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

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

**CASE NO. 24005** 

## **EXHIBIT INDEX**

## Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Mark Hajdik
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
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 Locator 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	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for November 21, 2023

## **COMPULSORY POOLING APPLICATION CHECKLIST**

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

Case: 24005	APPLICANT'S RESPONSE
Hearing Date	December 21, 2023
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 372165
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	MRC Permian Company
Well Family	Klondike
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:	Winchester; Bone Spring, West (Pool Code 97569)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-quarter
Orientation:	East to West
Description: TRS/County	N/2 S/2 of Sections 8 and 9, Township 19 South, Range 28 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #2	Klondike 9 State Com #123H (API #) SHL: 1605' FSL & 458' FEL (Unit I), Section 9, T19S, R28E BHL: 1995' FSL & 10' FWL (Unit L), Section 8, T19S, R28E Completion Target: Second Bone Spring (7,351' TVD)

Received by OCD: 12/19/2023 4:08:56 PM	Page 4 of 93
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3, 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 prov	ided 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:	12/19/2023

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

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

**CASE NO. 24005** 

## SELF-AFFIRMED STATEMENT OF MARK HAJDIK

- 1. I am a landman 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 petroleum land matters were accepted and made a matter of record.
- 2. Copies of Permian Resources' application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.
- 4. Permian Resources seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 8 and 9, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the **Klondike 9 State Com #123H** and **Klondike 9 State Com #131H** wells ("Wells"), which will be drilled from surface hole locations in the NE/4 SE/4 (Unit I) of Section 9 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 8. The Wells will be completed in the [97569] WINCHESTER; BONE SPRING, WEST.
  - 6. The completed intervals of the Wells will be orthodox.

Permian Resources Operating, LLC Case No. 24005 Exhibit A

- 7. **Exhibit A-2** contains the C-102s for the Wells.
- 8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Permian Resources seeks to pool highlighted in yellow. All of the parties are locatable in that Permian believes it located valid addresses for them.
- 9. Permian Resources has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.
- 10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
- 11. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
- 12. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Wells are being drilled and \$1,000 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Permian and other operators in the vicinity.
- 13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 14. In my opinion, the granting of Permian Resources' application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

Mattlejdik	
	12/10/2022
<del></del>	12/19/2023
Mark Hajdik	Date

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

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

CASE NO. \_\_\_\_\_\_24005

## **APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 8 and 9, Township 19 South, Range 28 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 **Klondike 9 State Com #123H** well and **Klondike 9 State Com #133H** well ("Wells"), which will be drilled from surface hole locations in the Ne/4 SE/4 (Unit I) of Section 9 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 8.
  - 3. The completed intervals of the Wells will be orthodox.
- 4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
- 5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

Permian Resources Operating, LLC Case No. 24005 Exhibit A-1 6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on December 7, 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 Applicant to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by 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
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com
Counsel for Permian Resources Operating,
LLC

Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 8 and 9, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Klondike 9 State Com #123H and Klondike 9 State Com #133H wells ("Wells"), which will be drilled from surface hole locations in the NE/4 SE/4 (Unit I) of Section 9 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 8. The completed interval of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 18 miles northeast of Carlsbad, New Mexico.

## Permian Resources Operating, LLoge 12 of 93

Case No. 24005

Exhibit A-2

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

District Office

■ AMENDED REPORT

<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 Phone: (373) 322 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

A. Carrier and Car		WEEL LOCATION AIN	D MCKEMOE DEDICATION I EAT	
<sup>1</sup> API Numbe	r	<sup>2</sup> Pool Code 97569	Winchester; Bone Spring, West	
4 Property Code			operty Name KE 9 STATE COM	<sup>6</sup> Well Number 133H
<sup>7</sup> 0GRID №. 372165			perator Name JRCES OPERATING, LLC	<sup>9</sup> Elevation 3540.3'

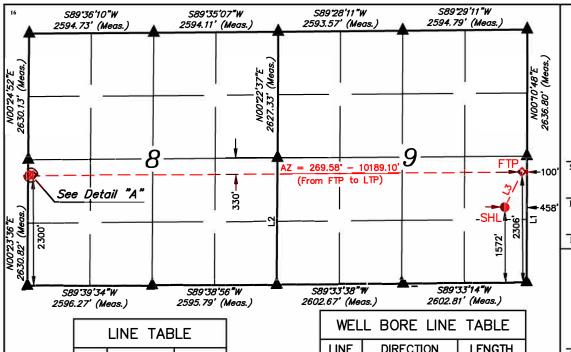
#### Surface Location

							P	-	-	r-
- 1	UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
- 1			100			1.570	COLUTI	450	FACT	
- 1	1 1	9	198	28E		1572	SOUTH	458	EAST	l EDDY

## <sup>11</sup> Bottom Hole Location If Different From Surface

	UL or lot no. L	Section 8	on	Township 19S	Range 28E	Lot Idn	Feet from the 2300		North/South line SOUTH	Feet from the 10	East/West line WEST	County EDDY
-[	12 Dedicated Acres		<sup>13</sup> Jo	oint or Infill	14 Conso	olidation Code	15 Order	No.				

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



LINE TABLE										
LINE	DIRECTION	LENGTH								
L1	N0010'55"E	2636.52								
L2	N00°21'33"E	2639.02								

WELL BORE LINE TABLE									
LINE	DIRECTION	LENGTH							
L3	AZ = 26.05*	820.86'							
L4	AZ = 269.66°	90.01'							

## 17 OPERATOR **CERTIFICATION**

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

Signature Date

Printed Name

E-mail Address

## 18 SURVEYOR **CERTIFICATION**

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

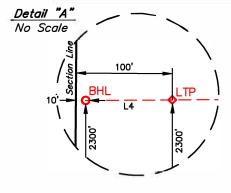
July 10, 2023

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number



■ = SURFACE HOLE LOCATION.
 ♦ = TAKE POINT.
 ○ = BOTTOM HOLE LOCATION.
 ▲ = SECTION CORNER LOCATED.

- NOTE:

  Distances referenced on plat to section lines are perpendicular.
- Basis of Bearings is a Transverse Mercator Projection with a Central Meridian of W103°53'00" (NAD 83)

DRAWN BY: N.D.T. 07-20-23 REV: 2 12-13-23 T.J.S. (UPDATE WELLBORE PATH)

NAD 27 (SURFACE HOLE LOCATION) LATITUDE = 32°40'19.59" (32.672108°) LATITUDE = 32°40'26.90" (32.674138°) LONGITUDE = -104°10'20.59" (-104.172 LONGITUDE = -104°10'24.78" (-104.173 STATE PLANE NAD 83 (N.M. EAST) N: 608323.25' E: 590346.87' LONGITUDE = -104°10'20.59" (-104.172 STATE PLANE NAD 83 (N.M. EAST) N: 609062 10' E: 590704 09 STATE PLANE NAD 27 (N.M. EAST) STATE PLANE NAD 27 (N.M. EAST) N: 608261.08' E: 549167.21 N: 608999.91' E: 549524.44' NAD 83 (LAST TAKE POINT) NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°40'26.27" (32.673963°) LONGITUDE = -104°12'21.60" (-104.205999 LATITUDE = 32°40'26.26" (32.673961°) LONGITUDE = -104°12'22.65" (-104.206 NAD 27 (BOTTOM HOLE LOCATION) NAD 27 (LAST TAKE POINT) LATITUDE = 32°40'25.85" (32.673847°) LONGITUDE = -104°12'19.76" (-104.205489° LATITUDE = 32°40'25.84" (32.673844°) STATE PLANE NAD 83 (N.M. EAST)
N: 608942.33' E: 580518.05'
STATE PLANE NAD 27 (N.M. EAST) STATE PLANE NAD 83 (N.M. EAST) N: 608941.42' E: 580428.07' STATE PLANE NAD 27 (N.M. EAST)

NAD 83 (FIRST TAKE POINT) LATITUDE = 32°40'27.32" (32.674254°) LONGITUDE = -104°10'22.42" (-104.172895°)

NAD 27 (FIRST TAKE POINT)

NAD 83 (SURFACE HOLE LOCATION) LATITUDE = 32°40'20.01" (32.672225°) LONGITUDE = -104°10'26.61" (-104.174060°) <u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720

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

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

■ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number	97569 2 Pool Code	Winchester; Bone Spring, West	
4 Property Code		<sup>5</sup> Property Name	6 Well Number
	KLON	123H	
<sup>7</sup> OGRID №. 372165	PERMIAN RE	8 Operator Name SOURCES OPERATING, LLC	<sup>9</sup> Elevation 3540.4'

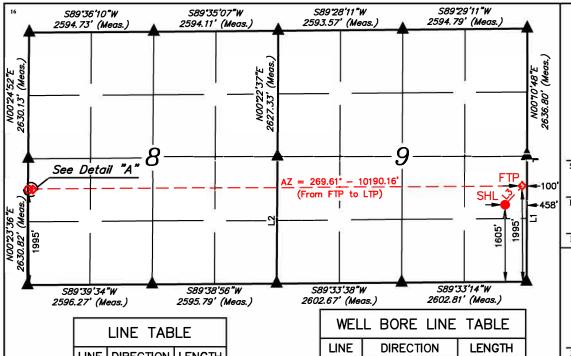
## Surface Location

							f			r
- 1	UL or lot no.	Section	Township	l Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	I County
- 1			105	၁၀င်		1.005	COLUMN	450	T A C/T	EDDY
- 1		9	1 198	1 28E		1605	I SOUTH	1 458	EAST	l EDDY

## <sup>11</sup> Bottom Hole Location If Different From Surface

	UL or lot no. L	Sect 8	ion	Township 19S	Range 28E	Lot Idn	Feet from the 1995		North/South line SOUTH	Feet from the 10	East/West line WEST	County EDDY
-[	12 Dedicated Acres 32.0		<sup>13</sup> Jo	int or Infill	14 Conso	lidation Code		15 Order No.				

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



LINE DIRECTION LENGTH N00°10'55"E 2636.52 L1 N00°21'33"E L2 2639.02

 $AZ = 42.44^{\circ}$ 532.61 L3  $AZ = 269.66^{\circ}$ L4 90.01

## 17 OPERATOR **CERTIFICATION**

I hereby certify that the information containe 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.

Date

Signature

Printed Name

E-mail Address

## 18 SURVEYOR **CERTIFICATION**

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

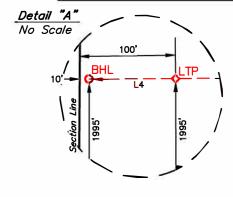
July 10, 2023

Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number



■ = SURFACE HOLE LOCATION.
 ♦ = TAKE POINT.
 ○ = BOTTOM HOLE LOCATION.
 ▲ = SECTION CORNER LOCATED.

NAD 83 (SURFACE HOLE LOCATION)

LATITUDE = 32°40′20.34″ (32.672316°)

LONGITUDE = -104°10′26.62″ (-104.174060°)

NAD 27 (SURFACE HOLE LOCATION)

LATITUDE = 32°40′19.92″ (32.672199°)

LONGITUDE = -104°10′24.78″ (-104.173550°)

STATE PLANE NAD 83 (N.M. EAST)

N: 608356.24′ E: 590346.78′ M. FASTO NAD 83 (FIRST TAKE POINT) NAD 83 (FIRST TAKE POINT)
LATITUDE = 32°40'24.23" (32.673398°)
LONGITUDE = -104°10'22.42" (-104.172895°)
NAD 27 (FIRST TAKE POINT)
LATITUDE = 32°40'23.81" (32.673282°)
LONGITUDE = -104°10'20.59" (-104.172386°)
STATE PLANE NAD 83 (N.M. EAST)
N: 608750.74' E: 59070'4.17 (M. FAST) STATE PLANE NAD 27 (N.M. EAST) N: 608294 07' F: 549167 11' STATE PLANE NAD 27 (N.M. EAST) NAD 83 (LAST TAKE POINT) NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°40'23.25" (32.673125°) LONGITUDE = -104°12'21.61" (-104.206003°) NAD 27 (LAST TAKE POINT) LATITUDE = 32°40'23.24" (32.673123°) LONGITUDE = -104°12'22.66" (-104.206296°) NAD 27 (BOTTOM HOLE LOCATION) NAD 27 (LAST TAKE POINT)

LATITUDE = 32°40'22.83" (32.673008°)

LONGITUDE = -104°12'19.78" (-104.205493°)

STATE PLANE NAD 83 (N.M. EAST)

N: 608637.38' E: 580517.25'

STATE PLANE NAD 27 (N.M. EAST) LATITUDE = 32°40'22.82" (32.673006°) LANIGIDE = 32 4022.82 (32.073000 ) LONGITUDE = -104°12'20.83" (-104.205786°) STATE PLANE NAD 83 (N.M. EAST) N: 608636.46' E: 580427.27' 

nces referenced on plat to section lines are perpendicular.

