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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23667

EXHIBIT INDEX

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, Parties to Pool, 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	
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 Development Plan	
Exhibit C	Self-Affirmed Statement of Dana S. Hardy	
C-1	Notice Letters 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 July 18, 2023 and October 29, 2023	

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23667	APPLICANT'S RESPONSE
Date	November 16, 2023
Applicant	Colgate Production, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 372165 (for Designated Operator - Permian Resources Operating, LLC)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Colgate Production, LLC for Compulsory Pooling Eddy County, New Mexico.
Entries of Appearance/Intervenors:	N/A
Well Family	Long John 29-30 Fed Com
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:	Shugart North; Bone Spring Pool (Code 56405)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	240
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	S/2 NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South, Range 31 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is	Yes.
approval of non-standard unit requested in this application?	
Other Situations	
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-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	Long John 29-30 Fed Com 122H (API #) 1072' FNL & 2593' FWL (Unit C), Section 29, T18S, R31E 1980' FNL & 100' FWL (Lot 2), Section 30, T18S, R31E Completion Target: Bone Spring (Approx. 8,732' TVD)

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Well #1	Long John 29-30 Fed Com 132H (API #) 1035' FNL & 2632' FEL (Unit B), Section 29, T18S, R31E 1980' FNL & 100' FWL (Lot 2), Section 30, T18S, R31E Completion Target: Bone Spring (Approx. 9,642' 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	
Drilling Supervision/Month \$	\$8,000.00
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) If approval of Non-Standard Spacing Unit is requested, Tract List	Exhibit A-3
(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 N/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-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	N/A
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	
Released to Imaging: 11/14/2023 2:06:01 PM C-102	Exhibit A-2

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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, B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in	this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	11/13/2023

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

APPLICATION OF COLGATE PRODUCTION, LLC LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23667

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

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

2. Prior to the merger of Centennial Resources Development and Colgate Energy in September 2022, I was a Landman with Colgate Operating, LLC. The applicant, Colgate Production, LLC ("Colgate"), is a working interest owner in the proposed unit and seeks to designate Permian Resources as operator of the unit and wells.

3. Copies of Colgate's application and proposed hearing notice are attached as **Exhibit A-1**.

4. 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.

5. Colgate seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit").

Colgate Production, LLC Case No. 23667 Exhibit A 6. The Unit will be dedicated to the following wells ("Wells"), which will be completed in the Shugart North; Bone Spring Pool (Code 56405).

- a. Long John 29-30 Fed Com 132H well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30; and
- b. Long John 29-30 Fed Com 122H well, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30.
- 7. The completed intervals of the Wells will be orthodox.
- 8. **Exhibit A-2** contains the C-102s for the Wells.

9. **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 Colgate seeks to pool highlighted in yellow. All of the parties are locatable in that Colgate believes it located valid addresses for them.

10. Colgate 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.

11. **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.

12. In my opinion, Colgate 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**.

13. Colgate 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 Colgate and other operators in the vicinity.

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

15. In my opinion, the granting of Colgate's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

Travis Macha

<u>11.13.2023</u> Date

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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23667

APPLICATION

Pursuant to NMSA § 70-2-17, Colgate Production, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NW/4 of Section 29 and the S/2 N/2 of Section 30, 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 following wells ("Wells"):
 - a. Long John 29-30 Fed Com 132H well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30; and
 - b. Long John 29-30 Fed Com 122H well, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30.
- 3. The completed interval 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.

Colgate Production, LLC Case No. 23667 Exhibit A-1 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protest correlative rights.

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 Permian Resources Operating, LLC (OGRID No. 372165) 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 August 3, 2023, and, after notice and hearing as required by law, the Division enter an order:

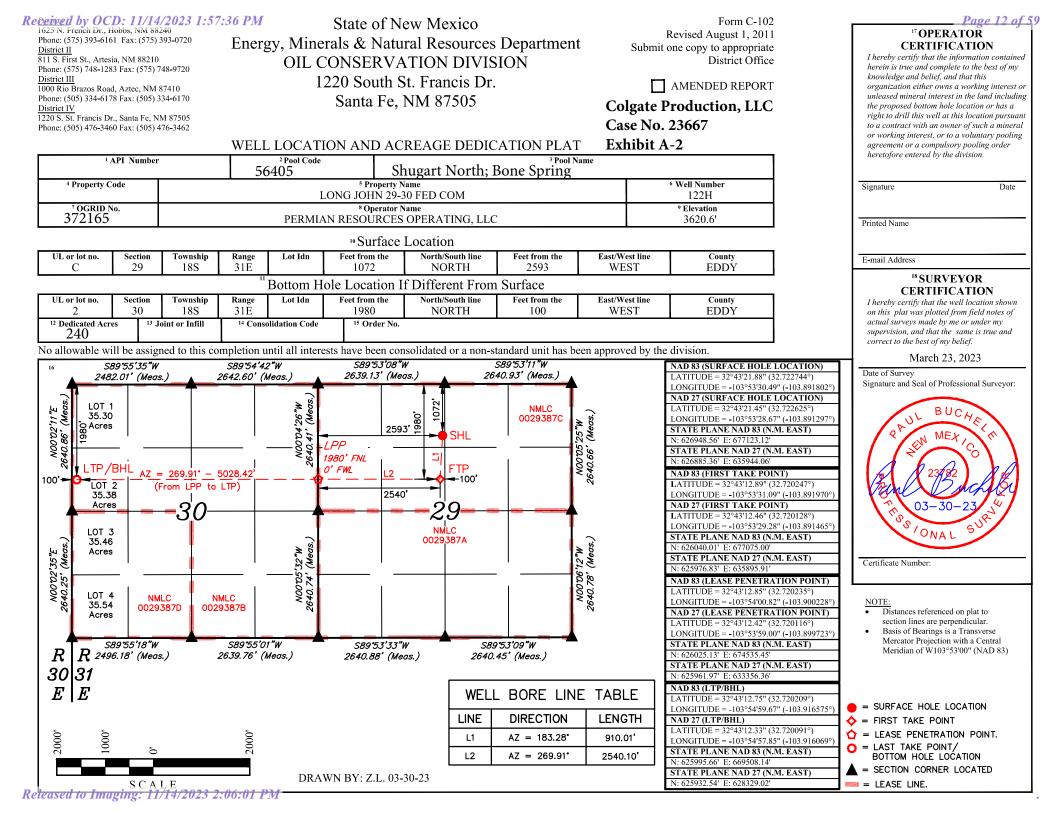
- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Permian Resources Operating, LLC as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and 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 Permian Resources Operating,
 LLC in drilling and completing the Wells against any working interest owner who
 does not voluntarily participate in the drilling of the Wells.

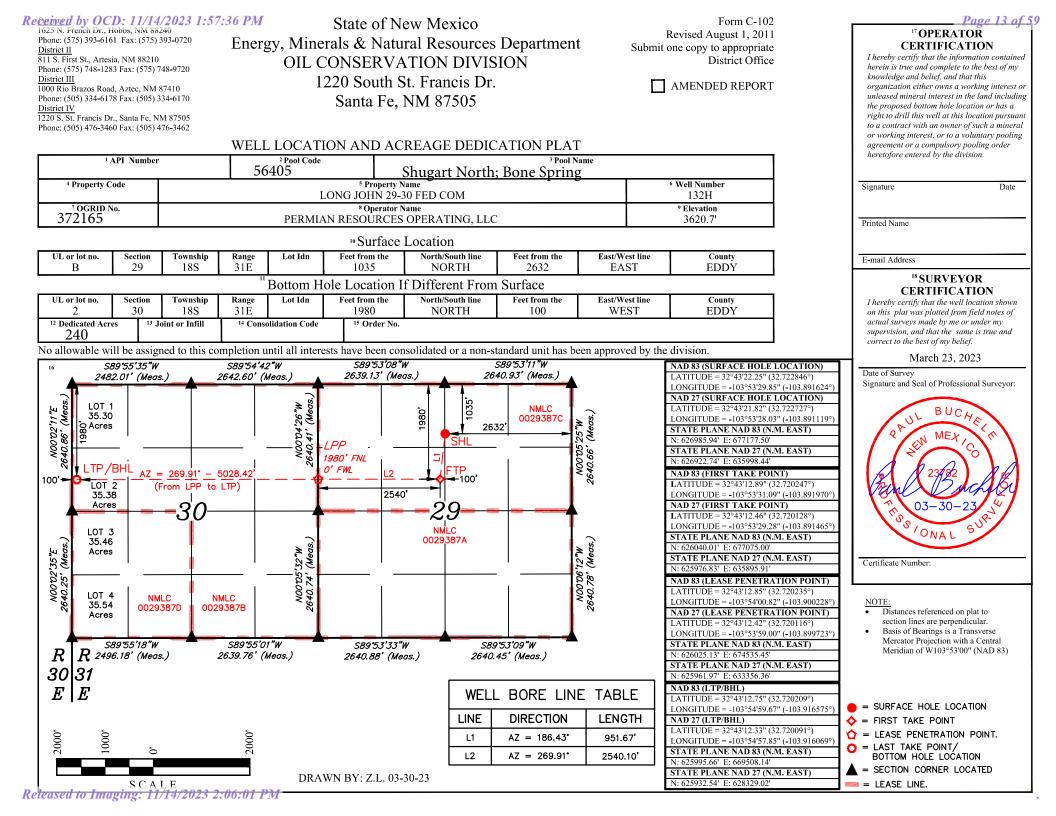
Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

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 Colgate Production, LLC and Permian Resources Operating, LLC* **Application of Colgate Production, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): **Long John 29-30 Fed Com 132H** well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30; and **Long John 29-30 Fed Com 122H** well, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Permian Resources Operating, LLC (OGRID No. 372165) 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 30.56 miles southeast of Artesia, New Mexico.





