macha
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Christopher Cantin
B-1	Regional Locator Map
B-2	Cross Section Location Map of the Pinkie Pie 22-21 Fed Com 122H and 132H wells
B-3	Second Bone Spring Subsea Structure Map
B-4	Third Bone Spring Subsea Structure Map
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Diagram
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for June 14, 2023

COMPULSORY POOLING APPLICATION CHECKLIST

Page 2 of 49

ALL INFORMATION IN THE APPLICATION MUST BE SUP	PORTED BY SIGNED AFFIDAVITS

Case: 23582	APPLICANT'S RESPONSE
Date	August 3, 2023
Applicant	Permian Resources Operating, LLC (OGRID No. 372165)
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 372165
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Permian Resources Operating for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Pinkie Pie
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:	Tamano; Bone Spring Pool (Code 58040)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-quarter
Orientation:	East to West
Description: TRS/County	S/2 N/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s) Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Pinkie Pie 22-21 Fed Com 122H (API #) SHL: 1550' FNL & 289' FEL (Unit H), Section 22, T18S, R31E BHL: 1980' FNL & 100' FWL (Unit E), Section 21, T18S, R31E Completion Target: Second Bone Spring (8,685' TVD)
Well #2	Pinkie Pie 22-21 Fed Com 132H (API #) SHL: 1550' FNL & 289' FEL (Unit H), Section 22, T18S, R31E BHL: 1980' FNL & 100' FWL (Unit E), Section 21, T18S, R31E Completion Target: Third Bone Spring (9,545' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	

DARRAGISEGEWiGGPM&A42Q23 3:10:46 PM	\$8,000.00	Page 3 of
Production Supervision/Month \$	\$800.00	
Justification for Supervision Costs	Exhibit A	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit A-1	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice		
requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-2	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit A-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-2	
Structure Contour Map - Subsea Depth	Exhibit B-3, Exhibit B-4	
Cross Section Location Map (including wells)	Exhibit B-5	
Cross Section (including Landing Zone)	Exhibit B-5	
Additional Information		
Special Provisions/Stipulations	N/A	

CERRIPIECATION P. Cher સ્કોન્ટ્રેલિને કોઈનું કેમિસ્ટેલિમાન formation provided in th	nis checklist is complete and accurate. Page 4
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	8/1/2023

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

CASE NO. 23582

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

- 1. I am a Senior Landman at Permian Resources Operating, LLC ("Permian Resources") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of Permian Resources' application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.
- 4. Permian Resources seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the following proposed wells ("Wells"), which will be completed in the Tamano; Bone Spring Pool (Code 58040):
 - a. Pinkie Pie 22-21 Fed Com 122H well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 22 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 21; and

Permian Resources Operating, LLC Case No. 23582 Exhibit A

- b. **Pinkie Pie 22-21 Fed Com 132H** well, to be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 22 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 21.
- 6. The completed interval of the Wells will be orthodox.
- 7. **Exhibit A-2** contains the C-102s for the Wells.
- 8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Permian Resources seeks to pool highlighted in yellow. All of the parties are locatable in that Permian Resources believes it located valid addresses for them.
- 9. Permian Resources has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.
- 10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 11. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
- 12. Permian Resources requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Permian Resources and other operators in the vicinity.

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

1	
	8/1/2023
Travis Macha	Date

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

CASE NO. 23582

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states the following:

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Pinkie Pie 22-21 Fed Com 122H** and **Pinkie Pie 22-21 Fed Com 132H** wells ("Wells"), which will be drilled from surface hole locations in the SE/4 NE/4 (Unit H) of Section 22, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 21.
 - 3. The completed intervals of the Wells will be orthodox.
- 4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protest correlative rights.

Permian Resources Operating, LLC Case No. 23582 Exhibit A-1 6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and the Unit.

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

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

<u>/s/ Dana S. Hardy</u>

Dana S. Hardy Jaclyn M. McLean Yarithza Peña P.O. Box 2068 Santa Fe, NM 87504-2068

Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com ypena@hinklelawfirm.com Counsel for Permian Resources Operating, LLC Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Pinkie Pie 22-21 Fed Com 122H and Pinkie Pie 22-21 Fed Com 132H wells ("Wells"), which will be drilled from surface hole locations in the SE/4 NE/4 (Unit H) of Section 22, to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 21. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 32.64 miles Southeast of Artesia, New Mexico.

Received by OCD: 8/1/2023 3:10:46 PM

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

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 58040	³ Pool Name Tamano; Bone Spring	Pool
⁴ Property Code		⁵ Pr PINKIE PI	⁶ Well Number 122H	
⁷ OGRID No. 372165			perator Name URCES OPERATING, LLC	⁹ Elevation 3673.2'

¹⁰ Surface Location

UL or lot no. H	Section 22	Township 18S	Range 31E	Lot Idn	Feet from the 1550	North/South line NORTH	Feet from the 289	East/West line EAST	County EDDY
	Bottom Hole Location If Different From Surface								
UL or lot no. E	Section 21	Township 18S	Range 31E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 100	East/West line WEST	County EDDY
12 Dedicated Acre 320	es 13 J	oint or Infill	14 Conso	olidation Code	15 Order No.				

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

NAD 83 (FIRST TAKE POINT)

NAD 27 (FIRST TAKE POINT)

N: 631404.39' E: 690244.50

N: 631340,99' E: 649065,62

LATITUDE = 32°44'05.40" (32.734834°

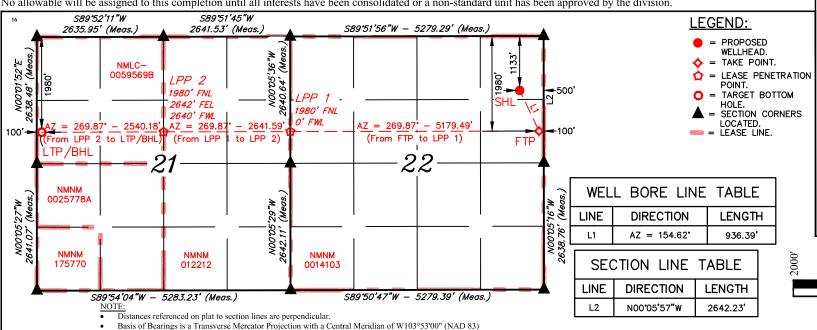
LATITUDE = 32°44'04.97" (32.734714°

STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

LONGITUDE = -103°50'56.65" (-103.849070°

LONGITUDE = -103°50'54.84" (-103.848565°



NAD 83 (LEASE PENETRATION POINT 1)

LONGITUDE = -103°51'57.28" (-103.865911°

LONGITUDE = -103°51'55.46" (-103.865406°)

NAD 27 (LEASE PENETRATION POINT 1)

