

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

**APPLICATION OF AVANT OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 24497

**AVANT OPERATING, LLC'S RESPONSE TO PERMIAN RESOURCES
OPERATING LLC'S NOTICE OF INTERVENTION AND OBJECTION**

Avant Operating, LLC ("Avant") hereby provides this Response to Permian Resources Operating, LLC's ("Permian") Notice of Intervention and Objection and respectfully requests that the Hearing Examiner strike the Notice of Intervention and Objection (the "Notice"). Permian's Notice of Intervention should be stricken and intervention denied because: Permian's Notice is untimely in that it seeks to intervene following the hearing in this case and (1) fails to demonstrate that its belated intervention warrants the exercise of the Hearing Examiner's discretion; and (2) Permian failed to demonstrate it has standing or that its intervention would protect correlative rights and prevent waste. To the contrary, as established more fully below, Permian's claimed interest was adequately protected by Occidental Permian Limited Partnership ("OXY"), the entity with whom Permian executed the farmout agreement ("Farmout Agreement"), and the entity which holds the working interest Avant seeks to pool in Case No. 24497. Permian knew or should have known about the Farmout Agreement well before the hearing and its own proposals show that Permian was working on its proposal letters prior to the Examiner Hearing on June 13, 2024 yet Permian did not timely intervene. Even if the Hearing Examiner decides to entertain Permian's late filed and factually unsupported Notice, Permian lacks standing and Permian's intervention would not protect correlative rights or prevent waste (which Permian does not even address in its Notice). Because Permian has not and cannot

establish that the Hearing Examiner should exercise his discretion to allow Permian's intervention, Permian's Notice must be stricken.

INTRODUCTION

Avant's Case No. 24497 was heard by the New Mexico Oil Conservation Division ("Division") Hearing Examiner on June 13, 2024 and taken under advisement that day. In Case No. 24497, Avant seeks to pool all uncommitted interests within a standard 640-acre, more or less, Bone Spring horizontal spacing unit comprising the E/2 of Sections 15 and 22, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to Avant's Ruby Federal Com wells (the "Ruby Unit"). With respect to the Ruby Unit, which covers the E/2 of Sections 15 and 22, Avant and its partners who have voluntarily committed their interest to the Unit, own 75.01%.¹ See Avant Hearing Exhibits in Case No. 24497 (Exhibit A-5). With respect to the E/2 of Section 22, which is where the only overlap exists between Avant's Ruby Unit and Permian's proposed Explorer wells, Avant, together with the entities that are committed to Avant's development plans through voluntary agreement, owns 87.5%. See *id.* Permian owns no working interest in the E/2 of either Section 15 or the E/2 of Section 22, which Permian admits. See Notice at 1 ("Permian does not hold a working interest in the acreage Avant seeks to pool.").

The only working interest owner Avant sought to pool in Case No. 24497 was Occidental Oil & Gas Corporation ("OXY"), which owns the working interest in a 40-acre tract comprised of the NE4/SE/4 of Section 22, under Lease NMNM 034850. OXY's interest in the Ruby Unit is 6.25%. See Avant Exhibit A-5. OXY's interest in the E/2 of Section 22 is 12.5%. Permian's sole basis for belated intervention is that Permian has a farmout agreement that covers this same 40-acre tract, *i.e.*, the NW/4SE/4 (only 40 acres) of Section 22, Township 19 South, Range 33 East,

¹ Avant and related entities own approximately 62.59% of the working interest in the Ruby Unit.

NMPM, Lea County (the “Farmout Agreement”).² Permian did not attach the Farmout Agreement to its Notice, but, upon information and belief, the Farmout Agreement was executed in September 2020.

A farmout agreement is a contingent assignment of a lease and an assignment of drilling rights from a lease owner to another operator. A farmout agreement is contingent because the farmee (here Permian) only earns the working interest in the lease upon drilling one or more wells, usually within a specific time period. *See* 38 Am. Jur. 2d Gas and Oil § 170 (“The primary characteristic of the farmout is the assignee's obligation to drill one or more wells on the assigned land as a prerequisite to completion of the transfer, typically within a certain time frame.” (footnotes omitted)). A farmout agreement “is not itself an assignment, sublease, or transfer of lease rights, but is, instead, an executory contract by which an oil and gas lessee promises to transfer rights in the lease upon the completion of certain obligations.” *Id.* Under a farmout agreement, the farmor (here OXY) can retain an interest, usually an overriding royalty interest, but farmors can also retain a percentage of the working interest. Until the well(s) are drilled under the farmout, and all other conditions of the farmout agreement satisfied, the farmee has no working interest or other interest in the minerals subject to the farmout.

