

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

APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24029

NOTICE OF REVISED EXHIBIT A

Permian Resources Operating, LLC, applicant in the above-referenced case, gives notice that it is filing the attached exhibit for acceptance into the record.

Revised Exhibit A is a revised copy of the Compulsory Pooling Checklist that includes a description of the pooled vertical extent.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Paula M. Vance
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ATTORNEYS FOR PERMIAN OPERATING
RESOURCES, LLC

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING DECEMBER 7, 2023**

CASE No. 24029

ERIC CARTMAN 6 STATE COM #304H

LEA COUNTY, NEW MEXICO

PERMIAN
RESOURCES

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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24029

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 - Permian Exhibit C-2: C-102
 - Permian Exhibit C-3: Land Tract Map and Ownership Schedule
 - Permian Exhibit C-5: Sample Well Proposal Letters with AFE
 - Permian Exhibit C-6: Chronology of Contacts
- **Permian Exhibit D:** Self-Affirmed Statement of Ira Bradford, Geologist
 - Permian Exhibit D-1: Locator map
 - Permian Exhibit D-2: Cross-Section Locator map
 - Permian Exhibit D-3: First Bone-Spring Structure map
 - Permian Exhibit D-4: Structural Cross-Section
 - Permian Exhibit D-5: Type Log - New Mexico 'DA' State #001
- **Permian Exhibit E:** Self-Affirmed Statement of Notice
- **Permian Exhibit F:** Affidavit of Publication

Received by OCB: 12/5/2023 5:12:06 PM

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24029	APPLICANT'S RESPONSE
Date	December 7, 2023
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	N/A
Well Family	Eric Cartman
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Limited in depth to the correlative stratigraphic interval from 9,465 feet TVD to 9,660 feet TVD, that being the First Bone Spring, as shown in the New Mexico 'DA' State #001 (API: 30-025-27360)
Pool Name and Pool Code:	Ojo Chiso; Bone Spring [96553]
Well Location Setback Rules:	Statewide setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre, more or less
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6, Township 22 South, Range 35 East, NMPM, Lea 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	N/A
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit C-3
Well(s)	

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico


Revised Exhibit No. A

Submitted by: Permian Resources Operating, LLC

Hearing Date: December 7, 2023

Case No. 24029

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	Eric Cartman 6 State Com 304H (API: 30-025-PENDING) SHL: 279' FSL, 1,890' FEL (Unit O) Section 6, T22S-R35E BHL: 100' FNL, 550' FEL (Unit A) Section 31, T21S-R35E Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-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 C-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1, D-2

Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D, D-4
HSU Cross Section	Exhibit D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1, D-2
Well Bore Location Map	Exhibit D-1, D-2
Structure Contour Map - Subsea Depth	Exhibit D-3
Cross Section Location Map (including wells)	Exhibit D-2, D-3
Cross Section (including Landing Zone)	Exhibit D-4
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):	Paula M Vance
Signed Name (Attorney or Party Representative):	
Date:	12/7/2023

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

APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24029

APPLICATION

Permian Resources Operating, LLC (“Permian” or “Applicant”) (OGRID No. 372165), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in the correlative stratigraphic interval from 9,465 feet TVD to 9,660 feet TVD, that being the First Bone Spring, as shown in the New Mexico ‘DA’ State #001 (API: 30-025-27360). In support of its application, Permian states:

1. Applicant is a working interest owner in the proposed overlapping horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to be designated as the operator of the proposed overlapping horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Eric Cartman 6 State Com 304H** well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 22 South, Range 35 East, a first take

69: CF9 'H<9 'C=@7 CBG9FJ5 HCB'8-J-G-CB'
GUbHJ: YZBYk 'A Yl Jv#
91 \ Jv]hBc "6
Gi Va]HtX'Vm 'DYfa]Ub' F Ygci fW'g' CdYfU]b] ž@@`
< YUf]b] '8 UhY. '8 YWfa VYf' +z&\$&
7 UgY'Bc" &(\$&-

point in the SE/4 SE/4 (Unit P) of Section 6, Township 22 South, Range 35 East, and a bottom hole location in the NE/4 NE/4 (Unit A) of Section 31, Township 21 South, Range 35 East.

4. This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit:

- 400-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6 and the E/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, dedicated to the Eric Cartman 31 State Com 506H (API: 30-025-50161) well.¹

5. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

6. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the overlapping horizontal spacing unit and pooling all uncommitted interests therein;
- B. Designating Applicant as operator of this overlapping horizontal spacing unit and the horizontal well to be drilled thereon;

¹ Permian is simultaneously applying to contract the vertical interval for the Eric Cartman 31 State Com 506H spacing unit. Once approved, these spacing units will no longer overlap.

- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the well;
- D. 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
- E. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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Adam G. Rankin
Paula M. Vance
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Santa Fe, NM 87504
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505-983-6043 Facsimile
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agrarkin@hollandhart.com
pmvance@hollandhart.com

**ATTORNEYS FOR PERMIAN RESOURCES
OPERATING, LLC**

CASE _____: **Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in the correlative stratigraphic interval from 9,465 feet TVD to 9,660 feet TVD, that being the First Bone Spring, as shown in the New Mexico 'DA' State #001 (API: 30-025-27360). Said unit will be initially dedicated to the proposed **Eric Cartman 6 State Com 304H** well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 22 South, Range 35 East, a first take point in the SE/4 SE/4 (Unit P) of Section 6, Township 22 South, Range 35 East, and a bottom hole location in the NE/4 NE/4 (Unit A) of Section 31, Township 21 South, Range 35 East.

This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit:

- 400-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6 and the E/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, dedicated to the Eric Cartman 31 State Com 506H (API: 30-025-50161) well.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Eunice, New Mexico.

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

APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR APPROVAL OF AN
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UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24029

SELF-AFFIRMED STATEMENT OF CHRIS ASTWOOD

1. My name is Chris Astwood. I work for Permian Resources Operating, LLC (“Permian”) as a Senior Landman.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Permian in this case, and I am familiar with the status of the lands in the subject area.

4. None of the uncommitted parties in this case has indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.

5. In Case No. 24029, Permian seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in the correlative stratigraphic interval from 9,465 feet TVD to 9,660 feet TVD, that being the First Bone Spring, as shown in the New Mexico ‘DA’ State #001

69: CF9'H<9'C=@7CBG9FJ5HCB'8-J-G-CB'
GUbHJ: YZBYk 'A Yl]Vt
91 \]V]hBc"7
Gi Va]HhX'Vm'DYfa]Ub'FYgci fVWg'CdYfU]b[ž @@'
<YUf]b['8 UhY. '8 YWwa VYf'+z&\$&
7 UqYBc" &(\$&-

(API: 30-025-27360). Permian proposes to dedicate the above-referenced spacing unit to the proposed **Eric Cartman 6 State Com 304H** well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 22 South, Range 35 East, a first take point in the SE/4 SE/4 (Unit P) of Section 6, Township 22 South, Range 35 East, and a bottom hole location in the NE/4 NE/4 (Unit A) of Section 31, Township 21 South, Range 35 East.

6. This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit:

- 400-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6 and the E/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, dedicated to the Eric Cartman 31 State Com 506H (API: 30-025-50161) well.¹

7. Permian is the designated operator in the above-referenced existing horizontal well spacing unit. Therefore, **Permian Exhibit C-1** includes a sample of the notice letter mailed to the State Land Office and other working interest owners in both the new and existing spacing units, along with a list of the affected parties that were noticed, and a diagram depicting the newly proposed spacing unit in relation to the existing spacing unit.