LATITUDE = 32°44'05.29" (32,734804°)

LATITUDE = 32°44'04.86" (32.734685°)

STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

N: 631370.27' E: 685066.15'

N: 631306.91' E: 643887.24

DRAWN BY: Z.L. 03-28-23 NAD 83 (LEASE PENETRATION POINT 2)

1000

NAD 83 (LTP/BHL)

LATITUDE = 32°44'05.18" (32.734772°) LONGITUDE = -103°52'57.93" (-103.882759° NAD 27 (LTP/BHL) LATITUDE = 32°44'04.75" (32.734653°)

LONGITUDE = -103°52'56.11" (-103.882253°) STATE PLANE NAD 83 (N.M. EAST) N: 631336.13' E: 679885.53'

STATE PLANE NAD 27 (N.M. EAST) N: 631272.81' E: 638706.59

Released to Imaging: 8/1/2023 3:18:29 PM

NAD 83 (SURFACE HOLE LOCATION)

LONGITUDE = -103°51'01.35" (-103.850374°

LONGITUDE = -103°50'59.53" (-103.849870°

NAD 27 (SURFACE HOLE LOCATION)

LATITUDE = 32°44'13.77" (32.737159°)

LATITUDE = 32°44'13.34" (32.737039°)

STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

N: 632248.50' E: 689839.57

N: 632185.08' E: 648660.71

Permian Resources Operating, LLC: Case No. 23582 - Exhibit A-2

LATITUDE = 32°44'05.24" (32,734788°)

LATITUDE = 32°44'04.81" (32.734669°)

STATE PLANE NAD 83 (N.M. EAST)

STATE PLANE NAD 27 (N.M. EAST)

N: 631352.87' E: 682425.14'

N: 631289.52' E: 641246.22

LONGITUDE = -103°52'28.20" (-103.874500°

LONGITUDE = -103°52'26.38" (-103.873994

NAD 27 (LEASE PENETRATION POINT 2)

17 OPERATOR CERTIFICATION

Page 12 of 49

Date

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Printed Name

E-mail Address

Signature

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

March 22, 2023

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number:

SCALE

Received by OCD: 8/1/2023 3:10:46 PM

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

State of New Mexico

Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

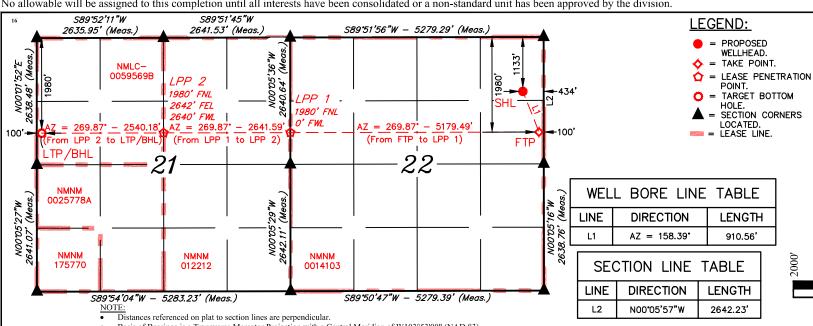
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 58040	Tamano; Bone Spring P	ool	
⁴ Property Code		⁵ Property Name PINKIE PIE 22-21 FED COM			
⁷ OGRID No. 372165			perator Name URCES OPERATING, LLC	⁹ Elevation 3673.9'	

¹⁰ Surface Location

UL or lot no. H	Section 22	Township 18S	Range 31E	Lot Idn	Feet from the 1550	North/South line NORTH	Feet from the 289	East/West line EAST	County EDDY
	Bottom Hole Location If Different From Surface								
UL or lot no. E	Section 21	Township 18S	Range 31E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 100	East/West line WEST	County EDDY
12 Dedicated Acre 320	es 13 J.	oint or Infill	14 Conso	lidation Code	¹⁵ Order No.				

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



Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

	. :
NAD 83 (SURFACE HOLE LOCATION)	I
LATITUDE = 32°44'13.78" (32.737160°)	I
LONGITUDE = -103°51'00.58" (-103.850160°)	I
NAD 27 (SURFACE HOLE LOCATION)	I
LATITUDE = 32°44'13.35" (32.737041°)	I
LONGITUDE = -103°50'58.76" (-103.849655°)	I
STATE PLANE NAD 83 (N.M. EAST)	I
N: 632249.32' E: 689905.55'	I
STATE PLANE NAD 27 (N.M. EAST)	I
N: 632185.90' E: 648726.70'	I

NAD 83 (FIRST TAKE POINT) LATITUDE = 32°44'05.40" (32.734834°) LONGITUDE = -103°50'56.65" (-103.849070° NAD 27 (FIRST TAKE POINT) LATITUDE = 32°44'04.97" (32.734714°) LONGITUDE = -103°50'54.84" (-103.848565° STATE PLANE NAD 83 (N.M. EAST) N: 631404.39' E: 690244.50' STATE PLANE NAD 27 (N.M. EAST)

N: 631340.99' E: 649065.62

NAD 83 (LEASE PENETRATION POINT 1) LATITUDE = 32°44'05.29" (32,734804°) LONGITUDE = -103°51'57.28" (-103.865911°) NAD 27 (LEASE PENETRATION POINT 1) LATITUDE = 32°44'04.86" (32.734685°) LONGITUDE = -103°51'55.46" (-103.865406°) STATE PLANE NAD 83 (N.M. EAST) N: 631370.27' E: 685066.15' STATE PLANE NAD 27 (N.M. EAST) N: 631306.91' E: 643887.24

NAD 83 (LEASE PENETRATION POINT 2) LATITUDE = 32°44'05.24" (32.734788°) LONGITUDE = -103°52'28.20" (-103.874500°) NAD 27 (LEASE PENETRATION POINT 2) LATITUDE = 32°44'04.81" (32.734669°) LONGITUDE = -103°52'26.38" (-103.873994°) STATE PLANE NAD 83 (N.M. EAST) N: 631352.87' E: 682425.14' STATE PLANE NAD 27 (N.M. EAST) N: 631289.52' E: 641246.22

Page 13 of 49 ¹⁷OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature	Date
Printed Name	

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

March 22, 2023

Date of Survey Signature and Seal of Professional Surveyor:



Certificate Number:



DRAWN BY: Z.L. 03-28-23

STATE PLANE NAD 27 (N.M. EAST)

