## 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 NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 23986

## NOTICE OF AMENDED EXHIBITS

In accordance with the Division's request at the January 4, 2024 hearing, Colgate Production, LLC is providing the attached amended exhibit packet, which includes the following amended exhibits:

- 1) Compulsory Pooling Checklist, which is amended to correct the Pool Name and Pool Code;
- Exhibit A (Self-Affirmed Statement of Mason Maxwell), which is revised at paragraph 6 to correct the Pool Name and Pool Code; and
- 3) Exhibit A-2 (C-102s), which is amended to add a second Pool Name and Pool Code.

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 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for Colgate Production, LLC and Permian Resources Operating, LLC* 

## 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 NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 23986

## **EXHIBIT INDEX**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Mason Maxwell
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	Offset Ownership Map
A-5	Sample Well Proposal Letters & AFEs
A-6	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Christopher Cantin
B-1	Regional Locator Map
B-2	Cross-Section Location Map
B-3	Second Bone Spring Subsea Structure Map
B-4	Third Bone Spring Subsea Structure Map
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Diagram
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letter to Interested Parties
C-2	Chart of Notice to Interested Parties
C-3	Copies of Certified Mail Receipts and Returns

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C-4	Notice Letters to Additional Parties Offsetting Non-Standard Spacing Unit
C-5	Chart of Notice to Additional Parties Offsetting Non-Standard Spacing Unit
C-6	Copies of Certified Mail Receipts and Returns
C-7	Communication with Additional Offset Interests
C-8	Affidavit of Publication for November 14, 2023

# **COMPULSORY POOLING APPLICATION CHECKLIST**

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

Case: 23986	APPLICANT'S RESPONSE
Date	December 7, 2023 & January 4, 2023
Applicant	Colgate Production, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 372165 (Permian Resources Operating, LLC)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Colgate Production, LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Michelada
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Parkway; Bone Spring Pool (Code 49622); Gatuna Canyon, Bone Spring Pool, Code 96688
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	800 acres
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	S/2 of irregular Sections 3 and 4, and SE/4 of irregular Section 5, Township 20 South, Range 30 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is	No. Yes, approval of a non-standard horizontal spacing
approval of non-standard unit requested in this application?	unit is requested in this application.
Other Situations	N/A
Depth Severance: Y/N. If yes, description	N/A
Proximity Tracts: If yes, description	N/A
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1 Released to Imaging: 1/9/2024 4:38:41 PM	Michelada 5 Fed Com 123H (API #) 412' FNL & 1150' FWL (Unit D), Section 11, T20S, R30E 1980' FSL & 2560' FEL (Unit J), Section 5, T20S, R30E Completion Target: Bone Spring (Approx. 8,132' TVD)

<u>Received by OCD: 1/5/2024 9:24:15 AM</u>	Page 5 of 125
Well #2	Michelada 5 Fed Com 124H (API #) 402' FNL & 1122' FWL (Unit D), Section 11, T20S, R30E 660' FSL & 2560' FEL (Unit O), Section 5, T20S, R30E Completion Target: Bone Spring (Approx. 8,163' TVD)
Well #3	Michelada 5 Fed Com 133H (API #) 430' FNL & 1207' FWL (Unit D), Section 11, T20S, R30E 1650' FSL & 2560' FEL (Unit J), Section 5, T20S, R30E Completion Target: Bone Spring (Approx. 9,410' TVD)
Well #4	Michelada 5 Fed Com 134H (API #) 421' FNL & 1179' FWL (Unit D), Section 11, T20S, R30E 330' FSL & 2560' FEL (Unit O), Section 5, T20S, R30E Completion Target: Bone Spring (Approx. 9,541' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000.00
Production Supervision/Month \$	\$1,000.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners) If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. Pooled Parties (including ownership type)	Exhibit A-3 Exhibit A-4 Exhibit A-3
Unlocatable Parties to be Pooled Ownership Depth Severance (including percentage above & below)	N/A N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations) Released to Imaging: 119/2024 4:38:41 PM	Exhibit B

### Received by OCD: 1/5/2024 9:24:15 AM

<u>Received by OCD: 1/5/2024 9:24:15 AM</u>	Page 6 of 125
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3, B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided	in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	1/5/2023

## 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 NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 23986

## SELF-AFFIRMED STATEMENT OF MASON MAXWELL

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 Colgate Production, LLC's ("Colgate") 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. Colgate seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 800-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of irregular Sections 3 and 4, and the SE/4 of irregular Section 5, Township 20 South, Range 30 East, Eddy County, New Mexico ("Unit").

5. The Unit will be dedicated to the following wells ("Wells"):

 a. Michelada 3 Fed Com 123H and Michelada 3 Fed Com 133H wells, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 5; and

> Colgate Production, LLC Case No. 23986 Exhibit A

- b. Michelada 3 Fed Com 124H and Michelada 3 Fed Com 134H wells, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 5.
- The Wells will be completed in the Parkway; Bone Spring Pool (Code 49622) and the Gatuna Canyon, Bone Spring Pool (Code 96688).
- 7. The completed intervals of the Wells will be orthodox.
- 8. **Exhibit A-2** contains the C-102s for the Wells.

9. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Colgate seeks to pool highlighted in yellow. All of the parties are locatable in that Colgate believes it located valid addresses for them.

10. Colgate seeks approval of a non-standard spacing unit to optimally locate its proposed wells and surface facilities. The proposed non-standard unit will allow Colgate to consolidate surface facilities and thereby reduce costs and environmental impacts. Colgate's comprehensive development plan best protects correlative rights and prevents the drilling of unnecessary wells. As a result, approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

11. Exhibit A-4 is a map that depicts the non-standard spacing unit in relation to the

outline of a standard spacing unit. The map also identifies the interest owners in the tracts surrounding the proposed Unit, who were provided notice of Colgate's application.

12. Approval of a non-standard spacing unit is able to optimally locate its wells and, as a result, to prevent waste and protect correlative rights.

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13. Colgate has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.

14. **Exhibit A-5** contains sample well proposal letters 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.

15. In my opinion, Colgate made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-6**.

16. Colgate also requests that Permian Resources Operating, LLC ("Permian Resources") (OGRID No. 372165) be designated operator of the Wells and the Unit.

17. 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.

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

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

20. 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

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under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

Mary Mound

Mason Maxwell

<u>12/1/2023</u> Date

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

## APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

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

## **APPLICATION**

Pursuant to NMSA § 70-2-17, Colgate Production, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying an 800-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of irregular Sections 3 and 4, and the SE/4 of irregular Section 5, Township 20, Range 30 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.

- 2. The Unit will be dedicated to the following wells ("Wells"):
  - a. Michelada 5 Fed Com 123H and Michelada 5 Fed Com 133H, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 5; and
  - b. Michelada 5 Fed Com 124H and Michelada 5 Fed Com 134H, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 5.
- 3. The completed interval of the Wells will be orthodox.

Colgate Production, LLC Case No. 23986 Exhibit A-1 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.

6. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.

7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Permian Resources Operating, LLC (OGRID No. 372165) should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on 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. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- D. Designating Permian Resources Operating, LLC as the operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Wells;

- F. 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
- G. 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

<u>/s/ Dana S. Hardy</u> 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 Colgate Production, LLC and Permian Resources Operating, LLC* 

Application of Colgate Production LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, Eddy County, New Mexico. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying an 800-acre, more or less, nonstandard horizontal spacing unit comprised of the S/2 of irregular Sections 3 and 4, and the SE/4 of irregular Section 5, Township 20, Range 30 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Michelada 5 Fed Com 123H and Michelada 5 Fed Com 133H, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 SE/4 (Unit J) of Section 5; and Michelada 5 Fed Com 124H and Michelada 5 Fed Com 134H, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 5. 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 Permian Resources Operating, LLC as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. Applicant also requests approval of a non-standard spacing unit. The Wells are located approximately 21 miles northeast of Carlsbad, New Mexico.

1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210

Phone: (575) 393-6161 Fax: (575) 393-0720

Phone: (575) 748-1283 Fax: (575) 748-9720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505

District I

District II

District III

District IV

## Colgate Production, LLC Case No. 23986 Exhibit A-2

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

AMENDED REPORT

Phone: (505) 476-3460 Fax: (505) 476-3462		
	WELL LOCATION AND ACREAGE DEDICATION PLA	Т

State of New Mexico

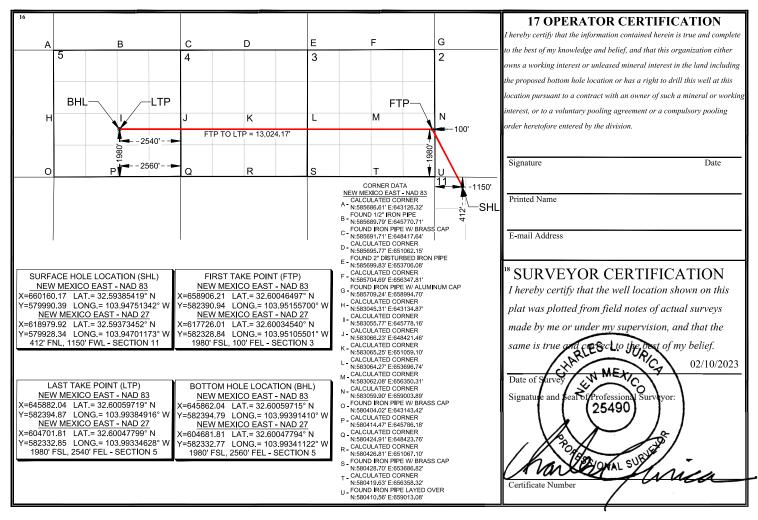
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

1 API Number			4	2 Pool Cod 9622; 966		3 Pool Name					
4 Property	Code	49022, 90000     Parkway;Bone Spring; Gatuna Canyon, Bone Sp								Well Number	
<b>7 OGRID</b> 371449		8 Operator Name9 ElevationPERMIAN RESOURCES OPERATING, LLC3224.35'									
	<sup>10</sup> Surface Location										
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	st line	County	
D	11	20-S	30-Е		412'	NORTH	1150'	WES	Т	EDDY	
			11 B	ottom Ho	le Location	If Different Fro	m Surface				
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	st line	County	
J	5	20-S	30-Е		1980'	SOUTH	2560'	EAST		EDDY	
12 Dedicated Acre 800	es 13 Joint o	or Infill	14 Consolidatio	n Code 15 C	order No.						



District I

1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 <u>District II</u> 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 <u>District III</u> 1000 Rio Brazos Road, Aztec, NM 87410

Phone: (505) 334-6178 Fax: (505) 334-6170 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

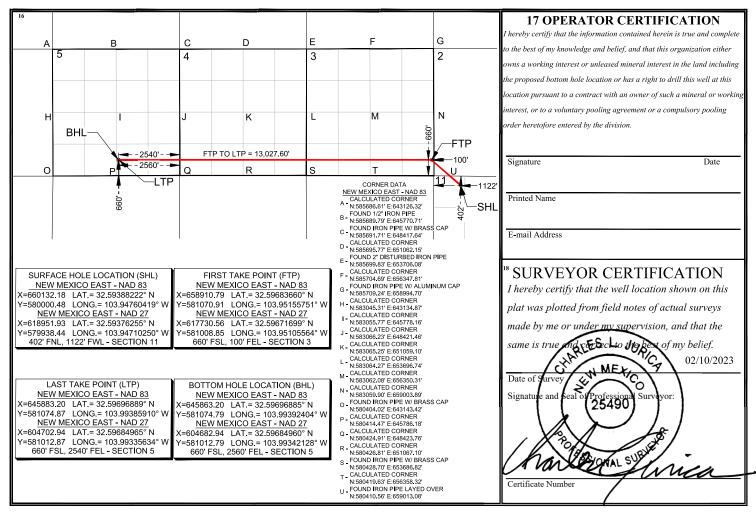
## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1.	API Number	•		2 Pool Cod	e	3 Pool Name					
			4962	2; 96688		Parkway;Bone Spring; Gatuna Canyon, Bone Spring					
4 Property	Code	5 Property Name 6 Well Numbe									
					MICHELADA	3 FED COM			124H		
7 OGRID	No.				8 Operato	r Name				9 Elevation	
371449				PERMIA	N RESOURCES C	PERATING, LLC				3223.89'	
	<sup>10</sup> Surface Location										
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
D	11	20-S	30-Е		402'	NORTH	1122'	WES	Т	EDDY	
			" Bo	ottom Ho	le Location	If Different Fro	om Surface				
UL or lot no.	Section	Townshi	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
0	5	20-S	30-Е		660'	SOUTH	2560'	EAS	Т	EDDY	
12 Dedicated Acre 800	s 13 Joint o	or Infill	14 Consolidation	1 Code 15 O	order No.						



District I

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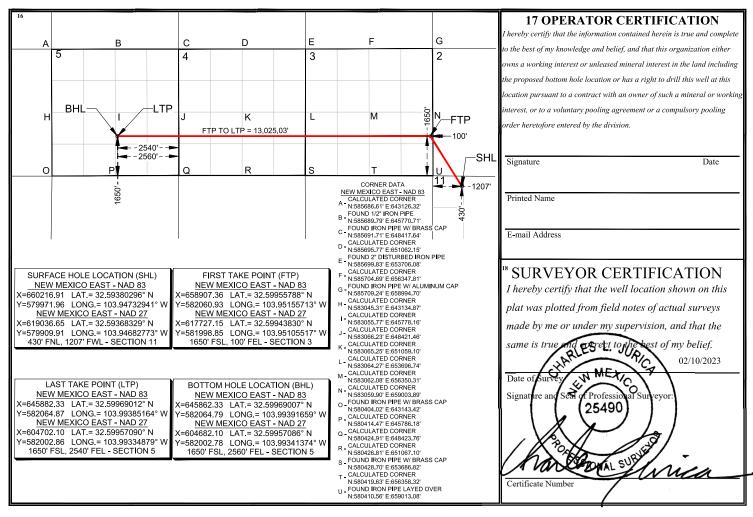
## State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1.	API Number		4962	2 Pool Cod 2; 96688	e	<b>3 Pool Name</b> Parkway; Bone Spring; Gatuna Canyon, Bone Sprin					
4 Property	Code	5 Property Name6 Well NumberMICHELADA 3 FED COM133H									
<b>7 OGRID</b> 371449		8 Operator Name9 ElevationPERMIAN RESOURCES OPERATING, LLC3225.37'									
	<sup>10</sup> Surface Location										
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	t line	County	
D	11	20-S	30-Е		430'	NORTH	1207'	WEST	Г	EDDY	
			11 Bo	ottom Ho	le Location	If Different Fro	om Surface				
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	t line	County	
J	5	20-S	30-Е		1650'	SOUTH	2560'	EAST	Г	EDDY	
12 Dedicated Acre 800	s 13 Joint o	or Infill	14 Consolidation	1 Code 15 O	order No.						