8. **Permian Exhibit C-2** contains a draft Form C-102 for the well in this standard spacing unit. This form demonstrates that the completed interval for the **Eric Cartman 6 State Com 304H** well will comply with statewide setbacks for oil wells. The exhibit shows that the well will be assigned to the Ojo Chiso; Bone Spring [96553].

9. **Permian Exhibit C-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The

¹ Permian is simultaneously applying to contract the vertical interval for the Eric Cartman 31 State Com 506H spacing unit. Once approved, these spacing units will no longer overlap.

subject acreage is comprised of state lands. The parties highlighted in yellow are the parties to be pooled.

10. **Permian Exhibit C-4** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Permian and other operators have incurred for drilling similar horizontal wells in the area in this formation.

11. Permian requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$10,000 per month while drilling and \$1,000 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

12. **Permian Exhibit C-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Permian has made a good faith effort to locate and has had communications with all of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Permian has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

13. Permian has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Permian seeks to pool and instructed that they be notified of this hearing. Permian has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

14. **Permian Exhibits C-1 through C-5** were either prepared by me or compiled under my direction and supervision.

15. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Chris Astwood

12/4/2023

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

**TO ALL WORKING INTEREST OWNERS IN THE AGREAGE AFFECTED BY
PROPOSED OVERLAPPING SPACING UNIT**

Re: Notice of Overlapping Spacing Unit
Ojo Chiso; Bone Spring [96553]
Eric Cartman 6 State Com 304H
E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6,
Township 22 South, Range 35 East, NMPM, Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC has proposed the Eric Cartman 6 State Com 304H well for the development of the Ojo Chiso; Bone Spring [96553]. This letter is to advise you that this proposed development plan will require the formation of the following 320-acre spacing unit:

E/2 E/2 of Section 31, T21S-R35E, and the E/2 E/2 of Section 6, T22S-R35E, NMPM,
Lea County, New Mexico
SHL: 306' FSL & 1,890' FEL of Section 6, T22S-R35E
BHL: 50' FNL & 550' FEL of Section 31, T21S-R35E
TVD: Approximately 9,575'
Target Interval: First Bone Spring

The proposed 320-acre spacing unit will overlap the following existing spacing unit and wells:

E/2 E/2 of Section 31, T21S-R35E, and the E/2 E/2 of Section 6 and the E/2 NE/4 of
Section 7, T22S-R35E, NMPM, Lea County, New Mexico
Well Name: Eric Cartman 31 State Com 506H
Producing from: Second Bone Spring

Pursuant to NMAC 19.15.16.15.B(9) and 19.15.15.12.B, you have a right to object the overlapping spacing unit by delivering a written statement of objection to our office within twenty (20) days of the mailing of this notice. If no objection is received within this 20-day period, we will proceed with obtaining any remaining regulatory approvals for the proposed spacing unit.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-1
Submitted by: Permian Resources Operating, LLC
Hearing Date: December 7, 2023
Case No. 24029

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
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Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming



Paula M. Vance
Associate
Phone (505) 988-4421
Fax (505) 819-5579
pmvance@hollandhart.com

If you have any questions about this matter, please contact Chris Astwood at (432) 315-0102 or Chris.Astwood@permianres.com.

Sincerely,

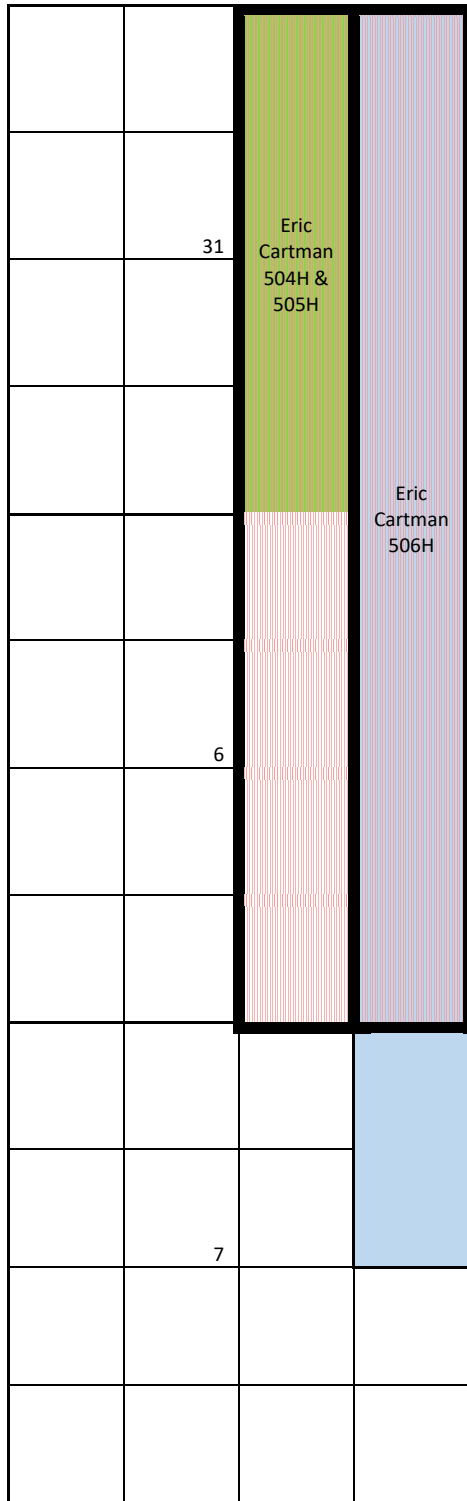
A handwritten signature in cursive script that reads "Paula M. Vance".

Paula M. Vance
**ATTORNEY FOR PERMIAN RESOURCES
OPERATING, LLC**




Eric Cartman 6 State Com 304H Overlap Notice:

Chevron Midcontinent, LP
Fuel Products, Inc.
Gahr Energy Company
Mark K. Nearburg
Magnum Hunter Production Inc.
Chevron Midcontinent, LP
Legacy Reserves
Grewal (Royalty)
Chevron Midcontinent, LP, attn: Land Department
Mid Western Energy, LLC
Stonedown Energy, LLC
Cache Investments, LLC
Elk Range Royalties, LP
SBI West Texas I, LLC
MRC Delaware
State Land Office

**Overlapping Spacing Unit Exhibit:
Section 31 - Township 21 South - Range 35 East, Lea County, New Mexico
Sections 6 & 7 - Township 22 South - Range 35 East, Lea County, New Mexico**



Key:

-  Eric Cartman 504H & 505H
-  Eric Cartman 506H
-  Eric Cartman 303H & 304H

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Submitted by: Permian Resources Operating, LLC

Hearing Date: December 7, 2023

Case No. 24029

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 96553		³ Pool Name Ojo Chiso; Bone Spring	
⁴ Property Code 332350		⁵ Property Name ERIC CARTMAN 6 STATE COM			⁶ Well Number 304H
⁷ OGRID No. 372165		⁸ Operator Name PERMIAN RESOURCES OPERATING, LLC			⁹ Elevation 3621.4'