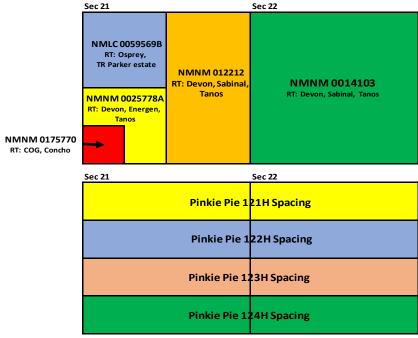
N: 631272.81' E: 638706.59

NAD 83 (LTP/BHL)
LATITUDE = 32°44'05.18" (32.734772°)
LONGITUDE = -103°52'57.93" (-103.882759°)
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LATITUDE = 32°44'04.75" (32.734653°)
LONGITUDE = -103°52'56.11" (-103.882253°)
STATE PLANE NAD 83 (N.M. EAST)
N: 631336.13' E: 679885.53'

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Land Exhibit: Pinkie Pie Fed Com 122H & 132H

S2N2 of Sections 21 and 22, T18S-R31E, Eddy Co., NM



		D	ocuments S	ent	
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Colgate Production, LLC	N/A	N/A	N/A	N/A	
Devon Energy Production Co., LP	Y	N/A	N/A	Y	RT assigned to Colgate
Tanos Energy Holdings II, LLC	Υ	N/A	N/A	Y	RT Only
Osprey Oil and Gas LLC	Y	N/A	N/A	Y	RT Only
TR Parker Estate	Y	N/A	N/A	Y	RT Only
Chief Capital (O&G) II LLC	Υ	Υ	Υ	Υ	
Sabinal Energy Operating LLC	Y	Υ	Υ	Y	
BEXP II Alpha LLC	N	Υ	Υ	Υ	Executed all docs
BEXP II Omega LLC	N	Υ	Υ	Y	Executed all docs
Kent Production, LLC	Y	Υ	Υ	Υ	
Nortex Corporation	Υ	Υ	Υ	Υ	

Leasehold Ownership						
Owner Sec 21: S2NW Section 21: S2NE Sec 22: S2N2						
Colgate Production, LLC	41.201007%	57.591819%	64.883475%			
Chief Capital (O&G) II LLC	10.594545%	16.684322%	16.684322%			
Sabinal Energy Operating LLC	11.704449%	18.432203%	18.432203%			
Nortex/Kent Prod	0.000000%	7.291656%	0.000000%			
BEXP II Alpha LLC	15.562980%	0.00000%	0.000000%			
BEXP II Omega LLC	20.937021%	0.00000%	0.000000%			

Unit Capitulation				
Owner	WI			
Colgate Production, LLC	57.1399670%			
Chief Capital (O&G) II LLC	15.1618780%			
Sabinal Energy Operating LLC	16.7502650%			
Nortex/Kent Prod	1.8228910%			
BEXP II Alpha LLC	3.8907450%			
BEXP II Omega LLC	5.2342550%			

*Parties seeking to pool are highlighted in yellow.

Permian Resources Operating, LLC Case No. 23582 Exhibit A-3



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

OFFICE 432.695.4222 **FAX** 432.695.4063

April 10, 2023 Via Certified Mail

Chief Capital (O&G) II LLC 8111 Westchester Drive, Suite 900 Dallas, TX 75225

RE: Pinke Pie 22-21 Fed Com – Well Proposals

Section 21 & 22, T18S-R31E Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, ("Permian"), hereby proposes the drilling and completion of the following eight (8) wells, the Pinkie Pie 22-21 Federal Com wells at approximate locations within Township 18 South, Range 31 East:

SECOND BONE SPRING FORMATION:

1. Pinkie Pie 22-21 Fed Com 121H

SHL: 1,550' FNL & 256' FEL (or at a legal location within unit letter A) of Section 22

FTP: 100' FEL & 660' FNL of Section 22 LTP: 100' FWL & 660' FNL of Section 21 BHL: 10' FWL & 660' FNL of Section 21

Standard Spacing Unit: N2N2 of Section 22, and N2N2 of Section 21, T18S-R31E

TVD: 8,685' TMD: 18.970'

Total Cost: See attached AFE

2. Pinkie Pie 22-21 Fed Com 122H

SHL: 1,550' FNL & 289' FEL (or at a legal location within unit letter H) of Section 22

FTP: 100' FEL & 1,980' FNL of Section 22 LTP: 100' FWL & 1,980' FNL of Section 21 BHL: 10' FWL & 1,980' FWL of Section 21

Standard Spacing Unit: S2N2 of Section 22, and S2N2 of Section 21, T18S-R31E

TVD: 8,685' TMD: 18,970'

Total Cost: See attached AFE

3. Pinkie Pie 22-21 Fed Com 123H

SHL: 1,185' FSL & 313' FEL (or at a legal location within unit letter I) of Section 22

FTP: 100' FEL & 1,980' FSL of Section 22 LTP: 100' FWL & 1,980' FSL of Section 21 BHL: 10' FWL & 1,980' FSL of Section 21

Standard Spacing Unit: N2S2 of Section 22, N2S2 of Section 21, T18S-R31E

TVD: 8,679' TMD: 18.964'

Total Cost: See attached AFE

Permian Resources Operating, LLC Case No. 23582 Exhibit A-4

4. Pinkie Pie 22-21 Fed Com 124H

SHL: 1,177' FSL & 281' FEL (or at a legal location within unit letter P) of Section 22

FTP: 100' FEL & 660' FSL of Section 22 LTP: 100' FWL & 660' FSL of Section 21 BHL: 10' FWL & 660' FSL of Section 21

Standard Spacing Unit: S2S2 of Section 22, S2S2 of Section 21, T18S-R31E

TVD: 8,679' TMD: 18,964'

Total Cost: See attached AFE

THIRD BONE SPRING FORMATION:

5. Pinkie Pie 22-21 Fed Com 131H

SHL: 1,550' FNL & 190' FEL (or at a legal location within unit letter A) of Section 22

FTP: 100' FEL & 660' FNL of Section 22 LTP: 100' FWL & 660' FNL of Section 21 BHL: 10' FWL & 660' FNL of Section 21

Standard Spacing Unit: N2N2 of Section 22, N2N2 of Section 21, T18S-R31E

TVD: 9,545' TMD: 19,830'

Total Cost: See attached AFE

6. Pinkie Pie 22-21 Fed Com 132H

SHL: 1,550' FNL & 223' FEL (or at a legal location within unit letter H) of Section 22

FTP: 100' FEL & 1,980' FNL of Section 22 LTP: 100' FWL & 1,980' FNL of Section 21 BHL: 10' FWL & 1,980' FSL of Section 21

Standard Spacing Unit: S2N2 of Section 22, S2N2 of Section 21, T18S-R31E

TVD: 9,545' TMD: 19.830'

Total Cost: See attached AFE

7. Pinkie Pie 22-21 Fed Com 133H

SHL: 1,169' FSL & 249' FEL (or at a legal location within unit Letter I) of Section 22