In other words, currently, OXY is the working interest owner in the 40-acre tract in the E/2 of Section 22 and Permian has no legal interest in or to the minerals in that 40-acre tract at this time. At best, Permian has a contractual right vis-à-vis OXY, which is outside the scope of Avant’s pooling case and beyond the Division’s jurisdiction. As discussed in more detail below, OXY had actual notice of Avant’s intent to pool OXY’s interest in Case No. 24497 and actual notice of the June 13, 2024 hearing, yet did not object to Avant’s development plans or Avant’s

² A review of publicly available records reveals that Permian does not own any working interest in Lease NMNM 034850, but that OXY is still the only working interest owner in that lease.

pooling case. Additionally, Permian had multiple cases, which were heard on the very same June 13, 2024 docket. See [June 13 Hearing Worksheet](#).

As part of the compulsory pooling application process, Avant, through its counsel, sent letters to parties Avant seeks to pool on May 21, 2024 and published notice of its application in the Hobbs News Sun on May 23, 2024. OCD provided notice that Case No. 24497 would be heard on the June 13, 2024 docket via email three times—first on May 22, 2024, again on May 31, 2024, and Wednesday, June 12, 2024.

Prior to seeking to pool OXY, Avant had communications with OXY, *see* Case No. 24497, Exhibit A-7, including whether OXY intended to sign a JOA with Avant and that Avant intended to proceed with the compulsory pooling hearing in Case No. 24497 and to pool OXY's interest. Modrall Sperling, Avant's counsel, sent OXY a notice letter for the June 13, 2024 hearing, which OXY received. Despite having actual knowledge that Avant sought to develop the E/2 of Section 22, including the 40-acre tract identified in the Farmout Agreement, and despite knowing that Avant sought to pool OXY's working interest in that 40-acre tract, OXY did not object to Case No. 24497 moving forward nor did OXY object to its working interest being pooled by Avant.

ARGUMENT

I. PERMIAN'S NOTICE IS UNTIMELY AND AN EXERCISE OF THE HEARING EXAMINER'S DISCRETION IS NOT WARRANTED UNDER THE CIRCUMSTANCES

Although the Division's rules allow for late filed notices of intervention, Permian's Notice does not meet the deadline required by the Division's rules or the order Permian cites. First, Rule 19.15.4.11, upon which Permian relies, does not support Permian's argument that a notice of intervention can be filed after a hearing has already occurred and the case taken under

advisement. Second, Order R-21454 is inapposite because that Order and the underlying cases do not involve issues related to intervention, much less late intervention. Third, Permian presented several cases on the June 13, 2024 docket and could have, but did not, seek to intervene prior to the hearing date or at the June 13 hearing, despite ample public notice as well as actual notice of the hearing and notice to OXY, the entity with whom Permian executed the Farmout Agreement.

Rule 19.15.4.11 does not support Permian's argument that a notice of intervention can be filed after a hearing has already occurred and the case taken under advisement. Rule 19.15.4.11(A) requires that a written notice of intervention be filed "at least one business day before the date for filing a pre-hearing statement," which would have been June 5, 2024. Permian admits that it did not meet this deadline, yet Permian's Notice is entirely devoid of any justification for Permian's failure to comply with the clearly stated deadline.

Rule 19.15.4.11(B) provides that the Hearing Examiner, "may, at their discretion, allow late intervenors to participate if the intervenor files a written notice on or after the date provided in Subsection A of 19.15.4.8 NMAC, or by oral appearance on the record at the hearing." Rule 19.15.4.8(A) sets out the process for filing an application for an adjudicatory hearing and does not include any "date" and therefore is irrelevant for purposes of Permian's Notice. Thus, the only relevant provision is that the Hearing Examiner, may, at his discretion, allow late intervention **by oral appearance on the record at the hearing**. Rule 19.15.4.11(B) (emphasis added). Although Permian presented several cases that day, it admittedly, and unabashedly, failed to meet this deadline. Because Permian did not seek to intervene, at the latest, by oral appearance on the record at the June 13 hearing, Permian's Notice must be stricken.