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

DRAWN BY: N.D.T. 07-20-23 REV: 2 12-13-23 T.J.S. (UPDATE WELLBORE PATH)

## Land Exhibit: Klondike 9 State Com #123H & Klondike 9 State Com #133H

N/2 S/2 of Sections 8 and 9, Township 19 South, Range 28 East, Eddy County

3549		30-015-02196		30-015-02198		
1.00 05	NEMW	NIVINE (B)	NENE (A)	MW/W/ NENW/ 10 30-015-32605 1C1	(8)	2197 NEME (A)
SWKW (E)	E021260008	S(130-015-2	3409 SENE (H)	SWINN SERW	///////////////////////////////////////	30-015-48052 30-015-48050 015-33756 015-23391
5-02195 MWSWTrac	t 4 NES 30-015-2	0050 NAVSE Trac		V// NWSW ACT// NESTS	Fade Away Bidge 15-10814 WWSE Trac 1648 015 4(1)	ot 1 NESE (1) 0.015-5431230-01 30-015-4806-530-5
,4529 ft/ SNVSNV ( 1M )	SESW.	SWSE (O)	SESE (P)	SWSW (N) (N) (3544)	SW30-015- (6)VB05	0876 SESE 550000(p)

WI OWNER	TRACT	NET	WI	FORCE POOL INTEREST
Colgate Production, LLC	1, 2, 3	144.236	45.07%	Operator
Northern Oil and Gas	2	24.7014	7.72%	JOA
Oxy USA WTP, LP	1, 2	45.9514	14.36%	Yes
Slash Exploration, LP	1	0.3125	0.10%	Yes

Permian Resources Operating, LLC Case No. 24005 Exhibit A-3

Received by OCD: 12/19/2023 4:08:56 PM

Harvard Petroleum Company, LLC	1	1.25	0.39%	Yes
Read & Stevens, Inc.	1	0.31248	0.10%	Owned by Operator
Anne S. Johnson	1	0.10416	0.03%	Yes
Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr.,	1	0.31248	0.10%	Yes
and Opal Barton Trust u/t/a dated 1/28/1982		0.31210	0.1070	1 05
000.0	2	0.62000	2.010/	TO A
COG Operating	2	9.63889	3.01%	JOA
ZPZ Delaware I LLC	2	7.5	2.34%	Yes
Zi Z Delawaie i Elec	<u></u>	1.3	2.3470	1 05
D2 Resources, LLC	2	2.31944	0.72%	Yes
D2 resources, D20		2.31711	0.7270	1 65
Solis Energy, LLC	2	2.31944	0.72%	Yes
3,7				
Marathon Oil Company	4	20	6.25%	Yes
EOG Resources, Inc	4	60	18.75%	Yes
Linda E. Schwartz	1	0.01042	0.00%	No
711 011 0		0.010.7	0.1007	2.7
Elk Oil Company	1	0.3125	0.10%	No
Eathan I. Valler	1	0.02125	0.010/	NI-
Esiner L. Kelly	1	0.03123	0.01%	190
Joseph I Kelly	1	0.07813	0.02%	No
зовери з кену	1	0.07013	0.0270	110
Collie Limited Partnership	1	0.07813	0.02%	No
2 3 111 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	-	3.0,010	3.02.73	
Mary Ann Kelly Twitty	1	0.07813	0.02%	No
EOG Resources, Inc  Linda E. Schwartz  Elk Oil Company  Esther L. Kelly  Joseph J Kelly  Collie Limited Partnership	1 1 1 1	0.01042 0.3125 0.03125 0.07813	0.00% 0.10% 0.01% 0.02%	Yes  No  No  No  No  No

NonDarcy Oil and Gas Inc	1	0.07813	0.02%	No
		320	100%	

## **NMSLO Lessees of Record Only**

MRC DELAWARE RESOURCES, LLC

WPX ENERGY PERMIAN, LLC.

ORRI Owners
Yates Brothers
Marathon Oil Company
MRC Deleware Resources, LLC
WPX Energy Permian, LLC



**OFFICE** 432.695.4222 **FAX** 432.695.4063

October 19, 2023

Via Certified Mail

Mark Wilson Family Partnership, LP PO Box 2415 Midland, TX 79702

RE: Well Proposals: Klondike 9 State Com #123H, 124H, 133H, 134H;

Section 8: S2 Section 9: S2

T19S-R28E, Eddy County, New Mexico

Bone Spring Formation

To Whom It May Concern:

Permian Resources Operating, LLC, as operator ("Permian"), hereby proposes the drilling and completion of the following four (4) Klondike 9 Sate Com wells at the following approximate locations within Township 19 South, Range 28 East:

### 1. Klondike 9 State Com #123H

SHL: 458' FEL & 1605' FSL or at a legal location in Lot I of Section 9

BHL: 10' FWL & 1980' FSL of Section 8 FTP: 100' FEL & 1980' FSL of Section 9 LTP: 100' FWL & 1980' FSL of Section 8

TVD: 7,3351'

TMD: Approximately 17,636'

Proration Unit: N/2S/2 of Sections 8& 9

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

## 2. Klondike 9 State Com #124H

SHL: 458' FEL & 1539' FSL or at a legal location in Lot I of Section 9

BHL: 10' FWL & 660' FSL of Section 8 FTP: 100' FEL & 660' FSL of Section 9 LTP: 100' FWL & 660' FSL of Section 8

TVD: 7,351'

TMD: Approximately 17,636'

Proration Unit: S/2S/2 of Sections 8 & 9

Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

Permian Resources Operating, LLC Case No. 24005 Exhibit A-4



**OFFICE** 432.695.4222 **FAX** 432.695.4063

#### 3. Klondike 9 State Com #133H

SHL: 458' FEL & 1572' FSL or at a legal location in Lot I of Section 9

BHL: 10' FWL & 2310' FSL of Section 8 FTP: 100' FEL & 2310' FSL of Section 9 LTP: 100' FWL & 2310' FSL of Section 8

TVD: 8,521'

TMD: Approximately 18,806'

Proration Unit: N/2S/2 of Sections 8 & 9

Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

## 4. Klondike 9 State Com #134H

SHL: 458' FEL & 1506' FSL or at a legal location in Lot I of Section 9

BHL: 10' FWL & 990' FSL of Section 8 FTP: 100' FEL & 990' FSL of Section 9 LTP: 100' FWL & 990' FSL of Section 8

TVD: 8,621'

TMD: Approximately 18,906'

Proration Unit: S/2S/2 of Sections 8 & 9

Targeted Interval: 3<sup>rd</sup> 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 available upon request. The Operating Agreement has the following general provisions:

- -100%/300%/300% non-consent provisions
- \$10,000/\$1,00 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 previously proposed AFE, and your geologic well requirements to the above address or by email to <a href="mailto:Kathryn.Hanson@permianres.com">Kathryn.Hanson@permianres.com</a>.

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



**OFFICE** 432.695.4222 **FAX** 432.695.4063

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me by email at <a href="mark.hajdik@permianres.com">mark.hajdik@permianres.com</a>.

Respectfully,

Mattlejelik

Mark Hajdik

Senior Staff Landman

Enclosures



**OFFICE** 432.695.4222 **FAX** 432.695.4063

Well Elections: (Please indicate your responses in the spaces below)						
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate				
Klondike 9 State Com #123H						
Klondike 9 State Com #124H						
Klondike 9 State Com #133H						
Klondike 9 State Com #134H						

Company / Working Interest Owner Name:
By:
Printed Name:
Date



## **Authorization for Expenditure**

AFE Number	
Drilling Total (\$)	\$2,858,239
Completion Total (\$)	\$4,164,566
Facilities Total (\$)	\$677,472
Flowback Total (\$)	\$905,000
AFE Total (\$)	\$8.605.277

AFE Description	9500' Lateral SBSG			
Property Name	Klondike 9 State Com 123H	State	NM	
AFE Type	Drill and Complete	_		
Operator	Permian Resources Operating, LLC	Field	Delaware Basin - NM	
Scheduled Spud Date		Estimated TVD (ft)	See Proposal	
Target Zone	SBSG	Estimated MD (ft)	See Proposal	
Sub-Target Zone		_		
Non Operator Approval				
Company		_		
Approved By				
Title		_		
Date		_		

### **Cost Estimate**

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00	8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00	8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.1500	IDC - RIG MOB / TRUCKING	\$79,687.50	8015.1600	IDC - RIG MOB / STANDBY RATE	\$34,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$349,243.75	8015.1800	IDC - FOOTAGE CONTRACT	\$.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$160,238.00	8015.1950	IDC - Lost in hole	\$.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$53,125.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$.00
8015.2150	IDC - Drill Bit	\$98,000.00	8015.2200	IDC - TOOLS, STABILIZERS	\$50,046.00
8015.2300	IDC - FUEL / POWER	\$97,125.00	8015.2350	IDC - Fuel/Mud	\$70,546.00
8015.2400	IDC - RIG WATER	\$9,500.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$174,332.00
8015.2600	IDC - MUD LOGGING	\$.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
8015.2800	IDC - CORE ANALYSIS	\$.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00	8015.3100	IDC - CASING CREW & TOOLS	\$37,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$55,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$14,250.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$35,328.00
8015.3700	IDC - DISPOSAL	\$105,138.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$.00	8015.4100	IDC - RENTAL EQUIPMENT	\$38,000.00
8015.4200	IDC - MANCAMP	\$42,750.00	8015.4300	IDC - WELLSITE SUPERVISION	\$33,250.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$9,500.00
8015.4800	IDC - OVERHEAD	\$.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$5,225.00
8015.5200	IDC - CONTINGENCY	\$88,295.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$.00	8020.1100	TDC - CASING - SURFACE	\$29,482.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$138,902.00	8020.1300	TDC - CASING - INTERMEDIATE 2	\$.00
8020.1400	TDC - CASING - PRODUCTION	\$571,392.00	8020.1500	TDC - WELLHEAD EQUIPMENT	\$63,750.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$.00	8020.1800	TDC - CONTINGENCY	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1200	ICC - COMPLETION RIG	\$.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$403,232.00	8025.1600	ICC - COILED TUBING	\$247,690.00