¹⁰ Surface Location

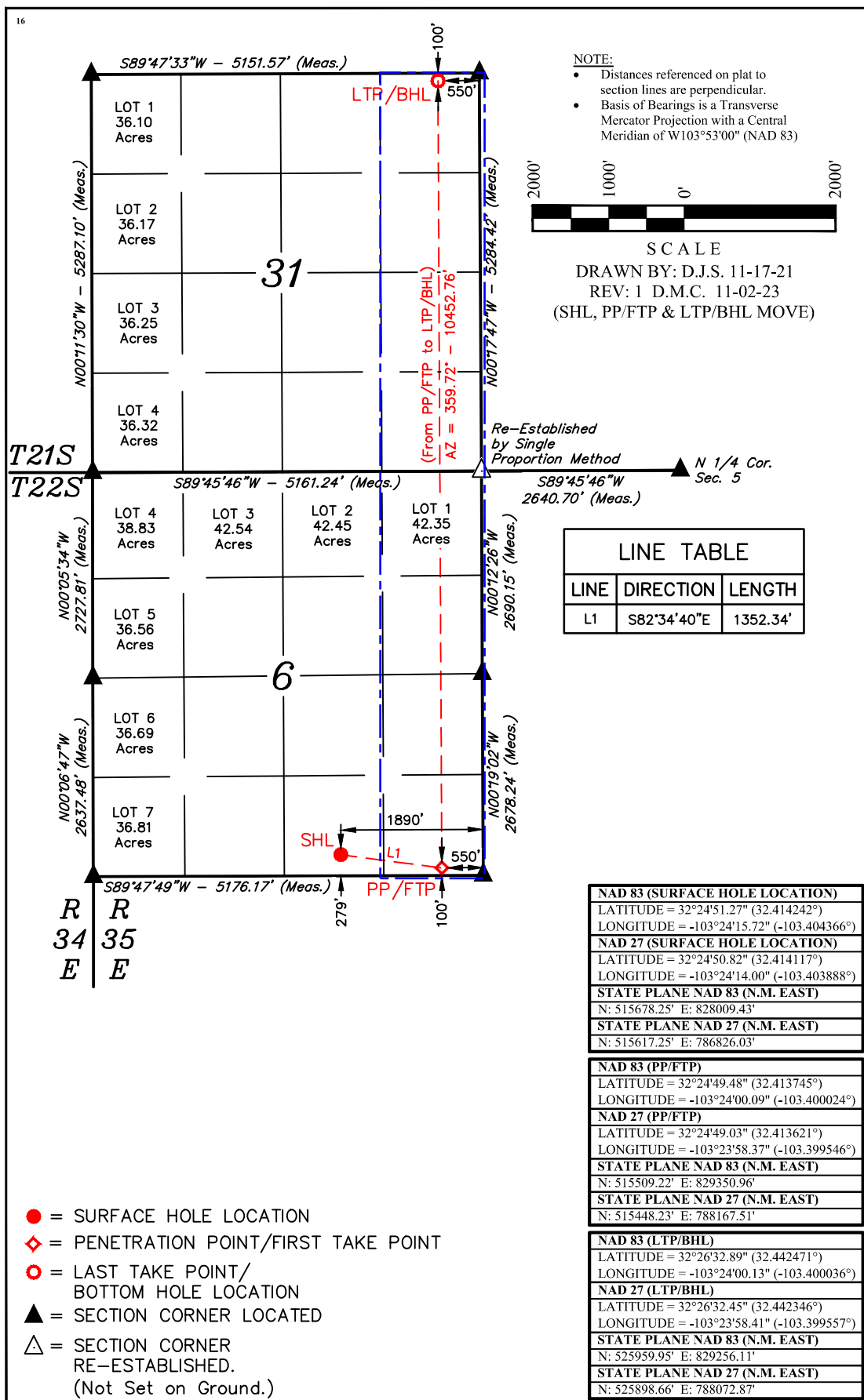
UL or lot no. O	Section 6	Township 22S	Range 35E	Lot Idn	Feet from the 279	North/South line SOUTH	Feet from the 1890	East/West line EAST	County LEA
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. A	Section 31	Township 21S	Range 35E	Lot Idn	Feet from the 100	North/South line NORTH	Feet from the 550	East/West line EAST	County LEA
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¹² Dedicated Acres 322.35	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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.



¹⁷ OPERATOR 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] 11/20/23
Signature Date

Kanicia Schlichting

Printed Name

kanicia.schlichting@permianres.com

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.

November 9, 2021

Date of Survey
Signature and Seal of Professional Surveyor:



Certificate Number:

Eric Cartman 6 State 304H
E/2 E/2 of Section 31 - Township 21 South - Range 35 East, Lea County, New Mexico
E/2 E/2 of Section 6 - Township 22 South - Range 35 East, Lea County, New Mexico

	V0-6397		Record Title: PR: 1.0000
		31	
	V0-6419		Record Title: PR: 1.0000
	Record Title: COG: 1.0000	LG-3609	Record Title: PR: 1.0000
		Tract 3	Record Title: PR: 1.0000
		6	
	LG-893		Record Title: PR: 1.0000
	Tract 1	Tract 2	
		VB-2440	
			Record Title: PR: 0.62500 MRC: 0.37500
		7	
	L-6377		Record Title: PR: 0.90000 Atlas: 0.10000

BEFORE THE OIL CONSERVATION DIVISION
 Santa Fe, New Mexico
 Exhibit No. C-3
 Submitted by: Permian Resources Operating, LLC
 Hearing Date: December 7, 2023
 Case No. 24029

Eric Cartman 304H

322.35

E/2E/2 Sec 31 T21S R35E
E/2E/2 Sec 6 T22S R35E

Tract 1 - VO-6397-2	Owner	Mineral Interest	Working Interest	Interest Type	Unit WI
E/2NE/4 Sec 31 T21S R35E	State of New Mexico	1.00000000		Mineral	
	Magnum Hunter (Reserved ORRI)			ORRI	
80	Chevron Midcontinent, LP		0.25000000	WI	0.06204436
	Fuel Products, Inc.		0.05000000	WI	0.01240887
	Gahr Energy Company		0.05000000	WI	0.01240887
	Mark K Nearburg		0.02500000	WI	0.00620444
	Centennial Resource Production		0.62500000	WI	0.15511090
			1.00000000		0.24817745

Tract 2 - VO-6419-2	Owner	Mineral Interest	Working Interest	Interest Type	Unit WI
E/2SE/4 Sec 31 T21S R35E	State of New Mexico	1.00000000		Mineral	
	Magnum Hunter (Reserved ORRI)			ORRI	
80	Centennial Resource Production		1.00000000	WI	0.24817745
			1.00000000		0.24817745

Tract 3 - LG-3609-08	Owner	Mineral Interest	Working Interest	Interest Type	Unit WI
Lot 1 Sec 6 T22S-R35E	State of New Mexico	1.000000			
	Legacy Reserces Operating			ORRI	
	Grewal (Royalty) LLC			ORRI	
42.35	Centennial Resource Production		1.00000000	WI	0.13137894
					0.13137894

Tract 4 - LG-893-14	Owner	Mineral Interest	Working Interest	Interest Type	Unit WI
SE/4NE/4	State of New Mexico	1.00000000		Mineral	
40	Legacy Reserces Operating			ORRI	
	Grewal (Royalty) LLC			ORRI	
	Centennial Resource Production		1.00000000	WI	0.12408872
			1.00000000		0.12408872

Tract 5 - LG-893-8	Owner	Mineral Interest	Working Interest	Interest Type	Unit WI
E/2SE/4 Sec 6	State of New Mexico	1.00000000		Mineral	
80	Grewal (Royalty) LLC			ORRI	
	Legacy Reserces Operating			ORRI	
	Centennial (acquired from Chevron)		0.50000000	WI	0.12408872
	Centennial Resource Production		0.50000000	WI	0.12408872
			1.00000000		0.24817745

Key: Pooled parties highlighted in yellow.