Order R-21454 does not support Permian's contention that the Division has authority to allow late intervention because that Order and the cases underlying it did not involve notices of

intervention, much less late notices of intervention. The applicant in the cases underlying Order R-21454 was Ascent Energy, and Apache Corporation and Mewbourne Oil Company both timely entered appearances in the underlying cases. Thus whether the Division has the authority to allow late intervention when a final order has not been issued was not at issue in that Order or in the underlying cases. Consequently, Order R-21454 provides no support for Permian's intervention.

Even assuming Rule 19.15.4.11(B) and Order R-21454 somehow provide an opportunity for Permian to request late intervention, such a request is subject to the Hearing Examiner's discretion. In other words, Permian must demonstrate that the circumstances justify the Hearing Examiner's exercise of his discretion to allow late intervention.³ Permian's Notice, however, is entirely devoid of any justification for why Permian, failed to speak up at the June 13, 2024 hearing or was unable to timely seek to intervene. Because Permian did not provide any justification for its belated attempt to intervene, Permian has failed to identify any basis for the Hearing Examiner to exercise his discretion.

Permian's proposal letters, sent on June 17, 2024, demonstrate that Permian could have, but did not, timely intervene. Although sent on June 17, 2024, three days after Case No. 24497 was heard, Permian proposal letters included AFEs **dated June 6, 2024**. See Permian AFEs attached as Exhibit A. Permian was thus aware of its competing proposals on or before June 6, 2024, and so Permian could have intervened on or before June 6, 2024 or, at the latest, at the June 13, 2024 hearing. Permian's presentation of multiple cases on the June 13 docket, submission of AFEs dated before the June 13 hearing, combined with the multiple public notices

³ New Mexico courts have held that timeliness is a threshold requirement and the burden is on the putative intervenor to establish timeliness. *Murken v. Solv-Ex Corp.*, 2005-NMCA-137, ¶10, 124 P.3d 1192. Here, Permian has not identified any justification for its late filed Notice and cannot demonstrate that it acted timely under the circumstances.

of the June 13 hearing provided by OCD, demonstrates that it would be an abuse of discretion to allow intervention.

Given that the Farmout Agreement was effective in or around September 2020, Permian knew or should have known of the Farmout Agreement's requirements well before the June hearing. Permian cannot sit on its hands and then seek to invoke the Division's discretion to allow post-hearing intervention, nor does it advance the Oil and Gas Act's purpose of preventing waste to allow a now four year old Farmout Agreement covering only 40-acres to thwart Avant's development plans for its Ruby Unit for which Avant has overwhelming majority support.

Third, OXY is the working interest owner of the 40-acre tract in the E/2 of Section 22 and had notice of Avant's development plans and Avant's intent to pool OXY's interest, but OXY did not object. If OXY had concerns about protecting the Farmout Agreement with Permian, OXY could have and perhaps did notify Permian of Avant's applications. Either way, OXY, the working interest owner subject to the pooling application, did not object to Avant's development plans, which include developing the 40-acre tract subject to the Farmout Agreement (which would be in conflict with any Permian development plans) and OXY acquiesced in the pooling of the 40-acre tract subject to the Farmout Agreement.

For these reasons, the Division should not exercise its discretion to entertain Permian's late filed notice and, instead, should strike it.

II. PERMIAN LACKS STANDING AND ITS NOTICE MUST BE STRICKEN

Even if the Hearing Examiner decides to exercise its discretion and entertain Permian's late filed Notice, which it need not do, Permian lacks standing and its Notice must be stricken pursuant to Rule 19.15.4.11(C) ("The division examiner or the commission chairman may strike a notice of intervention on a party's motion if the intervenor fails to show that the intervenor has

standing, unless the intervenor shows that intervenor's participation will contribute substantially to the prevention of waste, protection of correlative rights or protection of public health or the environment.").

Permian bears the burden of demonstrating standing, which it has not and cannot do under the circumstances of this case. *See, e.g., ACLU of New Mexico v. City of Albuquerque*, 2008-NMSC-045, ¶ 10, 188 P.3d 1222.⁴ The Division's rules do not define standing, but do require that the putative intervenor include a description of the intervenor's interest and the extent to which the intervenor opposes the issuance of the order sought by the applicant. As discussed above, Permian's sole basis for seeking to intervene is the Farmout Agreement and Permian has not identified any Division rule or order that holds that a farmout agreement confers an interest protectable by the Division. Because Permian does not have an interest protectable under the Division's rules and jurisdiction, Permian does not have standing.