District I

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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

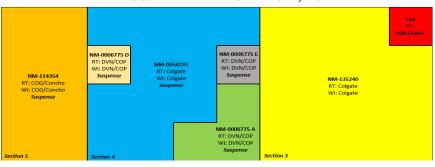
AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

1 /	API Number	•	2 Pool Cod			e	3 Pool Name					
				49622	2; 96688		Parkway; Bone Spring; Gatuna Canyon, Bone Sprin					
4 Property 0	Code	5 Property Name 6 Well Number									Well Number	
		MICHELADA 3 FED COM									134H	
7 OGRID	No.	8 Operator Name 9 Elevation									9 Elevation	
371449		PERMIAN RESOURCES OPERATING, LLC 3224.86'							3224.86'			
	<sup>10</sup> Surface Location											
UL or lot no.	Section	Townsh	ip Ra	ange	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	st line	County	
D	11	20-S	30	0-Е		421'	NORTH	1179'	WES	Т	EDDY	
			1	<sup>11</sup> Bot	ttom Ho	le Location	n If Different Fi	om Surface				
UL or lot no.	Section	Townsh	ip Ra	ange	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	st line	County	
0	5	20-S	30	0-Е		330'	SOUTH	2560'	EAS	Т	EDDY	
12 Dedicated Acre	s 13 Joint o	or Infill	14 Consoli	lidation	Code 15 O	rder No.						
800												

16				<b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete</i>
а в с	D E	F	G	I hereby certify that the information contained herein is true and complete
A B C	3		2	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
H I J	K L	М	N	interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.
		6		oraer neretojore enterea by the atvision.
BHLLTP		- 330'	FTP	
FT	'P TO LTP = 13,028.45'	<u> </u>	100'	Signature Date
Q P action Q	R S	CORNER DATA		
2540'		NEW MEXICO EAST - NAD 83 CALCULATED CORNER	-1179'	Printed Name
330		A - N:585686.61' E:643126.32' FOUND 1/2" IRON PIPE	SHL	
		B N:585689.79' E:645770.71' FOUND IRON PIPE W/ BRAS	4	
		C N:585691.71' E:648417.64' CALCULATED CORNER		E-mail Address
		N:585695.77' E:651062.15' FOUND 2" DISTURBED IRON	PIPE	
SURFACE HOLE LOCATION (SHL)	RST TAKE POINT (FTP)	N:585699.83' E:653706.08'		<sup>18</sup> SURVEYOR CERTIFICATION
NEW MEXICO EAST - NAD 83 NEV	W MEXICO EAST - NAD 83	N:585704.69' E:656347.81' G FOUND IRON PIPE W/ ALUM	INUM CAP	<i>I hereby certify that the well location shown on this</i>
	1.94 LAT = 32.59592951° N 0.91 LONG = 103.95155764° V	N:585709.24' E:658994.70' H CALCULATED CORNER		5 55
NEW MEXICO EAST - NAD 27 NEV	<u> MEXICO EAST - NAD 27</u>	CALCULATED CORNER		plat was plotted from field notes of actual surveys
	1.70 LAT = 32.59580989° N 8.85 LONG = 103.95105580° V	N:583055.77' E:645778.16' CALCULATED CORNER		made by me or under my supervision, and that the
	FSL, 100' FEL - SECTION 3	CALCULATED CORNER		same is trye and errect to the best of my belief.
		N:583065.25' E:651059.10' CALCULATED CORNER N:583064.27' E:653696.74'		same is true and correct to the best of my belief.
		M - CALCULATED CORNER N:583062.08' E:656350.31'		
	OM HOLE LOCATION (BHL) W MEXICO EAST - NAD 83	N CALCULATED CORNER N:583059.90' E:659003.89'		Date of Survey & Signature and Seal of Professional Surveyor
X=645883.48 LAT = 32.59606181° N X=645863	3.48 LAT.= 32.59606177° N	O FOUND IRON PIPE W/ BRAS	S CAP	
Y=580744.87 LONG.= 103.99386158° W Y=580744 NEW MEXICO EAST - NAD 27 NEW	4.79 LONG.= 103.99392652° V V MEXICO EAST - NAD 27	CALCULATED CORNER N:580414.47' E:645786.18'		
X=604703.22 LAT.= 32.59594256° N X=60468	3.22 LAT.= 32.59594252° N	Q CALCULATED CORNER		Vax T lat
	2.80 LONG = 103.99342379° V FSL. 2560' FEL - SECTION 5	CALCULATED CORNER N:580426.81' E:651067.10'		CAR AND
		S FOUND IRON PIPE W/ BRAS N:580428.70' E:653686.82'	S CAP	March mica
		T - CALCULATED CORNER N:580419.63' E:656358.32'		Certificate Number
		U - FOUND IRON PIPE LAYED O N:580410.56' E:659013.08'	VER	

Land Exhibit: Michelada 5 Fed Com #123H, #124H, #133H, & #134H S/2 of Sections 3, 4, & the SE/4 of Section 5, T20S-R3E, Eddy Co., NM



	Micl	helada 5 Fed Com 121H & 131H	
	Mic	helada 5 Fed Com 122H & 132H	
	Mic	helada 3 Fed Com 123H & 133H	
Section 5	Mich Section 4	helada 3 Fed Com 124H & 134H section 3	

		Documents Sent			
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Colgate Production, LLC	N/A	N/A	N/A	N/A	
ConocoPhillips Company	N	Y	Y	Y	Executed All docs
COG Operating, LLC	N	Y	Y	Y	Executed All docs
Concho Oil & Gas, LLC	Ν	Y	Y	Y	Executed All docs
Geronimo Holding Coporation	Ν	Y	Y	Y	Executed All docs
Julia Ann Hightower Barnett	Y	Y	Y	Y	
Osprey Oil & Gas, LLC	Y	Y	Y	Y	
Prospector, LLC	Y	Ŷ	Ŷ	Y	
Parrothead Properties, LLC	Y	Y	Y	Y	
Big Three Energy Group, LLC	Y	Y	Y	Y	

		Unit Capitulation	
	chold Ownership	Owner	WI
Owner Colgate Production, LLC	Section 3: S/2 100.00000%		
colgate Production, Ltc	100.00000%	Colgate Production, LLC	72.800000%
		ConocoPhillips Company	7.500000%
	ehold Ownership	COG Operating, LLC	14.250000%
Owner Colgate Production, LLC	Section 4: SW/4 and the NW/4SE/4 100.000000%	Concho Oil & Gas, LLC	0.750000%
colgate Production, Ltc	100.00000%	Geronimo Holding Coporation	
			2.400000%
		Julia Ann Hightower Barnett	0.300000%
	chold Ownership	Osprey Oil & Gas, LLC	0.300000%
Owner Colgate Production, LLC	Section 4: NE/4SE/4 and S/2SE/4 50.000000%	Prospector, LLC	1.400000%
ConocoPhillips Company	50.00000%	Parrothead Properties, LLC	0.300000%
		Big Three Energy Group, LLC	0.300000%
Lease	chold Ownership	TOTAL	100.00000%
Owner	Section 5: N/2SE/4 & SW/4SE/4		
COG Operating, LLC	71.250000%		
Concho Oil & Gas, LLC	3.750000%		
eronimo Holding Coporation	12.00000%		
Julia Ann Hightower Barnett	1.500000%		
Osprey Oil & Gas, LLC	1.500000%		
Prospector, LLC	7.00000%		
Parrothead Properties, LLC	1.500000%		
Big Three Energy Group, LLC	1.500000%		
Lease	chold Ownership		
Owner	Section 5: N/2SE/4 & SW/4SE/4		
COG Operating, LLC	71.250000%		
Concho Oil & Gas, LLC	3.750000%	-1	
eronimo Holding Coporation	12.000000%		
Julia Ann Hightower Barnett	1.500000%		
Osprey Oil & Gas, LLC	1.500000%		
Prospector, LLC	7.00000%		
Parrothead Properties LLC	1 5000094		Colgate I

Colgate Production, LLC Case No. 23986 Exhibit A-3

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#### Pooled Parties are Highlighted in Yellow Released to Imaging: 1/9/2024 4:38:41 PM

Notice Party Permian Resourc COG Operatin Concho Oil & Section 32 SW/4:	g, LLC Permian Resources (N/A)	A) Notice Party(ies) Permian Resources ( Section 33: S/2		Notice Party(ies): XTO Holdings LLC	Notice Party(ies): Occidental Permian LP Section 35 SW/4:
Notice Party( COG Operating Concho Oil & Parrot Hea Pitch Energ	g, LLC Gas ad	Miche	lada N/2 Unit		Notice Party(ies): COG Operating, LLC Concho Oil & Gas
Prospector, Rojo, LLC M Zimmerman		Miche Section 4	elada S/2 Unit		Section 2 W/2:
	Notice Party(ies): Devon Energy	Notice Party(ies Permian Resources		Notice Party(ies): Permian Resources (N/A)	Notice Party(ies): EOG Resources, Inc.
Section 8 N/2:		Section 9 N/2:	Section 10 N/	/2:	Section 11 NW/4:

Section 4

Colgate Production, LLC Case No. 23986 Exhibit A-4

Released to Imaging: 1/9/2024 4:38:41 PM

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Received by OCD: 1/5/2024 9:24:15 AM



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

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

August 24, 2023

Via Certified Mail

ConocoPhillips Company Attn: NM – OBO 600 W. Illinois Ave. Midland, TX 79701

#### RE: Well Proposals - Michelada 3 & 5 Fed Com

All of Sections 3, 4 & the E/2 of Section 5, T20S-R30E, Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator for Colgate Production, LLC, hereby proposes the drilling and completion of the following eight (8) wells, the Michelada 3 Federal Com and the Michelada 5 Federal Com wells at the following approximate locations within Township 20 South, Range 30 East, Eddy Co., NM:

#### 1. Michelada 5 Fed Com 121H

SHL: 425' FNL & 1,607' FWL of Section 5 (or at a legal location within Lot 3, Unit C) BHL: 660' FNL & 10' FEL of Section 3 FTP: 661' FNL & 2,450' FWL of Section 5 LTP: 660' FNL & 100' FEL of Section 3 TVD: Approximately 8,142' TMD: Approximately 20,927' Proration Unit: N/2 of Sections 3 & 4 & NE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 2. Michelada 5 Fed Com 122H

SHL: 432' FNL & 1,636' FWL of Section 5 (or at a legal location within Lot 3, Unit C)
BHL: 1,980' FNL & 10' FEL of Section 3
FTP: 1,981' FNL & 2,450' FWL of Section 5
LTP: 1,980' FNL & 10' FEL of Section 3
TVD: Approximately 8,142'
TMD: Approximately 20,927'
Proration Unit: N/2 of Sections 3 & 4 & NE/4 of Section 5, T20S-R30E
Targeted Interval: 2<sup>nd</sup> Bone Spring
Total Cost: See attached AFE

#### 3. Michelada 3 Fed Com 123H

SHL: 412' FNL & 1,150' FWL of Section 11 (or at a legal location within Unit D) BHL: 1,980' FSL & 2,560' FEL of Section 5 FTP: 1,980' FSL & 100' FEL of Section 3 LTP: 1,980' FSL & 2,540' FEL of Section 5 TVD: Approximately 8,132' TMD: Approximately 20,917' Proration Unit: S/2 of Sections 3 & 4 & SE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

> Colgate Production, LLC Case No. 23986 Exhibit A-5

## 4. Michelada 3 Fed Com 124H

SHL: 402' FNL & 1,122' FWL of Section 11 (or at a legal location within Unit D) BHL: 660' FSL & 2,560' FEL of Section 5 FTP: 660' FSL & 100' FEL of Section 3 LTP: 660' FSL & 2,540' FEL of Section 5 TVD: Approximately 8,163' TMD: Approximately 20,948' Proration Unit: S/2 of Sections 3 & 4 & SE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See attached AFE

#### 5. Michelada 5 Fed Com 131H

SHL: 411' FNL & 1,549' FWL of Section 5 (or at a legal location within Lot 3, Unit C) BHL: 990' FNL & 10' FEL of Section 3 FTP: 991' FNL & 2,450' FWL of Section 5 LTP: 990' FNL & 100' FEL of Section 3 TVD: Approximately 9,410' TMD: Approximately 22,195' Proration Unit: N/2 of Sections 3 & 4 & NE/4 of Section 5, T20S-R30E Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

### 6. Michelada 5 Fed Com 132H

SHL: 418' FNL & 1,578' FWL of Section 5 (or at a legal location within Lot 3, Unit C) BHL: 2,310' FNL & 10' FEL of Section 3 FTP: 2,311' FNL & 2,450' FWL of Section 5 LTP: 2,310' FNL & 100' FEL of Section 3 TVD: Approximately 9,410' TMD: Approximately 22,195' Proration Unit: N/2 of Sections 3 & 4 & NE/4 of Section 5, T20S-R30E Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

### 7. Michelada 3 Fed Com 133H

SHL: 430' FNL & 1,207' FWL of Section 11 (or at a legal location within Unit D) BHL: 1,650' FSL & 2,560' FEL of Section 5 FTP: 1,650' FSL & 100' FEL of Section 3 LTP: 1,650' FSL & 2,540' FEL of Section 5 TVD: Approximately 9,410' TMD: Approximately 22,195' Proration Unit: S/2 of Sections 3 & 4 & SE/4 of Section 5, T20S-R30E Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See attached AFE

### 8. Michelada 3 Fed Com 134H

SHL: 421' FNL & 1,179' FWL of Section 11 (or at a legal location within Unit D) BHL: 330' FSL & 2,560' FEL of Section 5 FTP: 330' FSL & 100' FEL of Section 3 LTP: 330' FSL & 2,540' FEL of Section 5 TVD: Approximately 9,541' TMD: Approximately 22,326' Proration Unit: S/2 of Sections 3 & 4 & SE/4 of Section 5, T20S-R30E 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 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 Operating, LLC named as Operator

Please note that Permian will be applying for non-standard spacing units covering the full N/2 of and S/2 of Sections 3 and 4 and the NE/4 and SE/4 of Section 5 respectively for the purpose of consolidating facility locations, minimizing surface disturbance and preventing economic waste.

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed insurance declaration, 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 spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Please further note that it is the intention of Colgate Production, LLC to relinquish all interest in this unit unto its parent company, Permian Resources Operating, LLC in the near future.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at travis.macha@permianres.com

Respectfully,

Travis Macha Senior Landman

Enclosures

ELECTIONS ON PAGE TO FOLLOW.

## Michelada Fed Com Elections:

Well Elections: (Please indicate your responses in the spaces below)						
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate				
Michelada 5 Fed Com 121H						
Michelada 5 Fed Com 122H						
Michelada 3 Fed Com 123H						
Michelada 3 Fed Com 124H						
Michelada 5 Fed Com 131H						
Michelada 5 Fed Com 132H						
Michelada 3 Fed Com 133H						
Michelada 3 Fed Com 134H						

Company Name (If Applicable):

Ву: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

## Participate / Rejection Declaration

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

- I hereby elect to participate in the insurance coverage arranged by Permian Resources
   Operating, LLC and understand that I will be charged for such participation.
- I hereby elect to reject the insurance coverage arranged by Permian Resources Operating, LLC.