Land Exhibit: Long John 29-30 Fed Com #122H Section 29: S/2NW/4, Section 30: S/2N/2, T18S-R31E, Eddy Co., NM

LC 0029387 B	NMLC 0029387 C
RT: 18-31 inc	RT: Magnum Hunter
Section 30	Section 29

N/2

Long John Fed Com 12	21H & 131H Spacing
Long John Fed Com 12	22H & 132H Spacing
ection 30	

Section 29

	Documents Sent				
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Colgate Production, LLC	N/A	N/A	N/A	N/A	
1789 Minerals Fund II, LP d/b/a Hoya					
Energy, LP	Y	Y	Y	Y	
Burlington Resources Oil and Gas					
Company, LP	Y	Y	Y	Y	
Sabinal Energy Operating, LLC	N	Y	Y	Y	Executed all docs
JJS Working Interest, LLC	Y	Y	Y	Y	
S&P Co.	Y	Y	Y	Y	
Sklarco, LLC	Y	Y	Y	Y	
KCS Resources, LLC	Y	Y	Ŷ	Y	
Leasehold Ownership					

cedential officially		
Owner	Sec 29: SW/4NW/4	
Colgate Production, LLC	32.362300%	
1789 Minerals Fund II, LP d/b/a		
Hoya Energy, LP	8.421610%	
Burlington Resources Oil and		
Gas Company, LP	50.00000%	
Sabinal Energy Operating, LLC	9.216090%	
Gas Company, LP Sabinal Energy Operating, LLC		

Leasehold Ownership		
Owner	Sec 29: SE/4NW/4	
Colgate Production, LLC	32.362300%	
1789 Minerals Fund II, LP d/b/a		
Hoya Energy, LP	8.421610%	
Burlington Resources Oil and		
Gas Company, LP	50.00000%	
Sabinal Energy Operating, LLC	9.216090%	

Leasehold Ownership			
Owner	Sec 30: Lot 2		
KCS Resources, LLC	100.00000%		
Leasehold Ownership			
Owner	Sec 30: SE/4NW/4		
Colgate Production, LLC	80.621800%		
JJS Working Interest, LLC	2.908170%		
S&P Co.	8.235800%		
Sklarco, LLC	8.234230%		

Leasehold Ownership		
Owner	Sec 30: SE/4NE/4	
Colgate Production, LLC	80.621800%	
JJS Working Interest, LLC	2.908170%	
S&P Co.	8.235800%	
Sklarco, LLC	8.234230%	

Leasehold Ownership		
Owner Sec 30: SW/4NE/4		
KCS Resources, LLC	100.00000%	

Unit Capitulation				
Owner	WI			
Colgate Production, LLC	38.400578%			
1789 Minerals Fund II, LP d/b/a				
Hoya Energy, LP	2.862303%			
Burlington Resources Oil and				
Gas Company, LP	16.993797%			
Sabinal Energy Operating, LLC	3.132327%			
JJS Working Interest, LLC	0.988417%			
S&P Co.	2.799150%			
Sklarco, LLC	2.798617%			
KCS Resources, LLC	32.024811%			
TOTAL	100.000000%			

Colgate Production, LLC Case No. 23667 Exhibit A-3

.

Land Exhibit: Long John 29-30 Fed Com #132H Section 29: S/2NW/4, Section 30: S/2N/2, T18S-R31E, Eddy Co., NM

LC 0029387 B	NMLC 0029387 C
RT: 18-31 Inc	RT: Magnum Hunter
Section 30	Section 29

N/2

Long John Fed Com 12	21H & 131H Spacing
Long John Fed Com 12	2H & 132H Spacing
Section 30	0.11.00

Section 29

	_		D	ocuments	Sont	
Owner		Pooling?	Proposal	JOA		Notes
Colgate Production, LLC	1	N/A	N/A	JUA N/A	Com Agmt	Notes
	/a Llava	N/A	N/A	N/A	N/A	
1789 Minerals Fund II, LP d/b/	a noya	V	V	V	V	
Energy, LP		Y	Y	Y	Y	
Burlington Resources Oil and (Gas					
Company, LP		Y	Y	Y	Y	
Sabinal Energy Operating, LLC		N	Y	Y	Y	Executed all docs
JJS Working Interest, LLC		Y	Y	Y	Y	
S&P Co.		Y	Y	Y	Y	
Sklarco, LLC		Y	Y	Y	Y	
KCS Resources, LLC		Y	Y	Y	Y	
			easehold Ow	merchin		
	Owner		easenoid Ow		29: SW/4NW/4	1
Colgate Prod					32.362300%	•
1789 Mineral		P.d/b/a			32.302300%	
Hoya Energy,		,,,,,			8.421610%	
Burlington R		il and			0.12101070	
Gas Compan					50.000000%	
Sabinal Ener		ng, LLC			9.216090%	
	0/	.8/				
			easehold Ow	/nership		
	Owner				29: SE/4NW/4	
Colgate Prod					32.362300%	
1789 Mineral		P d/b/a				
Hoya Energy,					8.421610%	
Burlington R		il and				
Gas Compan	y, LP		50.00000%		50.000000%	
Sabinal Ener	gy Operati	ng, LLC			9.216090%	
		l	easehold Ow	/nership		
	Owner			5	iec 30: Lot 2	
KCS Resource	es, LLC			1	00.00000%	
		L	easehold Ow	/nership		
	Owner			Sec	30: SE/4NW/4	
Colgate Prod	uction, LLC			1	80.621800%	
JJS Working I	nterest, LL	0			2.908170%	
S&P Co.					8.235800%	
Sklarco, LLC					8.234230%	
		L	easehold Ow	nership		
	Owner			Sec	30: SE/4NE/4	
Colgate Prod				4	80.621800%	
JJS Working I	nterest, LL			2.908170%		
S&P Co.					8.235800%	
Sklarco, LLC					8.234230%	
		L	easehold Ov			
	Owner				30: SW/4NE/4	
KCS Resource	es, LLC			1	00.000000%	
		1 Ir	nit Capitula	ation		
					wi	
-	_	Owner				
	ate Prod				38.40057	8%
1789	9 Minera	ls Fund	II, LP d/b	/a		
	a Energy,				2.86230	3%
			on Oil no	4	2.00200	
	-		es Oil an	۳ (
Gas	Compan	y, LP			16.99379	7%
Sab	inal Ene	gy Ope	rating, LL	c	3.13232	7%
	Marking				0.00041	

Sabinal Energy Operating, LLC JJS Working Interest, LLC

S&P Co.