As discussed above, a farmout agreement is an executory contract, which requires the farmee (here Permian) to undertake certain actions to earn the interest in the acreage subject to the farmout agreement. Permian does not own any interest in the E/2 of Section 22 and Permian has not earned any interest in the 40-acre tract subject to the Farmout Agreement. Permian has no vested interest in that tract. As a result, Permian lacks standing to intervene.

⁴ New Mexico courts "have generally required that a litigant demonstrate injury in fact, causation, and redressability to invoke the court's authority to decide the merits of a case." *ACLU v. Johnson*, 2008-NMSC-045, ¶ 10, 188 P.3d 1222. Permian cannot establish an injury in fact, because Permian is not a working interest owner in the E/2 of Section 22 and has no rights protected by the Division under the Division's rules. Permian's only asserted interest arises from the Farmout Agreement, which is a future contingent right that neither Permian nor its predecessors have taken action to perfect for nearly four years. As a result, Permian cannot demonstrate injury in fact, and even if it can, it cannot establish causation or redressability

III. PERMIAN'S PARTICIPATION WILL NOT CONTRIBUTE SUBSTANTIALLY TO THE PREVENTION OF WASTE, PROTECTION OF CORRELATIVE RIGHTS OR PROTECTION OF PUBLIC HEALTH OR THE ENVIRONMENT

Because Permian lacks standing to intervene, Permian must show that Permian's "participation will contribute substantially to the prevention of waste, protection of correlative rights or protection of public health or the environment." Rule 19.15.4.11(B). First, Permian's Notice nowhere even addresses how Permian's intervention would contribute to the prevention of waste, protection of correlative rights, or the protection of public health or the environment. Thus, the Hearing Examiner need not even consider this issue and Permian's Notice should be stricken.

Even if the Division considers this issue, Permian cannot satisfy it. First, Permian cannot demonstrate that its intervention is necessary to protect Permian's correlative rights in the E/2 of Section 22 because Permian has no correlative rights in the E/2 of Section 22. The Farmout Agreement does not give Permian any correlative rights. OXY, the entity whose correlative rights are at issue, did not object to Avant's development plans or Avant's application to pool OXY.

Second, Avant intends to fully develop its 640-acre Ruby Unit, including the 40-acre tract subject to the Farmout Agreement. Avant intends to drill three First Bone Spring Wells, Three Second Bone Spring wells, and Three Third Bone Spring wells. *See* Case No. 24497 Exhibit A-3(C-102s). As proposed, Permian is only proposing two First Bone Spring wells, two Second Bone Spring wells, and no Third Bone Spring wells. *See* Permian proposal letters attached as Exhibit A to Permian's Notice. Thus, Permian's proposal would negatively impact correlative rights and result in waste by targeting the First and Second Bone Spring with fewer wells and by not targeting the Third Bone Spring at all. As a result, Permian cannot meet its

burden to show that its intervention would prevent waste or protect correlative rights because its proposals would lead to waste and negatively impact correlative rights.

Finally, the limited interest Permian could earn under the Farmout Agreement (12.5%) is insufficient to justify intervention or to support Permian's objection. Avant and its partners own/control 87.5 % of the WIO in the E/2 of Section 22 and 75.01% of the working interest in the Ruby Unit.⁵ Even crediting Permian with OXY's entire interest in the 40 acre tract in the E/2 of Section 22,⁶ Permian would only have 6.25% interest in the E/2 of Section 22, as opposed to Avant's 87.5% working interest control. Under the Division's precedent governing competing pooling applications, in the absence of other compelling factors (which do not exist here), working interest control is the controlling factor in awarding operations in disputed cases. *See* Order No. R-10731-B, ¶ 24 ("In the absence of compelling factors such as geologic and prospect differences, ability to operator prudently, or any reason why one operator would economically recover more oil or gas by virtue of being awarded operations than the other, 'working interest control'...should be the controlling factor in awarding operations."). Because Avant has significantly higher working interest control than OXY (and therefore higher than what Permian could potentially earn under the Farmout Agreement), Avant would prevail in any contested hearing and thus allowing Permian to intervene would be essentially futile and would only lead to delay, negatively impacting correlative rights and resulting in waste.

