

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NOS. 23448-23455**

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

**CASE NOS. 23594-23601**

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

**CASE NOS. 23508-23523**

**CORRECTED NOTICE OF ASSIGNMENT**

Read & Stevens, Inc. and Permian Resources Operating, LLC (“Read and Stevens”), gives notice that it is filing the attached supplemental exhibit for acceptance into the record as **Supplemental Exhibit C-12c**.

Union Hill Oil & Gas Company, LLC, which had been a neutral party in the foregoing proceedings, has assigned an undivided 75% interest in its ownership in the subject acreage to Permian Resources Operating, LLC. **Supplemental Exhibit C-12c** is a copy of the assignment that was filed of record in Lea County, New Mexico, on January 12, 2024. As a result of this assignment, Read & Stevens/Permian Resources now has the majority working interest ownership and support in the Wolfcamp across all of their proposed Bane and Joker units (45.63 44.26% compared to Cimarex’s 41.7955%) and has increased their working interest ownership and support in the Bone Spring across all of their proposed Bane and Joker units (38 37.36% compared to

Cimarex's 50.2277%).<sup>1</sup> On a project basis, Read & Stevens/Permian Resources owns or controls 48.96% of the working interest across its proposed Wolfcamp Joker Units and 35.17% of the working interest across its proposed Bone Spring Joker Units. It owns or controls 39.56% of the working interest across its proposed Wolfcamp Bane Units and 39.56% across its proposed Bone Spring Bane Units.

Respectfully submitted,

HOLLAND & HART LLP



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

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<sup>1</sup> This corrected notice is being submitted to reflect only the leasehold ownership interests, not the contractual interests. The contractual interests are in strikethrough so the correction is apparent.

**CERTIFICATE OF SERVICE**

I hereby certify that on January 29, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Darin C. Savage  
Andrew D. Schill  
William E. Zimsky  
214 McKenzie Street  
Santa Fe, New Mexico 87501  
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andrew@abadieschill.com  
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***Attorneys for Cimarex Energy Co.***

Blake C. Jones  
1780 Hughes Landing Blvd., Suite  
750  
The Woodlands, TX 77380  
blake.jones@step toe-johnson.com

***Attorney for Northern Oil and Gas, Inc.***

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***Attorneys for Sandstone Properties, LLC***

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Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043  
jamesbruc@aol.com

***Attorney for MRC Permian Company and  
Foran Oil Company***



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Adam G. Rankin

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**ASSIGNMENT, CONVEYANCE AND BILL OF SALE**

STATE OF NEW MEXICO           §  
  §       **KNOW ALL MEN BY THESE PRESENTS THAT:**  
COUNTY OF LEA                   §

THIS ASSIGNMENT, CONVEYANCE AND BILL OF SALE (this "Assignment") is made between **Union Hill Oil & Gas Company, LLC, a Texas limited liability company FKA Union Hill Oil and Gas Co., Inc. and Buchholz Oil & Gas Company, Inc.**, having an address of 3709 Dartmouth Ave., Dallas, TX 75205, hereinafter called "Assignor", and **Permian Resources Operating, LLC**, a Delaware limited liability company having an address of 300 N. Marienfeld St., Suite 1000, Midland, Texas 79701, hereinafter called "Assignee".

IN CONSIDERATION of the sum of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and the mutual promises made between Assignor and Assignee, Assignor hereby grants, sells, assigns, bargains, transfers and conveys to Assignee, Assignee's heirs, successors and assigns, subject to the terms and conditions contained herein, an undivided 75% of all of Assignor's right, title and interest in and to the following properties and interests (collectively, the "Properties"):

- (a) The oil and gas leases more particularly described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Leases");
- (b) All other real and personal property, and any and all other property rights relating to the Leases, the leasehold estates created by the Leases, or the lands covered by the Leases or included in pooled acreage or units with which any Lease may have been pooled or unitized, including, but not limited to, all easements, rights-of-way, servitudes, contracts, contract rights, operating rights, water rights, lease, title and other files, geophysical and seismic data, pipelines, gathering systems, processing facilities, storage facilities, drillsite pads, imbalances, liens and security interests securing payment for the sale of oil, gas or other hydrocarbons, and any overriding royalty interest, mineral interest, fee interest, net profits interest, production payments, reversionary interests and other interests in the oil and gas in place or the production thereof from the lands covered by the Leases or included in pooled acreage or units with which any Leases may have been pooled or unitized.