Company Name (If Applicable):

Ву: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date:\_\_\_\_\_



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

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

October 3, 2023

Via Certified Mail

ConocoPhillips Company Attn: NM – OBO 600 W. Illinois Ave. Midland, TX 79701

#### RE: Well Proposals - Michelada 3 & 5 Fed Com Correction All of Sections 3, 4 & the E/2 of Section 5, T20S-R30E, Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator for Colgate Production, LLC, previously proposed the drilling and completion of the following four (4) wells in the Michelada Unit at the following approximate locations within Township 20 South, Range 30 East, Eddy Co., NM. The purpose of this letter is to give notice of a correction as it relates to the Total Vertical Depth & Total Measured Depth (TVD's & TMD's) on the below captioned wells:

#### 1. Michelada 5 Fed Com 121H

SHL: 425' FNL & 1,607' FWL of Section 5 (or at a legal location within Lot 3, Unit C)
BHL: 660' FNL & 10' FEL of Section 3
FTP: 661' FNL & 2,450' FWL of Section 5
LTP: 660' FNL & 100' FEL of Section 3
TVD: Approximately 8,413'
TMD: Approximately 21,198'
Proration Unit: N/2 of Sections 3 & 4 & NE/4 of Section 5, T20S-R30E
Targeted Interval: 2<sup>nd</sup> Bone Spring
Total Cost: See AFE in previous proposal packet

#### 2. Michelada 5 Fed Com 122H

SHL: 432' FNL & 1,636' FWL of Section 5 (or at a legal location within Lot 3, Unit C)
BHL: 1,980' FNL & 10' FEL of Section 3
FTP: 1,981' FNL & 2,450' FWL of Section 5
LTP: 1,980' FNL & 10' FEL of Section 3
TVD: Approximately 8,413'
TMD: Approximately 21,198'
Proration Unit: N/2 of Sections 3 & 4 & NE/4 of Section 5, T20S-R30E
Targeted Interval: 2<sup>nd</sup> Bone Spring
Total Cost: See AFE in previous proposal packet

#### 3. Michelada 3 Fed Com 123H

SHL: 412' FNL & 1,150' FWL of Section 11 (or at a legal location within Unit D) BHL: 1,980' FSL & 2,560' FEL of Section 5 FTP: 1,980' FSL & 100' FEL of Section 3 LTP: 1,980' FSL & 2,540' FEL of Section 5 TVD: Approximately 8,554' TMD: Approximately 21,339' Proration Unit: S/2 of Sections 3 & 4 & SE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See AFE in previous proposal packet

4. Michelada 3 Fed Com 124H

SHL: 402' FNL & 1,122' FWL of Section 11 (or at a legal location within Unit D) BHL: 660' FSL & 2,560' FEL of Section 5 FTP: 660' FSL & 100' FEL of Section 3 LTP: 660' FSL & 2,540' FEL of Section 5 TVD: Approximately 8,554' TMD: Approximately 21,339' Proration Unit: S/2 of Sections 3 & 4 & SE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Total Cost: See AFE in previous proposal packet

WHEREAS, the TVD's and TMD's of the four captioned wells contained incorrect depths and is corrected herein above. Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at travis.macha@permianres.com

Respectfully,

Travis Macha Senior Landman



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

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

August 23, 2023

Via Certified Mail

Devon Energy Co. LP 333 W. Sheridan Avenue Oklahoma City, OK 73102

#### RE: Michelada Fed Com – Offset Well Notice – Non-Standard Unit Sections 3 & 4, & the E/2 of Section 5, T20S-R30E, All Target Zones Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, as operator for Colgate Production, LLC ("Permian"), has proposed the drilling and completion of the following eight (8) wells, the Michelada 3 & 5 Federal Com wells (the "Wells") at approximate locations within Township 20 South, Range 30 East, Eddy Co., NM.

The purpose of this letter is to notice you as an offset owner to the Wells that Permian plans on forming <u>a</u> single non-standard unit for the purpose of minimizing surface disturbance, preventing resource and economic waste, as well as the protection of correlative rights. Please be aware, all Wells are standard locations not within 330' from any exterior lease line, we are however noticing you in accordance with the rules and guidelines set forth by the New Mexico Oil Conservation Division.

Non Standard Unit Legal Descriptions :

North Unit:

Township 20 South, Range 30 East, Eddy Co., NM

Section 5: Lots 1, 2, S2NE Section 4: Lots 1-4, S2N2 Section 3: Lots 1-4, S2N2

South Unit:

Township 20 South, Range 30 East, Eddy Co., NM Section 5: SE Section 4: S2 Section 3: S2

Wells:

#### 1. Michelada 5 Fed Com 121H

SHL: 425' FNL & 1,607' FWL of Section 5 (or at a legal location of Lot 3) BHL: 660' FNL & 10' FEL of Section 3 FTP: 661' FNL & 2,450' FWL of Section 5 LTP: 660' FNL & 100' FEL of Section 3 TVD: Approximately 8,142' TMD: Approximately 20,927' Proration Unit: N2 of Sections 3 & 4, & NE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Unit: North

#### 2. Michelada 5 Fed Com 122H

SHL: 432' FNL & 1,636' FWL of Section 5 (or at a legal location of Lot 3) BHL: 1,980' FNL & 10' FEL of Section 3 FTP: 1,981' FNL & 2,450' FWL of Section 5 LTP: 1,980' FNL & 10' FEL of Section 3 TVD: Approximately 8,142' TMD: Approximately 20,927' Proration Unit: N2 of Sections 3 & 4, & NE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Unit: North

#### 3. Michelada 5 Fed Com 131H

SHL: 411' FNL & 1,549' FWL of Section 5 (or at a legal location of Lot 3) BHL: 990' FNL & 10' FEL of Section 3 FTP: 991' FNL & 2,450' FWL of Section 5 LTP: 990' FNL & 100' FEL of Section 3 TVD: Approximately 9,410' TMD: Approximately 22,195' Proration Unit: N/2 of Sections 3 & 4, & NE/4 of Section 5, T20S-R30E Targeted Interval: 3<sup>rd</sup> Bone Spring Unit: North

#### 4. Michelada 3 Fed Com 132H

SHL: 418' FNL & 1,578' FWL of Section 5 (or at a legal location of Lot 3) BHL: 2,310' FNL & 10' FEL of Section 3 FTP: 2,311' FNL & 2,450' FWL of Section 5 LTP: 2,310' FNL & 100' FEL of Section 3 TVD: Approximately 9,410' TMD: Approximately 22,195' Proration Unit: N/2 of Sections 3 & 4, & NE/4 of Section 5, T20S-R30E Targeted Interval: 3<sup>rd</sup> Bone Spring Unit: North

#### 5. Michelada 3 Fed Com 123H

SHL: 412' FNL & 1,150' FWL of Section 11 (or at a legal location of Unit D) BHL: 1,980' FSL & 2,560' FEL of Section 5 FTP: 1,980' FSL & 100' FEL of Section 3 LTP: 1,980' FSL & 2,560' FEL of Section 5 TVD: Approximately 8,132' TMD: Approximately 20,917' Proration Unit: S2 of Sections 3 & 4, & SE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Unit: South

#### 6. Michelada 3 Fed Com 124H

SHL: 402' FNL & 1,122' FWL of Section 11 (or at a legal location of Unit D) BHL: 660' FSL & 2,560' FEL of Section 5 FTP: 660' FSL & 100' FEL of Section 3 LTP: 660' FSL & 2,540' FEL of Section 5 TVD: Approximately 8,163' TMD: Approximately 20,948' Proration Unit: S2 of Sections 3 & 4, & SE/4 of Section 5, T20S-R30E Targeted Interval: 2<sup>nd</sup> Bone Spring Unit: South

## 7. Michelada 3 Fed Com 133H

SHL: 430' FNL & 1,207' FWL of Section 11 (or at a legal location of Unit D) BHL: 1,650' FSL & 2,560' FEL of Section 5 FTP: 1,650' FSL & 100' FEL of Section 3 LTP: 1,650' FSL & 2,540' FEL of Section 5 TVD: Approximately 9,410' TMD: Approximately 22,195' Proration Unit: S/2 of Sections 3 & 4, SE/4 of Section 5, T20S-R30E Targeted Interval: 3<sup>rd</sup> Bone Spring Unit: South

 Michelada 3 Fed Com 134H SHL: 421' FNL & 1,179' FWL of Section 11 (or at a legal location of Unit D) BHL: 330' FSL & 2,560' FEL of Section 5 FTP: 330' FSL & 100' FEL of Section 3 LTP: 330' FSL & 2,540' FEL of Section 5 TVD: Approximately 9,541' TMD: Approximately 22,326' Proration Unit: S/2 of Sections 3 & 4, & SE/4 of Section 5, T20S-R30E Targeted Interval: 3<sup>rd</sup> Bone Spring Unit: South

Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of the Wells as well as approval for the Non-Standard Unit sizing. Thank you for your time and consideration, if you have any questions or objections at all, please don't hesitate to contact me at 432.400.1037 or by email at travis.macha@permianres.com

Respectfully,

Travis Macha NM Land Lead

## 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:	7.31.2023	AFE NO.:	1
WELL NAME:	Michelada Federal Com 123H	FIELD:	Parkway; Bone Spring
LOCATION:	Section 11, T20S-R30E	MD/TVD:	8,163' / 20,948'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	15,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
	Drill a horizontal SBSG well and complete	with 44 stages. AFE includes drilling, completions,	flowback and Initial AL
REMARKS:	install cost		

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory \$	54,351		- 5	54,351
2 Location, Surveys & Damages	265,083	16,625		281,708
4 Freight / Transportation	43,826	40,284	20,000	104,110
5 Rental - Surface Equipment	114,402	198,221	95,000	407,624
6 Rental - Downhole Equipment	189,026	55,031	-	244,057
7 Rental - Living Quarters	44,244	50,131	-	94,375
10 Directional Drilling, Surveys	395,255	-	-	395,255
11 Drilling	693,647	-	-	693,647
12 Drill Bits	92,179	-	-	92,179
13 Fuel & Power	173,853	667,183	-	841,036
14 Cementing & Float Equip	223,875	-	-	223,875
15 Completion Unit, Swab, CTU	-	-	15,000	15,000
16 Perforating, Wireline, Slickline	-	361,754	-	361,754
17 High Pressure Pump Truck	-	113,434	-	113,434
18 Completion Unit, Swab, CTU	-	134,791	-	134,791
20 Mud Circulation System	96,811	-	-	96,811
21 Mud Logging	16,130		-	16,130
22 Logging / Formation Evaluation 23 Mud & Chemicals	6,690	7,673	-	14,363
23 Mud & Chemicals 24 Water	332,951 39,990	403,207 608,810	10,000 250,000	746,158 898,800
25 Stimulation	39,990	749,053	250,000	749,053
26 Stimulation Flowback & Disp		111,899	150,000	261,899
28 Mud / Wastewater Disposal	177,689	56,269	150,000	233,959
30 Rig Supervision / Engineering	111,522	122,769	15,000	249,291
32 Drlg & Completion Overhead	9,591	-	-	9,591
35 Labor	141,116	63,942	15,000	220,058
54 Proppant		1,155,029		1,155,029
95 Insurance	13,489	-	-	13,489
97 Contingency		22,472	-	22,472
99 Plugging & Abandonment	-	-	-	-
0	- 3,235,720	- 4,938,578	- 570,000	- 8,744,298
99 Plugging & Abandonment		- 4,938,578 COMPLETION	- 570,000 PRODUCTION	- 8,744,298 TOTAL
99 Plugging & Abandonment			,	
99 Plugging & Abandonment TOTAL INTANGIBLES >	DRILLING	COMPLETION	PRODUCTION	TOTAL COSTS
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner	DRILLING COSTS 112,477 316,801	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing	DRILLING COSTS 112,477	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 5 112,477
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner	DRILLING COSTS 112,477 316,801	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 632,196
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing	DRILLING COSTS 112,477 316,801 - 632,196 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers	DRILLING COSTS 112,477 316,801 - 632,196 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 70 Flow Lines	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 5 112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 5 112,477 316,801 
99 Plugging & Abandonment TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 5 112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 5 112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > CALINTANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTRACT CASING 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 3112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering/ Bulk Lines	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 - - - - - - - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUES COSTS CONTINUES COSTS CONTINUES CONTINU	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 - - - - - - - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment	DRILLING COSTS 112,477 316,801 - 632,196 - - - 59,645 13,556 - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 112,477 316,801 - - - - - - - - - - - - - - - - - - -

#### PREPARED BY Permian Resources Operating, LLC:

TOTAL TANGIBLES >

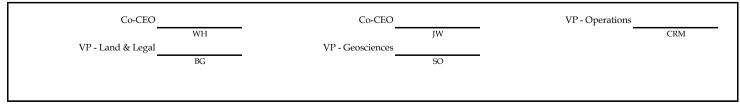
PS ML DC

TOTAL COSTS >

Drilling Engineer:	
Completions Engineer:	
Production Engineer:	

85 Communications / SCADA 86 Instrumentation / Safety

Permian Resources Operating, LLC APPROVAL:



1,134,676

4,370,396

0

4,938,578

340,000

910,000

1,474,676

10,218,974

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#### NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. 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.