Owner	Acres
PR	292.35
Chevron Midcontinent, LP	20.00
Fuel Products, Inc.	4.00
Gahr Energy Company	4.00
Mark K Nearburg	2.00
Mid-Western Energy, LLC	
Stonedown Energy, LLC	
Cache Investments LLC	
Grewal (Royalty) LLC	
Magnum	
Legacy Reserves Operating	
State of New Mexico	

322.35



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

OFFICE 432.695.4222
FAX 432.695.4063

October 6, 2023

Via Certified Mail & Email

Gahr Energy Company
PO Box 1889
Midland, TX 79702

RE: Well Proposals – Eric Cartman 6 State Com 303H & 304H
Section 31: E/2, T21S-R35E & Section 6: E/2, T22S-R35E
Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC (“Permian”), hereby proposes the drilling and completion of the following two (2) wells, the Eric Cartman 6 State Com 303H and 304H (the “Well(s)”) at the approximate locations listed below, within Township 21 South, Range 35 East, & Township 22 South, Range 35 East, Lea County, New Mexico:

1. Eric Cartman 6 State Com 303H

SHL: 276’ FSL & 1,890’ FEL of Section 6 (or at a legal location within Unit O)
BHL: 50’ FNL & 1,870’ FEL of Section 31
FTP: 100’ FSL & 1,870’ FEL of Section 6
LTP: 100’ FNL & 1,870’ FEL of Section 31
TVD: Approximately 9,575’
TMD: Approximately 19,915’
Spacing Unit: W2E2 of Section 31, T21S-R35E & Section 6, T22S-R35E
Targeted Interval: First Bone Spring
Total Cost: See attached AFE

2. Eric Cartman 6 State Com 304H

SHL: 306’ FSL & 1,890’ FEL of Section 6 (or at a legal location within Unit O)
BHL: 50’ FNL & 550’ FEL of Section 31
FTP: 100’ FSL & 550’ FEL of Section 6
LTP: 100’ FNL & 550’ FEL of Section 31
TVD: Approximately 9,575’
TMD: Approximately 19,915’
Spacing Unit: W2E2 of Section 31, T21S-R35E & Section 6, T22S-R35E
Targeted Interval: First Bone Spring
Total Cost: See attached AFE

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

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

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-4

Submitted by: Permian Resources Operating, LLC
Hearing Date: December 7, 2023
Case No. 24029

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 Chris Astwood at 432.315.0102 or by email at Chris.Astwood@permianres.com.

Respectfully,

PERMIAN RESOURCES OPERATING, LLC



Kathryn Hanson
Senior Land Technician

Eric Cartman 6 State Com Elections:

<i>Well Elections: (Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Eric Cartman 6 State Com 303H		
Eric Cartman 6 State Com 304H		

Company Name (If Applicable)

By: _____

Printed Name: _____

Title: _____

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:

Company Name (If Applicable)

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:	10.4.2023	AFE NO.:	1
WELL NAME:	Eric Cartman 304H	FIELD:	Teas; Bone Spring
LOCATION:	E2 of Sections 6 & 31, T22S-R35E	MD/TVD:	19,915' / 9,575'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	FBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal FBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
INTANGIBLE COSTS				
1 Land / Legal / Regulatory	\$ 52,768	-	-	\$ 52,768
2 Location, Surveys & Damages	257,363	16,141	-	273,503
4 Freight / Transportation	42,549	39,110	20,000	101,660
5 Rental - Surface Equipment	111,070	192,448	95,000	398,518
6 Rental - Downhole Equipment	183,520	53,429	-	236,949
7 Rental - Living Quarters	42,956	48,671	-	91,627
10 Directional Drilling, Surveys	383,743	-	-	383,743
11 Drilling	673,443	-	-	673,443
12 Drill Bits	89,495	-	-	89,495
13 Fuel & Power	168,789	647,751	-	816,540
14 Cementing & Float Equip	217,354	-	-	217,354
15 Completion Unit, Swab, CTU	-	-	15,000	15,000
16 Perforating, Wireline, Slickline	-	351,218	-	351,218
17 High Pressure Pump Truck	-	110,130	-	110,130
18 Completion Unit, Swab, CTU	-	130,865	-	130,865
20 Mud Circulation System	93,991	-	-	93,991
21 Mud Logging	15,660	-	-	15,660
22 Logging / Formation Evaluation	6,495	7,450	-	13,944
23 Mud & Chemicals	323,254	391,463	10,000	724,717
24 Water	38,825	591,078	225,000	854,903
25 Stimulation	-	727,236	-	727,236
26 Stimulation Flowback & Disp	-	108,640	150,000	258,640
28 Mud / Wastewater Disposal	172,514	54,630	-	227,144
30 Rig Supervision / Engineering	108,273	119,194	15,000	242,467
32 Drig & Completion Overhead	9,312	-	-	9,312
35 Labor	137,006	62,080	15,000	214,086
54 Proppant	-	1,121,387	-	1,121,387
95 Insurance	13,096	-	-	13,096
97 Contingency	-	21,817	-	21,817
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	3,141,476	4,794,736	545,000	8,481,212
TANGIBLE COSTS				
60 Surface Casing	\$ 109,201	-	-	\$ 109,201
61 Intermediate Casing	307,574	-	-	307,574
62 Drilling Liner	-	-	-	-
63 Production Casing	613,783	-	-	613,783
64 Production Liner	-	-	-	-
65 Tubing	-	-	140,000	140,000
66 Wellhead	57,908	-	40,000	97,908
67 Packers, Liner Hangers	13,161	-	20,000	33,161
68 Tanks	-	-	-	-
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	-	-
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	90,000	90,000
73 Compressor	-	-	-	-
74 Installation Costs	-	-	30,000	30,000
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	-	-
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	20,000	20,000
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	-	-
85 Communications / SCADA	-	-	-	-
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	1,101,627	0	340,000	1,441,627
TOTAL COSTS >	4,243,103	4,794,736	885,000	9,922,839

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer:	PS
Completions Engineer:	ML
Production Engineer:	DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO	_____	Co-CEO	_____	VP - Operations	_____
	WH		JW		CRM
VP - Land & Legal	_____	VP - Geosciences	_____		
	BG		SO		

NON OPERATING PARTNER APPROVAL:

Company Name:	_____	Working Interest (%):	_____	Tax ID:	_____
Signed by:	_____	Date:	_____		
Title:	_____	Approval:	<input type="checkbox"/> Yes <input type="checkbox"/> 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. 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.



Eric Cartman 6 State Com 304H – Chronology of Communication/Events

October 6, 2023 – Well proposals sent to WI Partners

October 12, 2023 – Update WI partners on development timing

 Emails with Chevron on development timing

October 13, 2023 – Emails with Gahr on JOA logistics

 Emails with Chevron on development timing

October 17, 2023 – Emails with Gahr on JOA logistics

October 18, 2023 - Emails with Chevron on compulsory pooling plans

November 14, 2023 – Emails with Fuel/Gahr on well proposals and timing

November 15, 2023 – Emails with Fuel/Gahr on JOA logistics

November 25, 2023 – Nearburg returned well elections

November 27, 2023 – Emails with Nearburg on JOA

November 28, 2023 – Emails with Chevron on JOA logistics

November 30, 2023 – Emailed JOA to Nearburg

 Emailed JOA to Chevron

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C-5
Submitted by: Permian Resources Operating, LLC
Hearing Date: December 7, 2023
Case No. 24029**

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

Page 27 of 40

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

APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 24029

SELF-AFFIRMED STATEMENT OF IRA BRADFORD

1. My name is Ira Bradford. I work for Permian Resources Operating, LLC (“Permian”) as a Geologist.

2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Permian in this case, and I have conducted a geologic study of the lands in the subject area.