⁵ Avant is in productive discussions with Fasken, which, if fruitful, would mean that Avant would have 93.75% working interest control in the Ruby Unit.

⁶ Under a farmout agreement, the parties can agree that the farmee (here Permian) can earn a portion or all of the farmor's (here OXY) working interest. Because Permian did not provide the Farmout Agreement, neither Avant nor the Division knows what percentage of OXY's 6.25% working interest in the E/2 of Section 22 Permian could earn under the Farmout Agreement.

CONCLUSION

For the foregoing reasons, Permian's untimely and unsupported Notice of Intervention should be stricken.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Deana M. Bennett

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CERTIFICATE OF SERVICE

I hereby certify that on July 15, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Deana M. Bennett



Cost Estimate

Printed Date: Jun 6, 2024

AFE Number:	500121	Description:	SHL: 100' FSL & 1650' FEL of Section 27
AFE Name:	EXPLORER 27-22 FED #113H		BHL: 100' FNL & 1650' FEL of Section 22
Well Operator:	PERMIAN RESOURCES	AFE TYPE:	Drill and Complete / 1st Bone Spring
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Pipeline		
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$31,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$15,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$67,600.00
8036.1310	PLN - PERMANENT EASEMENT	\$5,000.00
	Sub-total	\$118,600.00
Flowback Intangible		
8040.2900	IFC - WELL TESTING / FLOWBACK	\$140,000.00
8040.4500	IFC - SWABBING	\$1,500.00
8040.1500	IFC - FUEL / POWER	\$3,000.00
8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$14,000.00
8040.2300	IFC - COMPLETION FLUID	\$5,000.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$30,000.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$30,000.00
8040.1900	IFC - INSPECTION & TESTING	\$3,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$85,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$30,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$300,000.00
8040.1200	IFC - COMPLETION RIG	\$9,300.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$15,000.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00
	Sub-total	\$670,800.00
Completion Intangible		
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$252,595.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1600	ICC - COILED TUBING	\$202,347.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3050	ICC - SOURCE WATER	\$224,281.00
8025.3400	ICC - RENTAL EQUIPMENT	\$229,770.00
8025.1500	ICC - FUEL / POWER	\$436,733.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$43,200.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$14,700.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,569,947.00
8025.3000	ICC - WATER HANDLING	\$142,401.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00

300 N Marienfeld Street, Suite 1000, Midland, TX 79701
 TEL (432) 695-4222 www.permianres.com



Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
		Sub-total
		\$3,275,849.00
Drilling Intangible		
8015.2350	IDC - FUEL/MUD	\$118,500.00
8015.5200	IDC - CONTINGENCY	\$194,744.12
8015.1700	IDC - DAYWORK CONTRACT	\$620,500.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$83,333.33
8015.3700	IDC - DISPOSAL	\$119,000.00
8015.4200	IDC - MANCAMP	\$56,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$43,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.3100	IDC - CASING CREW & TOOLS	\$65,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$49,400.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$152,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$32,500.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$15,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$65,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$205,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$105,250.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.2150	IDC - DRILL BIT	\$114,000.00
8015.2400	IDC - RIG WATER	\$10,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$12,400.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$264,000.00
8015.2300	IDC - FUEL / POWER	\$125,250.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,585.32
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$203,100.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$85,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
		Sub-total
		\$2,980,062.77
Facilities		
8035.1700	FAC - RENTAL EQUIPMENT	\$10,000.00
8035.3700	FAC - AUTOMATION MATERIAL	\$55,000.00
8035.2000	FAC - WASTE DISPOSAL	\$350.00
8035.2400	FAC - SUPERVISION	\$5,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$3,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.3400	FAC - METER & LACT	\$92,500.00
8035.4400	FAC - COMPANY LABOR	\$1,133.33



Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2500	FAC - CONSULTING SERVICES	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$132,997.00
8035.4500	FAC - CONTINGENCY	\$28,741.68
8035.3200	FAC - VALVES FITTINGS & PIPE	\$50,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$3,333.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$2,666.67
8035.3600	FAC - ELECTRICAL	\$25,000.00
8035.2100	FAC - INSPECTION & TESTING	\$280.00
	Sub-total	\$475,334.68
Flowback Tangible		
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00
8045.3100	TFC - MEASUREMENT EQUIPMENT	\$8,500.00
8045.2000	TFC - WELLHEAD EQUIPMENT	\$20,000.00
8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$15,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$45,000.00
8045.1100	TFC - TUBING	\$100,000.00
	Sub-total	\$213,500.00
Drilling Tangible		
8020.1400	TDC - CASING - PRODUCTION	\$486,545.87
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$35,000.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$259,754.69
8020.1100	TDC - CASING - SURFACE	\$80,869.53
	Sub-total	\$928,045.09
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,709,441.54

Accepted and Approved By:
Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Date: _____



Cost Estimate

Printed Date: Jun 6, 2024

AFE Number:	500121	Description:	SHL: 100' FSL & 330' FEL of Section 27
AFE Name:	EXPLORER 27-22 FED #114H	AFE TYPE:	BHL: 100' FNL & 300' FEL of Section 22
Well Operator:	PERMIAN RESOURCES		Drill and Complete / 1st Bone Spring
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Pipeline		
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$31,000.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$15,000.00
8036.2800	PLN - FLOWLINE MATERIAL	\$67,600.00
8036.1310	PLN - PEMANENT EASEMENT	\$5,000.00
	Sub-total	\$118,600.00
Flowback Intangible		
8040.2900	IFC - WELL TESTING / FLOWBACK	\$140,000.00
8040.4500	IFC - SWABBING	\$1,500.00
8040.1500	IFC - FUEL / POWER	\$3,000.00
8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$14,000.00
8040.2300	IFC - COMPLETION FLUID	\$5,000.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$30,000.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$30,000.00
8040.1900	IFC - INSPECTION & TESTING	\$3,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$85,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$30,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$300,000.00
8040.1200	IFC - COMPLETION RIG	\$9,300.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$15,000.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$5,000.00
	Sub-total	\$670,800.00
Completion Intangible		
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$252,595.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1600	ICC - COILED TUBING	\$202,347.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3050	ICC - SOURCE WATER	\$224,281.00
8025.3400	ICC - RENTAL EQUIPMENT	\$229,770.00
8025.1500	ICC - FUEL / POWER	\$436,733.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$43,200.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$14,700.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,569,947.00
8025.3000	ICC - WATER HANDLING	\$142,401.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR	\$40,000.00

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Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
		Sub-total
		\$3,275,849.00
Drilling Intangible		
8015.2350	IDC - FUEL/MUD	\$118,500.00
8015.5200	IDC - CONTINGENCY	\$194,744.12
8015.1700	IDC - DAYWORK CONTRACT	\$620,500.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$83,333.33
8015.3700	IDC - DISPOSAL	\$119,000.00
8015.4200	IDC - MANCAMP	\$56,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$43,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.3100	IDC - CASING CREW & TOOLS	\$65,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$49,400.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$152,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$32,500.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$15,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$65,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$205,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$105,250.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.2150	IDC - DRILL BIT	\$114,000.00
8015.2400	IDC - RIG WATER	\$10,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$12,400.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$264,000.00
8015.2300	IDC - FUEL / POWER	\$125,250.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$11,585.32
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$203,100.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$85,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
		Sub-total
		\$2,980,062.77
Facilities		
8035.1700	FAC - RENTAL EQUIPMENT	\$10,000.00
8035.3700	FAC - AUTOMATION MATERIAL	\$55,000.00
8035.2000	FAC - WASTE DISPOSAL	\$350.00
8035.2400	FAC - SUPERVISION	\$5,000.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$3,333.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$50,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$10,000.00
8035.3400	FAC - METER & LACT	\$92,500.00
8035.4400	FAC - COMPANY LABOR	\$1,133.33



Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2500	FAC - CONSULTING SERVICES	\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$132,997.00
8035.4500	FAC - CONTINGENCY	\$28,741.68
8035.3200	FAC - VALVES FITTINGS & PIPE	\$50,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$3,333.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$2,666.67
8035.3600	FAC - ELECTRICAL	\$25,000.00
8035.2100	FAC - INSPECTION & TESTING	\$280.00
	Sub-total	\$475,334.68
Flowback Tangible		
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00
8045.3100	TFC - MEASUREMENT EQUIPMENT	\$8,500.00
8045.2000	TFC - WELLHEAD EQUIPMENT	\$20,000.00
8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$15,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$45,000.00
8045.1100	TFC - TUBING	\$100,000.00
	Sub-total	\$213,500.00
Drilling Tangible		
8020.1400	TDC - CASING - PRODUCTION	\$486,545.87
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$35,000.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$259,754.69
8020.1100	TDC - CASING - SURFACE	\$80,869.53
	Sub-total	\$928,045.09
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
	Grand Total	\$8,709,441.54