FTP: 100' FEL & 1,980' FSL of Section 22 LTP: 100' FWL & 1,980' FSL of Section 21 BHL: 10' FWL & 1,980' FSL of Section 21

Standard Spacing Unit: N2S2 of Section 22, N2S2 of Section 21, T18S-R31E

TVD: 9,514['], TMD: 19.799'

Total Cost: See attached AFE

8. Pinkie Pie 22-21 Fed Com 134H

SHL:1,161' FSL & 217' FEL (or at a legal location within unit letter P) of Section 22

FTP: 100' FEL & 660' FSL of Section 22 LTP: 100' FWL & 660' FSL of Section 21 BHL: 10' FWL & 660' FSL of Section 21

Standard Spacing Unit: S2S2 of Section 22, S2S2 of Section 21, T18S-R31E

TVD: 9,514' TMD: 19,799'

Total Cost: See attached AFE

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

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

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

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

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

Respectfully,

Travis Macha

Senior Landman

Enclosures

Pinkie Pie 22-21 Federal Com Elections:

Well Elections: (Please indicate your responses in the spaces below)					
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate			
Pinkie Pie 22-21 Federal Com 121H					
Pinkie Pie 22-21 Federal Com 122H					
Pinkie Pie 22-21 Federal Com 123H					
Pinkie Pie 22-21 Federal Com 124H					
Pinkie Pie 22-21 Federal Com 131H					
Pinkie Pie 22-21 Federal Com 132H					
Pinkie Pie 22-21 Federal Com 133H					
Pinkie Pie 22-21 Federal Com 134H					

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

Participate / Rejection Declaration

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

	I hereby elect to participate in the insurance coverage arranged by Permian Resources Operating LLC and understand that I will be charged for such participation.					
	I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.					
	Agreed this, 2	023 by:				
Ву:						
Printe	ed Name:					
Title:_						

Permian Resources Operating, LLC

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

DATE:	2.17.2023	22.7		AFE NO.:	1
WELL NAME:	Pinkie Pie Federal Com 12	22H			gart; Bone Spring, Nor
LOCATION:	Section 22, T18S-R31E			MD/TVD:	18,970' / 8,685'
COUNTY/STATE:	Eddy County, New Mexic	0		LATERAL LENGTH:	10,000'
Permian WI:				DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG			COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal SBSG we install cost	ell and complete with 4	14 stages. AFE includes	drilling, completions, flow	back and Initial A
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE	COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory	\$	50,668	_	-	\$ 50,66
2 Location, Surveys & Dama	ages –	247,119	15,498	-	262,6
4 Freight / Transportation		40,856	37,554	18,645	97,05
5 Rental - Surface Equipme		106,649	184,788	88,562	380,00
6 Rental - Downhole Equip: 7 Rental - Living Quarters	ment _	176,216 41,246	51,302 46,734		227,5
10 Directional Drilling, Sur	vevs _	368,469	40,734	-	87,98 368,46
11 Drilling	_	646,640			646,64
12 Drill Bits	-	85,933	-		85,93
13 Fuel & Power		162,071	621,970	-	784,04
14 Cementing & Float Equip	•	208,704	-	-	208,70
15 Completion Unit, Swab, 16 Perforating, Wireline, Sli		-	337,239	13,983	13,98
17 High Pressure Pump Tru		-	105,747		105,74
18 Completion Unit, Swab,		-	125,656	-	125,68
20 Mud Circulation System		90,250	-	-	90,25
21 Mud Logging	-	15,037	-	-	15,03
22 Logging / Formation Eval	luation	6,236	7,153	-	13,38
23 Mud & Chemicals 24 Water	<u>-</u>	37,388	375,883 567,553	9,322	695,59
24 Water 25 Stimulation	_	37,280	567,553 698,292	233,058	837,89 698,29
26 Stimulation Flowback &	Disp -	-	104,316	139,835	244,15
28 Mud/Wastewater Dispo	-	165,648	52,456	,500	218,10
30 Rig Supervision / Engine		103,964	114,450	13,983	232,39
32 Drlg & Completion Over	head	8,941	-	-	8,94
35 Labor	_	131,553	59,609	13,983	205,14
54 Proppant 95 Insurance	_	12 575	1,076,755		1,076,75
97 Contingency	_	12,575	20,949	-	20,94
99 Plugging & Abandonme	nt -	-	-	-	
55 5	TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	8,151,7
		DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE	COSTS	COSTS	CONFLETION	COSTS	COSTS
60 Surface Casing	S .	108,321		-	\$ 108,32
61 Intermediate Casing	-	305,096	-		305,09
62 Drilling Liner	-	-	-		-
63 Production Casing	-	608,837	-	-	608,83
64 Production Liner	_	-	-	-	-
65 Tubing	_	-	-	134,827	134,82
66 Wellhead 67 Packers, Liner Hangers	_	57,442 13,055		38,522 19,261	95,96 32,31
68 Tanks	_	- 13,033		67,414	67,4:
69 Production Vessels	-	-	-	-	-
70 Flow Lines	-	-	-	38,522	38,52
71 Rod string	_	-	-	-	-
72 Artificial Lift Equipment	_	-	-	86,675	86,67
73 Compressor 74 Installation Costs	_			28,892	28,89
75 Surface Pumps	_	-		20,092	20,05
76 Downhole Pumps	_	-			
77 Measurement & Meter Ir	nstallation	-		28,892	28,89
78 Gas Conditioning / Dehy	dration	-	-	-	-
79 Interconnecting Facility I	Piping	-	-	19,261	19,20
80 Gathering / Bulk Lines	_	-	-	-	
81 Valves, Dumps, Controll		<u> </u>			
82 Tank / Facility Containm 83 Flare Stack	-	-			-
84 Electrical / Grounding	-	-	-	48,153	48,13
85 Communications / SCAL	DA -		-	-	-
86 Instrumentation / Safety	_	<u> </u>			
	TOTAL TANGIBLES >	1,092,750	0	510,417	1,603,1
	TOTAL COSTS >	4,021,335	4,469,808	1,026,312	9,754,8
EDARED BY Dames's a Day	one of the state o				
EPARED BY Permian Res	sources Operating, LLC:				
Drilling Enginee					
Completions Enginee					
Production Enginee	er: DC				
nian Resources Operatin	og IIC APPROVAI:				
		-			
Co-CE		Co-CE		VP - Operation	
VD т 1 о т	WH	VD C	JW		CRM
VP - Land & Leg	BG BG	VP - Geoscience	SO		
N OPED ATTING DARREN	ED ADDROVAL.				
			Morking Interest (0)	Tr. V	ID:
N OPERATING PARTN Company Nam			Working Interest (%):	Tax l	ID:
	ne:		Working Interest (%):	Tax l	ID:

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage 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 and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.