**EXCEPTING AND RESERVING** unto Assignor from this assignment are any existing wellbores on or pooled therewith said Properties.

**TO HAVE AND TO HOLD** unto Assignee and its successors and assigns forever, subject to the following terms, representations, warranties, conditions, limitations and exceptions:

- 1. **ASSIGNOR WARRANTS TITLE TO THE PROPERTIES FROM AND AGAINST ALL PERSONS CLAIMING BY, THROUGH OR UNDER ASSIGNOR, BUT NOT OTHERWISE.**
- 2. This Assignment shall be effective as of January 1, 2024 at 12:00 a.m., local time where the Properties are located (the "Effective Date").
- 3. Assignee agrees to indemnify, defend and hold Assignor, its affiliates and their respective employees, members, officers, directors, managers and representatives, harmless from and against any and all losses, liability, liens, demands, judgments, suits, and claims of any kind or character arising out of, in connection with, or resulting from ownership or operation of the Properties on or after the Effective Date, including, but not limited to, claims for injury or death of any persons, or damage, loss, or destruction of any property, real or personal, under any theory of tort, contract, strict liability or other cause or claim. Assignor agrees to indemnify, defend and hold Assignee, its affiliates and their respective employees, members, officers, directors, managers and representatives, harmless from and against any and all losses, liability, liens, demands, judgments, suits, and claims of any kind or character arising out of, in connection with, or resulting from ownership or

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Supplemental Exhibit No. C-12c  
Submitted by: Read & Stevens, Inc.  
Hearing Date: July 20, 2023  
Case Nos. 23508-23523

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operation of the Properties before the Effective Date, including, but not limited to, claims for injury or death of any persons, or damage, loss, or destruction of any property, real or personal, under any theory of tort, contract, strict liability or other cause or claim.

4. It is agreed that Assignor will be responsible for the payment of any and all production and severance taxes due or payable prior to the Effective Date. Ad valorem taxes shall be prorated between Assignor and Assignee as of the Effective Date. With respect to proceeds held in suspense for production attributable to the Properties prior to the Effective Date, Assignee shall be responsible for the payment or distribution of such amounts held in suspense only to the extent such amounts are transferred to Assignee by Assignor on or after the Effective Date.
5. The terms, conditions or exceptions contained herein shall constitute covenants running with the land, and shall be binding upon, and for the benefit of, the respective successors and assigns of Assignor and Assignee. This Assignment and the other documents delivered pursuant hereto shall be governed and construed in accordance with the laws of the State of New Mexico, without giving effect to principles of conflicts of laws that would result in the application of the laws of another jurisdiction.
6. Assignor agrees to execute and deliver such other instruments and documents and take such other actions as may be reasonably necessary to evidence and effectuate the transactions contemplated by this Assignment, including but not limited to delivering additional and/or corrective assignments to transfer properties and interest that are improperly described herein or inadvertently omitted from this Assignment (including the exhibits attached hereto). In addition to filing this Assignment of record in Eddy County, New Mexico, the parties shall execute and file with the appropriate authorities, whether state, federal or local, all forms or instruments required by applicable law or regulation to effectuate the conveyance contemplated hereby. Said instruments shall be deemed to contain all of the exceptions, reservations, rights, titles and privileges set forth herein as fully as though the same were set forth in each such instrument. The interests conveyed by such separate assignments are the same, and not in addition to, the Properties conveyed herein.
7. To the extent permitted by law, Assignee shall be subrogated to Assignor's rights in and to representations, warranties and covenants given with respect to the Properties. Assignor hereby grants and transfers to Assignee, its successors and assigns, to the extent so transferable and permitted by law, the benefit of and the right to enforce the covenants, representations and warranties, if any, which Assignor is entitled to enforce with respect to the Properties, but only to the extent not enforced by Assignor.
8. Assignor represents and warrants to Assignee that:
  - (A) Assignor is a domestic profit limited liability company organized and in good standing under the laws of the state of Texas and is qualified to do business in the state of New Mexico.
  - (B) Assignor has full power to enter and perform its obligations under this Assignment and has taken all proper action to authorize entering into this Assignment and performance of its obligations hereunder.
  - (C) Neither the execution and delivery of this Assignment, nor the consummation of the transactions contemplated hereby, nor the compliance with the terms hereof, will result in any default under any agreement or instrument to which Assignor is a party or by which the Leases are bound, or violate any order, writ, injunction, decree, statute, rule or regulation applicable to Assignor or to the Leases.
  - (D) This Assignment constitutes the legal, valid and binding obligation of Assignor, enforceable in accordance with its terms, except as limited by bankruptcy or other laws applicable generally to creditor's rights and as limited by general equitable principles.
  - (E) To the best of Assignor knowledge, there are no pending suits, actions, or other proceedings in which Assignor is a party (or to Assignor's knowledge, based upon a reasonable