TOTAL

Sklarco, LLC KCS Resources, LLC 0.988417%

2.799150%

2.798617% 32.024811%

100.00000%





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

OFFICE 432.695.4222 **FAX** 432.695.4063

April 19, 2023

Via Certified Mail

1789 Minerals Fund II dba Hoya Energy LP 26203 Monarch Meadow Court Katy, TX 77494

RE: Long John 29-30 Fed Com – Well Proposals Section 29 & 30, T18S-R31E Eddy County, New Mexico

To whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator, hereby re-proposes the drilling and completion of the following two (2) wells, due to surface hole location changes, in the Long John 29-30 Federal Com wells at approximate locations within Township 18 South, Range 31 East:

THIRD BONE SPRING FORMATION:

Long John 29-30 Fed Com 131H SHL: 1,016' FNL & 2,605' FEL (or at a legal location within Unit letter B) of Section 29 FTP: 660' FNL & 2,540' FWL of Section 29 LTP: 660' FNL & 100' FWL of Section 30 BHL: 660' FNL & 100' FWL of Section 30 Standard Spacing Unit: N/2NW/4 of Section 29, N/2N/2 of Section 30, T18S-R31E TVD: 9,602' TMD: 17,387' Total Cost: Please refer to AFE's included in the previous proposal packet

2. Long John 29-30 Fed Com 132H

SHL: 1,035' FNL & 2,632' FEL (or at a legal location within Unit letter B) of Section 29
FTP: 1,980' FNL & 2,540' FWL of Section 29
LTP: 1,980' FNL & 100' FWL of Section 30
BHL: 1,980' FNL & 100' FWL of Section 30
Standard Spacing Unit: S/2NW/4 of Section 29, S/2N/2 of Section 30, T18S-R31E
TVD: 9,642'
TMD: 17,427'
Total Cost: Please refer to AFE's included in the previous proposal packet

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

Colgate Production, LLC Case No. 23667 Exhibit A-4 - 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 are 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

Long John 29-30 Federal Com Elections:

<i>Well Elections:</i> (Please indicate your responses in the spaces below)				
Well(s)Elect to ParticipateElect to NOT Participate				
Long John 29-30 Federal Com 131H				
Long John 29-30 Federal Com 132H				

Company Name (If Applicable):

By: _____

Printed Name: _____

Date: _____

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 _____ day of _____, 2023 by:

By: _____

Printed Name:		

Title:_____



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

April 13, 2023

Via Certified Mail

Ard Oil Ltd. P.O. Box 101027 Fort Worth, Texas 76185

RE: Long John 29-30 Fed Com – Well Proposals Section 29 & 30, T18S-R31E Eddy County, New Mexico

To whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator, hereby proposes the drilling and completion of the following four (4) wells, the Long John 29-30 Federal Com wells at approximate locations within Township 18 South, Range 31 East:

SECOND BONE SPRING FORMATION:

1. Long John 29-30 Fed Com 121H

SHL: 1,053' FNL & 2,619' FWL (or at a legal location within Unit letter C) of Section 29
FTP: 660' FNL & 2,540' FWL of Section 29
LTP: 660' FNL & 100' FWL of Section 30
BHL: 660' FNL & 10' FWL of Section 30
Standard Spacing Unit: N/2NW/4 of Section 29, N/2N/2 of Section 30, T18S-R31E
TVD: 8,702'
TMD: 16,487'

2. Long John 29-30 Fed Com 122H

SHL: 1,072' FNL & 2,592' FWL (or at a legal location within Unit letter C) of Section 29
FTP: 1,980' FNL & 2,540' FWL of Section 29
LTP: 1,980' FNL & 100' FWL of Section 30
BHL: 1,980 FNL & 10' FWL of Section 30
Standard Spacing Unit: S/2NW/4 of Section 29, S/2N/2 of Section 30, T18S-R31E
TVD: 8,732'
TMD: 16,517'

THIRD BONE SPRING FORMATION:

3. Long John 29-30 Fed Com 131H

SHL: 1,016' FNL & 2,674' FWL (or at a legal location within Unit letter C) of Section 29
FTP: 660' FNL & 2,540' FWL of Section 29
LTP: 660' FNL & 100' FWL of Section 30
BHL: 660' FNL & 10' FWL of Section 30
Standard Spacing Unit: N/2NW/4 of Section 29, N/2N/2 of Section 30, T18S-R31E
TVD: 9,602'
TMD: 17,387'

Long John 29-30 Fed Com 132H
SHL: 1,035' FNL & 2,646' FWL (or at a legal location within Unit letter C) of Section 29
FTP: 1,980' FNL & 2,540' FWL of Section 29
LTP: 1,980' FNL & 100' FWL of Section 30
BHL: 1,980' FNL & 10' FWL of Section 30
Standard Spacing Unit: S/2NW/4 of Section 29, S/2N/2 of Section 30, T18S-R31E
TVD: 9,642'
TMD: 17,427'

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 are 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

Long John 29-30 Federal Com Elections:

Well Elections: (Please indicate your responses in the spaces below)					
Well(s)Elect to ParticipateElect to NOT Participate					
Long John 29-30 Federal Com 121H					
Long John 29-30 Federal Com 122H					
Long John 29-30 Federal Com 131H					
Long John 29-30 Federal Com 132H					

Company Name (If Applicable):

By: _____

Printed Name: _____

Date: _____

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 _____ day of _____, 2023 by:

By: _____

Printed Name: _____

Title:_____

.

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:	Long John Federal Com 122H	FIELD:	Shugart; Bone Spring, North
LOCATION:	Section 29, T18S-R31E	MD/TVD:	16,517' / 8,732'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	7,500'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
	Drill a horizontal SBSG well and complete	e with 44 stages. AFE includes drilling, completions,	flowback and Initial AL
REMARKS:	install cost		

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory \$	43,311	-	- 9	- / -
2 Location, Surveys & Damages	211,239	13,248	-	224,487
4 Freight / Transportation	34,924	32,101	15,938	82,962
5 Rental - Surface Equipment	91,164	157,958	75,703	324,826
6 Rental - Downhole Equipment	150,630	43,853		194,483
7 Rental - Living Quarters	35,257	39,948	-	75,205
10 Directional Drilling, Surveys	314,969	-		314,969
11 Drilling	552,750	-		552,750
12 Drill Bits	73,456	-	-	73,456
13 Fuel & Power	138,539	531,662	-	670,202
14 Cementing & Float Equip	178,401	-	-	178,401
15 Completion Unit, Swab, CTU 16 Perforating, Wireline, Slickline	-	-	11,953	11,953
	-	288,273	-	288,273
17 High Pressure Pump Truck	-	90,393	-	90,393
18 Completion Unit, Swab, CTU	-	107,411	-	107,411
20 Mud Circulation System	77,146	-	-	77,146
21 Mud Logging	12,854	-	-	,
22 Logging / Formation Evaluation 23 Mud & Chemicals	5,331	6,115		11,445 594,596
24 Water	265,321	321,306	7,969	
25 Stimulation	31,867	485,146	199,219	716,232
	-	596,903		596,903
26 Stimulation Flowback & Disp	-	89,170	119,531	208,701
28 Mud/Wastewater Disposal	141,596	44,840	-	186,436
30 Rig Supervision / Engineering	88,869	97,832	11,953	198,654
32 Drlg & Completion Overhead	7,643	-	- 11 052	7,643
35 Labor	112,452	50,954 920,415	11,953	175,359 920,415
54 Proppant	-	920,415	-	,
95 Insurance	10,749	-	-	10,749
97 Contingency	-	17,907	-	17,907
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	6,968,122
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANOIDI E COOTO				
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
TANGIBLE COSTS 60 Surface Casing \$	COSTS 92,593	COSTS -	COSTS - S	COSTS 92,593
60 Surface Casing \$	92,593			92,593
60 Surface Casing \$ 61 Intermediate Casing	92,593			92,593
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60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing	92,593 260,797			92,593 260,797
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner	92,593 260,797			92,593 260,797 - 520,436
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing	92,593 260,797 - - 520,436 - -			5 92,593 260,797 - 520,436 - 115,251
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead	92,593 260,797 - - 520,436 - - - 49,101			5 92,593 260,797 - - 520,436 - - - 115,251 82,030
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers	92,593 260,797 - - 520,436 - - - 49,101 11,159			5 92,593 260,797 520,436 115,251 82,030 27,624
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	92,593 260,797 - - 520,436 - - - 49,101 11,159			5 92,593 260,797 520,436 115,251 82,030 27,624
60 Surface Casing \$ 61 Intermediate Casing 6 62 Drilling Liner 63 Production Casing 63 Production Liner 6 65 Tubing 6 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels	92,593 260,797 - - 520,436 - - - 49,101 11,159		- - - - - - - - - - - - - - - - - - -	5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625
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	92,593 260,797 - - - - - - - - - - - - -			5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625
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 50 String	92,593 260,797 - - - - - - - - - - - - -			5 92,593 260,797 520,467 - - - - - - - - - - - - -
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	92,593 260,797 - - - - - - - - - - - - -			5 92,593 260,797 520,467 - - - - - - - - - - - - -
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 64 Production Liner 65 Tubing 66 Wellhead 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 73	92,593 260,797 - - - - - - - - - - - - -			5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 -
60 Surface Casing \$ 61 Intermediate Casing 6 62 Drilling Liner 6 63 Production Casing 6 64 Production Liner 6 65 Tubing 6 66 Wellhead 6 67 Packers, Liner Hangers 6 68 Tanks 6 69 Production Vessels 7 70 Flow Lines 7 71 Rod string 7 72 Artificial Lift Equipment 7 73 Compressor 7 74 Installation Costs 7	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -			5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 -
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 69 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -			5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 -
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Casing 64 Production Liner 65 65 Tubing 66 66 Wellhead 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 70	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -			5 92,593 260,797 - 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 - - - - - - - - - - - - -
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 71	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -			5 92,593 260,797 - 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 - - - - - - - - - - - - -
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 65 Tubing 66 66 Wellhead 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 74	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -		- - - - - - - - - - - - - - - - - - -	5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 - 24,697 - 24,697 - -
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 66 Wellhead 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 79 Interconnecting Facility Piping 79	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -		- - - - - - - - - - - - - - - - - - -	5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 - 24,697 - 24,697 - -
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 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 50 Fiping	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -		- - - - - - - - - - - - - - - - - - -	5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 - 24,697 - 24,697 - -
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60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 66 Wellhead 67 Packers, Liner Hangers 67 Packers, Liner Hangers 68 Tanks 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 70 Measurement & Meter Installation 78 79 Interconnecting Facility Piping 80 80 Gathering / Bulk Lines 81 81 Valves, Dumps, Controllers 82 82 Tank / Facility Containment 84	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -			5 92,593 260,797 520,436 - 115,251 82,030 27,624 57,625 - 32,929 - 74,090 - 24,697 - 24,697 - -
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 66 Wellhead 67 Packers, Liner Hangers 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 91	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -		- - - - - - - - - - - - - - - - - - -	92,593 260,797 - 520,436 - 115,551 82,030 27,624 57,625 - - 74,090 - - 24,697 - -
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Production Vessels 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 84 Electrical / Grounding	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -		- - - - - - - - - - - - - - - - - - -	92,593 260,797 - 520,436 - 115,251 82,030 27,624 57,625 - - 74,090 - <tr tr=""> -</tr>
60 Surface Casing \$ 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 64 Production Liner 65 65 Tubing 66 66 Wellhead 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 79 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 84 Electrical / Grounding 85 85 Communications / SCADA 90	92,593 260,797 - - 520,436 - - 49,101 11,159 - - - - - - - - - - - - -		- - - - - - - - - - - - - - - - - - -	92,593 260,797 - 520,436 - 115,251 82,030 27,624 57,625 - - 74,090 - <tr tr=""> -</tr>

