

**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. 23448-23455

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

CASE NOS. 23594-23601

**APPLICATIONS OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 23508-23523

NOTICE OF SUPPLEMENTAL EXHIBIT I

Read and Stevens, Inc., applicant in the above-referenced cases, gives notice that it is filing the attached supplemental exhibit for acceptance into the record.

Supplemental Exhibit I includes email correspondence between Travis Macha (landman, Permian Resources Operating, LLC) and Gary Richardson (VP – Land, Highland (Texas) Energy Company) clarifying that Highland (Texas) Energy Company has taken a neutral position in these contested cases.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR READ & STEVENS, INC.
& PERMIAN RESOURCES OPERATING, LLC**

CERTIFICATE OF SERVICE

I hereby certify that on September 19, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Adam G. Rankin

From: Gary Richardson <Gary@highlandtxenergy.com>
Date: September 8, 2023 at 3:26:24 PM CDT
To: Travis Macha <Travis.Macha@permianres.com>
Subject: RE: -EXTERNAL- Lincoln Oil & Gas

WARNING: The sender of this email could not be validated and may not match the person in the "From" field.

Apologies for not getting back to you earlier. I was going through some older emails and came across the one you sent. Obviously we are disappointed that our position was misrepresented and will make that known. I appreciate your transparency.

Gary

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Supplemental Exhibit No. 1
Submitted by: Read & Stevens, Inc.
Hearing Date: July 20, 2023
Case Nos. 23508-23523

Gary Richardson
Vice President - Land
Highland (Texas) Energy Company
11886 Greenville Ave., Suite 106
Dallas, TX 75243

817-676-5934 cell
214-369-2020, ext. 8 office
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From: Travis Macha <Travis.Macha@permianres.com>
Sent: Friday, September 8, 2023 3:20 PM
To: Gary Richardson <Gary@highlandtxenergy.com>
Subject: Re: -EXTERNAL- Lincoln Oil & Gas

Sounds good thanks Gary!

I'll keep you in the loop on the OCDs decision on the hearing which was heard back in August.

For your reference, Cimarex represented y'all as an active supporter of themselves as operator (as with a few others that were also neutral which we debunked most claims). We obviously maintained y'all as a neutral party. Absolutely understand and I would probably take the same (very neutral) position in yalls shoes.

Thanks,

TM

Sent from my iPhone

On Sep 8, 2023, at 3:09 PM, Gary Richardson <Gary@highlandtxenergy.com> wrote:

WARNING: The sender of this email could not be validated and may not match the person in the "From" field.

Travis,

I hope this message finds you well. Thank you for reaching out to us regarding the ongoing pooling process in the region. We appreciate the opportunity to clarify our position as a non-operating owner in this matter.

First and foremost, our company's primary objective is to see the development of our acreage across the basin. We have holdings under various operators, and our ultimate goal is to maximize the potential of our assets, irrespective of the specific operator involved. To this end, we strive to maintain a neutral stance during the pooling process to ensure that our relationships with all operators remain unbiased and open.

While we have indeed signed the well proposals set forth by both Permian Resources and Cimarex, it is important to note that these agreements do not indicate a preference for one operator over the other. These agreements reflect our commitment to participate in the development of our acreage, and we remain open to working collaboratively with either operator or any other qualified operator as the situation evolves.

At this stage, we have not executed a Joint Operating Agreement (JOA) that would bind us exclusively to one operator's development plan. We believe that by maintaining flexibility and neutrality, we can better adapt to the changing dynamics of the industry and make informed decisions that align with our overall business strategy.

We value our relationships with all operators and seek to foster a collaborative environment that benefits not only our company but also to our industry partners.

If you have any further questions or require additional information regarding our position in the pooling process, please do not hesitate to reach out to us. We remain dedicated to working constructively with all parties involved to ensure the successful development of our acreage.

Thank you for your understanding, and we look forward to continued cooperation.

Sincerely,

Gary Richardson
Vice President - Land
Highland (Texas) Energy Company
11886 Greenville Ave., Suite 106
Dallas, TX 75243

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From: Travis Macha <Travis.Macha@permianres.com>
Sent: Thursday, August 3, 2023 8:47 AM
To: Gary Richardson <Gary@highlandtxenergy.com>
Subject: RE: -EXTERNAL- Lincoln Oil & Gas

Hey Gary,

Wanted to reach back out here – As you probably know Cmarex continued that 7/20 hearing and has submitted for yet another continuance request.

With that said, they are also now showing you as an active supporter of their development. If that's the case obviously no hard feelings but wanted to clarify for the record as we had yall as a neutral party.

Thanks,

<image001.png>

Travis Macha | NM Land Lead
O 432.400.1037 | travis.macha@permianres.com
300 N. Marienfeld Street, Suite 1000 | Midland, TX 79701
permianres.com

Permian Resources is a result of the merger of Centennial Resource Development and Colgate Energy effective September 1, 2022.

From: Travis Macha
Sent: Saturday, July 8, 2023 9:55 AM
To: 'Gary Richardson' <Gary@highlandtxenergy.com>
Subject: RE: -EXTERNAL- Lincoln Oil & Gas

Hey Gary,

Over the next few days I'm going to be finishing up the land exhibits for the Joker/Bane cases which are due here on the 13th for that hearing on the 20th. If yall did want to put a foot forward on supporting PR here feel free to let me know. We sent the attached letter back in May if yall did want to choose to sign that but no obligation of course.

Thanks and have a great weekend!

<image001.png>

Travis Macha | Senior Landman
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300 N. Marienfeld Street, Suite 1000 | Midland, TX 79701
permianres.com

Permian Resources is a result of the merger of Centennial Resource Development and Colgate Energy effective September 1, 2022.