4. Permian has targeted the Bone Spring formation in this case.

5. **Permian Exhibit D-1** is a regional locator map that identifies the Eric Cartman project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing unit that is the subject of this application.

6. **Permian Exhibit D-2** is a cross-section location map for the proposed horizontal spacing unit (“Unit”) within the Bone Spring formation, which is highlighted with a blue box. The approximate wellbore path for the proposed Eric Cartman State Com 304H (“Well”) is represented by a dashed green line. Existing producing wells in the target interval are represented by solid

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D

Submitted by: Permian Resources Operating, LLC
Hearing Date: December 7, 2023
Case No. 24029

green lines. This map identifies the cross-section running from A-A' with the cross-section well names and a black line in proximity to the proposed Well.

7. **Permian Exhibit D-3** is a First Bone Spring (“FBSS”) Structure map on the top of the FBSS formation in Total Vertical Depth (“TVD”) subsea with a contour interval of 50 feet. The map identifies the approximate wellbore path for the proposed Well with an orange 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 southwest in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

8. **Permian Exhibit D-4** identifies three wells penetrating the targeted interval I used to construct a structural cross-section from A to A'. The structural cross-section from north to south shows the regional dip to the southwest for the proposed Bone Spring Well. 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 target zone for the proposed Well is the FBSS formation, which is consistent across the Unit. The approximate well-path for the proposed Well is indicated by a dashed green line to be drilled from south to north across the Unit.

9. **Permian Exhibit D-5** is the Type Log for the New Mexico ‘DA’ State #001 (API: 30-025-27360) well, which Permian used as a reference to identify the vertical extent that it seeks to pool in this case, that being the correlative stratigraphic interval from 9,465 feet TVD to 9,660 feet TVD (FBSS).

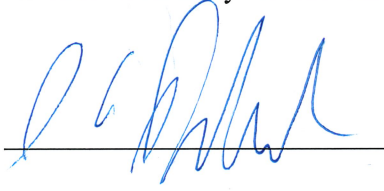
10. In my opinion, standup orientation of the proposed well is the preferred orientation for horizontal well development in this area and is appropriate to develop the subject acreage efficiently and effectively.

11. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbore. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Permian's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Permian Exhibits D-1 through D-5** were either prepared by me or compiled under my direction and supervision.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Ira Bradford

12/5/2023

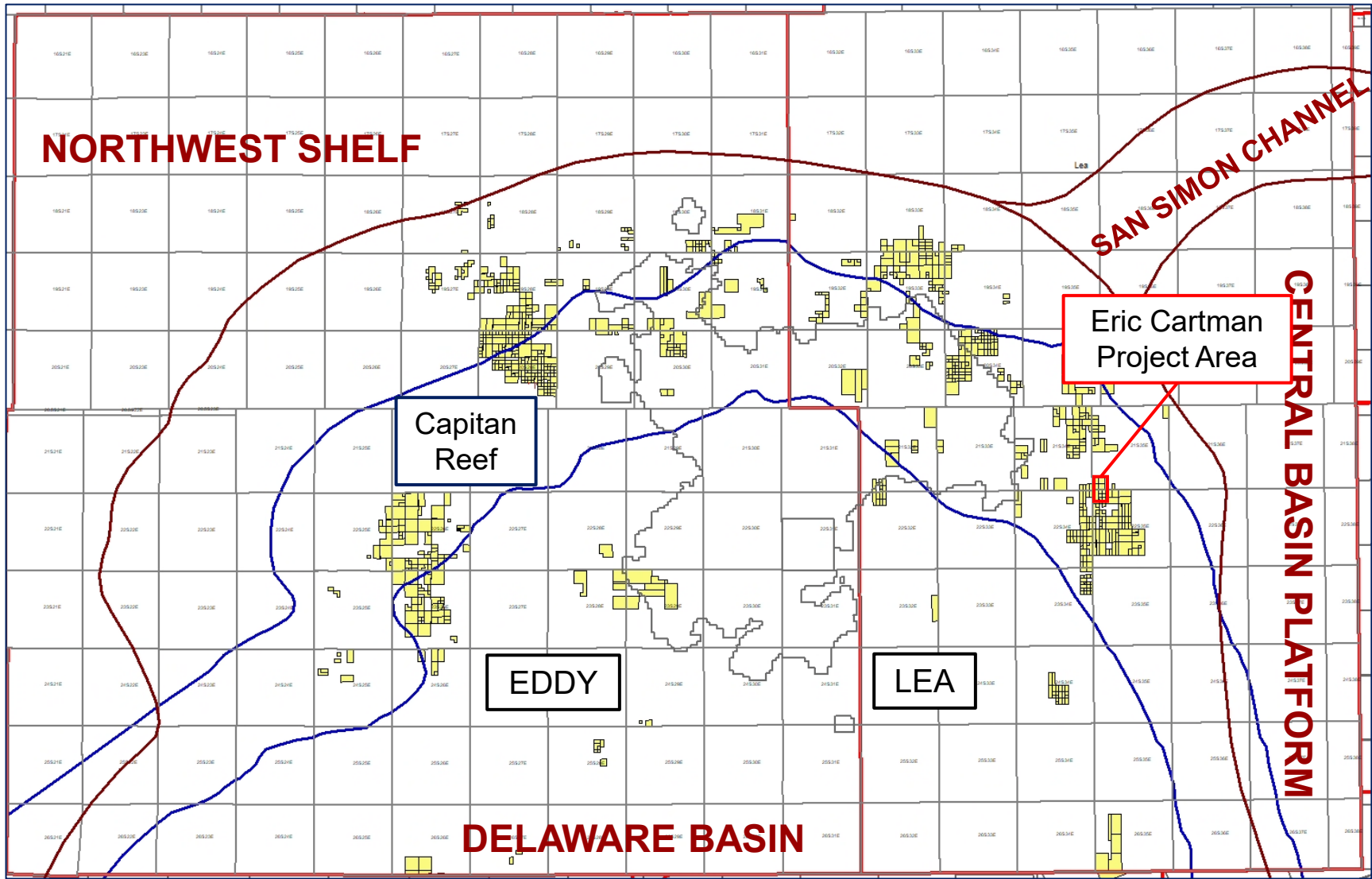
Date

Regional Locator Map

Eric Cartman 31 State Com

Santa Fe, New Mexico
Exhibit No. D-1
Submitted by: Permian Resources Operating, LLC
Hearing Date: December 7, 2023
Case Nos. 24028 & 24029