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## 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:	7.31.2023	AFE NO.:	1
WELL NAME:	Michelada Federal Com 124H	FIELD:	Parkway; Bone Spring
LOCATION:	Section 11, T20S-R30E	MD/TVD:	8,163' / 20,948'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	15,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
	Drill a horizontal SBSG well and complete	with 44 stages. AFE includes drilling, completions,	flowback and Initial AL
REMARKS:	install cost		

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory \$	54,351		-	\$ 54,351
2 Location, Surveys & Damages	265,083	16,625		281,708
4 Freight / Transportation	43,826	40,284	20,000	104,110
5 Rental - Surface Equipment	114,402	198,221	95,000	407,624
6 Rental - Downhole Equipment	189,026	55,031	-	244,057
7 Rental - Living Quarters	44,244	50,131		94,375
10 Directional Drilling, Surveys	395,255		-	395,255
11 Drilling	693,647			693,647
12 Drill Bits	92,179	-	-	92,179
13 Fuel & Power	173,853	667,183	-	841,036
14 Cementing & Float Equip	223,875	-	-	223,875
15 Completion Unit, Swab, CTU	-	-	15,000	15,000
16 Perforating, Wireline, Slickline	-	361,754	-	361,754
17 High Pressure Pump Truck	-	113,434	-	113,434
18 Completion Unit, Swab, CTU	-	134,791	-	134,791
20 Mud Circulation System	96,811	-	-	96,811
21 Mud Logging	16,130	-	-	16,130
22 Logging / Formation Evaluation	6,690	7,673	-	14,363
23 Mud & Chemicals	332,951	403,207	10,000	746,158
24 Water	39,990	608,810	250,000	898,800
25 Stimulation	-	749,053	-	749,053
26 Stimulation Flowback & Disp	-	111,899	150,000	261,899
28 Mud / Wastewater Disposal	177,689	56,269	-	233,959
30 Rig Supervision / Engineering	111,522	122,769	15,000	249,291
32 Drlg & Completion Overhead	9,591	- 63,942	-	9,591 220,058
35 Labor	141,116	,.	15,000	1,155,029
54 Proppant 95 Insurance	- 13,489	1,155,029		1,155,029
	13,489	-	-	
97 Contingency				
97 Contingency 99 Plugging & Abandonment	-	22,472		22,472
99 Plugging & Abandonment		-		-
	3,235,720	4,938,578		8,744,298
99 Plugging & Abandonment TOTAL INTANGIBLES >	DRILLING	- 4,938,578 COMPLETION	PRODUCTION	
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS	DRILLING COSTS	- 4,938,578 COMPLETION COSTS	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing	DRILLING COSTS 112,477	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	8,744,298 TOTAL COSTS \$ 112,477
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing	DRILLING COSTS	- 4,938,578 COMPLETION COSTS	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner	DRILLING COSTS 112,477 316,801	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	8,744,298 TOTAL COSTS \$ 112,477 316,801
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing	DRILLING COSTS 112,477	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	8,744,298 TOTAL COSTS \$ 112,477
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner	DRILLING COSTS 112,477 316,801	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	8,744,298 TOTAL COSTS \$ 112,477 316,801 
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing	DRILLING COSTS 112,477 316,801 - 632,196 - -	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	**************************************
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers	DRILLING COSTS 112,477 316,801 - 632,196 - -	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	**************************************
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS -	PRODUCTION COSTS	
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - 632,196 - - - 140,000 99,645 33,556 - - - - - - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - 632,196 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - 632,196 - 140,000 99,645 33,556 - - - - - - - - - - - - -
99 Plugging & Abandonment         TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - 632,196 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - -
99 Plugging & Abandonment TOTAL INTANGIBLES > CONTINUE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - - - - - - - - - - - -
99 Plugging & Abandonment         TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$         81 Valves, Dumps, Controllers       \$	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - -
99 Plugging & Abandonment         TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 Flow Lines       7         71 Rod string       7         72 Artificial Lift Equipment       7         73 Compressor       7         74 Installation Costs       7         75 Surface Pumps       7         76 Downhole Pumps       7         77 Measurement & Meter Installation       7         78 Gas Conditioning / Dehydration       7         79 Interconnecting Facility Piping       80 Gathering / Bulk Lines	DRILLING COSTS 112,477 316,801 - 632,196 - - 59,645	- 4,938,578 COMPLETION COSTS - - - - - - - - - - - - - - - - - -	PRODUCTION COSTS	- 8,744,298 TOTAL COSTS \$ 112,477 316,801 - - 632,196 - - 140,000 99,645 33,556 - - - - - - - - - - - - -

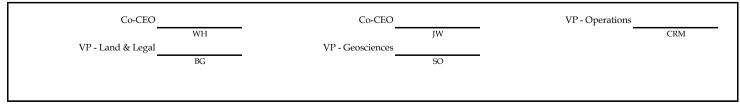
82 Tank / Facility Containment		-	-	-	-
83 Flare Stack	-	-	-	-	-
84 Electrical / Grounding	—	-	-	-	-
85 Communications / SCADA	_	-	-	-	-
86 Instrumentation / Safety	—	-	-	-	-
	TOTAL TANGIBLES >	1,134,676	0	340,000	1,474,676
	TOTAL COSTS >	4,370,396	4,938,578	910,000	10,218,974

#### PREPARED BY Permian Resources Operating, LLC:

 $\mathbf{PS}$ ML DC

Drilling Engineer:	
Completions Engineer:	
Production Engineer:	

Permian Resources Operating, LLC APPROVAL:



#### NON OPERATING PARTNER APPROVAL:

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

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

•

## Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	3.31.2023	AFE NO.:	1
WELL NAME:	Michelada Federal Com 133H	FIELD:	Parkway; Bone Spring
LOCATION:	Section 11, T20S-R30E	MD/TVD:	9,410' / 22,195'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	15,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
	Drill a horizontal TBSG well and complete	with 44 stages. AFE includes drilling, completions,	flowback and Initial AL
REMARKS:	install cost		

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INT ANCIDI E COSTS	COSTS	COSTS	COSTS	COSTS
INTANGIBLE COSTS 1 Land / Legal / Regulatory \$	57,069		- \$	57,069
2 Location, Surveys & Damages	278,338	17,456	- 5	295,794
4 Freight / Transportation	46,017	42,298	20,000	108,315
5 Rental - Surface Equipment	120,122	208,133	95,000	423,255
6 Rental - Downhole Equipment	198,477	57,783		256,260
7 Rental - Living Quarters	46,457	52,637		99,094
10 Directional Drilling, Surveys	415,018			415,018
11 Drilling	728,329			728,329
12 Drill Bits	96,788	-		96,788
13 Fuel & Power	182,546	700,542		883,088
14 Cementing & Float Equip	235,069	-		235,069
15 Completion Unit, Swab, CTU	-	-	15,000	15,000
16 Perforating, Wireline, Slickline	-	379,842		379,842
17 High Pressure Pump Truck	-	119,106		119,106
18 Completion Unit, Swab, CTU	-	141,530		141,530
20 Mud Circulation System	101,651	-		101,651
21 Mud Logging	16,936	-		16,936
22 Logging / Formation Evaluation	7,024	8,057		15,081
23 Mud & Chemicals	349,599	423,367	10,000	782,966
24 Water	41,989	639,251	300,000	981,240
25 Stimulation	-	786,506		786,506
26 Stimulation Flowback & Disp	-	117,494	150,000	267,494
28 Mud/Wastewater Disposal	186,574	59,083		245,657
30 Rig Supervision / Engineering	117,098	128,908	15,000	261,006
32 Drlg & Completion Overhead	10,071	-		10,071
35 Labor	148,172	67,140	15,000	230,311
54 Proppant	-	1,212,780		1,212,780
95 Insurance	14,164	-	-	14,164
97 Contingency	-	23,595	-	23,595
99 Plugging & Abandonment		-		
55 Tugging & Abandonment	-			-
TOTAL INTANGIBLES >	3,397,506	5,185,507	620,000	9,203,013
			,	, ,
TOTAL INTANGIBLES >	DRILLING	COMPLETION	PRODUCTION	TOTAL
TOTAL INTANGIBLES > TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing \$	DRILLING COSTS 118,101	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101
TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642
TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner	DRILLING COSTS 118,101 332,642	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642
TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing	DRILLING COSTS 118,101	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642
TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner	DRILLING COSTS 118,101 332,642	COMPLETION COSTS	PRODUCTION COSTS \$	TOTAL COSTS 118,101 332,642 663,806
TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing	DRILLING COSTS 118,101 332,642 - - 663,806 - -	COMPLETION COSTS	PRODUCTION COSTS \$	TOTAL COSTS 118,101 332,642 663,806 - 140,000
TOTAL INTANGIBLES > TANGIBLE COSTS 60 Surface Casing 61 Intermediate Casing 62 Drilling Liner 63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 - - - - - - - - - - - - 140,000 102,628
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6	DRILLING COSTS 118,101 332,642 - - 663,806 - -	COMPLETION COSTS	PRODUCTION COSTS \$	TOTAL COSTS 118,101 332,642 - - - - - - - - - - - - 140,000 102,628
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 663,806 140,000 102,628 34,234
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       5         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 Flow Lines       7	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 1118,101 332,642 - - - - - - - - - - - - - - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 663,806 140,000 102,628 34,234
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 1118,101 332,642 - - 663,806 - - 140,000 102,628 34,234 - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 1118,101 332,642 - - - - - - - - - - - - - - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 1118,101 332,642 - - 663,806 - - 140,000 102,628 34,234 - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 Flow Lines       7         71 Rod string       7         72 Artificial Lift Equipment       73 Compressor         74 Installation Costs       7         75 Surface Pumps       7         76 Downhole Pumps       7	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 Flow Lines       7         71 Rod string       7         72 Artificial Lift Equipment       73 Compressor         73 Installation Costs       75 Surface Pumps         76 Downhole Pumps       77 Measurement & Meter Installation	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 Flow Lines       7         71 Rod string       7         72 Artificial Lift Equipment       7         73 Compressor       7         74 Installation Costs       7         75 Surface Pumps       7         76 Downhole Pumps       7         77 Measurement & Meter Installation       7         78 Gas Conditioning / Dehydration       7         79 Interconnecting Facility Piping       7	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 How Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$         73 Compressor       \$         74 Installation Costs       \$         75 Surface Pumps       \$         76 Downhole Pumps       \$         77 Measurement & Meter Installation       \$         78 Gas Conditioning / Dehydration       \$         79 Interconnecting Facility Piping       \$         80 Gathering / Bulk Lines       \$	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 
TOTAL INTANGIBLES >         TANGIBLE COSTS         60 Surface Casing       \$         61 Intermediate Casing       6         62 Drilling Liner       6         63 Production Casing       6         64 Production Liner       6         65 Tubing       6         66 Wellhead       6         67 Packers, Liner Hangers       6         68 Tanks       6         69 Production Vessels       7         70 How Lines       7         71 Rod string       7         72 Artificial Lift Equipment       7         73 Compressor       7         74 Installation Costs       7         75 Surface Pumps       7         76 Downhole Pumps       7         77 Measurement & Meter Installation       7         78 Gas Conditioning / Dehydration       7         79 Interconnecting Facility Piping       7	DRILLING COSTS 118,101 332,642 - - - - - - - - - - - - - - - - - - -	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS 118,101 332,642 

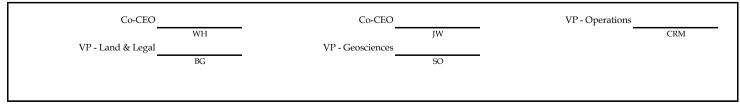
81 Valves, Dumps, Controllers		-	-	-	-
82 Tank / Facility Containment	_	-	-		-
83 Flare Stack	_	-	-		-
84 Electrical / Grounding	—	-	-		-
85 Communications / SCADA	_	-	-		-
86 Instrumentation / Safety	—	-	-	-	-
	TOTAL TANGIBLES >	1,191,410	0	340,000	1,531,410
	TOTAL COSTS >	4,588,916	5,185,507	960,000	10,734,423

#### PREPARED BY Permian Resources Operating, LLC:

PS ML DC

Drilling Engineer:	
Completions Engineer:	
Production Engineer:	

Permian Resources Operating, LLC APPROVAL:



#### NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. 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.

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## 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:	3.31.2023	AFE NO.:	1
WELL NAME:	Michelada Federal Com 134H	FIELD:	Parkway; Bone Spring
LOCATION:	Section 11, T20S-R30E	MD/TVD:	9,410' / 22,195'
COUNTY/STATE:	Lea County, New Mexico	LATERAL LENGTH:	15,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
	Drill a horizontal TBSG well and complete	e with 44 stages. AFE includes drilling, completions,	flowback and Initial AL
REMARKS:	install cost		

	DRILLING	COMPLETION	PRODUCTION	TOTAL
INTANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
1 Land / Legal / Regulatory \$	57,069		- 5	57,069
2 Location, Surveys & Damages	278,338	17,456		295,794
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5 Rental - Surface Equipment	120,122	208,133	95,000	423,255
6 Rental - Downhole Equipment	198,477	57,783	-	256,260
7 Rental - Living Quarters	46,457	52,637		99,094
10 Directional Drilling, Surveys	415,018			415,018
11 Drilling	728,329	-		728,329
12 Drill Bits	96,788	-	-	96,788
13 Fuel & Power	182,546	700,542		883,088
14 Cementing & Float Equip	235,069			235,069
15 Completion Unit, Swab, CTU	-		15,000	15,000
16 Perforating, Wireline, Slickline	-	379,842		379,842
17 High Pressure Pump Truck	-	119,106		119,106
18 Completion Unit, Swab, CTU	-	141,530		141,530
20 Mud Circulation System	101,651	-		101,651
21 Mud Logging	16,936	-		16,936
22 Logging / Formation Evaluation	7,024	8,057		15,081
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32 Drlg & Completion Overhead	10,071			10,071
35 Labor –	148,172	67,140	15,000	230,311
54 Proppant	-	1,212,780	-	1,212,780
95 Insurance	14,164	-	-	14,164
97 Contingency	-	23,595		23,595
99 Plugging & Abandonment	-			-
TOTAL INTANGIBLES >	3,397,506	5,185,507	620,000	9,203,013
		COMPLETION	PRODUCTION	TOTAL
TANOTAR	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing \$	COSTS 118,101	COSTS	COSTS	COSTS 118,101
60 Surface Casing \$ 61 Intermediate Casing -	COSTS	COSTS	COSTS	COSTS
60 Surface Casing \$ 61 Intermediate Casing - 62 Drilling Liner -	COSTS 118,101 332,642	COSTS	COSTS	COSTS 118,101 332,642
60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -	COSTS 118,101	COSTS	COSTS	COSTS 118,101
60 Surface Casing \$ 61 Intermediate Casing - 62 Drilling Liner - 63 Production Casing - 64 Production Liner -	COSTS 118,101 332,642	COSTS	COSTS - \$	COSTS 118,101 332,642 - 663,806 -
60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -         64 Production Liner       -         65 Tubing       -	COSTS 118,101 332,642 - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000
60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -         64 Production Liner       -         65 Tubing       -         66 Wellhead       -	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628
60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -         64 Production Liner       -         65 Tubing       -         66 Wellhead       -         67 Packers, Liner Hangers       -	COSTS 118,101 332,642 - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234
60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -         64 Production Liner       -         65 Tubing       -         66 Wellhead       -         67 Packers, Liner Hangers       -         68 Tanks       -	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234 -
60 Surface Casing\$61 Intermediate Casing-62 Drilling Liner-63 Production Casing-64 Production Liner-65 Tubing-66 Wellhead-67 Packers, Liner Hangers-68 Tanks-69 Production Vessels-	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234 - -
60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -         64 Production Liner       -         65 Tubing       -         66 Wellhead       -         67 Packers, Liner Hangers       -         68 Tanks       -         69 Production Vessels       -         70 How Lines       -	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234 -
60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -         64 Production Liner       -         65 Tubing       -         66 Wellhead       -         67 Packers, Liner Hangers       -         68 Tanks       -         69 Production Vessels       -         70 Flow Lines       -         71 Rod string       -	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234 - - - - - - - - - - - - -
60 Surface Casing       \$         61 Intermediate Casing       \$         62 Drilling Liner       \$         63 Production Casing       \$         64 Production Liner       \$         65 Tubing       \$         66 Wellhead       \$         67 Packers, Liner Hangers       \$         68 Tanks       \$         69 Production Vessels       \$         70 Flow Lines       \$         71 Rod string       \$         72 Artificial Lift Equipment       \$	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234 - -
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60 Surface Casing\$61 Intermediate Casing-62 Drilling Liner-63 Production Casing-64 Production Liner-65 Tubing-66 Wellhead-67 Packers, Liner Hangers-68 Tanks-69 Production Vessels-70 Flow Lines-71 Rod string-72 Artificial Lift Equipment-73 Compressor-74 Installation Costs-75 Surface Pumps-	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234 - - - - - - - - - - - - -
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60 Surface Casing       \$         61 Intermediate Casing       -         62 Drilling Liner       -         63 Production Casing       -         64 Production Liner       -         65 Tubing       -         66 Wellhead       -         67 Packers, Liner Hangers       -         68 Tanks       -         69 Production Vessels       -         70 Flow Lines       -         71 Rod string       -         72 Artificial Lift Equipment       -         73 Compressor       -         74 Installation Costs       -         75 Surface Pumps       -         76 Downhole Pumps       -         77 Measurement & Meter Installation       -	COSTS 118,101 332,642 - - - - - - - - - - - - -	COSTS	COSTS	COSTS 118,101 332,642 - 663,806 - 140,000 102,628 34,234 - - - - - - - - - - - - -
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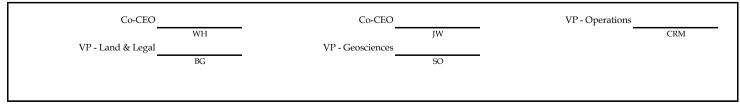
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TOTAL TANGIBLES >	1,191,410	0	340,000	1,531,410
TOTAL COSTS >	4,588,916	5,185,507	960,000	10,734,423
	TOTAL TANGIBLES >		TOTAL TANGIBLES > 1,191,410 0	TOTAL TANGIBLES > 1,191,410 0 340,000

#### PREPARED BY Permian Resources Operating, LLC:

PS ML DC

Drilling Engineer:	
Completions Engineer:	
Production Engineer:	

Permian Resources Operating, LLC APPROVAL:



#### NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its proportionate share of actual costs incurred, including, legal, curative, regulatory, brokerage and well costs under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. 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.