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investigation with its officers and employees, which have been threatened to be instituted) which affect the Leases (including, without limitation, any actions challenging or pertaining to Assignor's title to any of the Leases), or affect the execution and delivery of this Assignment or the consummation of the transactions contemplated hereby.

- (F) Except for approvals required to be obtained from governmental entities who are lessors under leases forming a part of the Leases (or who administer such leases on behalf of such lessors) which are customarily obtained post-closing, none of the Leases is subject to the terms of any preferential right for a third party to purchase such Property, a right of first refusal, any area of mutual interest agreement, or requires the consent of any third party to the valid assignment of such Property to Assignee.
- (G) To the best of Assignor knowledge, all taxes related to taxable periods or portions thereof ending prior to or on the Effective Date have been accurately recorded and duly paid, collected or withheld and remitted to the appropriate governmental agency, except for current taxes not due and payable prior to or on the Effective Date.
- (H) Assignor is not a foreign person within the meaning of Section 1445 of the United States Internal Revenue Code of 1986, as amended.
- (I) To the best of Assignor knowledge, there exist no material agreements or arrangements for the sale of production from the Properties (including calls on, or other rights to purchase, production, whether or not the same are currently being exercised) other than production sales contracts or arrangements that are cancellable on 90 days' notice or less without penalty or detriment and, other than the agreements mentioned in this subparagraph, there are no other material contracts that will be binding on Assignee or the Properties upon or after delivery of this Assignment from Assignor to Assignee.
- (J) To the best of Assignor knowledge, there exist no material defaults under the Leases.
- (K) There are no bankruptcy, reorganization or arrangement proceedings pending, being contemplated by or threatened against Assignor.

The foregoing representations and warranties shall survive execution and delivery of this Assignment indefinitely and Assignor agrees to indemnify Assignee for all losses suffered by and expenses incurred in connection with any misrepresentation or breach of warranty.

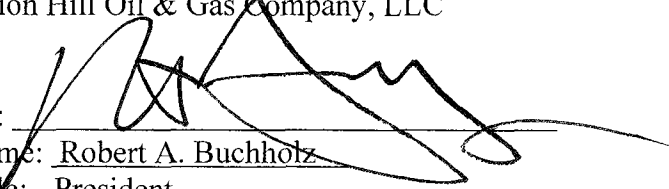
*[SIGNATURE PAGE FOLLOWS]*

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EXECUTED AND DELIVERED this 8th day of January, 2024, but to be effective for all purposes as of the Effective Date.