Accepted and Approved By:
Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Date: _____



Cost Estimate

Printed Date: Jun 6, 2024

AFE Number:	500342	Description:	SHL: 100' FSL & 1650' FEL of Section 27
AFE Name:	EXPLORER 27-22 FED #223H		BHL: 100' FNL & 1650' FEL of Section 22
Well Operator:	PERMIAN RESOURCES	AFE TYPE:	Drill and Complete / 2nd BSPG
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Pipeline		
8036.2200	PLN - CONTRACT LABOR	\$31,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$4,688.00
8036.2800	PLN - FLOWLINE MATERIAL	\$80,467.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$3,750.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$15,625.00
8036.1310	PLN - PERMANENT EASEMENT	\$46,406.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
	Sub-total	\$197,436.00
Drilling Intangible		
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.2150	IDC - DRILL BIT	\$53,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$45,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$418,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$45,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,000.00
8015.5200	IDC - CONTINGENCY	\$124,808.55
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.4300	IDC - WELLSITE SUPERVISION	\$66,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$160,000.00
8015.2300	IDC - FUEL / POWER	\$97,750.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3700	IDC - DISPOSAL	\$97,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$224,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$110,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$8,400.00
8015.2400	IDC - RIG WATER	\$7,150.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$8,225.87
8015.2350	IDC - FUEL/MUD	\$40,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$39,700.00
8015.4200	IDC - MANCAMP	\$28,000.00

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Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.4100	IDC - RENTAL EQUIPMENT	\$23,000.00
	Sub-total	\$2,091,867.75
Completion Intangible		
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$531,136.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1600	ICC - COILED TUBING	\$202,347.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$192,551.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$19,478.00
8025.3500	ICC - WELLSITE SUPERVISION	\$46,575.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$138,504.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,229,624.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$533,862.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3050	ICC - SOURCE WATER	\$180,253.00
	Sub-total	\$4,234,205.00
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$33,834.25
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$177,697.81
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1400	TDC - CASING - PRODUCTION	\$634,109.78
	Sub-total	\$911,516.84
Facilities		
8035.3800	FAC - FLARE/COMBUSTER	\$13,571.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,857.00
8035.3600	FAC - ELECTRICAL	\$46,429.00
8035.3400	FAC - METER & LACT	\$26,143.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.1700	FAC - RENTAL EQUIPMENT	\$4,286.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$83,429.00
8035.3500	FAC - COMPRESSOR	\$4,571.00
8035.2900	FAC - TANK BATTERY	\$58,571.00
8035.2100	FAC - INSPECTION & TESTING	\$286.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$152,857.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$7,143.00
8035.2400	FAC - SUPERVISION	\$2,857.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$286.00
8035.3700	FAC - AUTOMATION MATERIAL	\$35,714.00



Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2000	FAC - WASTE DISPOSAL	\$286.00
8035.4500	FAC - CONTINGENCY	\$17,254.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1310	FAC - PEMANENT EASEMENT	\$5,714.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$100,000.00
	Sub-total	\$592,396.00
Flowback Intangible		
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$290,000.00
8040.1200	IFC - COMPLETION RIG	\$30,000.00
8040.2300	IFC - COMPLETION FLUID	\$20,000.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$5,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$20,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$50,000.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
	Sub-total	\$605,000.00
Flowback Tangible		
8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$50,000.00
8045.2000	TFC - WELLHEAD EQUIPMENT	\$40,000.00
8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$5,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$95,000.00
8045.3100	TFC - MEASUREMENT EQUIPMENT	\$30,000.00
8045.1100	TFC - TUBING	\$120,000.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
	Sub-total	\$350,000.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
Grand Total		\$9,029,671.59

Accepted and Approved By:
Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Date: _____