ICC - CEMENTING & SERVICES ICC - INSPECTION & TESTING ICC - ELECTRIC LOGGING / PERFORATING ICC - CASING CREW AND TOOLS ICC - CONTRACT LABOR/ROUSTABOUT ICC - WELLHEAD/FRACTREE REPAIR ICC - COMMUNICATIONS ICC - WELLSTIE SUPERVISION ICC - SAFETY / ENVIRONMENTAL ICC - SURCE WATER Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS	\$.00 \$.00 \$517,197.00 \$15,000.00 \$40,000.00 \$465,757.00 \$15,000.00 \$.00 \$220,550.00 Total (\$)	8025.1800 8025.2000 8025.2300 8025.2500 8025.3000 8025.3200 8025.3200 8025.3400 8025.3400 8025.4200 8025.4200 8025.4400 Account	ICC - WATER DISPOSAL/VACUUM TRUCK ICC - TRUCKING ICC - COMPLETION FLUIDS ICC - WELL STIMULATION/FRACTUR ICC - WATER HANDLING ICC - FISHING TOOLS & SERVICES ICC - RENTAL EQUIPMENT ICC - SUPERVISION/ENGINEERING ICC - OVERHEAD ICC - CONTINGENCY ICC - COMPANY LABOR	\$19,478.00 \$14,375.00 \$10,000.00 \$1,769,259.00 \$135,902.00 \$.000 \$178,376.00 \$5,000.00
ICC - CASING CREW AND TOOLS ICC - CONTRACT LABOR/ROUSTABOUT ICC - WELLHEAD/FRACTREE REPAIR ICC - COMMUNICATIONS ICC - WELLSITE SUPERVISION ICC - SAFETY / ENVIRONMENTAL ICC - WELL CONTROL INSURANCE ICC - SOURCE WATER Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS	\$.00 \$15,000.00 \$40,000.00 \$.00 \$465,757.00 \$15,000.00 \$.220,550.00 Total (\$)	8025.2500 8025.3000 8025.3200 8025.3400 8025.3600 8025.3600 8025.3800 8025.4200 8025.4400 Account	ICC - WELL STIMULATION/FRACTUR ICC - WATER HANDLING ICC - FISHING TOOLS & SERVICES ICC - RENTAL EQUIPMENT ICC - SUPERVISION/ENGINEERING ICC - OVERHEAD ICC - CONTINGENCY ICC - COMPANY LABOR	\$1,769,259.00 \$135,902.00 \$.00 \$178,376.00 \$5,000.00
ICC - CONTRACT LABOR/ROUSTABOUT ICC - WELLHEAD/FRACTREE REPAIR ICC - COMMUNICATIONS ICC - WELLSITE SUPERVISION ICC - SAFETY / ENVIRONMENTAL ICC - WELL CONTROL INSURANCE ICC - SOURCE WATER Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS	\$15,000.00 \$40,000.00 \$.00 \$465,757.00 \$15,000.00 \$.00 \$220,550.00	8025.3000 8025.3200 8025.3400 8025.3600 8025.3800 8025.4200 8025.4400 Account	ICC - WATER HANDLING ICC - FISHING TOOLS & SERVICES ICC - RENTAL EQUIPMENT ICC - SUPERVISION/ENGINEERING ICC - OVERHEAD ICC - CONTINGENCY ICC - COMPANY LABOR	\$135,902.00 \$.00 \$178,376.00 \$5,000.00
ICC - WELLHEAD/FRACTREE REPAIR ICC - COMMUNICATIONS ICC - WELLSITE SUPERVISION ICC - SAFETY / ENVIRONMENTAL ICC - WELL CONTROL INSURANCE ICC - SOURCE WATER Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS	\$40,000.00 \$.00 \$465,757.00 \$15,000.00 \$.00 \$220,550.00 Total (\$)	8025.3200 8025.3400 8025.3600 8025.3800 8025.4200 8025.4400 Account	ICC - FISHING TOOLS & SERVICES ICC - RENTAL EQUIPMENT ICC - SUPERVISION/ENGINEERING ICC - OVERHEAD ICC - CONTINGENCY ICC - COMPANY LABOR	\$.00 \$178,376.00 \$5,000.00 \$10,000.00
ICC - COMMUNICATIONS ICC - WELLSITE SUPERVISION ICC - SAFETY / ENVIRONMENTAL ICC - WELL CONTROL INSURANCE ICC - SOURCE WATER Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS	\$.00 \$465,757.00 \$15,000.00 \$.00 \$220,550.00 Total (\$)	8025.3400 8025.3600 8025.3800 8025.4200 8025.4400 Account	ICC - RENTAL EQUIPMENT ICC - SUPERVISION/ENGINEERING ICC - OVERHEAD ICC - CONTINGENCY ICC - COMPANY LABOR	\$178,376.00 \$5,000.00 \$10,000.00
ICC - WELLSITE SUPERVISION ICC - SAFETY / ENVIRONMENTAL ICC - WELL CONTROL INSURANCE ICC - SOURCE WATER Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS	\$465,757.00 \$15,000.00 \$.00 \$220,550.00 Total (\$)	8025.3600 8025.3800 8025.4200 8025.4400 Account	ICC - SUPERVISION/ENGINEERING ICC - OVERHEAD ICC - CONTINGENCY ICC - COMPANY LABOR	\$5,000.00 \$10,000.00
ICC - SAFETY / ENVIRONMENTAL ICC - WELL CONTROL INSURANCE ICC - SOURCE WATER  Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS  Description FAC - ROAD LOCATIONS PITS	\$15,000.00 \$.00 \$220,550.00 Total (\$)	8025.3800 8025.4200 8025.4400 Account	ICC - OVERHEAD ICC - CONTINGENCY ICC - COMPANY LABOR	\$10,000.00
ICC - WELL CONTROL INSURANCE ICC - SOURCE WATER  Description ICC - CASING - PRODUCTION ICC - PACKER/DOWNHOLE TOOLS  Description FAC - ROAD LOCATIONS PITS	\$.00 \$220,550.00 Total (\$)	8025.4200 8025.4400 Account	ICC - CONTINGENCY ICC - COMPANY LABOR	
Description TCC - SAURCE WATER  Description TCC - CASING - PRODUCTION TCC - PACKER/DOWNHOLE TOOLS  Description FAC - ROAD LOCATIONS PITS	\$220,550.00 Total (\$)	8025.4400 Account	ICC - COMPANY LABOR	\$ 00
Description TCC - CASING - PRODUCTION TCC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS	Total (\$)	Account		ψ.00
TCC - CASING - PRODUCTION TCC - PACKER/DOWNHOLE TOOLS Description FAC - ROAD LOCATIONS PITS			Dan andresida an	\$.00
TCC - PACKER/DOWNHOLE TOOLS  Description FAC - ROAD LOCATIONS PITS		8030.1600	Description	Total (\$)
Description FAC - ROAD LOCATIONS PITS			TCC - PROD LINER & EQUIPMENT	
FAC - ROAD LOCATIONS PITS		8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Total (\$)	Account	Description	Total (\$)
	\$29,000.00	8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
FAC - CONTRACT LABOR / ROUSTAB	\$86,666.00	8035.2400	FAC - SUPERVISION	\$5,833.33
FAC - P-LINE F-LINE LINEPIPE	\$.00	8035.2900	FAC - TANK BATTERY	\$96,666.00
FAC - HEATER TREATER/SEPERATOR	\$135,608.33	8035.3200	FAC - VALVES FITTINGS & PIPE	\$108,333.33
FAC - CIRCULATING TRNSFER PUMP	\$7,500.00	8035.3400	FAC - METER & LACT	\$34,466.00
FAC - ELECTRICAL	\$41,666.00	8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$55,000.00
FAC - FLARE/COMBUSTER	\$15,833.33	8035.4500	FAC - CONTINGENCY	\$.00
FAC - SURFACE DAMAGE / ROW	\$5,000.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$.00
FAC - RENTAL EQUIPMENT	\$4,166.67	8035.1800	FAC - FUEL / POWER	\$.00
FAC - WATER DISPOSAL / SWD	\$.00	8035.2000	FAC - WASTE DISPOSAL	\$.00
FAC - INSPECTION & TESTING	\$1,000.00	8035.2300	FAC - FRAC TANK RENTAL	\$.00
FAC - CONSULTING SERVICES	\$.00	8035.2600	FAC - INJECTION PUMP	\$.00
FAC - DEHYDRATOR EQUIPMENT	\$.00	8035.3500	FAC - COMPRESSOR	\$.00
FAC - SAFETY / ENVIRONMENTAL	\$733.33	8035.4100	FAC - OVERHEAD	\$.00
FAC - INSURANCE	\$.00	8035.1310	FAC - PEMANENT EASEMENT	\$.00
FAC - COMPANY LABOR	\$.00			
Description	Total (\$)	Account	Description	Total (\$)
PLN - PERMITS LICENSES ETC	\$.00	8036.1100	PLN - STAKING & SURVEYING	\$.00
PLN - LEGAL TITLE SERVICES	\$.00	8036.1300	PLN - SURFACE DAMAGE / ROW	\$5,000.00
PLN - PEMANENT EASEMENT	\$.00	8036.1400	PLN - ROAD LOCATIONS PITS	\$.00
PLN - MATERIALS & SUPPLIES	\$.00	8036.1600	PLN - TRANSPORTATION TRUCKING	\$.00
PLN - RENTAL EQUIPMENT	\$.00	8036.1900	PLN - WATER DISPOSAL / SWD	\$.00
PLN - WASTE DISPOSAL	\$.00	8036.2100	PLN - INSPECTION & TESTING	\$.00
PLN - CONTRACT LABOR	\$.00	8036.2300	PLN - FRAC TANK RENTAL	\$.00
PLN - SUPERVISION	\$.00	8036.2500	PLN - CONSULTING SERVICES	\$.00
PLN - PIPELINE	\$.00	8036.2800	PLN - FLOWLINE	\$40,000.00
PLN - TANK BATTERY	\$.00	8036.3000	PLN - SEPARATOR / SCRUBBER	\$.00
PLN - TREATING EQUIPMENT	\$.00	8036.3200	PLN - VALVES FITTINGS & PIPE	\$.00
PLN - PUMP	\$.00	8036.3400	PLN - METER	\$.00
PLN - COMPRESSOR	\$.00	8036.3600	PLN - ELECTRICAL SUPPLIES	\$.00
PLN - POWER DISTRIBUTION MATERIAL	\$.00	8036.3620	PLN - POWER DISTRIBUTION LABOR	\$.00
PLN - AUTOMATION	\$.00	8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$.00
PLN - INSURANCE	\$.00	8036.4400	PLN - COMPANY LABOR	\$.00
PLN - CONTINGENCY	\$.00			
Description	Total (\$)	Account	Description	Total (\$)
IFC - ROADS LOCATIONS / PITS	\$.00	8040.1200	IFC - COMPLETION RIG	\$30,000.00
FC - WIRELINE OPEN/CASED HOLE	\$.00	8040.1500	IFC - FUEL / POWER	\$.00
FC - COILED TUBING	\$.00	8040.1700	IFC - CEMENTING & SERVICES	\$.00
FC - FRAC WATER RECOVERY	\$250,000.00	8040.1900	IFC - INSPECTION & TESTING	\$5,000.00
FC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
FC - COMPLETION FLUID	\$20,000.00	8040.2400	IFC - CASING CREW AND TOOLS	\$.00
FC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
FC - WELL TESTING / FLOWBACK	\$150,000.00	8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$.00
FC - FISHING TOOLS & SERVICES	\$.00	8040.3400	IFC - RENTAL EQUIPMENT	\$50,000.00
FC - WELLSITE SUPERVISION	\$20,000.00	8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$5,000.00
IFC - CONTINGENCY	\$.00	8040.4400	IFC - COMPANY LABOR	\$.00
FC - SWABBING	\$.00	8040.2500	IFC - WELL STIMULATION/FRACTURE	\$.00
Description	Total (\$)	Account	Description	Total (\$)
TFC - TUBING	\$120,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$.00
TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00	8045.1500	TFC - SUBSURFACE PUMPS	\$.00
TFC - PROD LINER & EQUIPMENT	\$.00	8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$10,000.00
TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000	TFC - WELLHEAD EQUIPMENT	\$40,000.00
TFC - VALVES / CONNECTIONS / FITINGS	\$80,000.00	8045.3100	TFC - MEASURMENT EQUIPMENT	\$30,000.00
TFC - COMM, TELEMETRY & AUTOMATION	\$.00	8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$30,000.00
TFC - CONTINGENCY	\$.00	8045.4400	TFC - COMPANY LABOR	\$.00
	AC - SURFACE DAMAGE / ROW  AC - RENTAL EQUIPMENT  AC - WATER DISPOSAL / SWD  AC - INSPECTION & TESTING  AC - CONSULTING SERVICES  AC - DEHYDRATOR EQUIPMENT  AC - SAFETY / ENVIRONMENTAL  AC - INSURANCE  AC - COMPANY LABOR  SECRIPTION  LIN - PERMITS LICENSES ETC  LIN - LEGAL TITLE SERVICES  LIN - PEMANENT EASEMENT  LIN - MATERIALS & SUPPLIES  LIN - RENTAL EQUIPMENT  LIN - WASTE DISPOSAL  LIN - SUPPRISION  LIN - PIPELINE  LIN - TANK BATTERY  LIN - TREATING EQUIPMENT  LIN - PUMP  LIN - COMPRESSOR  LIN - POWER DISTRIBUTION MATERIAL  LIN - AUTOMATION  LIN - INSURANCE  LIN - CONTINGENCY  SECRIPTION  CO - ROADS LOCATIONS / PITS  CO - WIRELINE OPEN/CASED HOLE  CO - COILED TUBING  CO - FRAC WATER RECOVERY  CO - TRUCKING/VACUUM/TRANSP  CO - COMPLETION FLUID  CO - CONTRACT LABOR/ROUSTABOUT  CO - CONTRACT LABOR  LIN - CONTINGENCY  SECRIPTION  CO - CONTRACT LABOR  LIN - PUMP  LIN - CONTINGENCY  SECRIPTION  CO - CONTRACT LABOR  LIN - PUMP  LIN - CONTINGENCY  SECRIPTION  CO - CONTRACT LABOR  CO -	AC - SURFACE DAMAGE / ROW \$5,000.00 AC - RENTAL EQUIPMENT \$4,166.67 AC - WATER DISPOSAL / SWD \$.00 AC - INSPECTION & TESTING \$1,000.00 AC - CONSULTING SERVICES \$.00 AC - DEHYDRATOR EQUIPMENT \$.00 AC - SAFETY / ENVIRONMENTAL \$733.33 AC - SAFETY / ENVIRONMENTAL \$733.33 AC - SAFETY / ENVIRONMENTAL \$733.33 AC - COMPANY LABOR \$.00  SECTIPTION TOTAL (\$) LN - PERMITS LICENSES ETC \$.00 LN - PERMITS LICENSES ETC \$.00 LN - PERMANENT EASEMENT \$.00 LN - PERMANENT EASEMENT \$.00 LN - RENTAL EQUIPMENT \$.00 LN - SUPERVISION \$.00 LN - SUPERVISION \$.00 LN - PIPPELINE \$.00 LN - PIPPELINE \$.00 LN - PUMP \$.00 LN - COMPRESSOR \$.00 LN - COMPRESSOR \$.00 LN - ONTRECT LABOR \$.00 LN - ONTRECT LABOR \$.00 LN - LO CONTRECT SOR \$.00 LN - CONTINGENCY \$.00 LN - INSURANCE \$.00 LN - ONTRINGENCY \$.00 LN - CONTINGENCY \$.00 EC - ROADS LOCATIONS / PITS \$.00 LN - CONTINGENCY \$.00 EC - FRAC WATER RECOVERY \$.250,000.00 EC - TRUCKING/VACUUM/TRANSP \$.00 CC - FISHING TOOLS & SERVICES \$.00 CC - COMPLETION FLUID \$.00 CC - CONTRACT LABOR/ROUSTABOUT \$.00 CC - CONTRACT LABOR/ROUSTABOUT \$.00 CC - CONTINGENCY \$.00 CC - CONTIN	AC - SURFACE DAMAGE / ROW \$5,000.00 AC - RENTAL EQUIPMENT \$4,166.67 AC - WATER DISPOSAL / SWD \$035,2000 AC - INSPECTION & TESTING \$1,000.00 B035,2000 AC - ONSULTING SERVICES \$000 B035,2000 AC - DEHYDRATOR EQUIPMENT \$000 B035,3500 AC - DEHYDRATOR EQUIPMENT \$000 B035,3500 AC - SARETY / ENVIRONMENTAL \$733.33 B035,4100 B035,1310 AC - SARETY / ENVIRONMENTAL \$733.33 B035,4100 B035,1310 AC - SARETY / ENVIRONMENTAL \$733.33 B035,1310 AC - SARETY / ENVIRONMENTAL \$000 B036,1300 B036,130	AC - SURFACE DAMAGE / ROW \$5,000.00 \$035,150.00 FAC - MATERIALS & SUPPLIES AC - RENTAL EQUIPMENT \$1,005,500.00 \$1005,100.00 FAC - FIVE / POWER AC - MATER IDEPOSAL / SWYD \$0,000.00 \$1005,200.00 FAC - WASTE DISPOSAL AC - INSERECTION A TESTING \$1,000.00 \$1005,200.00 FAC - MASTE DISPOSAL AC - INSERIANCE \$1,000.00 \$1005,200.00 FAC - FRAC TANK RENTAL AC - CONSULTINO SERVICES \$0.00 \$1005,200.00 FAC - FRAC TANK RENTAL AC - SAFETY / ENVIRONMENTAL \$1,000.00 \$1005,200.00 FAC - COMPRESSOR AC - COMPANY LABOR \$0.00  ***COMPANY LABOR \$0.00  **