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: WELL NAME:	2.17.2023 Pinkie Pie Federal Com 1	32H		AFE NO.:	art; Bone Spring, No
WELL NAME: LOCATION:	Section 22, T18S-R31E	.32H			art; Bone Spring, Noi 19,830' / 9,545'
COUNTY/STATE:	Eddy County, New Mexi	ico		MD/TVD: LATERAL LENGTH:	10,000'
Permian WI:	Eddy County, New Mexi			DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG			COMPLETION DAYS:	18.6
REMARKS:		vell and complete with 44	4 stages. AFE includes	drilling, completions, flow	
		DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLI		COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory 2 Location, Surveys & Dam	ages \$	52,391 255,521	16,025		\$ 52,39 271,54
4 Freight / Transportation		42,245	38,831	19,279	100,33
5 Rental - Surface Equipme		110,275	191,071	91,573	392,93
6 Rental - Downhole Equip	ment	182,207	53,046	-	235,2
7 Rental - Living Quarters 10 Directional Drilling, Sur	vevs	42,648 380,997	48,323		90,9 380,9
11 Drilling	··cys	668,626		-	668,6
12 Drill Bits		88,854		-	88,8
13 Fuel & Power		167,582	643,117	-	810,6
14 Cementing & Float Equi 15 Completion Unit, Swab,		215,800		14,459	215,8
16 Perforating, Wireline, Sl		-	348,705	-	348,7
17 High Pressure Pump Tru	ick	-	109,342	-	109,3
18 Completion Unit, Swab,		-	129,928	-	129,9
20 Mud Circulation System	l	93,318 15,548			93,3
21 Mud Logging 22 Logging / Formation Eva	luation	6,448	7,396	-	13,8
23 Mud & Chemicals	•	320,941	388,663	9,639	719,2
24 Water		38,547	586,849	240,982	866,3
25 Stimulation 26 Stimulation Flowback &	Dien	-	722,033	144 500	722,0
26 Stimulation Flowback & 28 Mud/Wastewater Dispo	•	171,280	107,863 54,240	144,589	252,4 225,5
30 Rig Supervision / Engine		107,499	118,341	14,459	240,2
32 Drlg & Completion Over		9,245	-		9,2
35 Labor		136,025	61,636	14,459	212,1
54 Proppant 95 Insurance	•	13,003	1,113,365		1,113,30
97 Contingency	•	- 13,003	21,661		21,60
99 Plugging & Abandonme	nt	-			
	TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	8,428,8
TANCIBLE	COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TANGIBLE 60 Surface Casing	COSIS	112,004			\$ 112,0
61 Intermediate Casing	Ψ	315,469		-	315,4
62 Drilling Liner	•	-	-	-	-
63 Production Casing		629,537	-	-	629,5
64 Production Liner		-	-	120 411	120.4
65 Tubing 66 Wellhead	•	- 59,395	<u>-</u>	139,411 39,832	139,4
67 Packers, Liner Hangers	•	13,499		19,916	33,4
68 Tanks	•	-	-	69,706	69,7
69 Production Vessels		-	-	-	-
70 Flow Lines 71 Rod string	,			39,832	39,83
71 Rod string 72 Artificial Lift Equipment	t	 _		89,621	89,6
73 Compressor	•	-		-	
74 Installation Costs	•	-	-	29,874	29,8
75 Surface Pumps		-	-	-	-
76 Downhole Pumps 77 Measurement & Meter I:	nstallation	 _		29,874	29,8
78 Gas Conditioning / Dehy		-		-	
79 Interconnecting Facility		-	-	19,916	19,9
80 Gathering/Bulk Lines		-	-	-	-
81 Valves, Dumps, Control 82 Tank / Facility Contains				-	
82 Tank / Facility Containm 83 Flare Stack	ient	-			-
84 Electrical / Grounding	•			49,790	49,7
85 Communications / SCAL					
86 Instrumentation / Safety		-	-	-	-
	TOTAL TANGIBLES >	1,129,903	0	527,771	1,657,6
PARED BY Permian Re	er: PS	4,058,489	4,469,808	1,043,666	10,086,
Completions Engine Production Engine	er: DC				
nian Resources Operatio	ng, LLC APPROVAL:				
<u> </u>		Co-CEO	IW	VP - Operation	ons CRM
Co-CE					CKM
<u> </u>	WH	VP - Geosciences	*		
Co-CE VP - Land & Leg	gal BG	VP - Geosciences	3		
Co-CE VP - Land & Leg N OPERATING PARTN	gal BG EER APPROVAL:		SO	<i>m</i>	D.
Co-CE VP - Land & Leg	gal BG EER APPROVAL:		3	Tax l	D:
Co-CE VP - Land & Leg N OPERATING PARTN	BG BER APPROVAL:		SO	Tax l	ID:

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage 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 and billed proportionately for Operator's well control and general liability insurance unless participant provides Operator a certificate evidencing its own insurance in an amount acceptable to the Operator by the date of spud.



Pinkie Pie - Chronology of Communication

January 9, 2023 – Colgate Production, subsidiary of Permian, acquires Pinkie Pie acreage from Devon

April 5, 2023 – Permian proposes Pinkie Pie wells, sends JOAs

April 10, 2023 - Com Agreement packages go out to all RT and WI owners

April 13, 2023 – Correspondence with Chief

April 14, 2023 – Correspondence with COP

April 17, 2023 - Correspondence with Chief, Sabinal, Nortex & Kent Production

April 18, 2023 – Supplemental well proposal to Kent & Nortex

April 19, 2023 – Correspondence with Sabinal

April 20, 2023 - Correspondence with Chief

April 25, 2023 – Correspondence with Sabinal

May 1, 2023 – Correspondence with BEXP

May 18, 2023 – Correspondence with Sabinal

May 23, 2023 – Correspondence with BEXP

May 24, 2023 – Correspondence with Nortex & Kent Production

June 1, 2023 – Supplemental letter correcting BHL for 122H & 132H

June 5, 2023 – Correspondence with BEXP

June 26, 2023 – Correspondence with COP

Permian Resources Operating, LLC Case No. 23582 Exhibit A-5

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

CASE NO. 23582

SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

- 1. I am a geologist with Permian Resources Operating, LLC ("Permian Resources") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.
 - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. **Exhibit B-1** is a regional locator map that identifies the Pinkie Pie project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.
- 4. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore paths for the proposed **Pinkie Pie 22-21 Fed Com 122H** and **Pinkie Pie 22-21 Fed Com 132H** wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Wells.
- 5. **Exhibit B-3** is a Subsea Structure map on the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed **Pinkie Pie 22-21 Fed Com 122H** with a orange dashed line. It also identifies the

Permian Resources Operating, LLC Case No. 23582 Exhibit B location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the South/Southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