## Michelada N/2 & S/2 - Chronology of Communication

August 23, 2023 - Offset Notice sent to all parties outside Michelada Non-Standard Units

August 24, 2023 – Well proposals, JOAs, Com Agreements sent to all parties

August 28, 2023 – Sent lease offers to potential unleased interest in NENE of Section 3 (interest was leased by other party, leases not yet recorded)

August 28, 2023 - Correspondence with Prospector, Parrot Head, Featherstone

August 29, 2023 – Correspondence with ConocoPhillips

August 30, 2023 - Correspondence with Xplor Resources

September 12, 2023 – Correspondence with Geronimo (Purchase offer made)

October 18, 2023 - Correspondence with Xplor Resources

October 24, 2023 - Correspondence with Fortuna (purchased Geronimo interest)

November 6, 2023 – Correspondence with Ellipsis (purchased DENM interest)

Colgate Production, LLC Case No. 23986 Exhibit A-6

## 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 NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO. CAS

### CASE NOS. 23985 & 23986

## 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 Michelada 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 Michelada 5 Fed Com 121H, Michelada 5 Fed Com 131H, Michelada 5 Fed Com 122H, Michelada 5 Fed Com 132H, Michelada 5 Fed Com 132H, Michelada 5 Fed Com 133H, Michelada 5 Fed Com 124H, and Michelada 5 Fed 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

Colgate Production, LLC Case No. 23986 Exhibit B Released to Imaging: 1/9/2024 4:38:41 PM

Page 36 of 125

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.

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

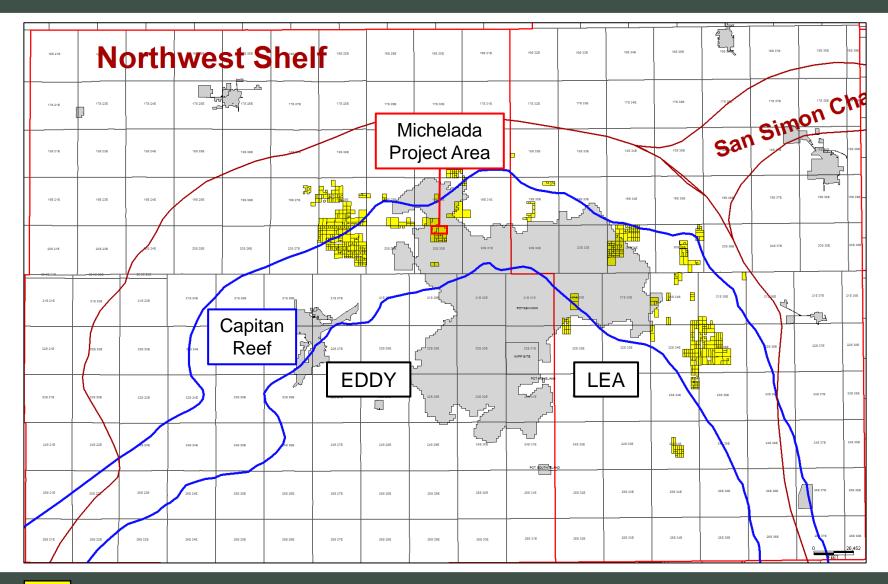
12/4/2023

Date

# Regional Locator Map Michelada 5 Fed Com

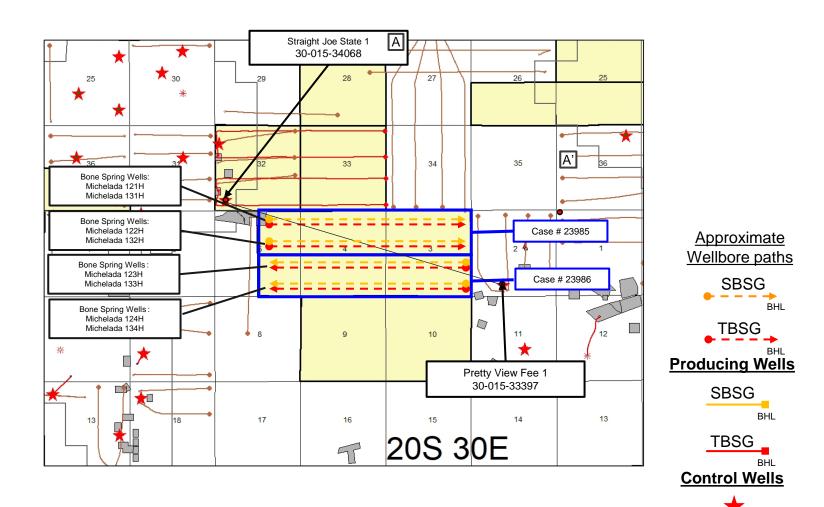
Colgate Production, LLC Case No. 23986 Exhibit B-1





Cross-Section Locator Map Michelada 5 Fed Com Colgate Production, LLC Case No. 23986 Exhibit B-2



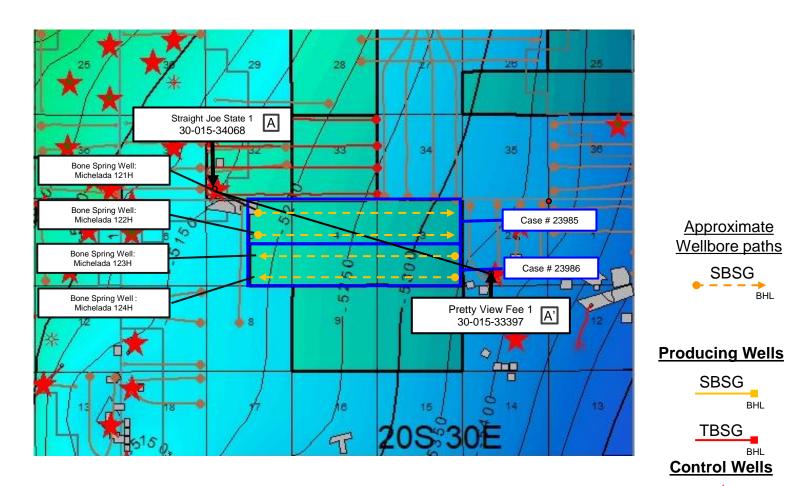


Permian Resources



4

Base Second Bone Spring– Structure Map (50' CI) Michelada 5 Fed Com Colgate Production, LLC Case No. 23986 Exhibit B-3



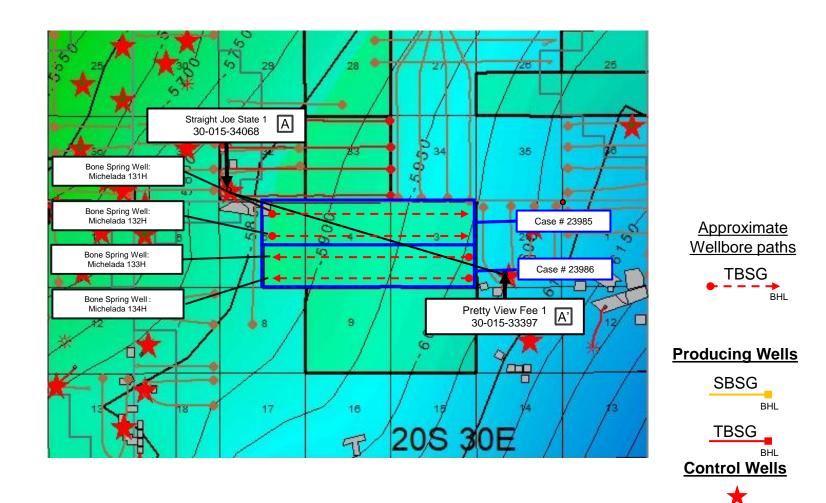
Permian Resources

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Page 41 of 125

Top Third Bone Spring– Structure Map Michelada 5 Fed Com Colgate Production, LLC Case No. 23986 Exhibit B-4



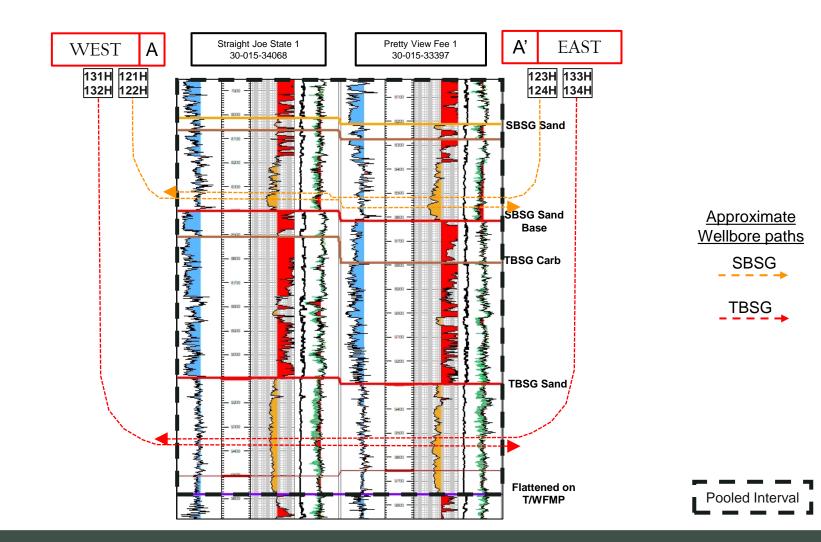


Permian Resources

## Stratigraphic Cross-Section A-A' Michelada 5 Fed Com

Colgate Production, LLC Case No. 23986 Exhibit B-5

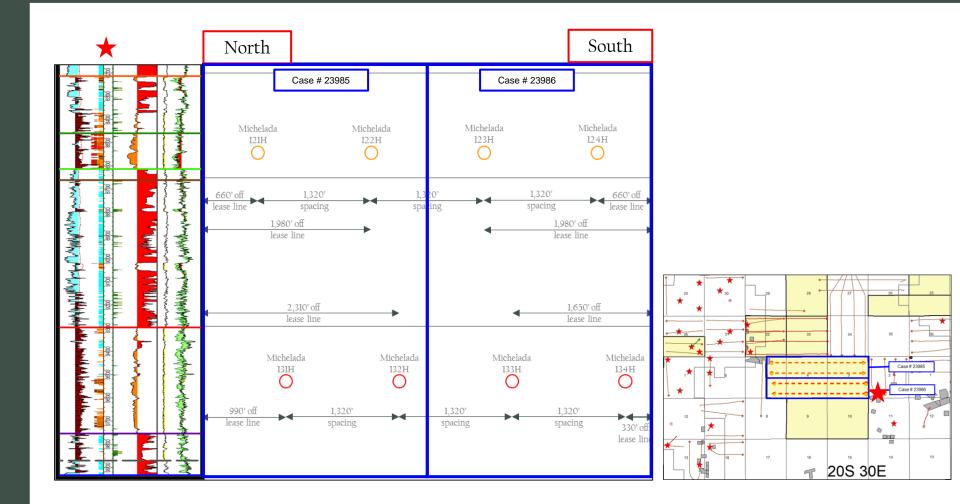




### Gun Barrel Development Plan Michelada 5 Fed State Com

Colgate Production, LLC Case No. 23986 Exhibit B-6





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

### APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 23986** 

### SELF-AFFIRMED STATEMENT OF DANA S. HARDY

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

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as Exhibit C-3 as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. I also caused the Notice Letter attached as **Exhibit C-4**, along with the Application in this case, to be sent to additional parties offsetting the non-standard spacing unit.

6. The chart attached as **Exhibit C-5** lists the additional parties who received the Notice Letter attached as Exhibit C-4.

7. Exhibit C-5 also provides the date each Notice Letter was sent and the date each return was received.

8. Copies of the certified mail green cards and white slips are attached as Exhibit C-6 as supporting documentation for proof of mailing and the information provided on Exhibit C-5.

9. Attached as **Exhibit C-7** are waivers of notice from the additional offset interests.

Colgate Production, LLC Case No. 23986 Exhibit C

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10. On November 14, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-8**.

11. 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 January 1, 2024 Date



### HINKLE SHANOR LLP

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

November 15, 2023

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

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

### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23985 – 23986 – Applications of Colgate Production, LLC for Compulsory Pooling and Approval of Non-Standard Spacing Unit, 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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

If you have any questions about this application, please contact Mason Maxwell, New Mexico Landman, Permian Resources – 432-400-0188, mason.maxwell@permianres.com.

Sincerely,

/s/ Dana S. Hardy Dana S. Hardy Colgate Production, LLC Case No. 23986 Exhibit C-1

Enclosure

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

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

### APPLICATIONS OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NOS. 23985 & 23986

### NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
Julia Ann Hightower Barnett	11/15/23	Per USPS Tracking
2502 Auburn Pl		(Last Checked 12/28/23):
Midland, TX 79705		
		12/14/23 – Item being
		returned to sender.
Julia Ann Hightower Barnett	11/15/23	11/27/23
905 Pine Ct		
Midland, TX 79705		
Big Three Energy Group, LLC	11/15/23	11/27/23
PO Box 429		
Roswell, NM 88202		
Bureau of Land Management	11/15/23	11/20/23
301 Dinosaur Trl		
Santa Fe, NM 87508		
COG Operating LLC	11/15/23	11/27/23
Attn: NM - OBO		
600 W. Illinois Ave.		
Midland, TX 79701		
Concho Oil & Gas LLC	11/15/23	12/01/23
Attn: NM - OBO		
600 W. Illinois Ave.		
Midland, TX 79701		
ConocoPhillips Company	11/15/23	11/29/23
Attn: NM - OBO		
600 W. Illinois Ave.		
Midland, TX 79701		
Ellipsis U.S. Onshore	11/15/23	Per USPS Tracking
3500 Maple Avenue, Suite 1080		(Last Checked 12/28/23):
Dallas, Texas 75219		
		11/20/23 – Delivery
		attempted.
Diane Farrell	11/15/23	12/20/23
19 McLennan Oak		
San Antonio, TX 78240		Return to sender.