PREPARED BY Permian Resources Operating, LLC:

TREP DT Terman Resource	es operating, EEC.		
Drilling Engineer:	PS		
Completions Engineer:	ML		
Production Engineer:	DC		
Permian Resources Operating, LL	C APPROVAL:		
Co-CEO		Co-CEO	VP - Operations
	WH	JW	CRM
VP - Land & Legal		VP - Geosciences	
	BG	SO	
NON OPERATING PARTNER A	PPROVAL:		
Company Name:		Working Interest (%):	Tax ID:
Signed by:		Date:	
Title:		Approval: Ye	No (mark one)
The costs on this AFE are estimates only and may not be construed a	s ceilings on any specific item or the total co	st of the project. Tubing installation approved under the AFE may be delayed up to a year after the wel	has been completed. In executing this AFE, the Participant agrees to pay its

Intercontinue to the approximate to any una target of the approximate to any other and the approximate to any other any other and the approximate to any other any other

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:	Long John Federal Com 132H	FIELD:	Shugart; Bone Spring, North
LOCATION:	Section 29, T18S-R31E	MD/TVD:	17,427' / 9,642'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	7,500'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
	Drill a horizontal TBSG well and complete	with 44 stages. AFE includes drilling, completions, f	flowback and Initial AL
REMARKS:	install cost		

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory \$	44,924	-	-	44,924
2 Location, Surveys & Damages	219,105	13,741	-	232,846
4 Freight / Transportation	36,224	33,296	16,531	86,052
5 Rental - Surface Equipment	94,559	163,840	78,522	336,921
6 Rental - Downhole Equipment	156,239	45,486	-	201,725
7 Rental - Living Quarters	36,570	41,436	-	78,006
10 Directional Drilling, Surveys	326,698	-	-	326,698
11 Drilling	573,333	-	-	573,333
12 Drill Bits	76,191	-	-	76,191
13 Fuel & Power	143,698	551,460	-	695,158
14 Cementing & Float Equip	185,044	-	-	185,044
15 Completion Unit, Swab, CTU	-	-	12,398	12,398
16 Perforating, Wireline, Slickline	-	299,008	-	299,008
17 High Pressure Pump Truck	-	93,759	-	93,759
18 Completion Unit, Swab, CTU	-	111,411	-	111,411
20 Mud Circulation System	80,019	-	-	80,019
21 Mud Logging	13,332	-	-	13,332
22 Logging / Formation Evaluation	5,529	6,342	-	11,871
23 Mud & Chemicals	275,201	333,271	8,265	616,737
24 Water	33,053	503,212	206,637	742,902
25 Stimulation	-	619,129	-	619,129
26 Stimulation Flowback & Disp	-	92,490	123,982	216,473
28 Mud / Wastewater Disposal	146,869	46,509	-	193,378
30 Rig Supervision / Engineering	92,178	101,475	12,398	206,051
32 Drlg & Completion Overhead	7,928	-	-	7,928
35 Labor	116,639	52,852	12,398	181,889
54 Proppant	-	954,688	-	954,688
95 Insurance	11,150	-	-	11,150
97 Contingency	-	18,574	-	18,574
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	7,227,593
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing \$	96,041			\$ 96,041
61 Intermediate Casing	270,508	-	_	270,508
62 Drilling Liner	270,508	-		270,508
63 Production Casing	539,816	-	-	539,816
64 Production Liner	559,610			559,610
65 Tubing	-		119,542	119,542
66 Wellhead	50,930		34,155	85,085
67 Packers, Liner Hangers	11,575	-	17,077	28,652
68 Tanks	11,375	-	59,771	59,771
69 Production Vessels	-		59,771	
_	-	-	- 24 155	- 24 155
70 Flow Lines	-	-	34,155	34,155
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	76,849	76,849
73 Compressor	-	-		-
74 Installation Costs	-	-	25,616	25,616
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-		- DE /4/
77 Measurement & Meter Installation	-	-	25,616	25,616
78 Gas Conditioning / Dehydration	-	-	-	-

PREPARED BY Permian Resources Operating, LLC:

TOTAL TANGIBLES >

PS ML DC

TOTAL COSTS >

Drilling Engineer:	
Completions Engineer:	
Production Engineer:	

79 Interconnecting Facility Piping

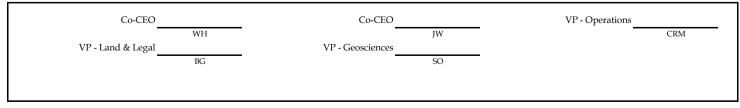
80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment

84 Electrical / Grounding

85 Communications / SCADA 86 Instrumentation / Safety

83 Flare Stack

Permian Resources Operating, LLC APPROVAL:



968,870

3,897,455

(7.07)

42,694

452,553

968,448

0

4,469,808

(7.07)

42.694

1,421,422

8,649,015

•

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval: Yes	No (mark one)

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. Participant sshall be covered by and billed proportionate the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participant sshall be covered by and billed proportionately for Operator's well control and general liability insurance unian participant provide Operator a certificate videncing its worn insurance in the to the Operator by the date of sput.

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Long John & Silver – Chronology of Communication

Please note, while separate cases, Permian Resources has kept the Long John and Silver units in lockstep, thus a combined chronology of events

March 2023 – Permian Resources orders full Drilling and Division Order Title Opinions on Long John & Silver (title currently wrapping up, but did receive full mineral ownership reports in August 2023)

April 11, 2023 – Initial Long John & Silver well proposals (along with the Coms and JOA) sent to all known parties at the time

- April 19, 2023 Long John re-proposed correcting surface hole locations
- April 21, 2023 Correspondence with ANET Oil & Gas
- April 21, 2023 Correspondence with 1789
- April 25, 2023 Correspondence with Sabinal
- April 26, 2023 Correspondence with BEXP
- April 27, 2023 Correspondence with S&P Co.
- May 9, 2023 Long John proposed to ConocoPhillips as parent company to Burlington
- May 9, 2023 Silver proposed to Magnum Hunter
- May 16, 2023 Correspondence with Sklarco
- May 23, 2023 Correspondence with Burlington
- May 24, 2023 Correspondence with Kent
- July 18, 2023 Correspondence with Magnum Hunter
- August 3, 2023 Correspondence with Magnum Hunter
- August 7, 2023 Correspondence with Magnum Hunter
- September 12, 2023 Correspondence with Sklarco
- October 2, 2023 Correspondence with Magnum Hunter
- October 17, 2023 Correspondence with Magnum Hunter

Colgate Production, LLC Case No. 23667 Exhibit A-5

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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23666 & 23667

SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

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

2. I am familiar with the geological matters that pertain to the above-referenced cases.

3. **Exhibit B-1** is a regional locator map that identifies the Long John project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of this application.