ASSIGNOR:

Union Hill Oil & Gas Company, LLC

By:   
Name: Robert A. Buchholz  
Title: President

ASSIGNEE:

Permian Resources Operating, LLC

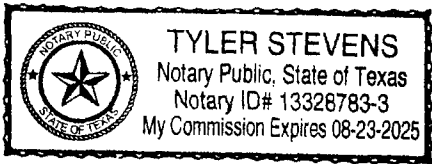
By: \_\_\_\_\_  
Patrick Godwin, Vice President of Land

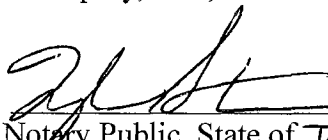
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**ACKNOWLEDGMENTS**

STATE OF TEXAS           §  
  §  
COUNTY OF DALLAS       §

This instrument was acknowledged before me on this the 8th day of January, 2024 by Robert A. Buchholz, as President of Union Hill Oil & Gas Company, LLC, on behalf of said entity.



  
\_\_\_\_\_  
Notary Public, State of Texas

STATE OF TEXAS           §  
  §  
COUNTY OF MIDLAND     §

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2024 by Patrick Godwin, Vice President of Land at Permian Resources Operating, LLC, a Delaware limited liability company, on behalf of said company.

\_\_\_\_\_  
Notary Public, State of Texas



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EXECUTED AND DELIVERED this \_\_\_\_ day of \_\_\_\_\_, 2024, but to be effective for all purposes as of the Effective Date.

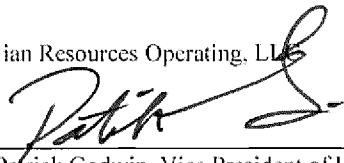
ASSIGNOR:

Union Hill Oil & Gas Company, LLC

By: \_\_\_\_\_  
Name: Robert A. Buchholz  
Title: President

ASSIGNEE:

Permian Resources Operating, LLC

By:   
Patrick Godwin, Vice President of Land *tm*

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ACKNOWLEDGMENTS

STATE OF                   §  
                                  §  
COUNTY OF               §

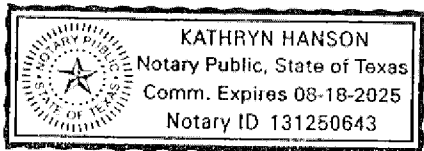
This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_, 2024 by \_\_\_\_\_, as \_\_\_\_\_ of Union Hill Oil & Gas Company, Inc., on behalf of said entity.

\_\_\_\_\_  
Notary Public, State of

STATE OF TEXAS       §  
                                  §  
COUNTY OF MIDLAND   §

This instrument was acknowledged before me on this 12 day of January, 2024 by Patrick Godwin, Vice President of Land at Permian Resources Operating, LLC, a Delaware limited liability company, on behalf of said company.

*Kathryn Hanson*  
\_\_\_\_\_  
Notary Public, State of Texas



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**Exhibit "A"**

Attached to and made a part of that certain Assignment, Conveyance and Bill of Sale effective January 1, 2024, by and between Union Hill Oil & Gas, LLC, as Assignor, and Permian Resources Operating, LLC, as Assignee.

**Interest Assigned:**

75% of Assignor's all right, title, and interest as it pertains to:

**Lands:**

**Township 20 South, Range 34 East, Lea County, New Mexico**

Section 4: S/2

Section 5: S/2

Section 8: All

Section 9: All

**Leases:**

- 1) Leas Serial No.: NMLC 0064194
- Lease Date: September 30, 1947
- Lessor: United States of America
- Lessee: Edward R Hudson Trust 4, et al
- Recording Data: N/A
- Description: Insofar and Only Insofar as the Lease covers:  
Township 20 South, Range 34 East, Lea County, New Mexico  
Section 4: S/2  
Section 5: S/2  
Section 8: All  
Section 9: All

**Contracts:**

That certain Joint Operating Agreement dated August 1, 1979, by and between Estoril producing Corporation, Inc. as Operator, and Fed M. Allison, et al as Non-Operators.