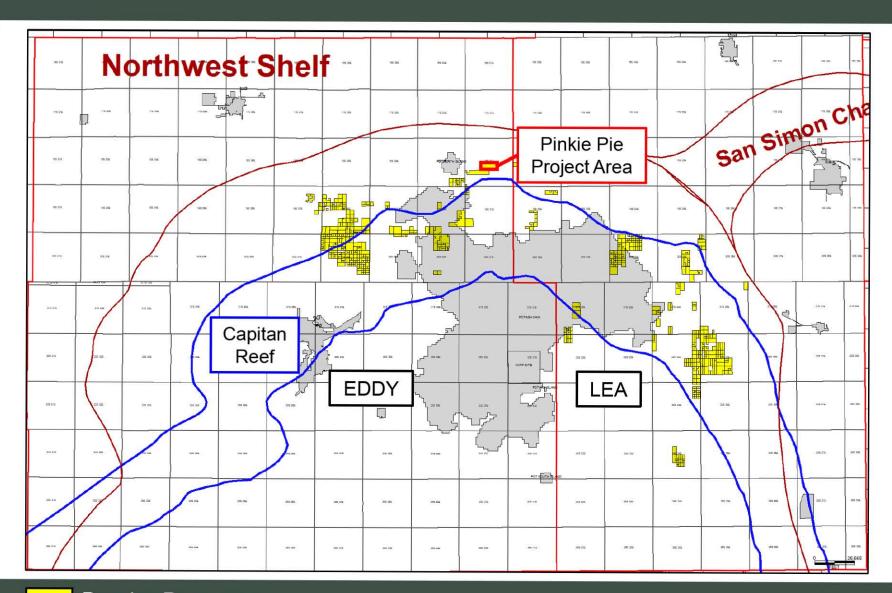
- 6. **Exhibit B-4** is a Subsea Structure map on the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed **Pinkie Pie 22-21 Fed Com 132H** with a red dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the South/Southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.
- 7. **Exhibit B-5** identifies 3 wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A', and it contains gamma ray, resistivity, and porosity logs. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. The cross section is oriented from West to East and is hung on the top of the Wolfcamp formation. The target zones for the proposed Wells are in the Bone Spring formation, which is consistent across the units. The approximate well-paths for the proposed Wells are indicated by dashed lines to be drilled from east to west across the units.
- 8. **Exhibit B-6** is a gun barrel diagram that shows the wells Pinkie Pie 22-21 Fed Com 122H and Pinkie Pie 22-21 Fed Com 132H wells in the Bone Spring formation.
- 9. In my opinion, a laydown orientation for the Wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.

- 10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.
- 11. In my opinion, the granting of Permian Resources' application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 12. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

Christopher Cantin

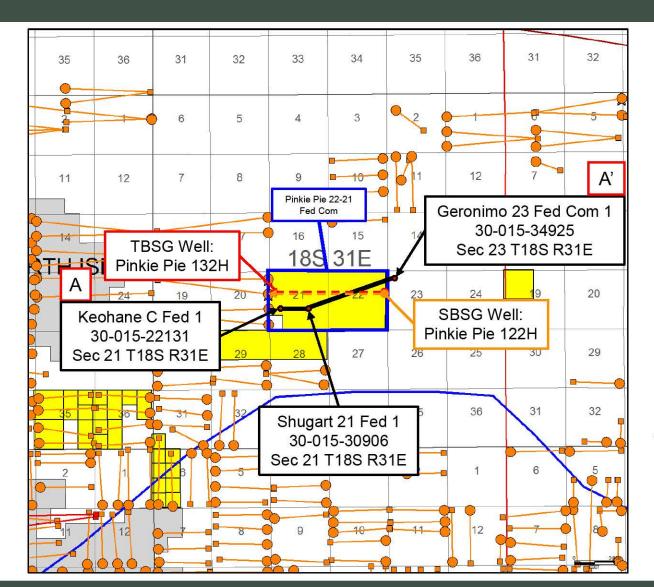
Date



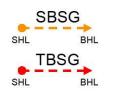


Cross-Section Locator Map Pinkie Pie 22-21 Fed Com 122H, 132H





Proposed Wells



Producing Wells

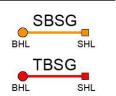
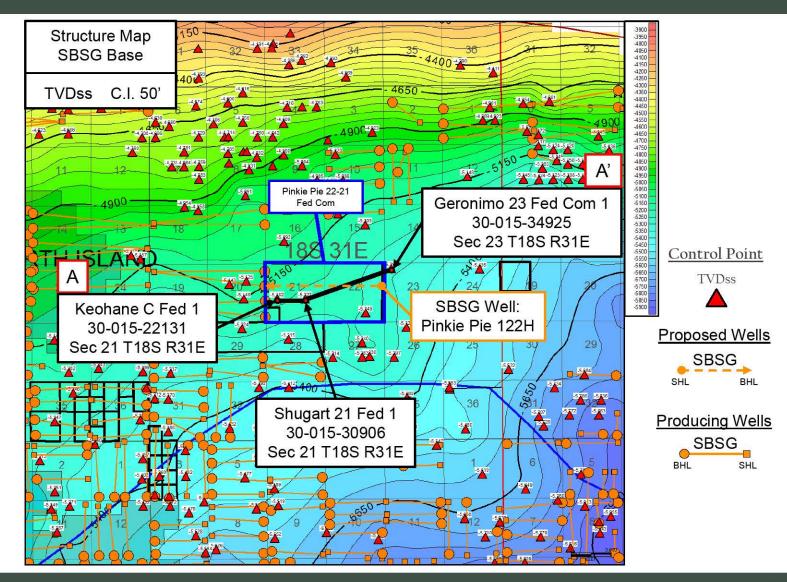




Exhibit B-3

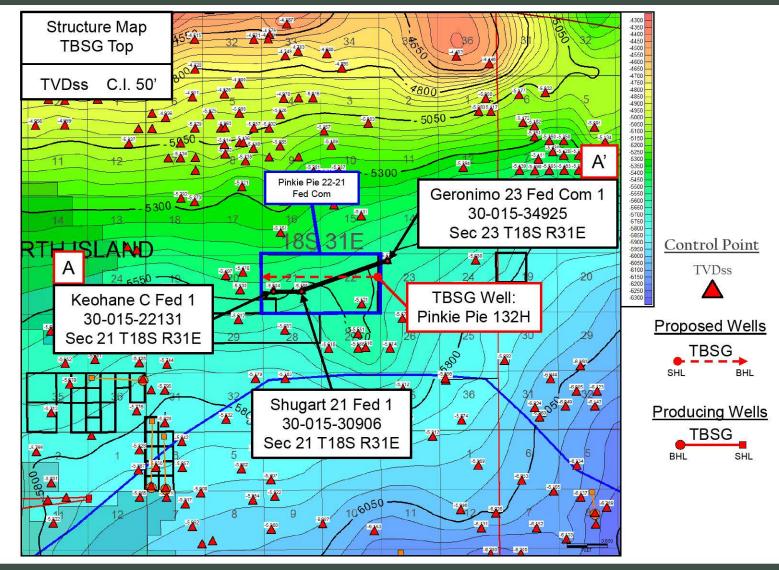
Second Bone Spring - Structure Map Pinkie Pie 22-21 Fed Com 122H