4. Exhibit B-2 is a cross section location map for the proposed horizontal spacing units ("Units") within the Bone Spring formation. The approximate wellbore paths for the proposed Long John 29-30 Fed Com 121H, Long John 29-30 Fed Com 131H, Long John 29-30 Fed Com 132H, and Long John 29-30 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. Pooling units area defined by blue boxes and are labeled with their respective case numbers.

Colgate Production, LLC Case No. 23667 Exhibit B Released to Imaging: 11/14/2023 2:06:01 PM

Page 28 of 59

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 Wells with a orange dashed line. It also identifies the 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 east-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 Wells with a red dashed line. It also identifies the 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 east-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** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-4. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zones for the Wells are labeled on the exhibit. The approximate well-paths for the proposed Wells are indicated by dashed lines to be drilled from east to west across the units. This cross-section demonstrates the target intervals are continuous across the Unit.

8. **Exhibit B-6** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. Pooling units area defined by blue dashed boxes and are labeled with their respective case numbers.

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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 Colgate's 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

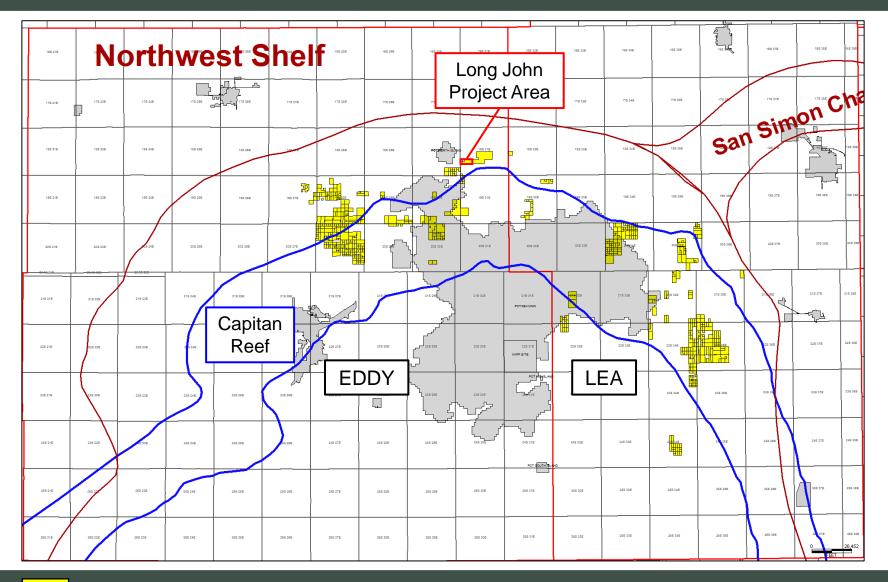
13/202 Date

Received by OCD: 11/14/2023 1:57:36 PM

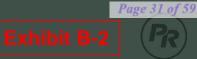
Regional Locator Map Long John 29-30 Fed Com

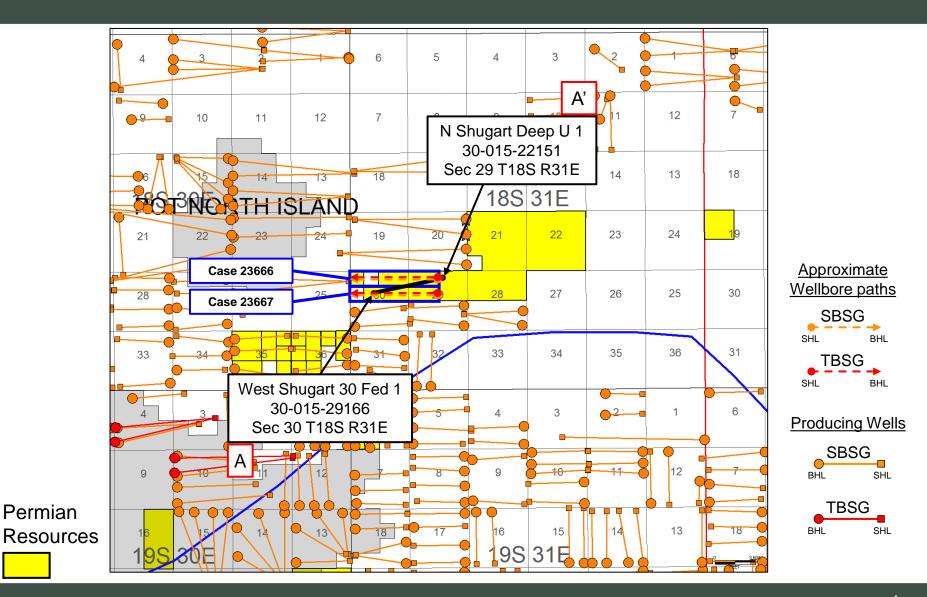
Colgate Production, LLC Case No. 23667 Exhibit B-1





Cross-Section Locator Map Long John 29-30 Fed Com Bone Spring Colgate Production, LLC Case No. 23667 Exhibit B-2

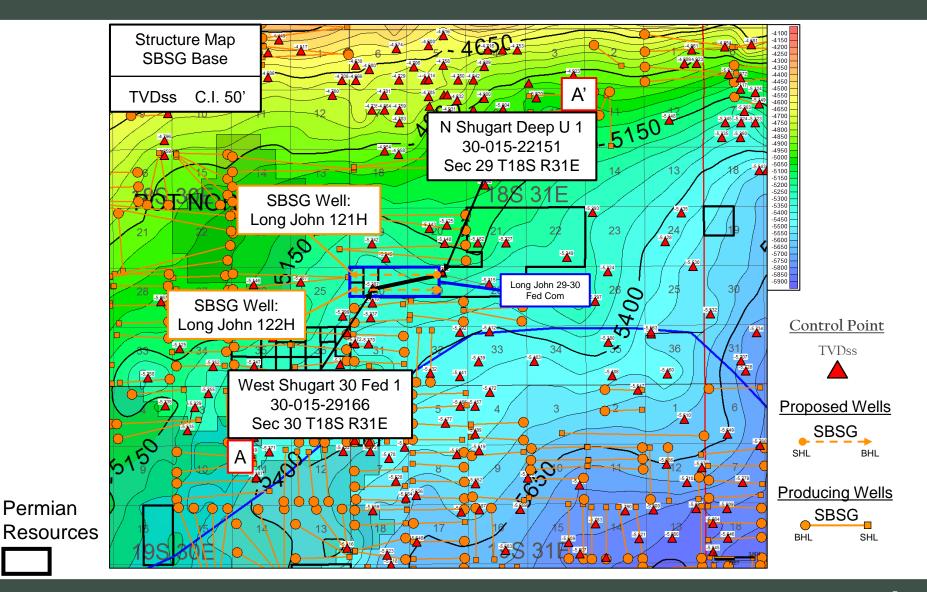




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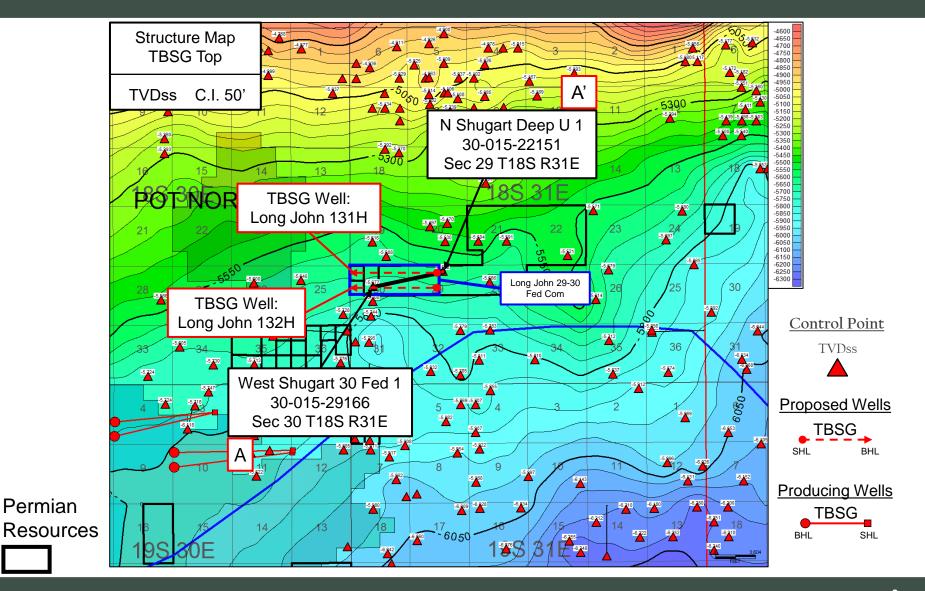
Second Bone Spring – Structure Map Long John 29-30 Fed Com 121H & 122H Colgate Production, LLC Case No. 23667 Exhibit B-3