Colgate Production, LLC Case No. 23986 Exhibit C-2

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

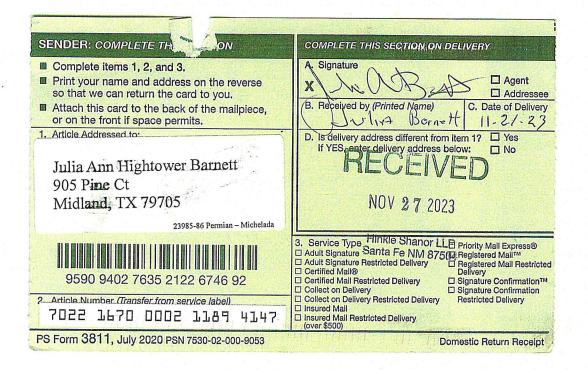
### APPLICATIONS OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

### CASE NOS. 23985 & 23986

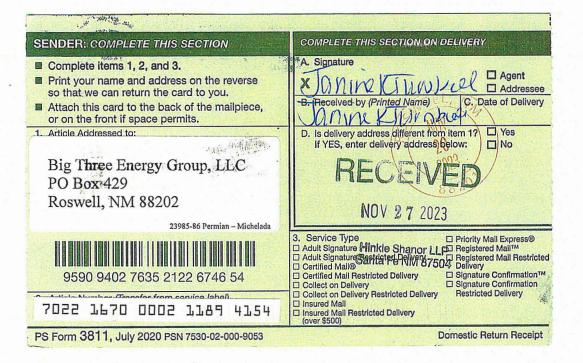
### NOTICE LETTER CHART

William L. Farrell	11/15/23	11/21/23
1501 Calling CIR	11/15/25	11/21/25
Rockwall, TX 75087		
Occidental Permian LP	11/15/23	12/18/23
5 Greenwood Plaza, Suite 110		
Houston, TX 77046		Return to sender.
Osprey Oil & Gas LLC	11/15/23	Per USPS Tracking
707 N. Carrizo St.		(Last Checked 12/28/23):
Midland, TX 79701		
		11/18/23 – Delivered to
		individual at the address.
Parrothead Properties, LLC	11/15/23	11/27/23
PO Box 429		
Roswell, NM 88202		
Pitch Energy Corp	11/15/23	12/04/23
PO Box 304		
Artesia, NM 88210-1963		Return to sender.
Prospector, LLC	11/15/23	11/27/23
PO Box 429		
Roswell, NM 88202		
Rojo LLC	11/15/23	12/11/23
PO Box 429		
Roswell, NM 88202		Return to sender.
State Land Office	11/15/23	11/27/23
310 Old Santa Fe Trl		
Santa Fe, NM 87501		
XTO Holdings, LLC	11/15/23	11/27/23
22777 Springwoods Village Pkwy		
Spring, TX 77389-1425		
Xplor Resources, LLC	11/15/23	11/27/23
1104 North Shore Dr		
Carlsbad, NM 88220		
Zimmerman M Trust	11/15/23	12/04/23
15 E 15th St Ste 3300		
Tulsa, OK 74119-4001		Return to sender.

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1670	Postage \$ \$ Total Postage and Fees
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7022	Julia Ann Hightower Barnett 905 Pine Ct Midland, TX 79705 C 23985-86 Permian – Michelada



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41.	For delivery information, visit our website at www.usps.com <sup>®</sup> .	R.
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70	Big Three Energy Group, LLC         PO Box 429         Roswell, NM 88202         23985-86 Pennian – Michelada	-
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	



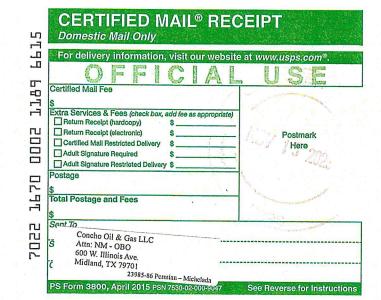
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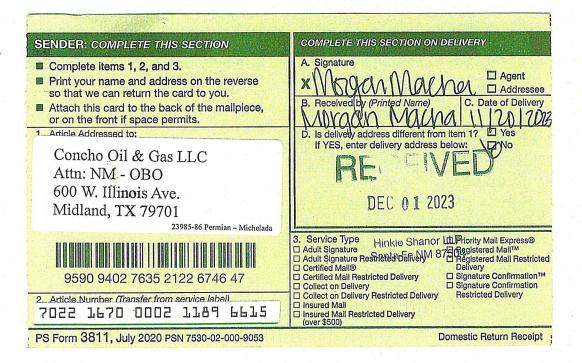
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-D For delivery informati	ion, visit our website at <i>www.usps.com</i> ®.
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r-7 \$	
Return Receipt (hardcopy)	s
Return Receipt (electronic)	sPostmark
Adult Signature Required	s 7,2025
Adult Signature Restricted De	livery \$
Total Postage and Fees	
\$ FU Sent.To	
	ement
S Bureau of Land Manag S 301 Dinosaur Tri Santa Fe, NM 87508	
	36 Permian – Michelada
PS Form 3800, April 2015	PSN 7530-02-000-9047 See Reverse for Instructions
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
Complete items 1, 2, and 3.	A. Signature
Print your name and address on the reverse that we age ration the sould be address on the reverse t	rse X Shawn Millobrits Address
so that we can return the card to you.	
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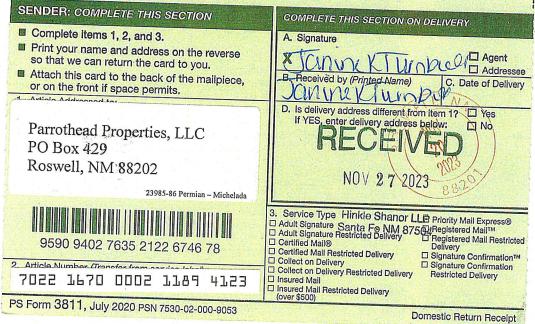
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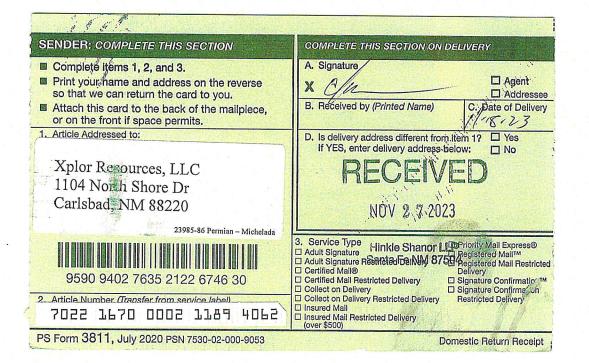
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Page 59 of 125

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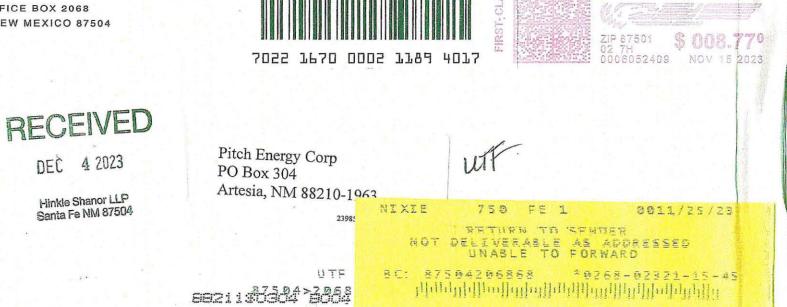
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# USPS Tracking<sup>®</sup>

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### Tracking Number:

# 70221670000211897506

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

### 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:

USPS Tracking Plus<sup>®</sup>

Delivery Attempt Reminder to Schedule Redelivery of your item November 23, 2023

Notice Left (No Authorized Recipient Available) MIDLAND, TX 79705 November 18, 2023, 2:38 pm

## Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER November 17, 2023, 5:06 pm

### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 16, 2023, 8:05 am

## Arrived at USPS Facility

ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 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?**

Contact USPS Tracking support for further assistance.

FAQs

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# USPS Tracking<sup>®</sup>

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

### Latest Update

We were unable to deliver your package at 5:03 pm on November 20, 2023 in DALLAS, TX 75219 because the business was closed. We will redeliver on the next business day. No action needed.

### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

### **Delivery Attempt**

**Redelivery Scheduled for Next Business Day** 

DALLAS, TX 75219 November 20, 2023, 5:03 pm

### Redelivery Scheduled for Next Business Day

DALLAS, TX 75219 November 20, 2023, 4:27 pm

In Transit to Next Facility November 19, 2023

### **Departed USPS Regional Facility**

DALLAS TX DISTRIBUTION CENTER November 18, 2023, 5:06 am

### Arrived at USPS Regional Facility

DALLAS TX DISTRIBUTION CENTER November 17, 2023, 9:27 am

### Departed USPS Facility

ALBUQUERQUE, NM 87101

November 16, 2023, 8:05 am

Arrived at USPS Facility ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 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?**

Contact USPS Tracking support for further assistance.

FAQs

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# USPS Tracking<sup>®</sup>

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**Tracking Number:** 

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

### Latest Update

The customer has requested that the Postal Service redeliver this item on December 1, 2023 in SAN ANTONIO, TX 78240.

### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

### Processing at Destination Redelivery Scheduled

SAN ANTONIO, TX 78240 November 28, 2023

Reminder to Schedule Redelivery of your item November 23, 2023

### Notice Left (No Authorized Recipient Available)

SAN ANTONIO, TX 78240 November 18, 2023, 12:42 pm

### Arrived at USPS Regional Facility

SAN ANTONIO TX DISTRIBUTION CENTER November 17, 2023, 10:44 am

### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 16, 2023, 8:05 am

### Arrived at USPS Facility

Feedback

ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 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?**

Contact USPS Tracking support for further assistance.

FAQs

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### Tracking Number:

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Сору

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

### Latest Update

We could not access the delivery location to deliver your package at 4:24 pm on November 20, 2023 in HOUSTON, TX 77011. We will redeliver on the next delivery day. No action needed.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

## Alert

No Access to Delivery Location

HOUSTON, TX 77011 November 20, 2023, 4:24 pm

#### Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER November 18, 2023, 4:09 pm

#### In Transit to Next Facility

November 17, 2023

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 16, 2023, 8:05 am

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 pm Hide Tracking History

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

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Track Another Package

Enter tracking or barcode numbers

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions				

Remove X

# 70221670000211894130

Сору

**Tracking Number:** 

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

### Latest Update

Your item was delivered to an individual at the address at 9:07 am on November 18, 2023 in MIDLAND, TX 79701.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

**Delivered Delivered, Left with Individual** MIDLAND, TX 79701

November 18, 2023, 9:07 am

Arrived at USPS Regional Facility MIDLAND TX DISTRIBUTION CENTER November 17, 2023, 5:05 pm

#### Departed USPS Facility

ALBUQUERQUE, NM 87101 November 16, 2023, 8:05 am

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 pm

Hide Tracking History

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

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Track Another Package

Enter tracking or barcode numbers

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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Page 79 of 125

FAQs >

#### Tracking Number:

Remove X

# 70221670000211894031

Сору

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

### Latest Update

Your package is moving within the USPS network and is on track to be delivered to its final destination. It is currently in transit to the next facility.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

## Moving Through Network In Transit to Next Facility

December 1, 2023

#### Arrived at USPS Regional Facility

COPPELL TX DISTRIBUTION CENTER November 27, 2023, 5:33 pm

#### Addressee Unknown

ROSWELL, NM 88201 November 20, 2023, 11:23 am

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

LUBBOCK TX DISTRIBUTION CENTER November 18, 2023, 5:50 am

#### Arrived at USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER November 17, 2023, 7:55 am

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 November 16, 2023, 8:05 am

Arrived at USPS Facility ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 pm

Hide Tracking History

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

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\sim$
Product Information	$\checkmark$
See Less 🔨	
Track Another Package	
Enter tracking or barcode numbers	

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

Page 82 of 125



For delivery information, visit our website	e at www.usps.com®.
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Send Ta           Pitch Energy Corp           PO Box 304           Artesia, NM 88210-1963           Z           23985-86 Permian - Michelada	





**CERTIFIED MAIL® RECEIPT** 3966 Domestic Mail Only For delivery information, visit our website at www.usps.com®. 1189 Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) Postmark Certified Mall Restricted Delivery Here Adult Signature Required Adult Signature Restricted Delivery \$ Postage 5 71 **Total Postage and Fees** п п Sent To 20 Zimmerman M Trust Š 15 E 15th St Ste 3300 Tulsa, OK 74119-4001 23985-86 Permian - Michelada PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

Page 85 of 125

1 to a company FIED MAIL **CFR** HINKLE SHANOR LLP A 5.5 FIMIPITNEY BOWES ATTORNEYS AT LAW e POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504 ZIP 87501 02 7H NOV 15 2023 7022 1670 0002 1189 3966 0006052409 RECEIVED 4 2023 DEC Zimmerman M Trust 2 15 E 15th St Ste 3300 Hinkle Shanor LLP Tulsa, OK 74119-4001 Santa Fe NM 87504 NIXIE 731 FE 0011/24/23 1 RETURN TO SENDER ELIVERABLE AS ADD UNABLE TO FORWAR NOT DE AS ADDRESSED FORWARD BC: 87504206868 \*0268-02327-15-45 UTF 744199488968 5

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	Adult Signature Restricted Delivery \$ Postage \$ Total Postage and Fees \$
	□       S         □       Julia Ann Hightower Barnett         □       \$ 2502 Auburn Pl         ►       Midland, TX 79705         ζ       23985-86 Pennian – Michelada

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

#### Released to Imaging: 1/9/2024 4:38:41 PM

FAQs >

# USPS Tracking<sup>®</sup>

Remove X

# Tracking Number:

70221670000211897506

Сору

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

### Latest Update

Your item could not be delivered on December 14, 2023 at 1:56 pm in MIDLAND, TX 79705. 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<sup>®</sup>

#### Alert

### Unclaimed/Being Returned to Sender

MIDLAND, TX 79705 December 14, 2023, 1:56 pm

#### Reminder to Schedule Redelivery of your item

November 23, 2023

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

MIDLAND, TX 79705 November 18, 2023, 2:38 pm

#### Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER November 17, 2023, 5:06 pm