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## **Authorization for Expenditure**

AFE NUMBER		
Drilling Total (\$)	\$3,377,486	
Completion Total (\$)	\$4,078,820	
Facilities Total (\$)	\$677,472	
Flowback Total (\$)	\$905,000	
AFE Total (\$)	\$9,038,778	

AFE Description	9500' Lateral SBSG			
Property Name	Klondike 9 State Com 133H	State	NM	
AFE Type	Drill and Complete			
Operator	Permian Resources Operating, LLC	Field	Delaware Basin - NM	
Scheduled Spud Date		Estimated TVD (ft)	See Proposal	
Target Zone	TBSG	Estimated MD (ft)	See Proposal	
Sub-Target Zone		_		
Non Operator Approval				
Company		<u>_</u>		
Approved By				
Title		<del>_</del>		
Date		_		

### **Cost Estimate**

Account	Description	Total (\$)	Account	Description	Total (\$)
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00	8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00	8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00	8015.1400	IDC - ROAD, LOCATIONS, PITS	\$85,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$79,687.50	8015.1600	IDC - RIG MOB / STANDBY RATE	\$34,600.00
8015.1700	IDC - DAYWORK CONTRACT	\$551,437.00	8015.1800	IDC - FOOTAGE CONTRACT	\$.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$253,007.00	8015.1950	IDC - Lost in hole	\$.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$53,125.00	8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$.00
8015.2150	IDC - Drill Bit	\$98,000.00	8015.2200	IDC - TOOLS, STABILIZERS	\$52,546.00
8015.2300	IDC - FUEL / POWER	\$153,398.00	8015.2350	IDC - Fuel/Mud	\$70,546.00
8015.2400	IDC - RIG WATER	\$15,000.00	8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$183,629.00
8015.2600	IDC - MUD LOGGING	\$.00	8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
8015.2800	IDC - CORE ANALYSIS	\$.00	8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$143,200.00	8015.3100	IDC - CASING CREW & TOOLS	\$37,500.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$55,000.00	8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$22,500.00	8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$55,781.00
8015.3700	IDC - DISPOSAL	\$112,638.00	8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$12,500.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$.00	8015.4100	IDC - RENTAL EQUIPMENT	\$38,000.00
8015.4200	IDC - MANCAMP	\$52,500.00	8015.4300	IDC - WELLSITE SUPERVISION	\$90,000.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$.00	8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$15,000.00
8015.4800	IDC - OVERHEAD	\$.00	8015.5000	IDC - WELL CONTROL INSURANCE	\$8,250.00
8015.5200	IDC - CONTINGENCY	\$110,355.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8020.1000	TDC - CASING - CONDUCTOR	\$.00	8020.1100	TDC - CASING - SURFACE	\$29,482.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$138,902.00	8020.1300	TDC - CASING - INTERMEDIATE 2	\$.00
8020.1400	TDC - CASING - PRODUCTION	\$612,152.00	8020.1500	TDC - WELLHEAD EQUIPMENT	\$63,750.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$.00	8020.1800	TDC - CONTINGENCY	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8025.1000	ICC - STAKING & SURVEYING	\$.00	8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.1200	ICC - COMPLETION RIG	\$.00	8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1500	ICC - FUEL / POWER	\$370,770.00	8025.1600	ICC - COILED TUBING	\$224,298.00

8025.1700	ICC - CEMENTING & SERVICES	\$.00	8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$19,478.00
8025.1900	ICC - INSPECTION & TESTING	\$.00	8025.2000	ICC - TRUCKING	\$14,375.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$432,705.00	8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2400	ICC - CASING CREW AND TOOLS	\$.00	8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,904,264.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00	8025.3000	ICC - WATER HANDLING	\$116,364.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00	8025.3200	ICC - FISHING TOOLS & SERVICES	\$.00
8025.3300	ICC - COMMUNICATIONS	\$.00	8025.3400	ICC - RENTAL EQUIPMENT	\$164,511.00
8025.3500	ICC - WELLSITE SUPERVISION	\$465,757.00	8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00	8025.3800	ICC - OVERHEAD	\$10,000.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$.00	8025.4200	ICC - CONTINGENCY	\$.00
8025.3050	ICC - SOURCE WATER	\$173,548.00	8025.4400	ICC - COMPANY LABOR	\$.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8030.1000	TCC - CASING - PRODUCTION		8030.1600	TCC - PROD LINER & EQUIPMENT	
8030.1700	TCC - PACKER/DOWNHOLE TOOLS		8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
Account	Description	Total (\$)	Account	Description	Total (\$)
8035.1400	FAC - ROAD LOCATIONS PITS	\$29,000.00	8035.1600	FAC - TRANSPORTATION TRUCKING	\$5,000.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$86,666.00	8035.2400	FAC - SUPERVISION	\$5,833.33
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$.00	8035.2900	FAC - TANK BATTERY	\$96,666.00
8035.3000	FAC - HEATER TREATER/SEPERATOR	\$135,608.33	8035.3200	FAC - VALVES FITTINGS & PIPE	\$108,333.33
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$7,500.00	8035.3400	FAC - METER & LACT	\$34,466.00
8035.3600	FAC - ELECTRICAL	\$41,666.00	8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$55,000.00
8035.3800	FAC - FLARE/COMBUSTER	\$15,833.33	8035.4500	FAC - CONTINGENCY	\$.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$5,000.00	8035.1500	FAC - MATERIALS & SUPPLIES	\$.00
8035.1700	FAC - RENTAL EQUIPMENT	\$4,166.67	8035.1800	FAC - FUEL / POWER	\$.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$.00	8035.2000	FAC - WASTE DISPOSAL	\$.00
8035.2100 8035.2500	FAC - CONSULTING SERVICES	\$1,000.00	8035.2300	FAC - FRAC TANK RENTAL	\$.00 \$.00
	FAC - CONSULTING SERVICES	\$.00	8035.2600	FAC - COMPRESSOR	
8035.3100 8035.4000	FAC - DEHYDRATOR EQUIPMENT  FAC - SAFETY / ENVIRONMENTAL	\$.00 \$733.33	8035.3500 8035.4100	FAC - OVERHEAD	\$.00 \$.00
8035.4300	FAC - INSURANCE	\$.00	8035.1310	FAC - PEMANENT EASEMENT	\$.00
8035.4400	FAC - COMPANY LABOR	\$.00	0033.1310	FAC - FEMANENT EAGEMENT	\$.00
			A	Description	Total (\$)
Account 8036.1000	PLN - PERMITS LICENSES ETC	Total (\$) \$.00	8036.1100	Description PLN - STAKING & SURVEYING	Total (\$) \$.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$.00	8036.1300	PLN - STAKING & SURVETING  PLN - SURFACE DAMAGE / ROW	\$5,000.00
8036.1310	PLN - PEMANENT EASEMENT	\$.00	8036.1400	PLN - ROAD LOCATIONS PITS	\$.00
8036.1500	PLN - MATERIALS & SUPPLIES	\$.00	8036.1600	PLN - TRANSPORTATION TRUCKING	\$.00
8036.1700	PLN - RENTAL EQUIPMENT	\$.00	8036.1900	PLN - WATER DISPOSAL / SWD	\$.00
8036.2000	PLN - WASTE DISPOSAL	\$.00	8036.2100	PLN - INSPECTION & TESTING	\$.00
8036.2200	PLN - CONTRACT LABOR	\$.00	8036.2300	PLN - FRAC TANK RENTAL	\$.00
8036.2400	PLN - SUPERVISION	\$.00	8036.2500	PLN - CONSULTING SERVICES	\$.00
8036.2700	PLN - PIPELINE	\$.00	8036.2800	PLN - FLOWLINE	\$40,000.00
8036.2900	PLN - TANK BATTERY	\$.00	8036.3000	PLN - SEPARATOR / SCRUBBER	\$.00
8036.3100	PLN - TREATING EQUIPMENT	\$.00	8036.3200	PLN - VALVES FITTINGS & PIPE	\$.00
8036.3300	PLN - PUMP	\$.00	8036.3400	PLN - METER	\$.00
8036.3500	PLN - COMPRESSOR	\$.00	8036.3600	PLN - ELECTRICAL SUPPLIES	\$.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$.00	8036.3620	PLN - POWER DISTRIBUTION LABOR	\$.00
8036.3700	PLN - AUTOMATION	\$.00	8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$.00
8036.4300	PLN - INSURANCE	\$.00	8036.4400	PLN - COMPANY LABOR	\$.00
8036.4500	PLN - CONTINGENCY	\$.00			
Account	Description	Total (\$)	Account	Description	Total (\$)
8040.1100	IFC - ROADS LOCATIONS / PITS	\$.00	8040.1200	IFC - COMPLETION RIG	\$30,000.00
8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$.00	8040.1500	IFC - FUEL / POWER	\$.00
8040.1600	IFC - COILED TUBING	\$.00	8040.1700	IFC - CEMENTING & SERVICES	\$.00
8040.1899	IFC - FRAC WATER RECOVERY	\$250,000.00	8040.1900	IFC - INSPECTION & TESTING	\$5,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00	8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$.00
8040.2300	IFC - COMPLETION FLUID	\$20,000.00	8040.2400	IFC - CASING CREW AND TOOLS	\$.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT  IFC - WELL TESTING / FLOWBACK	\$20,000.00	8040.2800	IFC - MATERIAL & SUPPLIES	\$.00
8040.2900 8040.3200	IFC - FISHING TOOLS & SERVICES	\$150,000.00 \$.00	8040.3100 8040.3400	IFC - WELLHEAD/FRAC TREE REPAIR  IFC - RENTAL EQUIPMENT	\$.00 \$50,000.00
8040.3500 8040.4200	IFC - WELLSITE SUPERVISION  IFC - CONTINGENCY	\$20,000.00 \$.00	8040.3700 8040.4400	IFC - SAFETY / ENVIRONMENTAL  IFC - COMPANY LABOR	\$5,000.00 \$.00
8040.4500	IFC - SWABBING	\$.00	8040.2500	IFC - WELL STIMULATION/FRACTURE	\$.00
Account	Description	Total (\$)	Account	Description TEC SHOKED BODS & ACCESSORY	Total (\$)
8045.1100	TFC - TUBING	\$120,000.00	8045.1200	TFC - SUCKER RODS & ACCESSORY	\$.00
8045.1300 8045.1600	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00 \$.00	8045.1500 8045.1700	TFC - SUBSURFACE PUMPS TFC - PACKER/DOWNHOLE TOOLS	\$.00 \$10,000.00
0040.1000	TEC - DROD I INED & FOLIDMENT		JU45.17UU	11 O - FACKER/DOMINHOLE TOOLS	\$10,000.00
8045 1000	TFC - PROD LINER & EQUIPMENT  TEC - PLIMPING LINITS /SURFACE LIFT FOLIPMENT			TEC - WELLHEAD FOLLIDMENT	940,000,00
8045.1900 8045.2500	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000	TFC - WELLHEAD EQUIPMENT TFC - MEASURMENT EQUIPMENT	\$40,000.00 \$30,000.00
8045.2500	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT TFC - VALVES / CONNECTIONS / FITINGS	\$.00 \$80,000.00	8045.2000 8045.3100	TFC - MEASURMENT EQUIPMENT	\$30,000.00
	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$.00	8045.2000		