Third Bone Spring – Structure Map Long John 29-30 Fed Com 131H & 132H Colgate Production, LLC Case No. 23667 Exhibit B-4

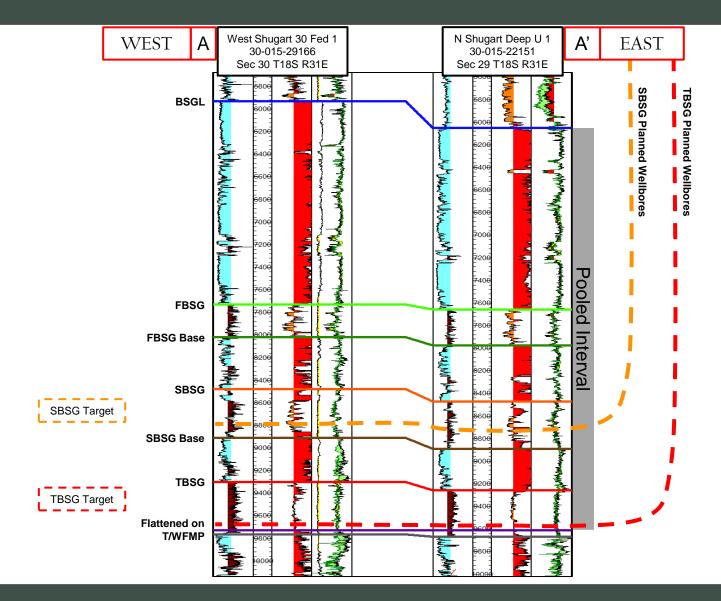




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Stratigraphic Cross-Section A-A' Long John 29-30 Fed Com Bone Spring Colgate Production, LLC Case No. 23667 Exhibit B-5

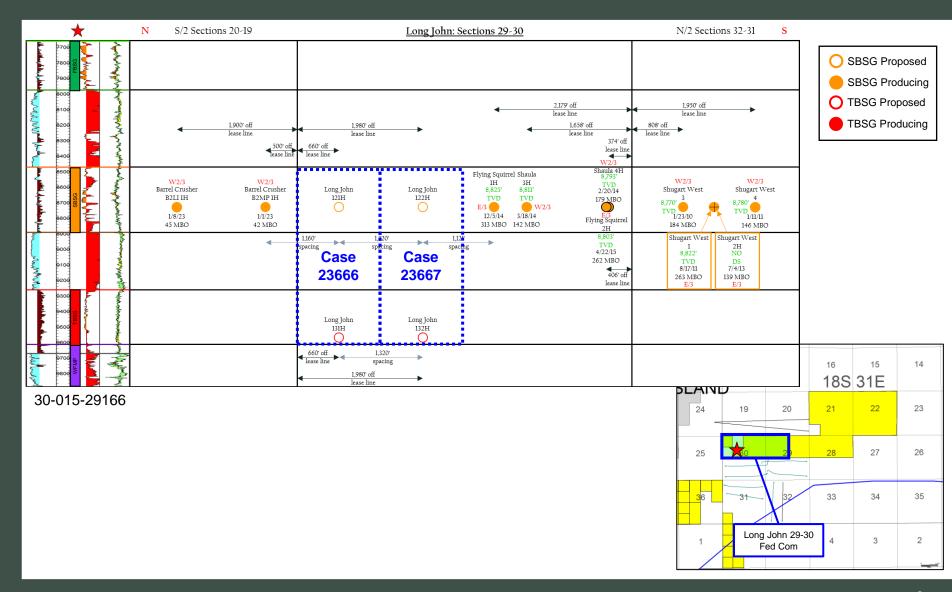




Gun Barrel Development Plan Long John 29-30 Fed Com Bone Spring

Colgate Production, LLC Case No. 23667 Exhibit B-6





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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23667

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Colgate Production, LLC, the Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit C-1** and caused the Notice Letters, 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 July 18th and October 29th, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. Two (2) Affidavits of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publications, are 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 is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy Dana S. Hardy

November 13, 2023 Date

> Colgate Production, LLC Case No. 23667 Exhibit C



HINKLE SHANOR LLP

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

July 13, 2023

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

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23666 & 23667 – Applications of Colgate Production, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **August 3**, **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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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://wwwapps.emnrd.nm.gov/OCD/OCDPermitting) or via e-mail to ocd.hearing@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 these matters.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

> Colgate Production, LLC Case No. 23667 Exhibit C-1

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



HINKLE SHANOR LLP

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

October 18, 2023

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

<u>VIA CERTIFIED MAIL</u> RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23666 & 23667 – Applications of Colgate Production, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **August 3**, **2023** beginning at 8:15 a.m.

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

Sincerely,

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

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

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23666-67

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
1789 Minerals Fund II	07/13/23	07/25/23
dba Hoya Energy LP		
26203 Monarch Meadow Court		
Katy, TX 77494		
18-31, Inc.	07/13/23	08/16/23
P.O. Box 1120		
Roswell, NM 88202		Return to sender.
Anet Oil and Gas Consulting, LLC	07/13/23	07/21/23
730 2nd Ave., Suite 1400		
Minneapolis, Minnesota 55402		
BEXP II Alpha, LLC	07/13/23	07/24/23
5914 W Courtyard Drive, Ste 340 Austin,		
TX 78730		
BEXP II Omega, LLC	07/13/23	07/24/23
5914 W Courtyard Drive, Ste 340 Austin,		
TX 78730		
Burlington Resources Oil & Gas Co.	07/13/23	07/24/23
600 W. Illinois Ave.		
Midland, TX 79701		
JJS Working Interest, LLC	07/13/23	Per USPS Tracking
4295 San Felipe, Suite 207		(Last Checked 11/10/23):
Houston, TX 77027		
		07/17/23 – Delivery
		attempted.
KCS Resources, LLC	10/18/23	11/10/23
P.O. Box 22719		
Houston, Texas 77027		Return to sender.
Kent Production Company, LLC	07/13/23	07/25/23
3009 Post Oak Blvd., Suite 1212		
Houston, TX 77056		
Magnum Hunter	07/13/23	07/19/23
6001 Deauville Blvd.		
Midland, TX 79706		
Mewbourne Oil Company	10/18/23	10/26/23
500 W. Texas Ave #1020		
Midland, Texas 79701		

Colgate Production, LLC Case No. 23667 Exhibit C-2

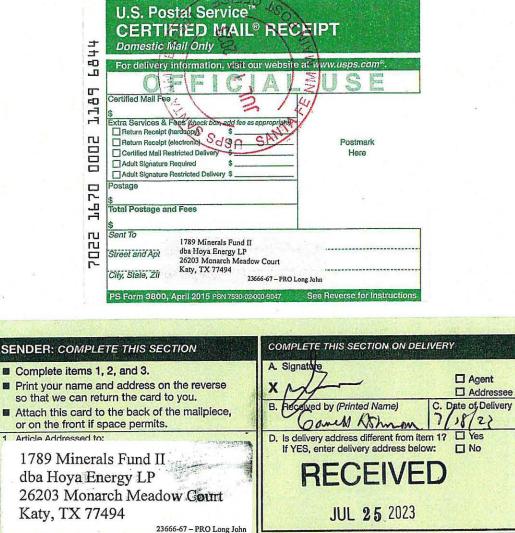
STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 23666-67