Exhibit D-1



Permian Resources

Cross-Section Locator Map

Eric Cartman 31 State Com

Santa Fe, New Mexico

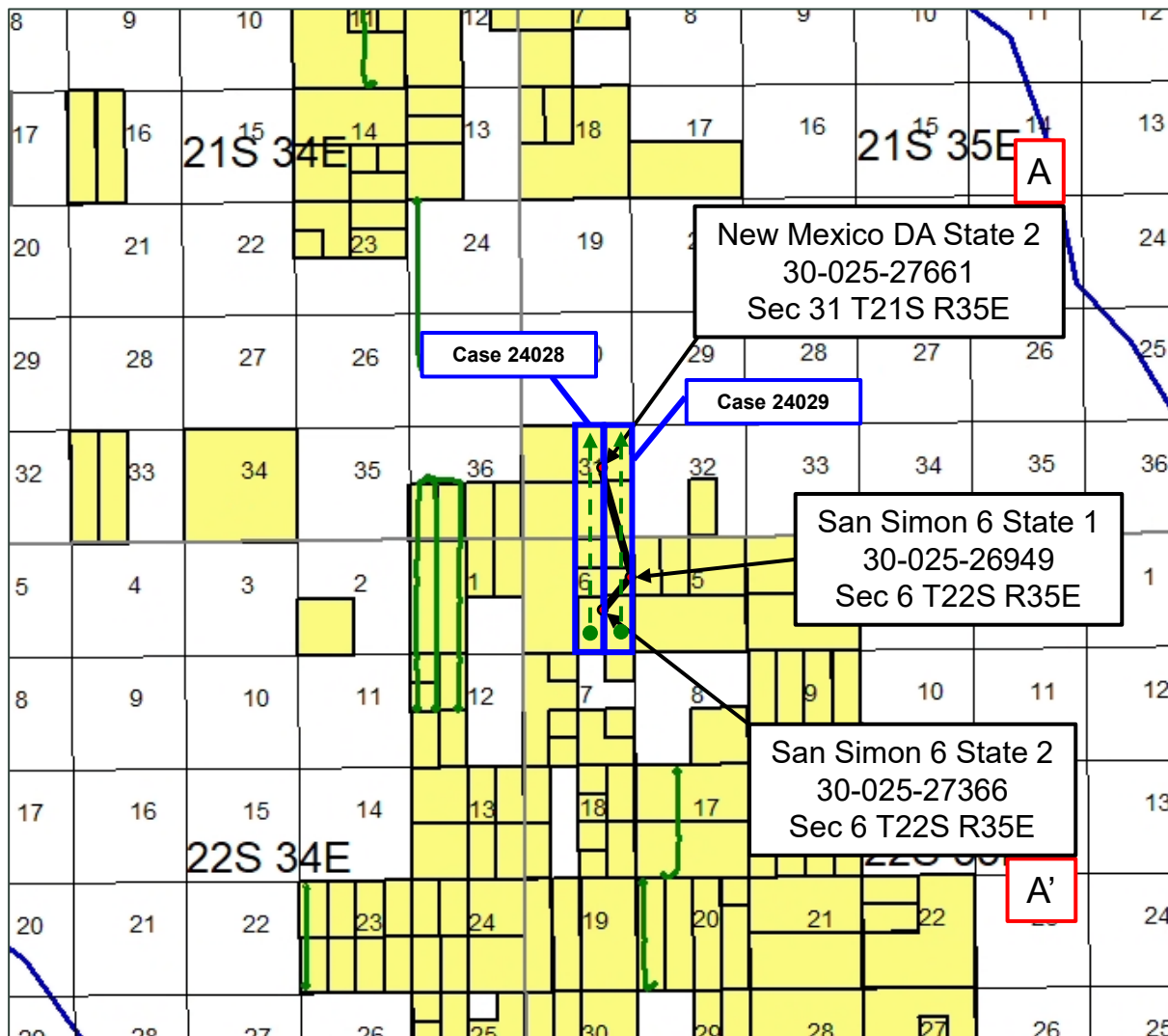
Exhibit No. D-2

Submitted by: Permian Resources Operating, LLC

Hearing Date: December 7, 2023

Case Nos. 24028 & 24029

Exhibit D-2



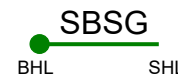
Permian Resources



Proposed Wells



Producing Wells



Cross-Section Locator Map

Eric Cartman 31 State Com

Santa Fe, New Mexico

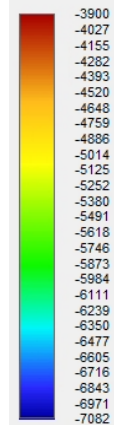
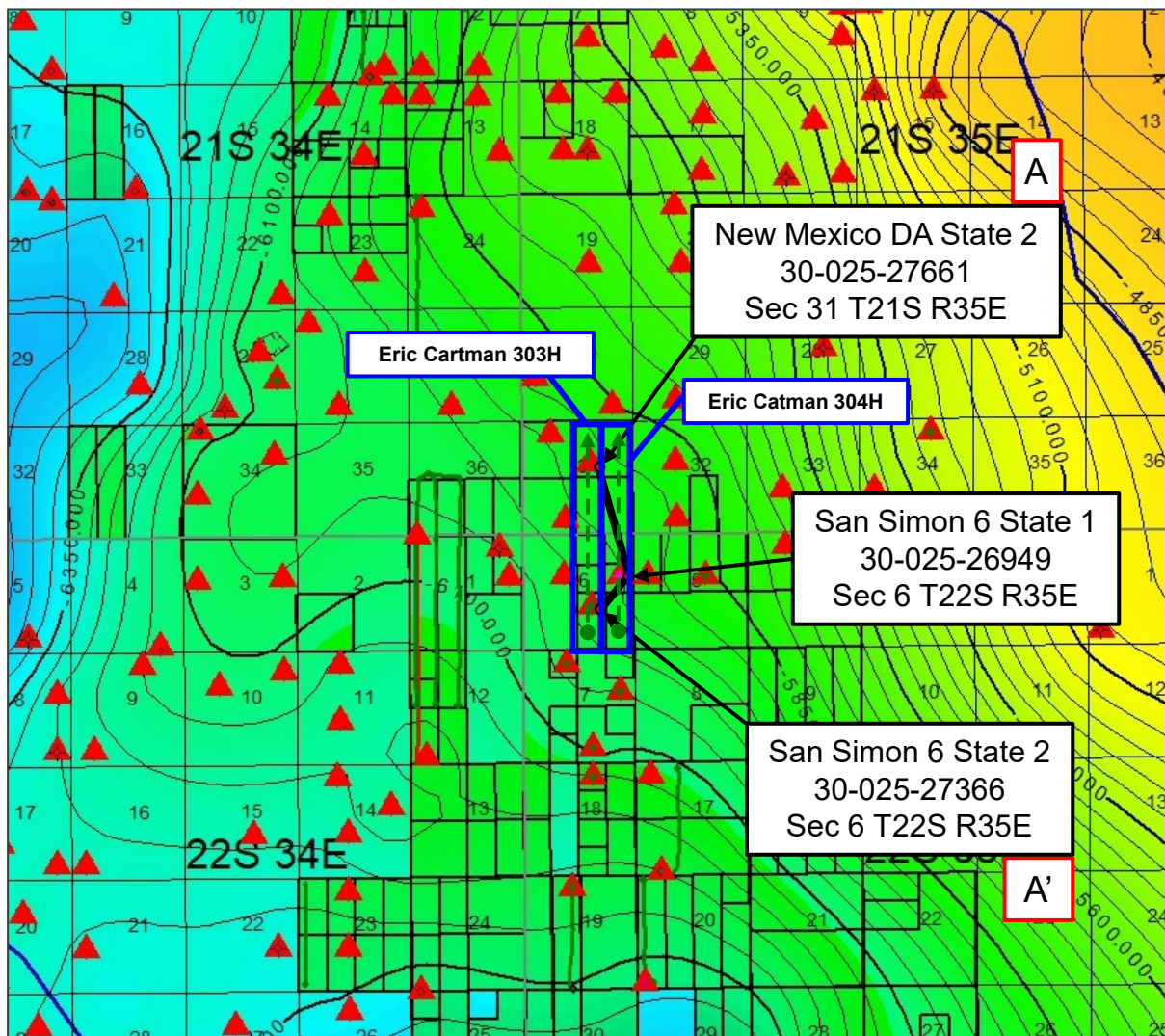
Exhibit No. D-3