Page 1 of 1

### Communication Timeline

October 2023 – Well proposals sent for Klondike 9 State Com wells

October - Present 2023 - Ongoing discussions of trade proposals and other deal structures to acquire certain party's interest in the wells

**December 2023** – agreed with Apache/ZPZ to execute a pre pooling letter to allow their interest to be force pooled / agreed to execute a JOA with COG/Conoco to govern their interest in the unit

December 2023 – Several parties plan to execute a JOA vs being subject to the pooling order

**December 2023** – As of this date a number of the parties have not reached final resolution with participation nor have the deals to acquire finalized

Permian Resources Operating, LLC Case No. 24005 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 AND APPROVAL OF A STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24005 & 24006

## SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

- 1. 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 Madera 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 **Klondike 9 State Com #123H, Klondike 9 State Com #133H, Klondike 9 State Com #124H, Klondike 9 State Com #134H 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. The pooling units area is defined by blue boxes and are labeled with their respective case numbers.**

Permian Resources Operating, LLC Case No. 24005 Exhibit B Released to Imaging: 12/19/2023 4:22:34 PM

Received by OCD: 12/19/2023 4:08:56 PM

- 5. Exhibit B-3 is a Subsea Structure map on the base of 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 stars. 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 stars. 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 with arrows indicating the drill direction across the unit. 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.

- 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

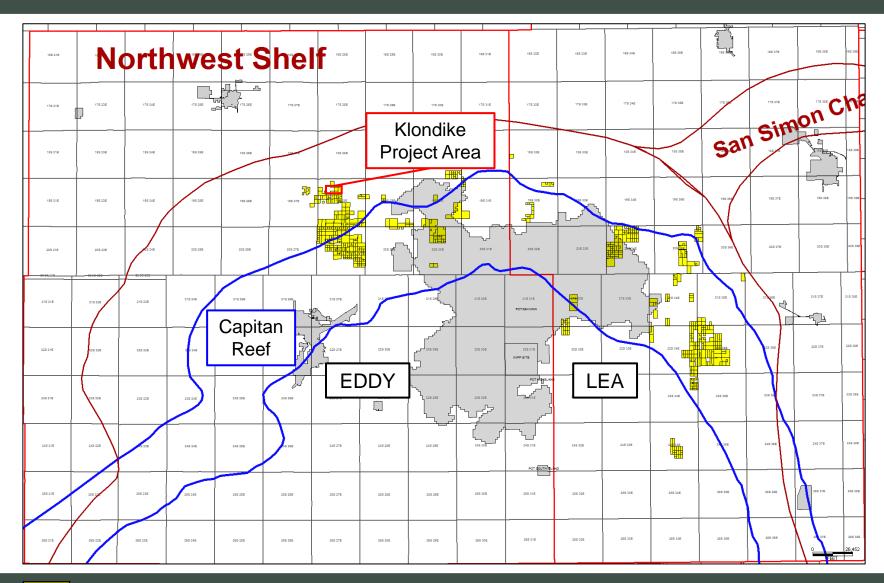
Date

18/2023

## Permian Resources Operating, LLC Case No. 24005 Exhibit B-1

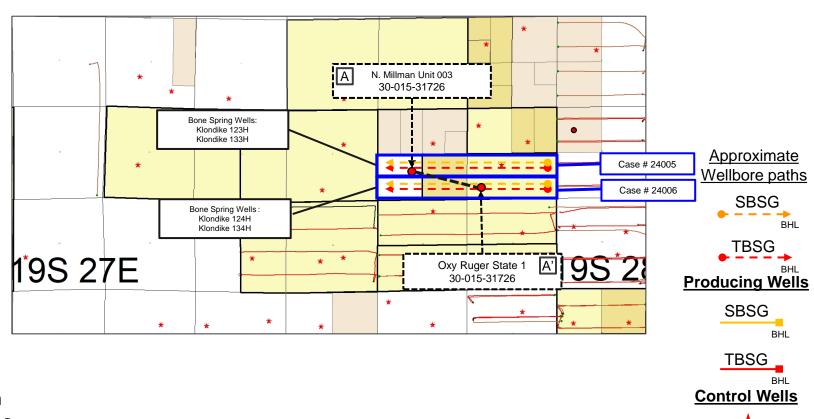
Regional Locator Map
Klondike 9 State Com







Α



Permian Resources

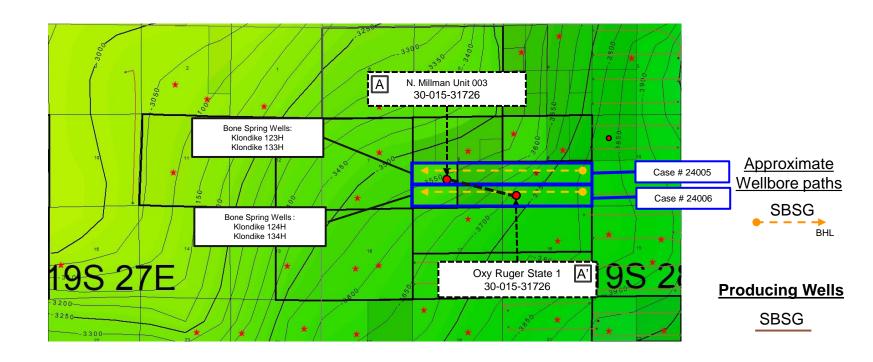


Permian Resources Operating, LLC

Case No. 24005 Exhibit B-3



## Base Second Bone Spring-Structure Map (50' CI) Klondike 9 State Com



Permian Resources



**Control Wells** 

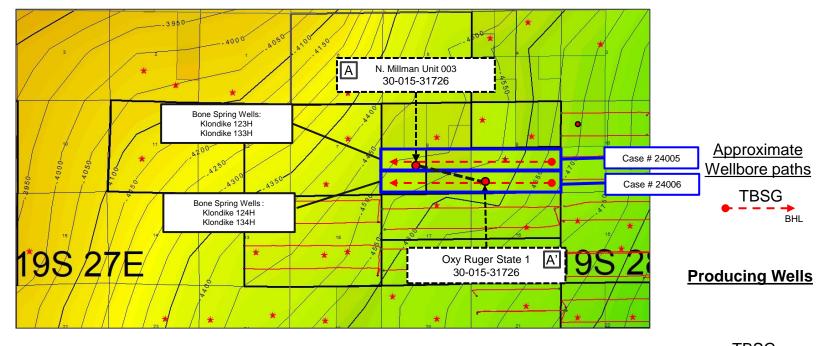
BHL

Case No. 24005 Exhibit B-4





## Top Third Bone Spring – Structure Map (50' C.I.) Klondike 9 State Com

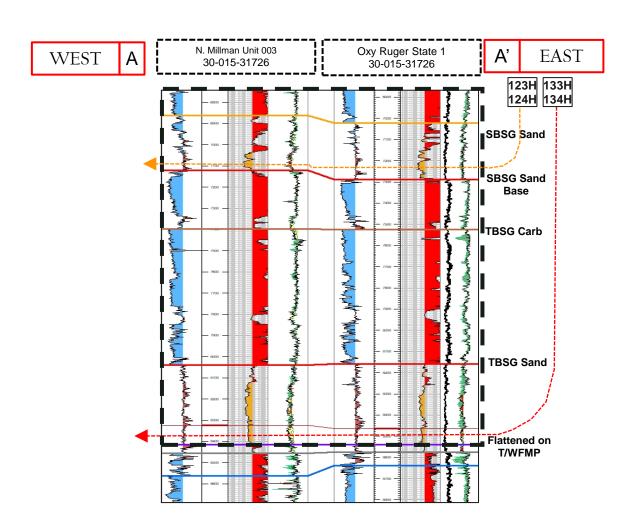


TBSG

**Control Wells** 



Permian Resources



Approximate
Wellbore paths

SBSG

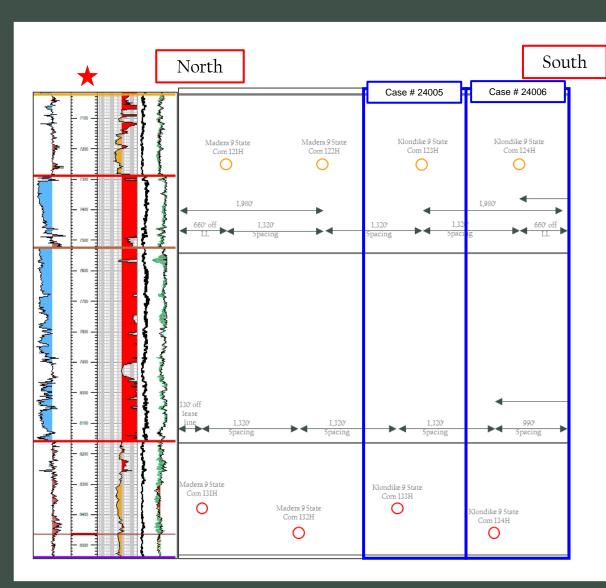
TBSG



Klondike 9 State Com

Gun Barrel Development Plan







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

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

**CASE NO. 24005** 

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Permian Resources Operating,

LLC, the Applicant herein.