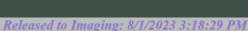
Permian Resources



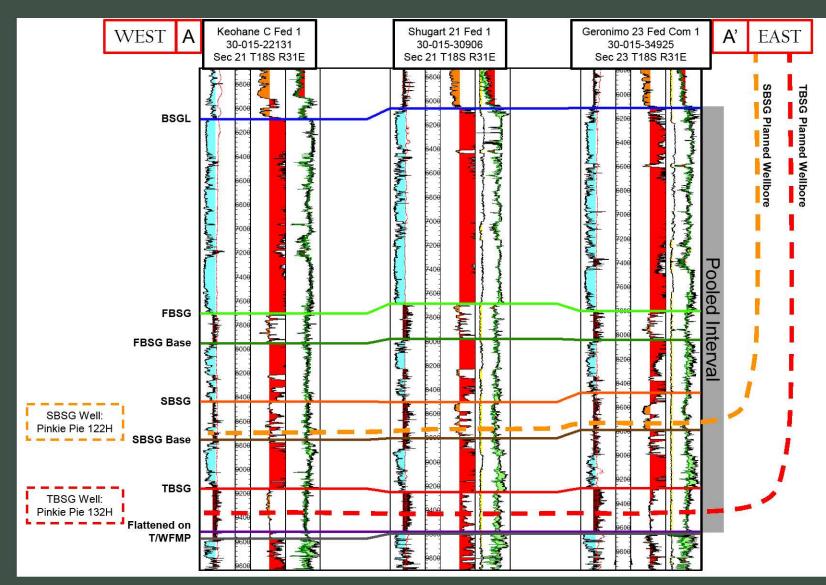




Permian Resources



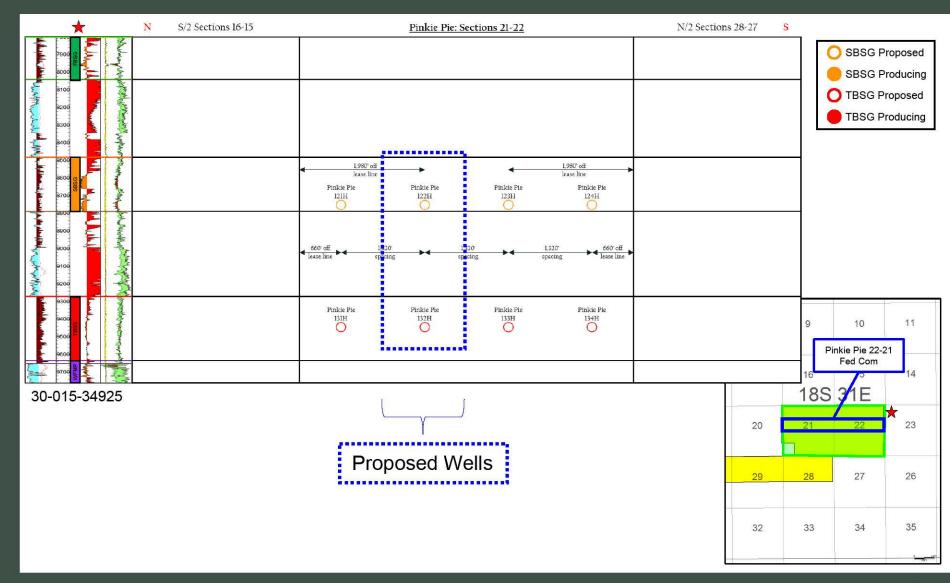




Permian Resources Operating, LL Rose 31 of 49

Gun Barrel Development Plan Pinkie Pie 22-21 Fed Com 122H, 132H





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

CASE NO. 23582

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of Permian Resources Operating,
 LLC, the Applicant herein.
- 2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.
- 3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.
- 4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.
- 5. On June 14, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.
- 6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

August 1, 2023
Date

Permian Resources Operating, LLC Case No. 23582 Exhibit C



HINKLE SHANOR LLP

ATTORNEYS AT LAW
P.O. BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

June 8, 2023

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23582 – Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 6**, 2023 beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.nm.gov/OCD/OCDPermitting) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Travis Macha, Senior Landman for Permian Resources Operating, LLC, by phone at (432) 400-1037 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

Enclosure

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

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

CASE NO. 23582

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
BEXP II Alpha, LLC	06/08/23	Per USPS Tracking
5914 W. Courtyard Drive, Suite 340		(Last checked 07/27/23):
Austin, TX 78730		
		06/15/23 – Item in transit
		to next facility.
BEXP II Omega, LLC	06/08/23	Per USPS Tracking
5914 W. Courtyard Drive, Ste. 340		(Last checked 07/27/23):
Austin, TX 78730		
		06/15/23 – Item in transit
		to next facility.
Chief Capital (O&G) II LLC	06/08/23	06/15/23
8111 Westchester Drive, Suite 900		
Dallas, TX 75255		
Devon Energy Prod. Co. LP	06/08/23	06/20/23
333 Sheridan Ave.		
Oklahoma City, OK 73102		
Kent Production, LLC	06/08/23	06/15/23
3009 Post Oak Blvd.		
Houston, TX 77056		
Nortex Corporation	06/08/23	06/15/23
3009 Post Oak Blvd.		
Houston, TX 77056		
Osprey Oil and Gas LLC	06/08/23	06/26/23
3323 N. Midland Drive, Ste. 113-130		
Midland, TX 79707		Return to sender.
Sabinal Energy Operating LLC	06/08/23	07/24/23
1780 Hughes Landing Blvd., Ste. 1200		
The Woodlands, TX 77380		
T.R. Parker Estate	06/08/23	07/14/23
P.O. Box 1165		
Grants Pass, OR 97526		Return to sender.
Tanos Energy Holdings II, LLC	06/08/23	06/16/23
821 E. Southeast Loop 323		
Tyler, TX 75701		