NOTICE LETTER CHART

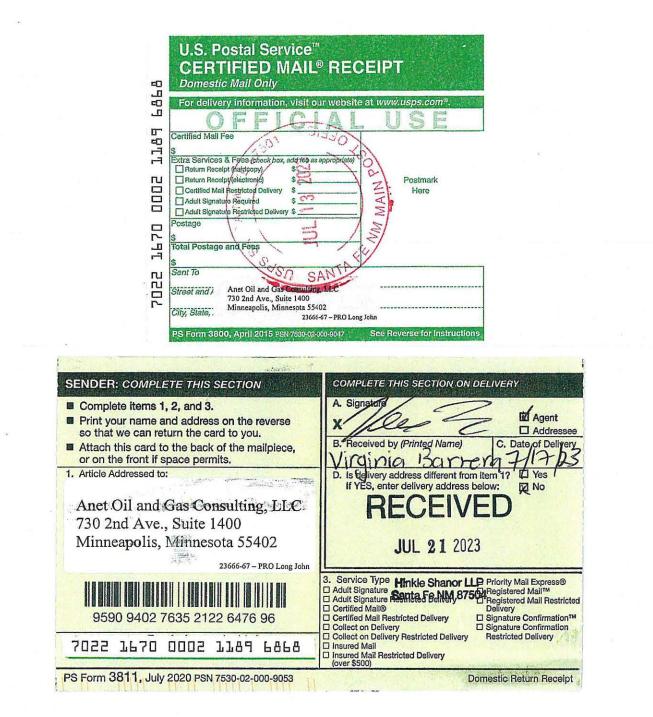
Nortex Corporation 3009 Post Oak Blvd., Suite 1212	07/13/23	07/25/23
Houston, TX 77056		
S & P Company	07/13/23	07/20/23
330 Marshall Street, Suite 300		
Shreveport, LA 71101		
Sabinal Energy Operating LLC	07/13/23	07/24/23
1780 Hughes Landing, Blvd., Ste 1200		
The Woodlands, TX 77380		
Sklarco, LLC	07/13/23	07/20/23
401 Edwards Street, Suite 1601		
Shreveport, LA 71101		