I am familiar with the Notice Letter 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.

Copies of the certified mail green cards and white slips are attached as Exhibit C-4.

3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On November 21, 2023, I caused a notice to be published to all interested parties in

the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad

Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the

subject cases. I affirm that my testimony above is true and correct and it made under penalty of

perjury under the laws of the State of New Mexico. My testimony is made as of the date

handwritten next to my signature below.

/s/ Dana S. Hardy

Dana S. Hardy

December 19, 2023

Date

**Permian Resources Operating, LLC** Case No. 24005 Exhibit C



## HINKLE SHANOR LLP

## ATTORNEYS AT LAW

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

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

November 17, 2023

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

### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24005 & 24006 – Applications of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 7**, **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: <a href="https://www.emnrd.nm.gov/ocd/hearing-info/">https://www.emnrd.nm.gov/ocd/hearing-info/</a>. 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 (<a href="https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/">https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/</a>) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

Please contact Mark Hajdik, Senior Staff Landman, Permian Resources, at (432) 257-3886, if you have questions regarding these matters.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy

Enclosure

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

Permian Resources Operating, LLC Case No. 24005 Exhibit C-1

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

CASE NOS. 24005 & 24006

#### **NOTICE LETTER CHART**

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Ard Oil, Ltd.	11/17/23	11/27/23
Mary T. Ard, President		
P.O. Box 101027		
Fort Worth, TX 76185		
BP America Production Company	11/17/23	11/28/23
501 Westlake Park Blvd.		
Houston, Texas 77079		
Roy G. Barton, Jr., Trustee of the Roy G.	11/17/23	11/27/23
Barton, Sr., and Opal Barton Trust		
1919 North Turner Street		
Hobbs, New Mexico 88240		
COG Operating LLC	11/17/23	11/29/23
600 West Illinois Avenue		
Midland, Texas 79701		
Colgate Operating, LLC	11/17/23	11/27/23
300 N Marienfeld, Suite 1000		
Midland, TX 79701		
Colgate Production, LLC	11/17/23	11/27/23
300 N Marienfeld, Suite 1000		
Midland, TX 79701		
Colgate Royalties, LP	11/17/23	11/27/23
300 N Marienfeld, Suite 1000		
Midland, TX 79701		
Concho Oil & Gas LLC	11/17/23	11/29/23
600 West Illinois Avenue		
Midland, Texas 79701		
Contango Resources, Inc.	11/17/23	11/27/23
111 E 5th Street, Suite 300		
Fort Worth, TX 76102		
D2 Resources, LLC	11/17/23	11/27/23
P.O. Box 10187		
Midland, Texas 79702		
Irma Leota Davis	11/17/23	12/04/23
2702 58th Street		
Lubbock, TX 79413		
Paula Raye Dooley	11/17/23	11/27/23
1006 S 2nd St		
Artesia, NM 88210		

Permian Resources Operating, LLC Case No. 24005 Exhibit C-2

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

CASE NOS. 24005 & 24006

#### **NOTICE LETTER CHART**

Margaret V. Dowling, SSP	11/17/23	11/27/23
1829 Georgia Street NE		
Albuquerque, NM 87110		
EOG Resources, Inc.	11/17/23	11/29/23
5509 Champions Drive		
Midland, TX 79702		
Frost Bank, Trustee of the Josephine T.	11/17/23	Per USPS Tracking
Hudson Testamentary Trust f/b/o J.		(Last Checked 12/14/23):
Terrell Ard		
P.O. Box 1600		11/23/23 – Item in transit
San Antonio, TX 78296		to next facility.
Harvard Petroleum Company, LLC	11/17/23	11/27/23
P.O. Box 936		
Roswell, New Mexico 88202		
Vergil Wesley Hopp	11/17/23	Per USPS Tracking
19 Twin Lakes Ct		(Last Checked 12/14/23):
Arlington, TX 76016		
		11/25/23 – Delivery
		attempted.
Francis H. Hudson, Trustee of Lindy's	11/17/23	12/04/23
Living Trust		
4200 S. Hulen Street, Suite 302		Return to sender.
Fort Worth, TX 76109	11/17/00	11/07/00
William A. Hudson II, Sole Executor of	11/17/23	11/27/23
the Estate of Josephine T. Hudson,		
deceased		
P.O. Box 1600		
San Antonio, TX 78296	11/17/02	11/07/02
Jalapeno Corporation	11/17/23	11/27/23
P.O. Box 1608		
Albuquerque, NM 87103 Javelina Partners	11/17/22	11/27/22
Javelina Partners 616 Texas Street	11/17/23	11/27/23
Fort Worth, TX 76102-4612	11/17/22	Don HCDC Tree alvies or
Anne S. Johnson	11/17/23	Per USPS Tracking
6529 Highway 42 South		(Last Checked 12/14/23):
Fort Valley, Georgia 31030		11/20/22 Itam bains
		11/29/23 – Item being
		returned to sender.

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

CASE NOS. 24005 & 24006

### **NOTICE LETTER CHART**

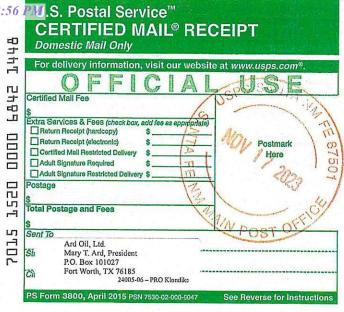
Delmar Hudson Lewis, MSU	11/17/23	12/11/23
6300 Ridglea Place, Suite 1005A		
Fort Worth, TX 76116		Return to sender.
MRC Delaware Resources, LLC	11/17/23	11/27/23
5400 LBJ Freeway, Suite 1500		
Dallas, TX 75240		
Marathon Oil Permian LLC	11/17/23	12/05/23
5555 San Felipe St.		
Houston, TX 77056		Return to sender.
Marigold LLLP	11/17/23	12/18/23
PO Box 1290		
Artesia, NM 88211-1290		Return to sender.
Mark Wilson Family Partnership, LP	11/17/23	12/11/23
4501 Green Tree Boulevard		
Midland, TX 79707-1607		Return to sender.
Oxy USA WTP, LP	11/17/23	11/27/23
5 Greenway Plaza, Suite 110		
Houston, Texas 77046		
OXY Y-1 Company	11/17/23	11/27/23
5 Greenway Plaza		
Houston, TX 77046		
Penroc Oil Corporation	11/17/23	11/27/23
P.O. Box 2769		
Hobbs, New Mexico 88241		
Terence Patrick Perkins	11/17/23	11/27/23
3707 Rusty Spur		
Krum, TX 76249		
Santo Legado, LLC	11/17/23	11/29/23
P.O. Box 1020		
Artesia, NM 88211-1020		
Sharbro Energy, LLC	11/17/23	11/27/23
P.O. Box 840		
Artesia, NM 88211		
Slash Exploration, LP	11/17/23	11/27/23
P.O. Box 1973		
Roswell, New Mexico 88202		
Solis Energy, LLC	11/17/23	12/01/23
P.O. Box 51451		
Midland, Texas 79710		

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

CASE NOS. 24005 & 24006

#### **NOTICE LETTER CHART**

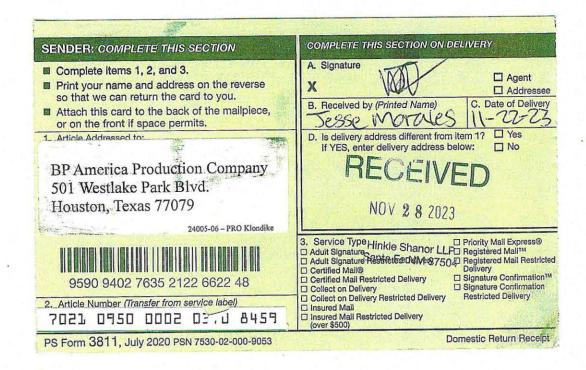
Tinian Oil & Gas LLC	11/17/23	12/01/23
319 West Main Street		
Artesia, NM 88210		
Tulipan LLC	11/17/23	12/18/23
428 Sandoval, Suite 200		
Santa Fe, NM 87501		
Vladin, LLC	11/17/23	11/27/23
P.O. Box 100		
Artesia, NM 88211-0100		
WPX Energy Permian, LLC	11/17/23	12/05/23
3500 One Williams Center, MD 38		
Tulsa, Oklahoma 74172		Return to sender.
Westway Petro, a Texas Joint Venture	11/17/23	Per USPS Tracking
6440 N. Central Expy, Suite 615		(Last Checked 12/14/23):
Dallas, TX 75206		
		11/26/23 – Item in transit
		to next facility.
Yates Brothers, a partnership	11/17/23	12/01/23
105 South Fourth Street		
Artesia, NM 88210		
John A. Yates, Trustee of Trust Q u/w/o	11/17/23	12/11/23
Peggy A. Yates, deceased		
P.O. Box 100		Return to sender.
Artesia, NM 88211-0111		
ZPZ Delaware I LLC	11/17/23	11/27/23
303 Veterans Airpark Lane, Suite 1000		
Midland, Texas 79705		
Zorro Partners, Ltd.	11/17/23	11/27/23
616 Texas Street		
Fort Worth, TX 76102-4612		



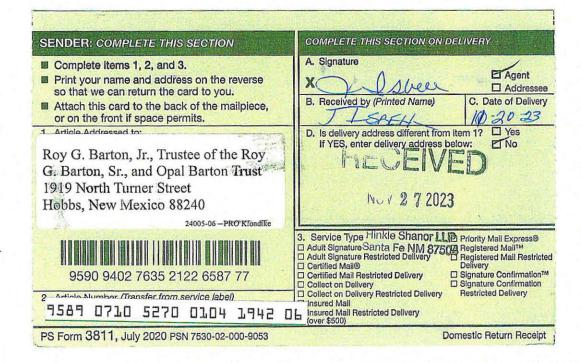
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature    Agent   Addressee     B. Refleived by (Printed Name)   C. Date of Delivery   1/26/2020
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes' If YES, enter delivery address below: ☐ No
Ard Oil, Ltd.	in 125, enter delivery address below.
Mary T. Ard, President P.O. Box 101027	RECEIVED
Fort Worth, TX 76185 24005-06-PRO Klondike	NOV 2 7 2023
9590 9402 7635 2122 6669 70	3. Service Type  □ Adult Signature □ Adult Signature □ Certified Mail® Santa For Delivery □ Certified Mail Restricted Delivery □ Certified Mail Restricted Delivery □ Certified Mail Restricted Delivery □ Signature Confirmation™ □ Collect on Delivery □ Signature Confirmation Signature Confirmation Signature Confirmation Signature Confirmation Signature Confirmation
2. Article Number (Transfer from service label) 7015 1520 0000 6842 1448	☐ Collect on Delivery Restricted Delivery ☐ Insured Mall ☐ Insured Mall Restricted Delivery ☐ (over \$500)
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Permian Resources Operating, LLC Case No. 24005 Exhibit C-3