Cost Estimate

Printed Date: Jun 6, 2024

AFE Number:	500342	Description:	SHL: 100' FSL & 1650' FEL of Section 27
AFE Name:	EXPLORER 27-22 FED #224H		BHL: 100' FNL & 1650' FEL of Section 22
Well Operator:	PERMIAN RESOURCES	AFE TYPE:	Drill and Complete / 2nd BSPG
Operator AFE #:			

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Pipeline		
8036.2200	PLN - CONTRACT LABOR	\$31,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$4,688.00
8036.2800	PLN - FLOWLINE MATERIAL	\$80,467.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$3,750.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$15,625.00
8036.1310	PLN - PERMANENT EASEMENT	\$46,406.00
8036.3200	PLN - VALVES FITTINGS & PIPE	\$15,000.00
	Sub-total	\$197,436.00
Drilling Intangible		
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$18,000.00
8015.2150	IDC - DRILL BIT	\$53,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$45,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$418,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$45,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$50,000.00
8015.5200	IDC - CONTINGENCY	\$124,808.55
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.4300	IDC - WELLSITE SUPERVISION	\$66,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$50,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$160,000.00
8015.2300	IDC - FUEL / POWER	\$97,750.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.3700	IDC - DISPOSAL	\$97,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$224,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$110,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$8,400.00
8015.2400	IDC - RIG WATER	\$7,150.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$8,225.87
8015.2350	IDC - FUEL/MUD	\$40,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$39,700.00
8015.4200	IDC - MANCAMP	\$28,000.00

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PERMIAN
 RESOURCES

Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8015.4100	IDC - RENTAL EQUIPMENT	\$23,000.00
	Sub-total	\$2,091,867.75
Completion Intangible		
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$531,136.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.1600	ICC - COILED TUBING	\$202,347.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$192,551.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$19,478.00
8025.3500	ICC - WELLSITE SUPERVISION	\$46,575.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.3000	ICC - WATER HANDLING	\$138,504.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$2,229,624.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$533,862.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.3050	ICC - SOURCE WATER	\$180,253.00
	Sub-total	\$4,234,205.00
Drilling Tangible		
8020.1100	TDC - CASING - SURFACE	\$33,834.25
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$177,697.81
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1400	TDC - CASING - PRODUCTION	\$634,109.78
	Sub-total	\$911,516.84
Facilities		
8035.3800	FAC - FLARE/COMBUSTER	\$13,571.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$28,571.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$2,857.00
8035.3600	FAC - ELECTRICAL	\$46,429.00
8035.3400	FAC - METER & LACT	\$26,143.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$286.00
8035.1700	FAC - RENTAL EQUIPMENT	\$4,286.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$83,429.00
8035.3500	FAC - COMPRESSOR	\$4,571.00
8035.2900	FAC - TANK BATTERY	\$58,571.00
8035.2100	FAC - INSPECTION & TESTING	\$286.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$152,857.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$7,143.00
8035.2400	FAC - SUPERVISION	\$2,857.00
8035.2500	FAC - CONSULTING SERVICES	\$714.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$286.00
8035.3700	FAC - AUTOMATION MATERIAL	\$35,714.00



Cost Estimate

Printed Date: Jun 6, 2024

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
8035.2000	FAC - WASTE DISPOSAL	\$286.00
8035.4500	FAC - CONTINGENCY	\$17,254.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$571.00
8035.1310	FAC - PERMANENT EASEMENT	\$5,714.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$100,000.00
	Sub-total	\$592,396.00
Flowback Intangible		
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$290,000.00
8040.1200	IFC - COMPLETION RIG	\$30,000.00
8040.2300	IFC - COMPLETION FLUID	\$20,000.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$5,000.00
8040.3500	IFC - WELLSITE SUPERVISION	\$20,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$50,000.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
	Sub-total	\$605,000.00
Flowback Tangible		
8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$50,000.00
8045.2000	TFC - WELLHEAD EQUIPMENT	\$40,000.00
8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$5,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$95,000.00
8045.3100	TFC - MEASUREMENT EQUIPMENT	\$30,000.00
8045.1100	TFC - TUBING	\$120,000.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
	Sub-total	\$350,000.00
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
	Sub-total	\$47,250.00
Grand Total		\$9,029,671.59

Accepted and Approved By:
Company Name (If Applicable): _____

By: _____

Printed Name: _____

Title: _____

Date: _____