Submitted by: Permian Resources Operating, LLC

Hearing Date: December 7, 2023

Case Nos. 24028 & 24029

Exhibit D-3



Control Point

TVDss



Proposed Wells

SBSG

SHL BHL

Producing Wells

SBSG

BHL SHL

Permian Resources



Structural Cross-Section A-A'

Eric Cartman 31 State Com

Santa Fe, New Mexico

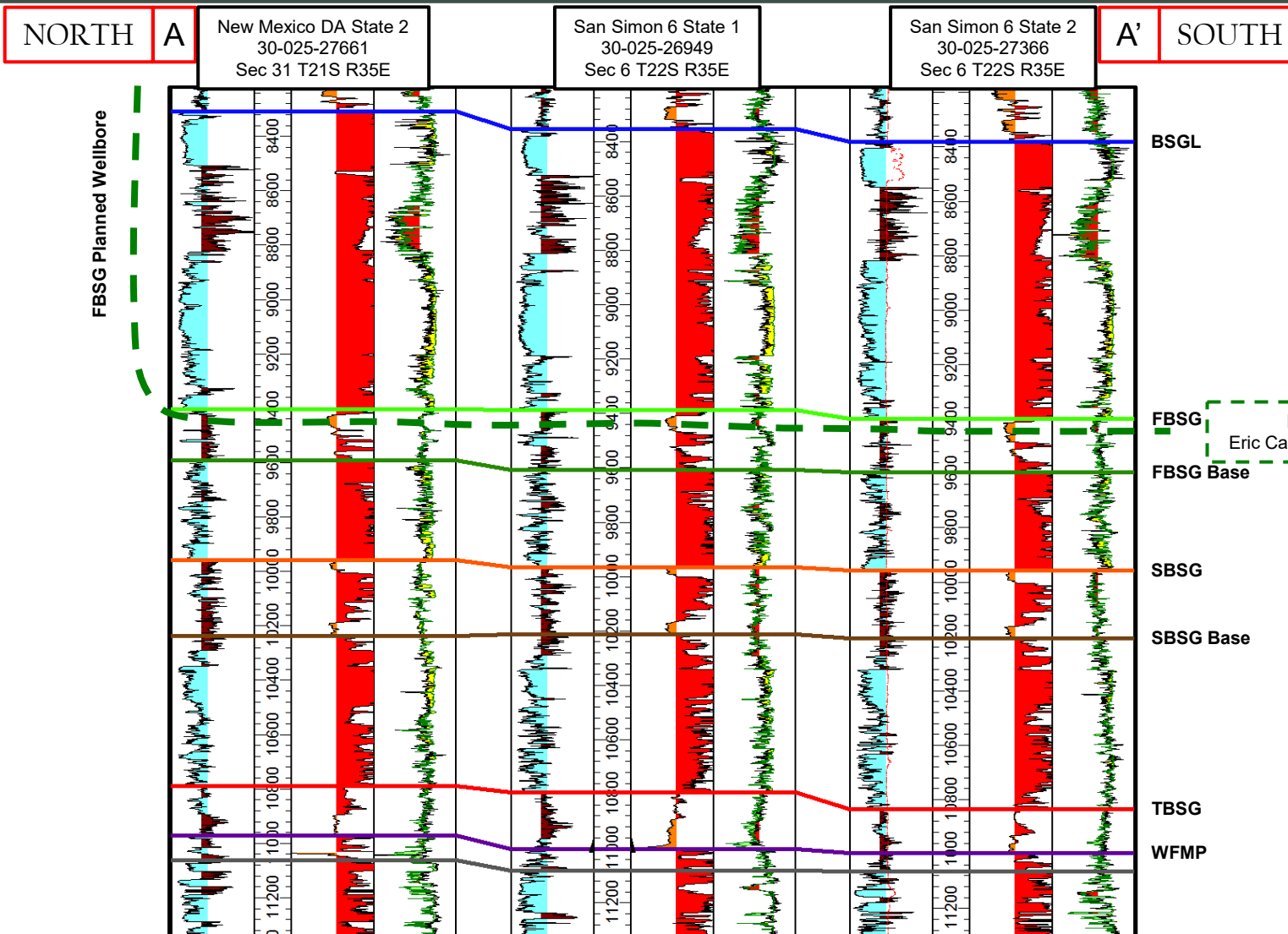
Exhibit No. D-4

Submitted by: Permian Resources Operating, LLC

Hearing Date: December 7, 2023

Case Nos. 24028 & 24029

Exhibit D-4



Type Log

Eric Cartman 31 State Com

Santa Fe, New Mexico

Exhibit No. D-5

Submitted by: Permian Resources Operating, LLC

Hearing Date: December 7, 2023

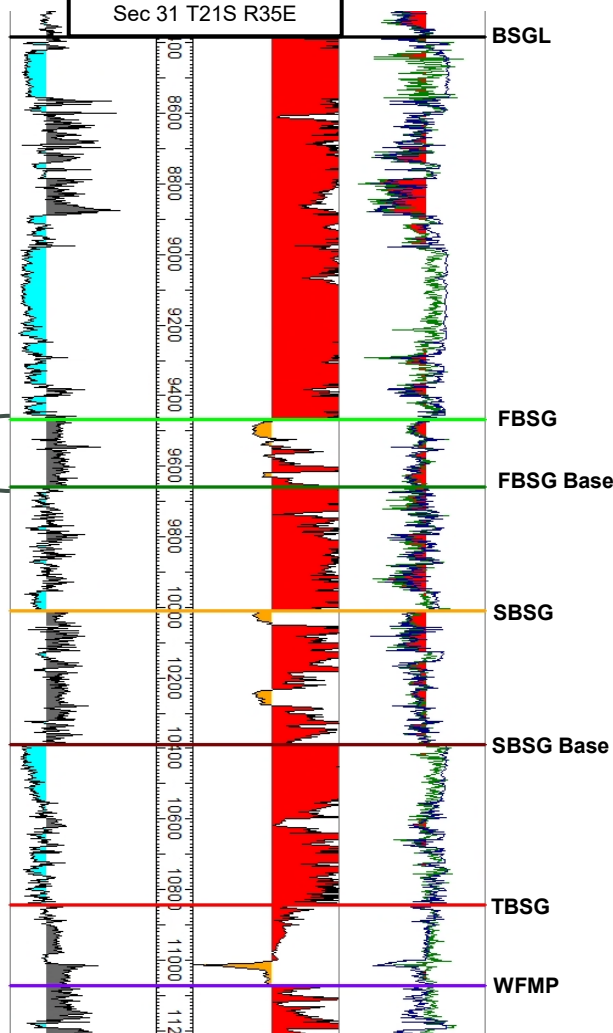
Case Nos. 24028 & 24029

Exhibit D-5



New Mexico DA State 2
30-025-27661
Sec 31 T21S R35E

POOLED
INTERVAL



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

**APPLICATION OF PERMIAN RESOURCES
OPERATING, LLC FOR APPROVAL OF AN
OVERLAPPING HORIZONTAL WELL SPACING
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24029

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC (“Permian”), the Applicant herein. I have personal knowledge of the matter addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the locatable affected parties on the date set forth in the letter attached hereto. Overlapping notice was also sent out and a sample copy of the notice is included as Exhibit C-1.