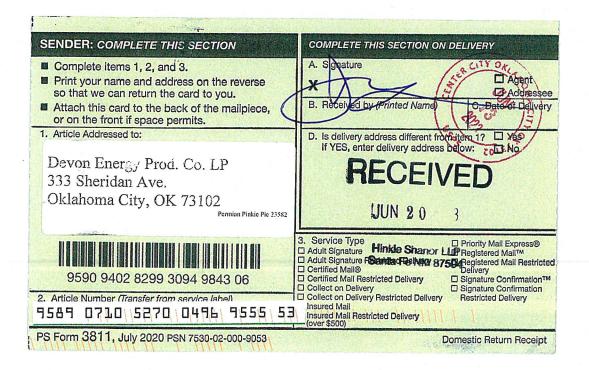
Permian Resources Operating, LLC Case No. 23582 Exhibit C-2

Received by OCD: 8/1/2023 3:10:46 PM

8 87	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only
5 5	For delivery information, visit our website at www.usps.com?.
	OFF GARDOS
5270 0496	Certified Mail Fee \$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$ Return Receipt (electronic) \$ Certified Mail Restricted Delivery \$ Adult Signature Required \$ Adult Signature Restricted Delivery \$ Postage
0770	\$ Total Postage and Fees USPS
2	\$
9589 C	Sent To Chief Capital (O&G) II LLC Street and 8111 Westchester Drive, Suite 900 Dallas, TX 75255
u	City, State Pennian Pinkie Pie 23582 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X Reph Al-Usdil Agent B. Received by (Printed Name) C. Date of Delivery Rashad Al-Usdil 6-12-23
Article Addressed to:	D. Is delivery address different from item 1? Yes If YES, enter delivery address below: No
Chief Capital (O&G) II LLC 811 Ownestchester Drive, Suite 900 Dallas, TX 75255	RECEIVED JUN 1 5 2023
9590 9402 8299 3094 9836 06	3. Service Type
2. Article Number (Transfer from service label) 9589 0710 5270 0496 9558 81	□ Insured Mail
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

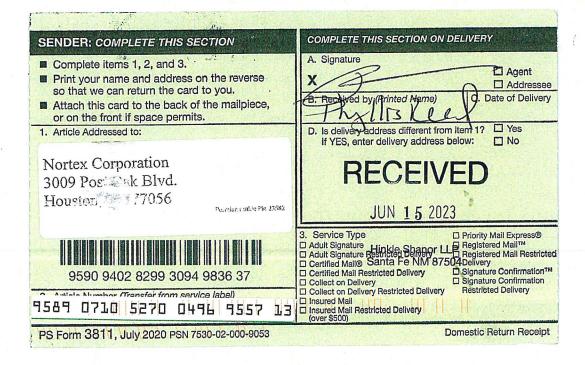
Permian Resources Operating, LLC Case No. 23582 Exhibit C-3



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	OFFICIAL ELSMS
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	Sent To Kent Production, LLC
8	Street: 3009 Post Oak Blvd.
П	Houston, TX 77056 Pennian Pinkie Pie 23582
0-	City, S. Pennian Pinkie Pie 23582
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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9590 9402 8299 3094 9836 44 2. Article Number (Transfer from service label) 9589 0710 5270 0496 9557 06	3. Service Type Hinkle Shanor ☐ Priority Mail Express® ☐ Adult Signature Restricted Delivery ☐ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery ☐ Collect on Delivery ☐ Signature Confirmation™ ☐ Restricted Delivery ☐ Restricted Delivery ☐ Signature Confirmation™ ☐ Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery ☐ Insured Mail Restricted Delivery ☐ Signature Confirmation ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	

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



Received by OCD: 8/1/2023 3:10:46 PM

	CERTIFIED MAIL® RECEIPT Domestic Mail Only
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9599	Sabinal Energy Operating LLC 1780 Hughes Landing Blvd., Suite 1200 The Woodlands, TX 77380 Pennian Pinkie Pie 23582 City, S.

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: Sabinal Energy Operating LLC 1780 Hughes Landing Blvd., Suite 1200 The Woodlands, TX 77380 	A. Signature X
9590 9402 8299 3094 9835 90 9589 0710 5270 0494 9558 98	3. Service Type Hinkle Shanor LIEPriority Mali Express® □ Adult Signature Santa For NM 87 Ed Registered Mali™ □ Adult Signature Restricted Delivery □ Certified Mali® □ Certified Mali Restricted Delivery □ Collect on Delivery □ Collect on Delivery □ Insured Mali □ Insured Mali Restricted Delivery (over \$500)

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<u> </u>	City, State, Pennian Pinkie Pie 23582
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

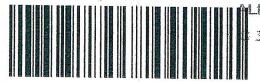




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HINKLE SHANOR LLP ATTORNEYS AT LAW **POST OFFICE BOX 2068**

SANTA FE, NEW MEXICO 87504



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Hinkle Shanor LLP Santa Fe NM 87504 Osprey Oil and Gas LLC 3323 N. Midland Drive, Ste. 113-130

Midland, TX 79707

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JUL 14 2023

Hinkle Shanor LLP Santa Fe NM 87504 T.R. Parker Estate P.O. Box 1165 Grants Pass, OR 97526

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AUSTIN TX DISTRIBUTION CENTER June 10, 2023, 1:40 pm

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ALBUQUERQUE, NM 87101 June 8, 2023, 11:38 pm Feedback

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Arrived at USPS Regional Facility

AUSTIN TX DISTRIBUTION CENTER June 10, 2023, 1:40 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101 June 8, 2023, 11:38 pm Feedback

Arrived at USPS Facility ALBUQUERQUE, NM 87101 June 8, 2023, 9:08 pm

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FAQs

Carlsbad Current Argus.

This is to notify all interested parties, including Colgate Production, LLC; Devon Energy Prod. Co LP; Tanos Energy Holdings II, LLC; Osprey Oil and Gas LLC; T R Parker Estate; Kent Production, LLC; Nortex Corporation; BEXP II Alpha, LLC; BEXP II Omega, LLC; Chief Capital (O&G) II LLC; Sabinal Energy Operating LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application

signs, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 23582). The hearing will be conducted remotely on July 6, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: https://www.emnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit").The Unit will be dedicated to the Pinkie Pie 22-21 Fed Com 132H wells ("Wells"), which will be directed will be the cost of drilling and completing the Wells and the allocation of the cost of drilling and completing the Wells, and a 200% charge for the risk involved in drilling and completing the Wells are located approximately 32.64 miles Southeast of Artesia, New Mexico.

Southeast of Artesia, New Mexico. #5734972, Current Argus, June 14, 2023

Affidavit of Publication Ad # 0005734972 This is not an invoice

HINKLE SHANOR LLP POBOX 10

ROSWELL, NM 88202-0010

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

06/14/2023

Legal Clerk

Subscribed and sworn before me this June 14, 2023:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005734972 # of Affidavits1

This is not an invoice

Permian Resources Operating, LLC Case No. 23582 Exhibit C-4