#### Departed USPS Facility

ALBUQUERQUE, NM 87101 November 16, 2023, 8:05 am

#### Arrived at USPS Facility ALBUQUERQUE, NM 87101

November 15, 2023, 10:35 pm

Hide Tracking History

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

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	
Track Another Package	
Enter tracking or barcode numbers	

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

		0.00			
Received	by	<b>OCD</b> :	1/5/2024	9:24:15	

4086	U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT Domestic Mail Only			
1	For delivery information, visit our website	at www.usps.com®.		
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7022	Ellipsis U.S. Onshore 3500 Maple Avenue, Suite 1080 Dallas, Texas 75219 2 23985-86 Permian – Michelada			
	PS Form 3800, April 2015 PSN 7530-02-000-9047	See Reverse for Instructions		

## Tracking Number:

Remove X

# 70221670000211894086

Сору

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

### Latest Update

We were unable to deliver your package at 5:03 pm on November 20, 2023 in DALLAS, TX 75219 because the business was closed. We will redeliver on the next business day. No action needed.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

#### **Delivery Attempt**

Redelivery Scheduled for Next Business Day

DALLAS, TX 75219 November 20, 2023, 5:03 pm

#### Redelivery Scheduled for Next Business Day

DALLAS, TX 75219 November 20, 2023, 4:27 pm

In Transit to Next Facility November 19, 2023

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

DALLAS TX DISTRIBUTION CENTER November 18, 2023, 5:06 am

#### Arrived at USPS Regional Facility

DALLAS TX DISTRIBUTION CENTER November 17, 2023, 9:27 am

## Departed USPS Facility

ALBUQUERQUE, NM 87101

November 16, 2023, 8:05 am

Arrived at USPS Facility ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 pm

Hide Tracking History

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

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
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rack Another Package	
Enter tracking or barcode numbers	

## **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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Remove X

# 70221670000211894130

Сору

**Tracking Number:** 

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

### Latest Update

Your item was delivered to an individual at the address at 9:07 am on November 18, 2023 in MIDLAND, TX 79701.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

Delivered Delivered, Left with Individual MIDLAND, TX 79701

November 18, 2023, 9:07 am

Arrived at USPS Regional Facility MIDLAND TX DISTRIBUTION CENTER November 17, 2023, 5:05 pm

#### Departed USPS Facility

ALBUQUERQUE, NM 87101 November 16, 2023, 8:05 am

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 November 15, 2023, 10:35 pm

Hide Tracking History

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

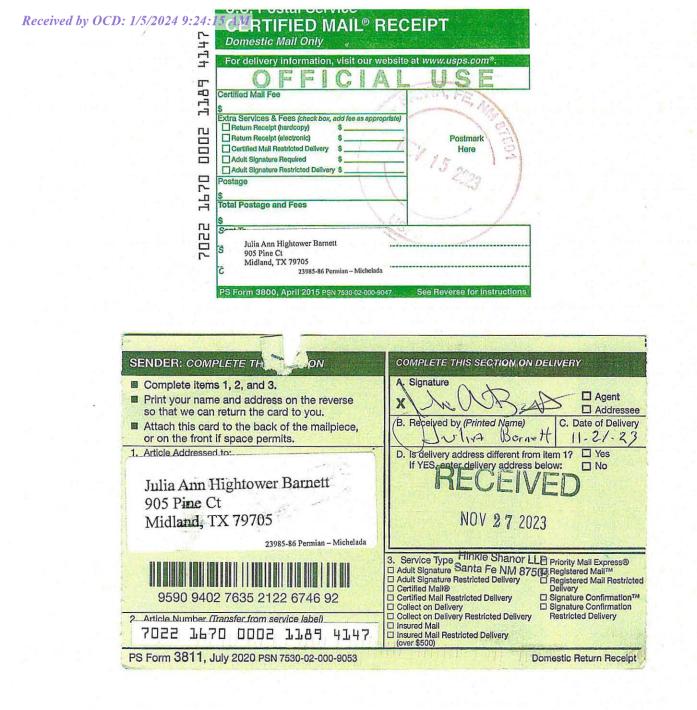
Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	
Track Another Package	

Enter tracking or barcode numbers

# **Need More Help?**

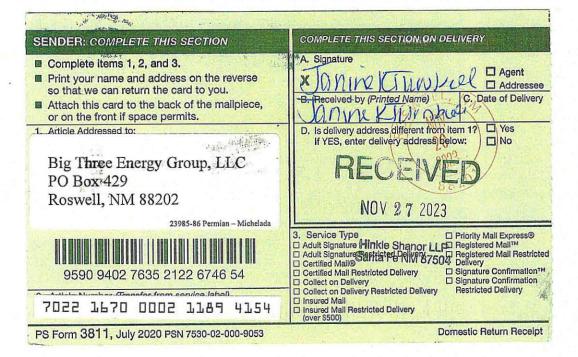
Contact USPS Tracking support for further assistance.

FAQs



Page 95 of 125



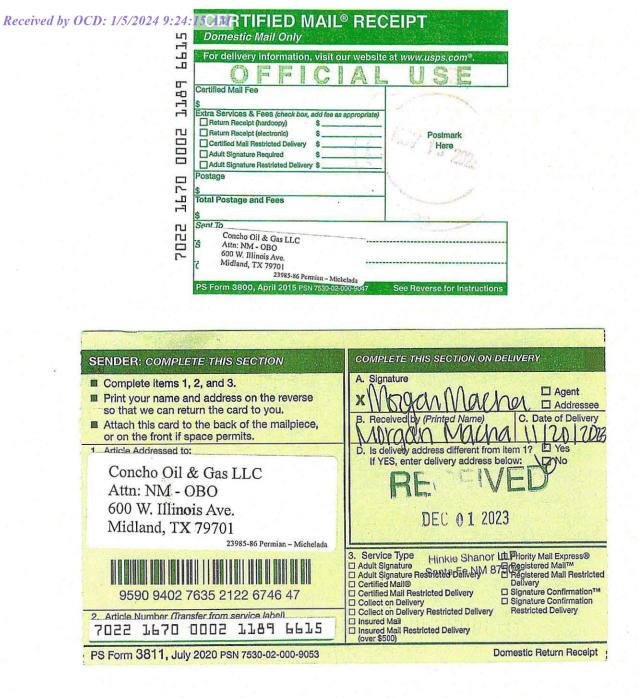


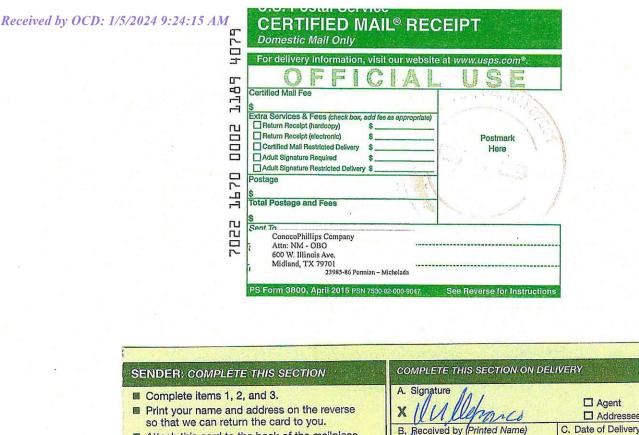


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	COG Operating LLC S Attn: NM - OBO 600 W. Illinois Ave. Midland, TX 79701 23985-86 Permian - Michelada
	PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions.

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
1. Article Addressed to:	D. Is delivery address different from item 1?  Yes If YES, enter delivery address below: No
COG Operating LLC Attn: NM - OBO	RECEIVED
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Midland, TX 79701	NO V 2 7 2023
23985-86 Permian – Michelada	3. Service Type
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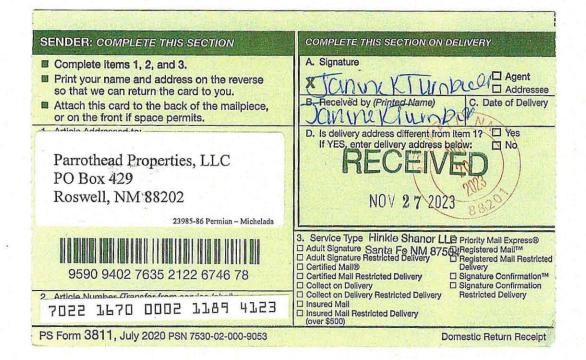
Page 100 of 125



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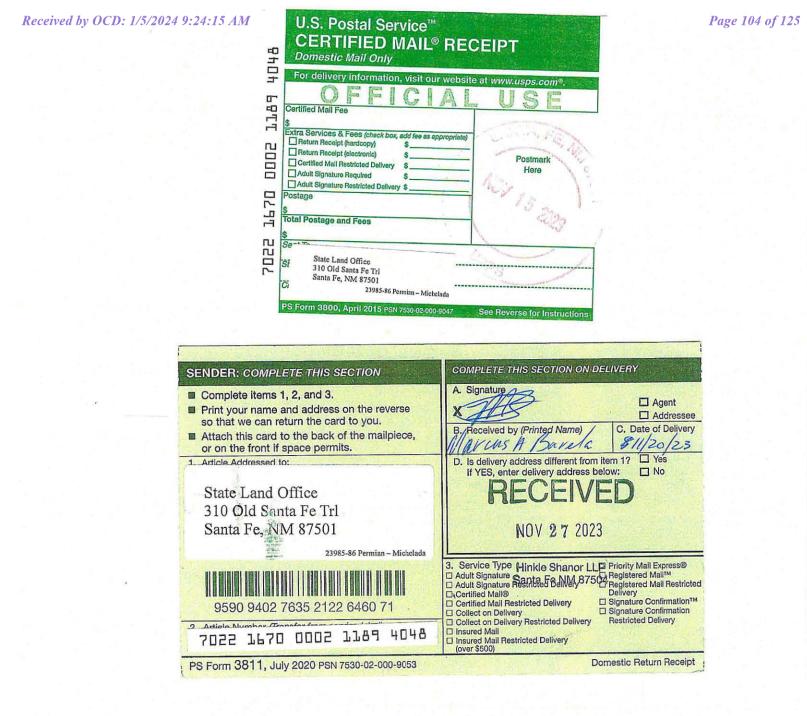
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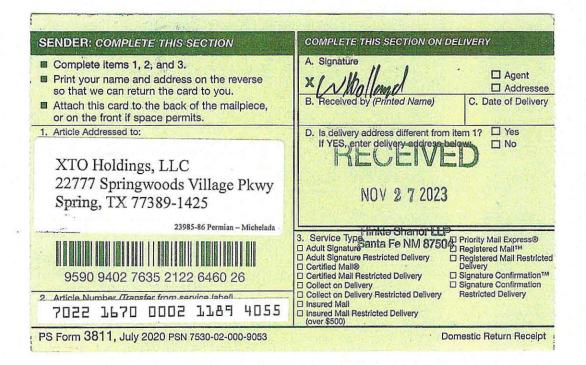
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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signature
1. Article Addressed to: Xplor Resources, LLC 1104 North Shore Dr Carlsbad, NM 88220 23985-86 Permian - Michelada	D. Is delivery address different from Item 1? Ves If YES, enter delivery address below: No RECEIVED NOV 2 7 2023
9590 9402 7635 2122 6746 30 2. Article Number (Transfer from service label) 7022 1670 0002 1189 4062	3. Service Type Adult Signature Resitted Delivery Certified Mail Restricted Delivery Collect on Delivery Restricted Delivery Insured Mail Restricted Delivery Collect on Delivery Restricted Delivery Collect on Delivery Restricted Delivery Collect Stopping S
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt



## HINKLE SHANOR LLP

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

December 8, 2023

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

VIA CEDTIEIED MAII

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

## TO ALL PARTIES ENTITLED TO NOTICE

#### Re: Case Nos. 23985 & 23986 – Applications of Colgate Production, LLC for Compulsory Pooling and approval of Non-Standard Spacing Unit, 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 21, 2023**, beginning at 8:15 a.m. You are receiving this letter because you have been identified as having an interest in the tracts offsetting the proposed non-standard spacing units.

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

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<u>https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/</u>) or via e-mail to <u>ocd.hearings@emnrd.nm.gov</u> 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.

If you have any questions about this application, please contact Mason Maxwell, New Mexico Landman, Permian Resources – 432-400-0188, mason.maxwell@permianres.com.

Sincerely,	
/s/ Dana S. Hardy	
Dana S. Hardy	

Enclosure

Colgate Production, LLC Case No. 23986 Exhibit C-4

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

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

#### APPLICATIONS OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, EDDY COUNTY, NEW MEXICO.

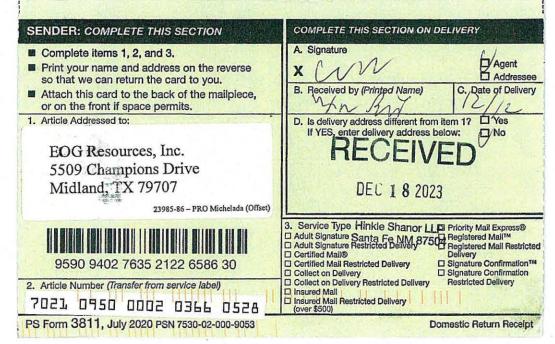
CASE NOS. 23985 & 23986

#### **OFFSET INTERESTS NOTICE LETTER CHART**

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
EOG Resources, Inc.	12/08/23	12/18/23
5509 Champions Drive		
Midland, TX 79707		
Occidental Permian LP	12/08/23	Per USPS Tracking
5 Greenwood Plaza, Suite 110		(Last Checked 12/28/23):
Houston, TX 77046		
		12/22/23 – Item being
		returned to sender.

Colgate Production, LLC Case No. 23986 Exhibit C-5





Colgate Production, LLC Case No. 23986 Exhibit C-6



HINKLE SHANOR LLP ATTORNEYS AT LAW POST OFFICE BOX 2068 SANTA FE, NEW MEXICO 87504

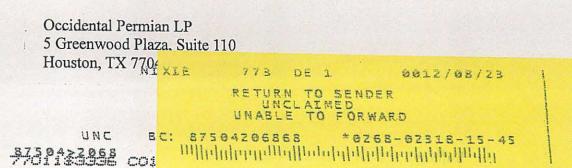




## RECEIVED

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Hinkle Shanor LLP Santa Fe NM 87504



Released to Imaging: 1/9/2024 4:38:41 PM



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2	5 Greenwood Plaza, Suite 110
	7 Houston, TX 77046

**USPS Tracking**<sup>®</sup>

FAQs >

**Tracking Number:** 

Remove X

Feedback

### 70210950000203660535

Сору

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

### Latest Update

Your item was returned to the sender on December 22, 2023 at 3:41 pm in HOUSTON, TX 77011 because the addressee was not known at the delivery address noted on the package.

### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

### Alert

### Addressee Unknown

HOUSTON, TX 77011 December 22, 2023, 3:41 pm

### No Access to Delivery Location HOUSTON, TX 77011

December 12, 2023, 1:30 pm

### Arrived at USPS Regional Facility

NORTH HOUSTON TX DISTRIBUTION CENTER December 11, 2023, 11:29 am

### In Transit to Next Facility December 10, 2023

### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 December 9, 2023, 9:08 am

Arrived at USPS Facility ALBUQUERQUE, NM 87101 December 8, 2023, 10:05 pm

Hide Tracking History

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

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	
Track Another Package	
Enter tracking or barcode numbers	

### **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

.