3. The spreadsheets attached hereto contain the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of December 4, 2023.

5. I caused a notice to be published to all parties subject to this compulsory pooling proceeding. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached herein.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. E**

**Submitted by: Permian Resources Operating, LLC
Hearing Date: December 7, 2023
Case No. 24029**

the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Paula M. Vance

12/5/2023

Date



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

November 17, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO APPROVAL FOR OVERLAPPING SPACING UNITS AND POOLING PROCEEDINGS

Re: Application of Permian Resources Operating, LLC for Approval of an Overlapping Horizontal Well Spacing Unit and Compulsory Pooling, Lea County, New Mexico: *Eric Cartman 6 State Come 304H well*

Ladies & Gentlemen:

This letter is to advise you that Permian Resources Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. You are receiving this letter because you have an interest in the existing spacing unit and are a party subject to the proposed spacing unit pooling proceedings. A hearing has been requested before a Division Examiner on December 7, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/oed/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/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. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Chris Astwood at (432) 315-0102 or Chris.Astwood@permianres.com.

Sincerely,

Paula M. Vance
ATTORNEY FOR PERMIAN RESOURCES
OPERATING, LLC

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Permian - Eric Carman 304H well Overlap CP - Case no. 24029
Postal Delivery Report

9414811898765498241748	Chevron Midcontinent, LP	1400 Smith St	Houston	TX	77002-7327	Your item has been delivered to an agent for final delivery in HOUSTON, TX 77210 on
9414811898765498241984	Mid Western Energy, LLC	PO Box 1889	Midland	TX	79702-1889	Your item arrived at the SANTA FE, NM 87501 post office at 8:07 am on November 30, 2023 and
9414811898765498241939	Stonedown Energy, LLC	PO Box 1889	Midland	TX	79702-1889	Your item arrived at the SANTA FE, NM 87501 post office at 8:07 am on November 30, 2023 and
9414811898765498241618	Cache Investments, LLC	PO Box 1889	Midland	TX	79702-1889	Your item arrived at the SANTA FE, NM 87501 post office at 8:07 am on November 30, 2023 and
9414811898765498241656	Elk Range Royalties, LP	2110 Farrington St	Dallas	TX	75207-6502	Your item was delivered to an individual at the address at 1:01 pm on November 21, 2023 in
9414811898765498241663	Elk Range Royalties, LP	2850 N Harwood St Fl 19	Dallas	TX	75201-2642	Your item was delivered to an individual at the address at 3:11 pm on November 27, 2023 in
9414811898765498241625	SBI West Texas I, LLC	6702 Broadway St	Galveston	TX	77554-8906	We were unable to deliver your package at 9:23 am on November 24, 2023 in GALVESTON, TX 77554 because the business was closed. We
9414811898765498241786	Fuel Products, Inc.	PO Box 3098	Midland	TX	79702-3098	Your item was picked up at a postal facility at 2:17 pm on November 27,
9414811898765498241731	Gahr Energy Company	PO Box 1889	Midland	TX	79702-1889	Your item arrived at the SANTA FE, NM 87501 post office at 8:07 am on November 30, 2023 and

Permian - Eric Carman 304H well Overlap CP - Case no. 24029
Postal Delivery Report

9414811898765498241779	Mark K. Nearburg	710 Dragon	Lakeway	TX	78734-4353	Your item was delivered to an individual at the address at 4:58 pm on November 22, 2023 in
9414811898765498241915	Magnum Hunter Production Inc.	600 N Marienfeld St Ste 600	Midland	TX	79701-4405	Your item arrived at the SANTA FE, NM 87501 post office at 8:07 am on November 30, 2023 and
9414811898765498241953	Chevron Midcontinent, LP	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to an individual at the address at 10:55 am on November 21, 2023 in
9414811898765498241960	Legacy Reserves	300 W Wall St Ste 1800	Midland	TX	79701	This is a reminder to arrange for redelivery of your item or your item
9414811898765498241908	Grewal Royalty	45 Rockefeller Plz Ste 2410	New York	NY	10111-2493	Your item was delivered to the front desk, reception area, or mail room at 11:53 am on
9414811898765498241991	Chevron Midcontinent, LP, attn Land Department	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to an individual at the address at 10:55 am on November 21, 2023 in
9414811898765498241601	MRC Delaware	500 Lbj Freeway Ste 1500	Dallas	TX	75240	Your package will arrive later than expected, but is still on its way. It is currently in transit to the
9414811898765498241649	State Land Office	310 Old Santa Fe Trl	Santa Fe	NM	87501-2708	Your item was delivered to an individual at the address at 10:52 am on November 21, 2023 in
9414811898765498241687	State Land Office	PO Box 1148	Santa Fe	NM	87504-1148	Your item was picked up at a postal facility at 6:13 am on November 21,

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated November 22, 2023 and ending with the issue dated November 22, 2023.



Publisher

Sworn and subscribed to before me this 22nd day of November 2023.



Business Manager

My commission expires January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made,

LEGAL NOTICE November 22, 2023

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following cases. The hearings will be conducted remotely on Thursday, December 7, 2023, beginning at 8:15 a.m. To participate in the hearings, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Sheila Apodaca, at Sheila.Apodaca@emnrd.nm.gov. Documents filed in these cases may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Sheila Apodaca at Sheila.Apodaca@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659-1779, no later than November 27, 2023.

Persons may view and participate in the hearings through the following link: <https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m8e2efa70128b8314f91bf0542ac8df6c>

Webinar number: 2497 742 0771

Join by video system: 24977420771@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free
+1-408-418-9388 United States Toll

Access code: 2497 742 0771
Panelist password: b2WcDzPF47 (22923973 from phones and video systems)

**STATE OF NEW MEXICO TO:
All named parties and persons
having any right, title, interest
or claim in the following case
and notice to the public.**

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All affected interest owners, including: Chevron Midcontinent, LP; Fuel Products, Inc.; Gahr Energy Company; Mark K. Nearburg, his heirs and devisees; Magnum Hunter Production Inc.; Legacy Reserves; Grewal (Royalty); Mid Western Energy, LLC; Stonedown Energy, LLC; Cache Investments, LLC; Elk Range Royalties, LP; SBI West Texas I, LLC; MRC Delaware, and New Mexico State Land Office.

Case No. 24029: Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order (a) approving a standard 320-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, and (b) pooling all uncommitted mineral interests in the correlative stratigraphic interval from 9,465 feet TVD to 9,660 feet TVD, that being the First Bone Spring, as shown in the New Mexico 'DA' State #001 (API: 30-025-27360). Said unit will be initially dedicated to the proposed **Eric Cartman 6 State Com 304H** well, to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 6, Township 22 South, Range 35 East, a first take point in the SE/4 SE/4 (Unit P) of Section 6, Township 22 South, Range 35 East, and a bottom hole location in the NE/4 NE/4 (Unit A) of Section 31, Township 21 South, Range 35 East.

This 320-acre horizontal well spacing unit will overlap the following existing horizontal well spacing unit:

• 400-acre horizontal well spacing unit comprised of the E/2 E/2 of Section 31, Township 21 South, Range 35 East, and the E/2 E/2 of Section 6 and the E/2 NE/4 of Section 7, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, dedicated to the **Eric Cartman 31 State Com 506H** (API: 30-025-50161) well.

Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 15 miles west of Eunice, New Mexico.
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HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

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