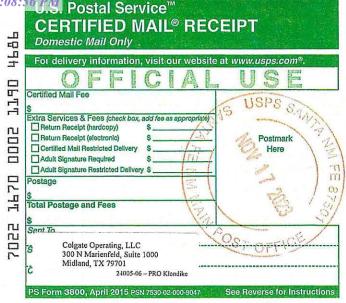




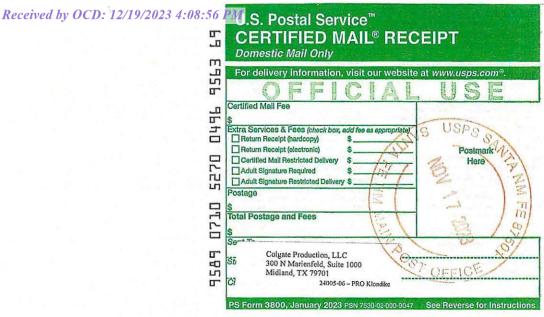


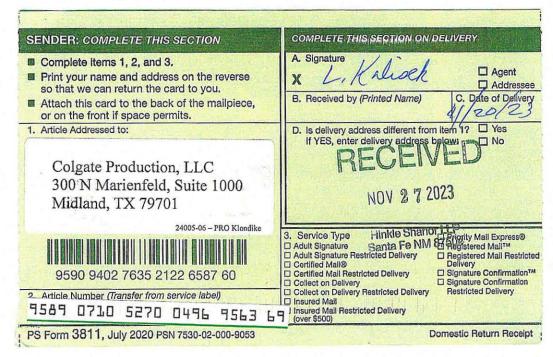




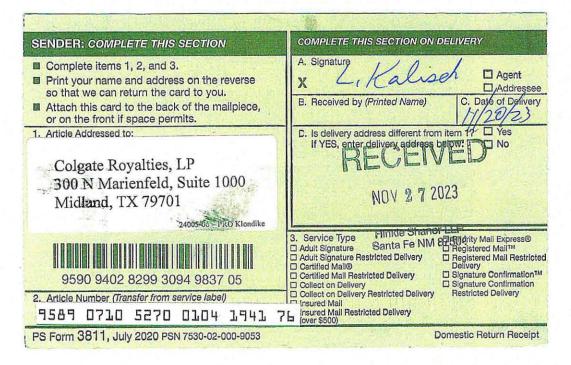




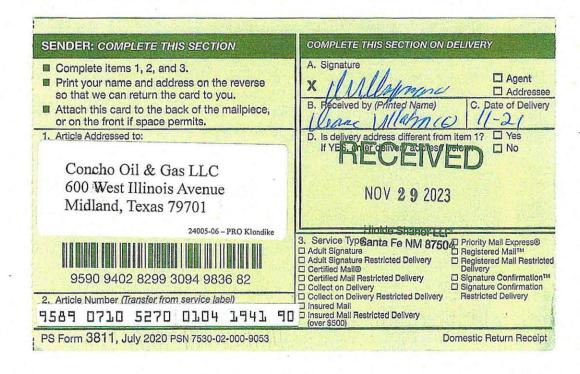




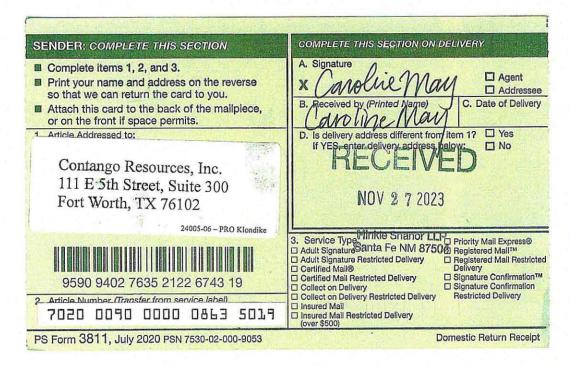
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	PS Form 3800, January 2023 PSN 7530-02-000-5047 See Reverse for Instructions



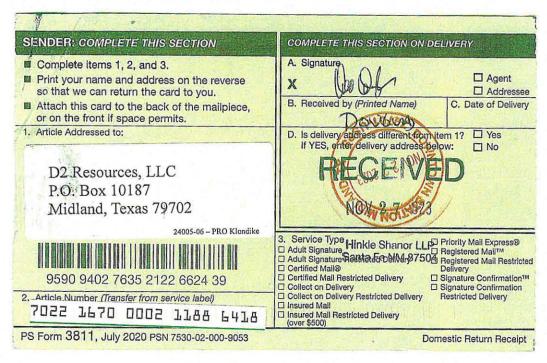
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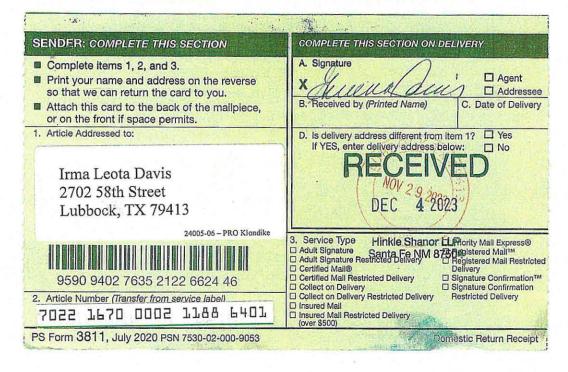


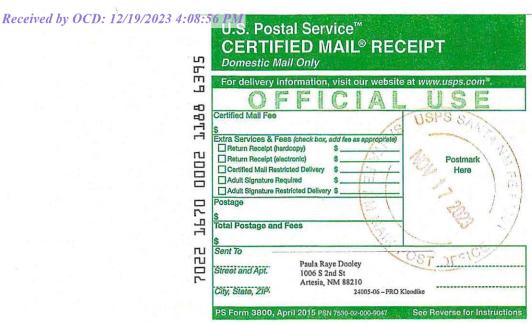


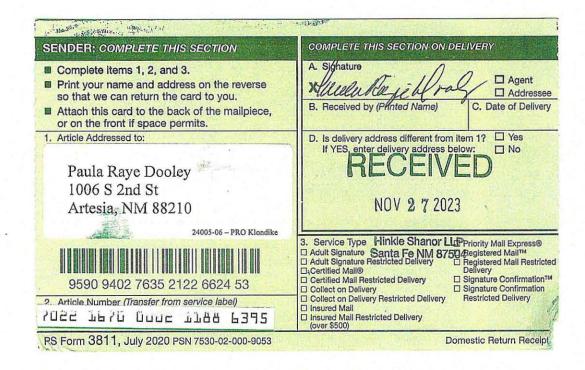
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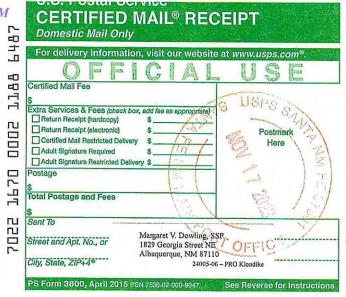


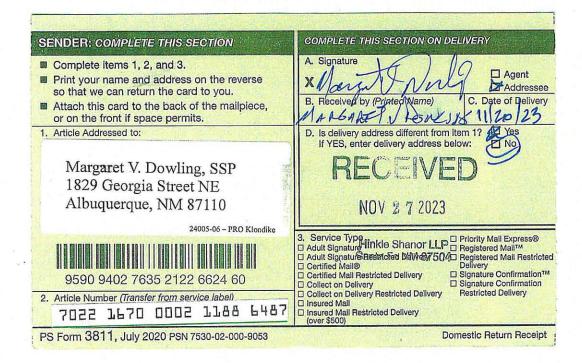
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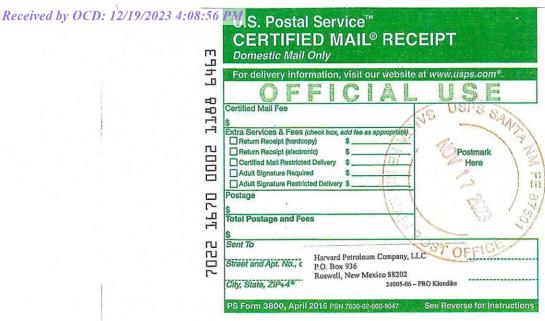






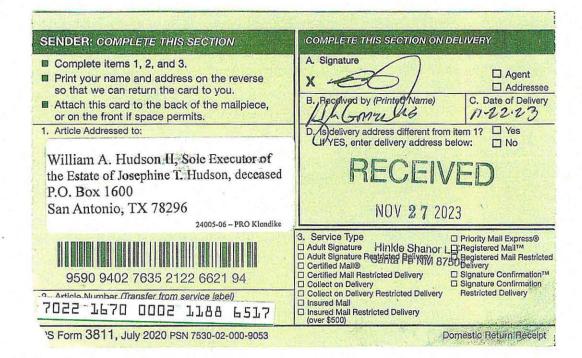








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7022	William A. Hudson II, Sole Executor of the Street and Ap Estate of Josephine T. Hudson, deceased
~	P.O. Box 1600
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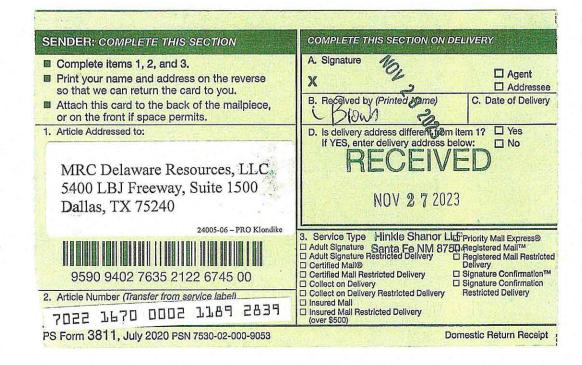
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	Jalapeno Corporation
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#### COMPLETE THIS SECTION ON DELIVERY SENDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. ☐ Agent Print your name and address on the reverse ☐ Addressee so that we can return the card to you. by (Printed Name). C. Date of Delivery Attach this card to the back of the mailpiece, DIAVAGE or on the front if space permits. D. Is delivery address different from item /? If YES, enter delivery address below: Yes 1. Article Addressed to: ☐ No Jalapeno Corporation P.O. Box 1608 NOV 27 2023 Albuquerque, NM 87103 24005-06 - PRO Klondike 3. Service Type Hinkle Shanor LL⊕ Priority Mail Express® □ Adult Signature Seath Fe NM 875 URegistered Mail™ □ Adult Signature Restricted Delivery □ Registered Mail Restricted Delivery □ Certified Mail Restricted Delivery □ Signature Confirmation™ □ Collect on Delivery Restricted Delivery □ Restricted Delivery □ Restricted Mail □ Restricted Delivery □ Insured Mail□ 9590 9402 7635 2122 6622 00 2. Article Number (Transfer from service label) ☐ Insured Mall ☐ Insured Mall Restricted Delivery (over \$500) 7022 1670 0002 1188 6500 PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

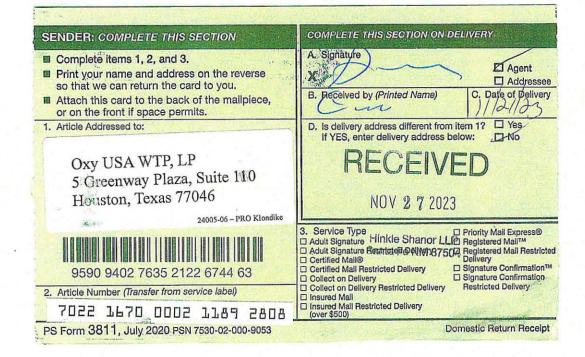
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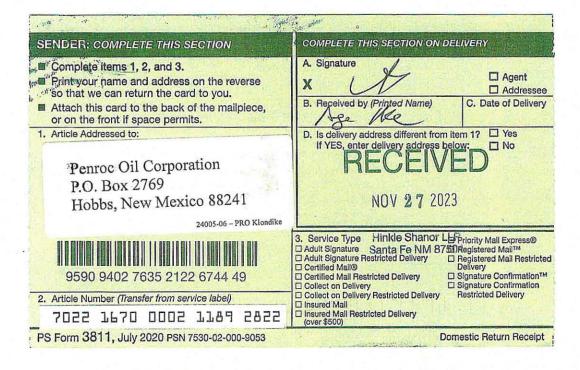