From: Ellarie Sutton <<u>Ellarie Sutton@eogresources.com</u>>
Sent: Wednesday, December 13, 2023 8:14 AM
To: Katie McBryde <<u>Katie\_McBryde@eogresources.com</u>>; Travis Macha
<<u>Travis.Macha@permianres.com</u>>
Cc: Mason Maxwell <<u>Mason.Maxwell@permianres.com</u>>; Brian Pond
<<u>Brian Pond@eogresources.com</u>>; Laci Stretcher<<u>Laci Stretcher@eogresources.com</u>>
Subject: -EXTERNAL- RE: Notice Waiver Request

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

Please let this email serve as a notice waiver from EOG for the below described Michelada Fed Com nonstandard units. Let us know if you need anything else on this.

Thanks,

Ellarie Sutton Landman EOG Resources, Inc. 5509 Champions Drive | Midland, TX 79706 (682) 600-4779



From: Katie McBryde <<u>Katie McBryde@eogresources.com</u>>
Sent: Friday, December 8, 2023 11:19 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Cc: Mason Maxwell <<u>Mason.Maxwell@permianres.com</u>>; Ellarie Sutton
<<u>Ellarie\_Sutton@eogresources.com</u>>; Brian Pond <<u>Brian\_Pond@eogresources.com</u>>
Subject: Re: Notice Waiver Request

Ellarie/Brian:

Please see Travis's email below. Thanks!

*Katie McBryde* Landman, Lead – Midland Division EOG Resources, Inc. Office: <u>432.848.9022</u> | Mobile: <u>432.230.1836</u>

From: Travis Macha <<u>Travis.Macha@permianres.com</u>> Sent: Friday, December 8, 2023 8:55:48 AM To: Katie McBryde <<u>Katie\_McBryde@eogresources.com</u>>

> Colgate Production, LLC Case No. 23986 Exhibit C-7

Cc: Mason Maxwell <<u>Mason.Maxwell@permianres.com</u>> Subject: Notice Waiver Request

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hey Katie,

We had one of our units on the docket this Thursday (Michelada Fed Com, legal description below). In short, we are forming a could non-standard unit sizes to get rid of any commingling concerns since its Fed/Fee in different proportions.

That said, none of the wells encroach within 330' from a lease/section line boundary so no NSLs are in play. As apart of the non-standard unit sizing we noticed all offset owners that touch that unit but did <u>NOT</u> notice tracts catty-corner to Michelada so out of abundance of caution, the OCD continued our cases to 12/21.

Long story short, we are noticing off of county title and the BLM serial pages and EOG is listed on the serial registry for Section 11: NW/4, T20S-R30E, therefore yall are getting sent a notice via certified mailing.

**<u>Request:</u>** Obviously the continuance just give us a couple weeks and is not enough time for an actual notice in the eyes of the OCD, so to avoid a further continuance, if yall are good here wanted to ask if yall would grant a notice waiver? Confirmation of waiver can just be responding to this email, no letterhead necessary!

Michelada Non-Standard Unit Descriptions:

- N/2 Unit
  - o **T20S-R30E** 
    - Section 3: N/2
    - Section 4: N/2
    - Section 5: NE/4
- S/2 Unit
  - T20S-R30E
    - Section 3: S/2
    - Section 4: S/2
    - Section 5: SE/4

Thanks!



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

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From:	Travis Macha			
To:	<u>Gonzales, Jonathan I</u>			
Cc:	Mason Maxwell			
Subject:	RE: -EXTERNAL- RE: Notice Waiver Request			
Attachments:	image001.png image002.png			

Sounds good, we will wait til tomorrow at 5pm to continue our hearing but in the meantime look forward to Oxy providing justification of why a waiver would not be granted

Thanks,



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

From: Gonzales, Jonathan I < Jonathan\_Gonzales@oxy.com>
Sent: Monday, December 18, 2023 8:47 AM
To: Travis Macha < Travis.Macha@permianres.com>
Cc: Mason Maxwell < Mason.Maxwell@permianres.com>
Subject: RE: -EXTERNAL- RE: Notice Waiver Request

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

Travis,

Appreciate the update here. My apologies, but I do not think that the team will grant the waiver by tomorrow. It's possible but unlikely.

Sorry we will likely not be able to get this turned round for you. However, I will let you know if/when this waiver is granted.

Regards,

### Jonathan I. Gonzales, CPL

Land Negotiator OXY Oil & Gas Inc. 5 Greenway Plaza, Suite 110 P. O. Box 27570 Houston, Texas 77046-0521 E-Mail: Jonathan\_Gonzales@oxy.com Office: (713) 366-5576 | Cell: (956) 566-0179

From: Travis Macha <<u>Travis.Macha@permianres.com</u>>

Sent: Monday, December 18, 2023 8:21 AM
To: Gonzales, Jonathan | <<u>Jonathan\_Gonzales@oxy.com</u>>
Cc: Mason Maxwell <<u>Mason.Maxwell@permianres.com</u>>
Subject: [EXTERNAL] RE: -EXTERNAL- RE: Notice Waiver Request

## WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Hey Jonathan,

Not trying to rush a call from yall but just for a heads up, our attorneys requested that we have a waiver in place by tomorrow afternoon otherwise we will need to continue these cases to January

Thanks,



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

From: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Sent: Wednesday, December 13, 2023 9:02 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Cc: Mason Maxwell <<u>Mason.Maxwell@permianres.com</u>>
Subject: RE: -EXTERNAL- RE: Notice Waiver Request

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

Thanks, Travis.

Jonathan

From: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Sent: Wednesday, December 13, 2023 8:33 AM
To: Gonzales, Jonathan | <<u>Jonathan\_Gonzales@oxy.com</u>>
Cc: Mason Maxwell <<u>Mason.Maxwell@permianres.com</u>>
Subject: [EXTERNAL] RE: -EXTERNAL- RE: Notice Waiver Request

## WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Sounds good thanks Jonathan

If it helps for conversation, we had the same issue with EOG on the SE corner of the Michelada notice area and they have granted a waiver

Thanks,



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

From: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Sent: Wednesday, December 13, 2023 6:26 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Subject: RE: -EXTERNAL- RE: Notice Waiver Request

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

Thanks for the feedback here, Travis. I will get this routed to see if I can get the waiver.

Regards,

#### Jonathan I. Gonzales, CPL

Land Negotiator OXY Oil & Gas Inc. 5 Greenway Plaza, Suite 110 P. O. Box 27570 Houston, Texas 77046-0521 E-Mail: Jonathan\_Gonzales@oxy.com Office: (713) 366-5576 | Cell: (956) 566-0179

From: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Sent: Tuesday, December 12, 2023 3:27 PM
To: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Subject: [EXTERNAL] RE: -EXTERNAL- RE: Notice Waiver Request

## WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Hey Jonathan,

Responses here:

- When does PR plan to spud these wells?
  - These are set to spud May 2024
- If you do not receive waiver from Oxy what time period is required for there to be actual notice in the eyes of the OCD? How longer will PR have to wait if Oxy does not grant a waiver? Does this affect PR's drilling plans in any way?
  - We'd have to continue these to January it will not harm our drill schedule but just keeps one more project unfinished that we hope to be able to put away for a bit

Thanks!



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

From: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Sent: Monday, December 11, 2023 9:52 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Subject: RE: -EXTERNAL- RE: Notice Waiver Request

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

Travis,

Good morning.

Just following up with this one, so I can get this routed to the team.

Thanks,

### Jonathan I. Gonzales, CPL

Land Negotiator OXY Oil & Gas Inc. 5 Greenway Plaza, Suite 110 P. O. Box 27570 Houston, Texas 77046-0521 E-Mail: Jonathan\_Gonzales@oxy.com Office: (713) 366-5576 | Cell: (956) 566-0179

From: Gonzales, Jonathan I
Sent: Friday, December 8, 2023 1:28 PM
To: 'Travis Macha' <<u>Travis.Macha@permianres.com</u>>
Subject: RE: -EXTERNAL- RE: Notice Waiver Request

Okay a few last questions to complete my summary to the technical team.

- When does PR plan to spud these wells?
- If you do not receive waiver from Oxy what time period is required for there to be actual notice in the eyes of the OCD? How longer will PR have to wait if Oxy does not grant a waiver? Does this affect PR's drilling plans in any way?

Just trying to spoon feed the technical team here, so I can try and get that waiver for you.

Thanks,

### Jonathan I. Gonzales, CPL

Land Negotiator OXY Oil & Gas Inc. 5 Greenway Plaza, Suite 110 P. O. Box 27570 Houston, Texas 77046-0521 E-Mail: <u>Jonathan\_Gonzales@oxy.com</u> Office: (713) 366-5576 | Cell: (956) 566-0179

From: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>
Sent: Friday, December 8, 2023 11:03 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>
Subject: RE: -EXTERNAL- RE: Notice Waiver Request

Thanks, Travis.

From: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Sent: Friday, December 8, 2023 10:56 AM
To: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Subject: [EXTERNAL] RE: -EXTERNAL- RE: Notice Waiver Request

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For sure, 23985 and 23986:

https://ocdimage.emnrd.nm.gov/imaging/CaseFileView.aspx?CaseNo=23986

https://ocdimage.emnrd.nm.gov/imaging/CaseFileView.aspx?CaseNo=23985

Hearing are uncontested, this is yalls old crazy horse south stuff

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

From: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Sent: Friday, December 8, 2023 10:38 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Subject: RE: -EXTERNAL- RE: Notice Waiver Request

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

Sorry to bug you again. Can you please send the Case No.(s) for the case that was on the docket this past Thursday?

Thanks,

### Jonathan I. Gonzales, CPL

Land Negotiator OXY Oil & Gas Inc. 5 Greenway Plaza, Suite 110 P. O. Box 27570 Houston, Texas 77046-0521 E-Mail: Jonathan\_Gonzales@oxy.com Office: (713) 366-5576 | Cell: (956) 566-0179

From: Gonzales, Jonathan I
Sent: Friday, December 8, 2023 10:24 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Subject: FW: -EXTERNAL- RE: Notice Waiver Request

Travis,

Thanks for sending. I will route for evaluation to grant the waiver. I will let you know if there are any follow up questions.

Regards,

### Jonathan I. Gonzales, CPL

Land Negotiator OXY Oil & Gas Inc. 5 Greenway Plaza, Suite 110 P. O. Box 27570 Houston, Texas 77046-0521 E-Mail: Jonathan\_Gonzales@oxy.com Office: (713) 366-5576 | Cell: (956) 566-0179 From: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Sent: Friday, December 8, 2023 10:07 AM
To: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Subject: [EXTERNAL] RE: -EXTERNAL- RE: Notice Waiver Request

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For sure,

Here ya go



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

From: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Sent: Friday, December 8, 2023 9:29 AM
To: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Subject: -EXTERNAL- RE: Notice Waiver Request

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

Travis,

Good morning.

I was forwarded the e-mail below by J.J and wanted to see if you had plats for the wells/spacing units that you can send?

Thanks,

#### Jonathan I. Gonzales, CPL

Land Negotiator OXY Oil & Gas Inc. 5 Greenway Plaza, Suite 110 P. O. Box 27570 Houston, Texas 77046-0521 E-Mail: Jonathan\_Gonzales@oxy.com Office: (713) 366-5576 | Cell: (956) 566-0179 From: Laning, James B <<u>James\_Laning@oxy.com</u>>
Sent: Friday, December 8, 2023 9:01 AM
To: Gonzales, Jonathan I <<u>Jonathan\_Gonzales@oxy.com</u>>
Subject: FW: Notice Waiver Request

See below. Can you look into this.

From: Travis Macha <<u>Travis.Macha@permianres.com</u>>
Sent: Friday, December 8, 2023 8:58 AM
To: Laning, James B <<u>James\_Laning@oxy.com</u>>
Cc: Mason Maxwell <<u>Mason.Maxwell@permianres.com</u>>
Subject: [EXTERNAL] Notice Waiver Request

### WARNING - This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments.

Hey JJ,

We had one of our units on the docket this Thursday (Michelada Fed Com, legal description below). In short, we are forming a could non-standard unit sizes to get rid of any commingling concerns since its Fed/Fee in different proportions.

That said, none of the wells encroach within 330' from a lease/section line boundary so no NSLs are in play. As a part of the non-standard unit sizing we noticed all offset owners that touch that unit but did <u>NOT</u> notice tracts catty-corner to Michelada so out of abundance of caution, the OCD continued our cases to 12/21.

Long story short, we are noticing off of county title and the BLM serial pages and EOG is listed on the serial registry for Section 35: SW/4, T19S-R30E, therefore yall are getting sent a notice via certified mailing.

**<u>Request</u>**: Obviously the continuance just give us a couple weeks and is not enough time for an actual notice in the eyes of the OCD, so to avoid a further continuance, if yall are good here wanted to ask if yall would grant a notice waiver? Confirmation of waiver can just be responding to this email, no letterhead necessary!

Michelada Non-Standard Unit Descriptions:

- N/2 Unit
  - o T20S-R30E
    - Section 3: N/2
    - Section 4: N/2
    - Section 5: NE/4

- S/2 Unit
  - o T20S-R30E
    - Section 3: S/2
    - Section 4: S/2
    - Section 5: SE/4

	?	

Thanks!



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

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### **Carlsbad Current Argus.**

Affidavit of Publication Ad # 0005856728 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:

11/14/2023

Legal Clerk

Subscribed and sworn before me this November 14,

2023

State of WI, County of Brown

My commission expires

This is to notify all interested parties, including ConocoPhillips Company; COG Operating LLC; Concho Oil & Gas; Geronimo Holding Corporation; Julie Ann Hightower Barnett; Osprey Oil & Gas LLC; Prospector, LLC; Parrothead Properties, LLC; Big Three Energy Group, LLC; Ellipsis U.S. Onshore; Xplor Resources, LLC; William L. Farrell; Diane Farrell; Devon Energy Production Company; Occidental Permian LP; XTO Holdings, LLP; Pitch Energy Corp; Rojo LLC; Zimmerman M Trust; Devon Energy Co. LP; the Bureau of Land Management; the State Land Office; 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. 23986). 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 underlying an 800-acre, more or less, non-standard horizontal spacing unit comprised of the S/2 of irregular Sections 3 and 4, and the SE/4 of irregular Section 5, Township 20, Range 30 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Michelada 5 Fed Com 123H and Michelada 5 Fed Com 133H, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 5; and Michelada 5 Fed Com 124H and Michelada 5 Fed Com 134H, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 5. 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 Permian Resources Operating, LLC as operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. Applicant also requests approval of a non-standard spacing

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005856728 PO #: Applications of Colgate Production - NM ମୁସର ବିଶିନ୍ଧ ଭାରଣ.

> Colgate Production, LLC Case No. 23986 Exhibit C-8