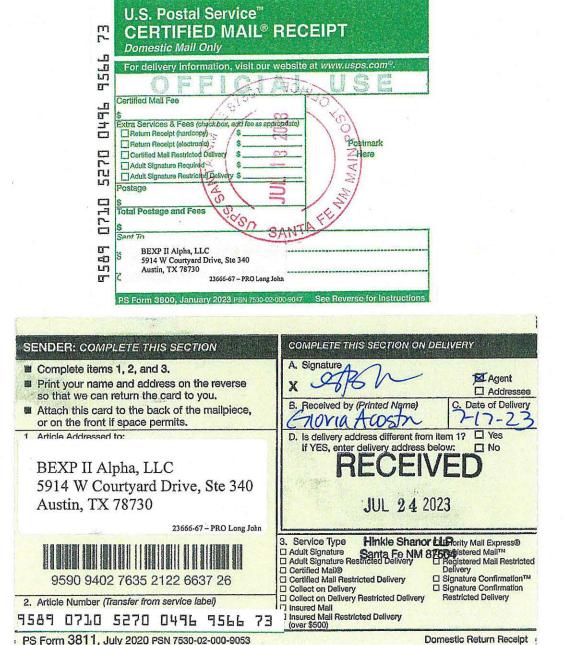




Colgate Production, LLC Case No. 23667 Exhibit C-3

Page 42 of 59

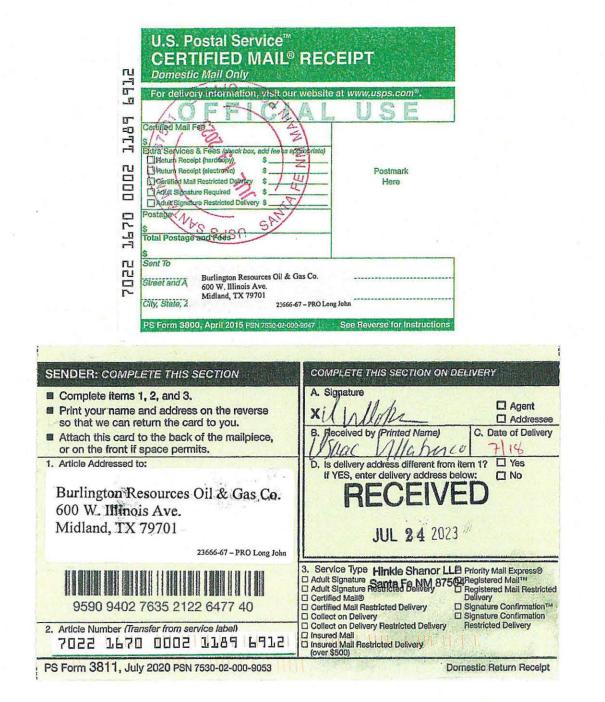


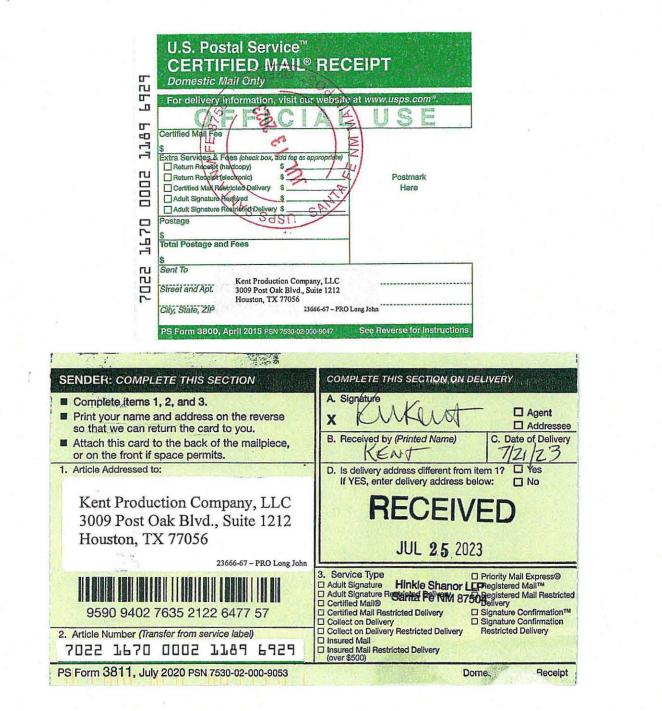


PS Form 3811, July 2020 PSN 7530-02-000-9053

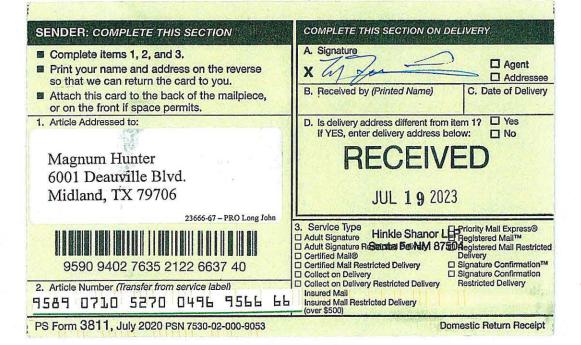




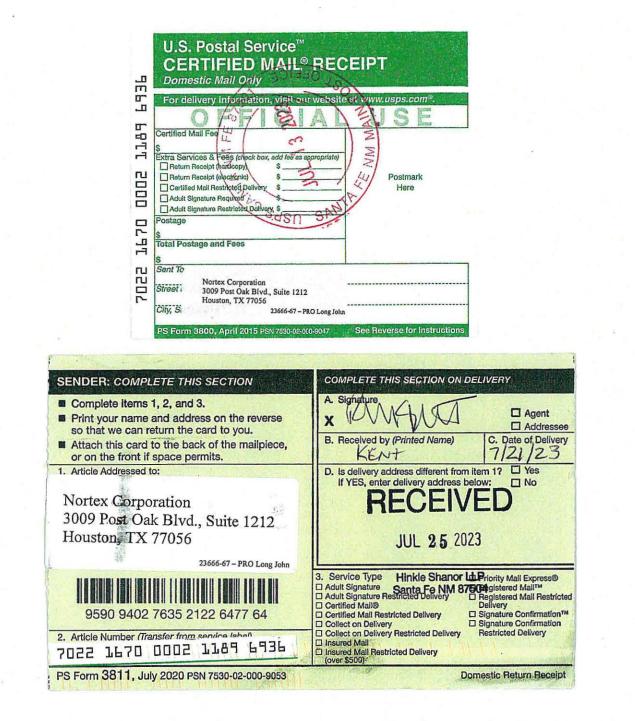


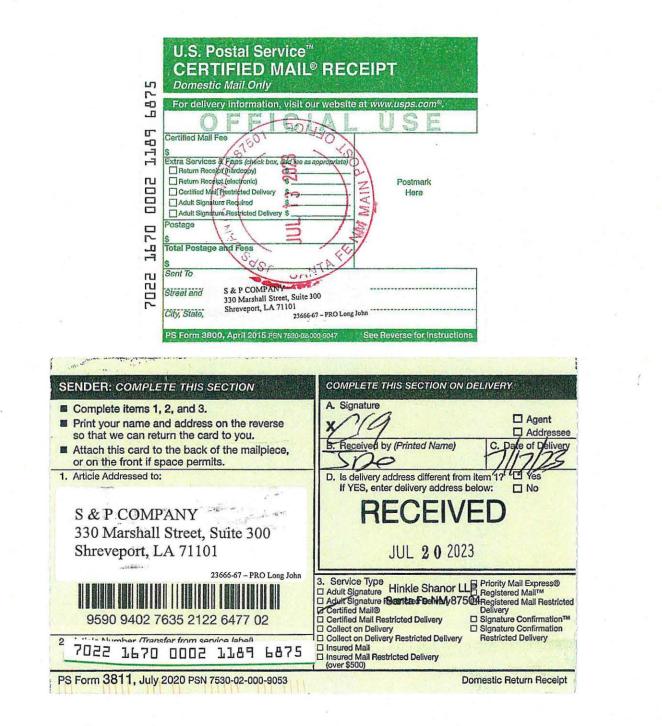


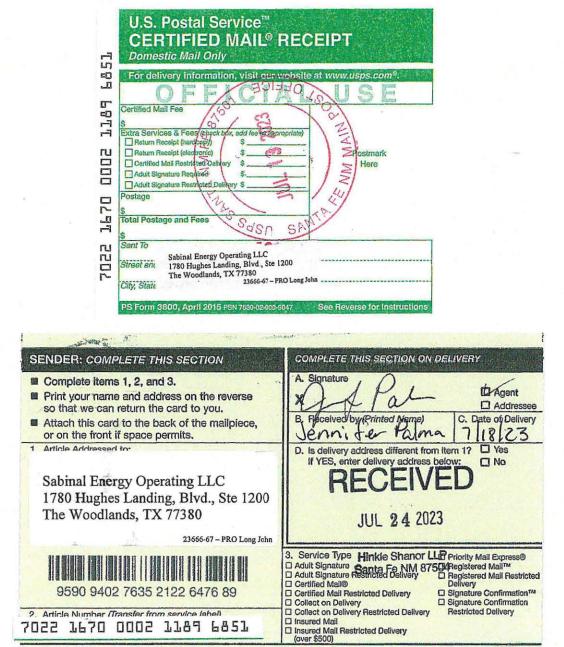






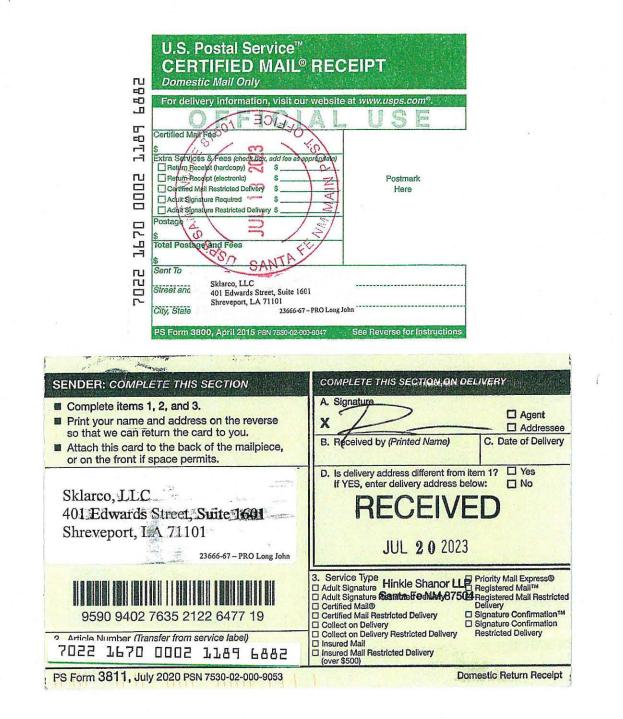


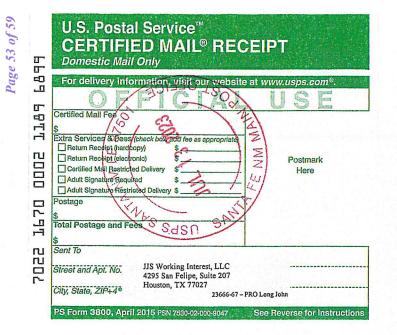




PS Form 3811, July 2020 PSN 7530-02-000-9053







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FAQs >

USPS Tracking[®]

Remove X

Tracking Number:

70221670000211896899

Сору

Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

We were unable to deliver your package at 1:44 pm on July 17, 2023 in HOUSTON, TX 77027 because the business was closed. We will redeliver on the next business day. No action needed.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivery Attempt

Redelivery Scheduled for Next Business Day

HOUSTON, TX 77027 July 17, 2023, 1:44 pm

In Transit to Next Facility July 16, 2023

Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER July 15, 2023, 7:52 am

Departed USPS Facility

ALBUQUERQUE, NM 87101 July 13, 2023, 10:32 pm

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 July 13, 2023, 9:55 pm Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	\checkmark
USPS Tracking Plus®	\checkmark
Product Information	\checkmark
See Less 🔨	

000 2000

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

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Received by OCD: 11/14/2023 1:57:36 PM



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Carlsbad Current Argus.

Affidavit of Publication Ad # 0005770236 This is not an invoice

HINKLE SHANOR, LLP POBOX 2068

SANTA FE, NM 87504

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:

07/18/2023

UNAU Legal Clerk

Subscribed and sworn before me this, July 18, 2023:

lulle

State of WI, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005770236 PO #: 23667 # of Affidavits1

This is not an invoice

This is to notify all interested parties, including 1789 Minerals Fund II dba Hoya Energy LP; Sabinal Energy Operating LLC; Anet Oil and Gas Consulting, LLC; S & P Company; Sklarco LLC; JJS Working Interest LLC; 18-31, Oil & Gas Co.; Kent Produc-tion Company, LLC; Nortex Corporation; BEXP II Alpha, LLC; BEXP II Omega, LLC; Magnum Hunter; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct vation Division will conduct a hearing on an application submitted by Colgate Pro-duction, LLC (Case No. 23657). The hearing will be conducted remotely on Au-gust 3, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on instructions posted on the the OCD Hearings website for that date: https://www.e mnrd.nm.gov/ocd/hearing-info/. Applicant applies for an order pooling all uncom-mitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NW/4 of Section 29 and the NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the fol-lowing wells ("Wells"): Long John 29-30 Fed Com 132H well, which will be drilled from a surface hole location from a surface hole location in the NW/4 NE/4 (Unit B) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30; and Long John 29-30 Fed Com 122H well, which will be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30. The completed in-tervals of the Wells will be orthodox. Also to be consid-ered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Permian Resources Operat-ing, LLC (OGRID No. 372165) as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approxi-mately 30.56 miles southeast of Atein New Maria of Artesia, New Mexico.

#5770236, Current Argus, July 18, 2023

Carlsbad Current Argus.

Affidavit of Publication Ad # 0005851453 This is not an invoice

HINKLE SHANOR, LLP POBOX 2068

SANTA FE, NM 87504

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:

10/29/2023

Legal Clerk

Subscribed and sworn before me this October 29,

2023

State of WI, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005851453 PO #: Case No. 23667 # of Affidavits1

This is not an invoice

This is to notify all interested parties, including 1789 Minerals Fund II dba Hoya Energy LP; Sabinal Energy Operating LLC; Anet Oil and Gas Consulting, LLC; S & P Company; Sklarco LLC; JJS Working Interest LLC; 18-31, Inc.; Burlington Resources Oil & Gas Co.; Kent Production Company, LLC; Nortex Corporation; BEXP II Alpha, LLC; BEXP II Omega, LLC; Magnum Hunter; KCS Resources, LLC; Mewbourne Oil Company; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Colgate Production, LLC (Case No. 23667). The hearing will be conducted remotely on November 16, 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 240-acre, more or less, standard horizontal spacing unit comprised of the S/2 NW/4 of Section 29 and the S/2 N/2 of Section 30, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Long John 29-30 Fed Com **132H** well, which will be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit C) of Section 29 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 30. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Permian Resources Operating, LLC (OGRID No. 372165) 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 30.56 miles southeast of Artesia, New Mexico.

> Colgate Production, LLC Case No. 23667 Exhibit C-4