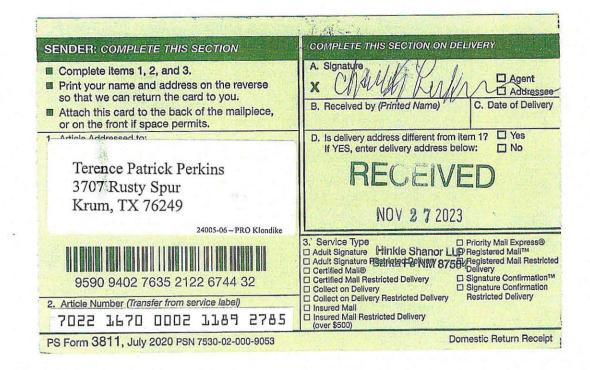




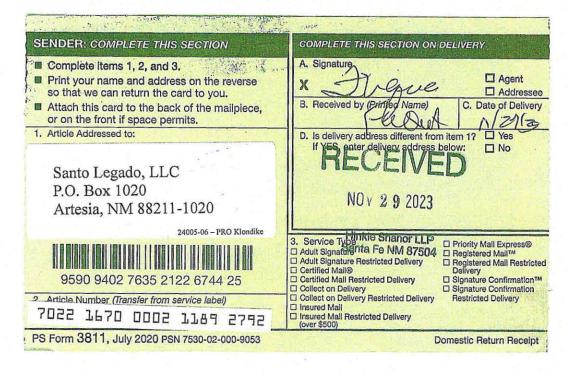
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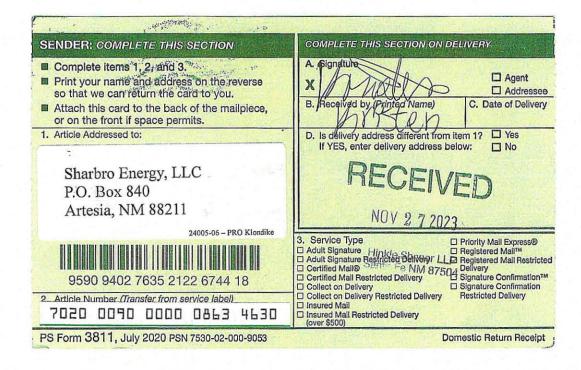
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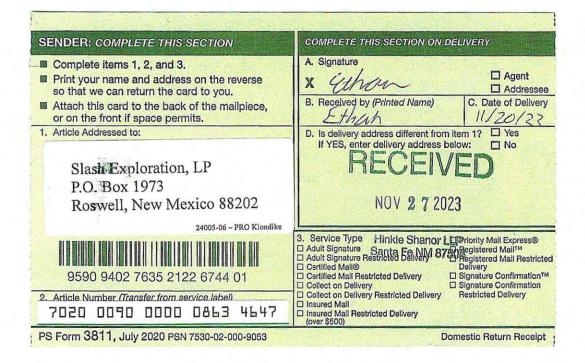




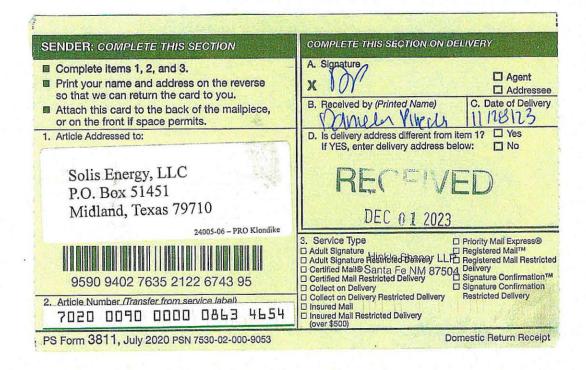
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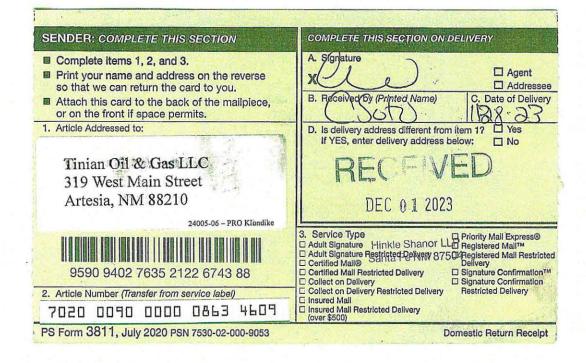
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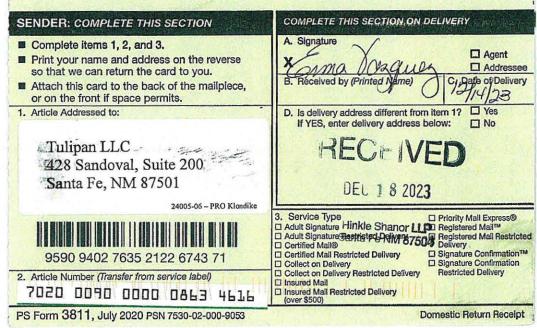


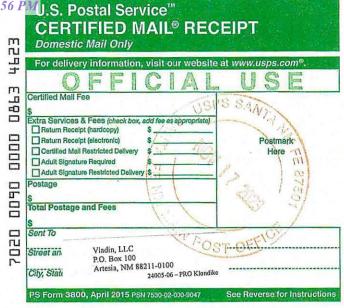


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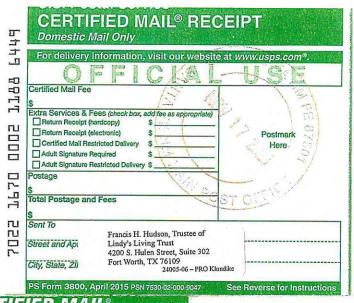


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<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature  X	
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CERTIFIED MAIL

HINKLE SHANOR LLP ATTORNEYS AT LAW

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Hinkle Shanor LLP Santa Fe NM 87504 Francis H. Hudson, Trustee of Lindy's Living Trust 4200 S. Hulen Street, Suite 302 Fort Worth, TX 76109

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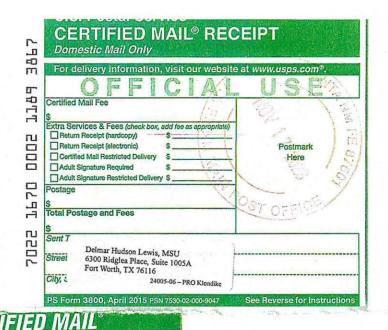
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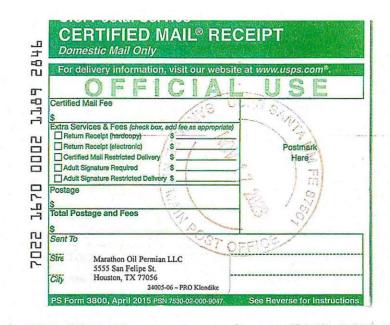
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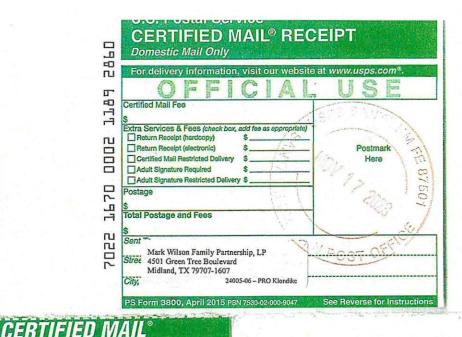
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John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased P.O. Box 100

Artesia, NM 88211-0111

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## **Moving Through Network**

In Transit to Next Facility

November 23, 2023

#### **Arrived at USPS Regional Facility**

SAN ANTONIO TX DISTRIBUTION CENTER November 19, 2023, 12:43 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 17, 2023, 9:39 pm

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101 November 17, 2023, 8:45 pm reedback

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Text & Email Updates	~
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FAQs >

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#### **Tracking Number:**

## 70221670000211886456

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### **Latest Update**

This is a reminder to arrange for redelivery of your item or your item will be returned to sender.

#### Get More Out of USPS Tracking:

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#### **Delivery Attempt**

Reminder to Schedule Redelivery of your item

November 25, 2023

#### Notice Left (No Authorized Recipient Available)

ARLINGTON, TX 76016 November 20, 2023, 1:36 pm

#### **Arrived at USPS Regional Facility**

FORT WORTH TX DISTRIBUTION CENTER November 19, 2023, 8:49 am

#### In Transit to Next Facility

November 18, 2023

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 17, 2023, 9:39 pm

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101

**Feedback** 

November 17, 2023, 8:45 pm

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## **Need More Help?**

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FAQs >

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#### **Tracking Number:**

## 70221670000211893850

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#### **Latest Update**

Your item could not be delivered on November 29, 2023 at 10:36 am in FORT VALLEY, GA 31030. It was held for the required number of days and is being returned to the sender.

#### Get More Out of USPS Tracking:

USPS Tracking Plus®

#### **Alert**

#### **Unclaimed/Being Returned to Sender**

FORT VALLEY, GA 31030 November 29, 2023, 10:36 am

#### Available for Pickup

FORT VALLEY 111 ANDERSON AVE FORT VALLEY GA 31030-9998 M-F 0830-1700; SAT 0900-1200 November 29, 2023, 9:09 am

#### Reminder to Schedule Redelivery of your item

November 27, 2023

#### **Notice Left (No Authorized Recipient Available)**

FORT VALLEY, GA 31030 November 22, 2023, 3:06 pm

#### In Transit to Next Facility

November 21, 2023

Feedback

#### **Departed USPS Regional Facility**

MACON GA DISTRIBUTION CENTER ANNEX November 20, 2023, 2:39 pm

#### **Arrived at USPS Regional Facility**

MACON GA DISTRIBUTION CENTER ANNEX November 20, 2023, 2:12 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 17, 2023, 9:39 pm

#### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101 November 17, 2023, 8:45 pm

**Hide Tracking History** 

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

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## **Need More Help?**

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## **Moving Through Network**

In Transit to Next Facility

November 26, 2023

#### **Departed USPS Regional Facility**

DALLAS TX DISTRIBUTION CENTER November 22, 2023, 5:00 am

#### **Arrived at USPS Regional Facility**

DALLAS TX DISTRIBUTION CENTER November 20, 2023, 7:51 am

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 17, 2023, 9:39 pm Feedback

Arrived at USPS Facility ALBUQUERQUE, NM 87101 November 17, 2023, 8:45 pm

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## **Need More Help?**

Contact USPS Tracking support for further assistance.

## Carlsbad Current Argus.

#### Affidavit of Publication Ad # 0005860112 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:

11/21/2023

Legal Clerk

Subscribed and sworn before me this November 21,

State of WI, County of Brown **NOTARY PUBLIC** 

My commission expires

Ad # 0005860112 PO #: Klondike 24005 # of Affidavits 1

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin

> **Permian Resources Operating, LLC** Case No. 24005 **Exhibit C-4**

This is to notify all interested parties, including Ard Oil, Ltd., Mary T. Ard, President; BP America Production Company; Frost Bank, Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard; Roy G. Barton, Jr., Trustee of the Roy G. Barton, Sr., and Opal Barton Trust; COG Operating LLC; Colgate Production, LLC; Colgate Royalties, LP; Concho Oil & Gas LLC; Contango Resources, Inc.; D2 Resources, LLC; Irma Leota Davis; Paula Raye Dooley; Margaret V. Dowling, SSP; EOG Resources, Inc.; Harvard Petroleum Company, LLC; Vergil Wesley Hopp; Francis H. Hudson, Trustee of Lindy's Living Trust; William A. Hudson II, Sole Executor of the Estate of Josephine T. Hudson, deceased; Jalapeno Corporation; Javelina Partners; Anne S. Johnson; Delmar Hudson Lewis, MSU; MRC Delaware Resources, LLC; Marathon Oil Permian LLC; Marigold LLLP; Mark Wilson Family Partnership, LP; Oxy USA WTP, LP; OXY Y-1 Company; Penroc Oil Corporation; Terence Patrick Perkins; Santo Legado, LLC; Sharbro Energy, LLC; Slash Exploration, LP; Solis Energy, LLC; Tinian Oil & Gas LLC; Tulipan LLC; Vladin, LLC; WPX Energy Permian, LLC; Westway Petro, a Texas Joint Venture; Yates Brothers, a partnership; John A. Yates, Trustee of Trust Q u/w/o Peggy A. Yates, deceased; ZPZ Delaware I LLC; Zorro Partners, Ltd.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 24005). The hearing will be conducted remotely on December 7, 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 under-

ocd/hearing-info/. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation under-

lying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 8 and 9, Township 19 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Klondike 9 State Com #123H and Klondike 9 State Com #133H wells ("Wells"), which will be drilled from surface hole locations in the NE/4

SE/4 (Unit I) of Section 9 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 8. The completed interval of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as operator of the

Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approxi-

mately 18 miles northeast of Carlsbad, New Mexico. #5860112, Current Argus, November 21, 2023