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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24717** 

## **EXHIBIT INDEX**

# Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Ryan Curry
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties, Overlapping Spacing Unit
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Chris Cantin
B-1	Regional Locator Map
B-2	Cross-Section Location Map
B-3	Wolfcamp Subsea Structure Map
B-4	Stratigraphic Cross-Section
B-5	Gun Barrel Development Plan
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Notice of Overlapping Spacing Unit Letter
C-5	Chart of Notice for Overlapping Spacing Unit
C-6	Copies of Certified Mail Receipts and Returns for Overlapping Spacing Unit Letter

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C-7 Affidavit of Publication for July 18, 2024

COMPULSORY POOLING APPLICATION CHECKLIST			
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS			
Case: 24717	APPLICANT'S RESPONSE		
Date: August 8, 2024			
Applicant	Permian Resources Operating, LLC		
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (OGRID No. 372165)		
Applicant's Counsel:	Hinkle Shanor LLP		
Case Title:	Application of Permian Resources Operating, LLC for Compulsory		
case ride.	Pooling and Overlapping Spacing Unit, Eddy County, New Mexico.		
Entries of Appearance/Intervenors:	N/A		
Well Family	Outback		
Formation/Pool	Outback		
Formation Name(s) or Vertical Extent:	Wolfcamp		
	•		
Primary Product (Oil or Gas):	Gas		
Pooling this vertical extent:	Wolfcamp		
Pool Name and Pool Code:	Burton Flat; Wolfcamp, North (Gas) (Code 73520)		
Well Location Setback Rules:	Statewide		
Spacing Unit			
Type (Horizontal/Vertical)	Horizontal		
Size (Acres)	320 acres		
Building Blocks:	quarter-quarter		
Orientation:	East to West		
Description: TRS/County	N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy		
	County, New Mexico		
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes.		
and is approval of non-standard unit requested in this			
application?			
Other Situations			
Depth Severance: Y/N. If yes, description	No.		
Proximity Tracts: If yes, description	No.		
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,	Add wells as needed		
footages, completion target, orientation, completion status			
(standard or non-standard)			
Well #1	Outback 13-14 Fed Com 203H (API # pending)		
	SHL: 2066' FSL & 255' FEL (Unit I), Section 13, T20S-R28E		
	BHL: 2310' FSL & 10' FWL (Unit L), Section 14, T20S-R28E		
	Completion Target: Wolfcamp (Approx. 9,224' TVD)		
AFE Capex and Operating Costs			
Drilling Supervision/Month \$	\$10,000		
Production Supervision/Month \$	\$1,000		
Justification for Supervision Costs	Exhibit A-4		
Requested Risk Charge	200%		
	200%		
Notice of Hearing	Evhibit A 1		
Proposed Notice of Hearing	Exhibit A-1		
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3, C-4, C-5, C-6		
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-7		
Ownership Determination	E Libit A 2		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3		
Tract List (including lease numbers and owners)	Exhibit A-3		
If approval of Non-Standard Spacing Unit is requested, Tract			
List (including lease numbers and owners) of Tracts subject to			
notice requirements.	N/A		
Pooled Parties (including ownership type)	Exhibit A-3		
	•		

Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above &		
below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5	
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	Exhibits B-3	
Cross Section Location Map (including wells)	Exhibit B-2	
Cross Section (including Landing Zone)	Exhibit B-4	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.		
Printed Name (Attorney or Party Representative):	Dana S. Hardy	
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy	
Date:	8/1/2024	
I		

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24717** 

# SELF-AFFIRMED STATEMENT OF RYAN CURRY

- 1. I am employed by Permian Resources Operating, LLC ("Permian Resources") as a Senior Landman. 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. I am familiar with the land matters involved in the above-referenced cases. Copies of Permian Resources' (OGRID No. 372165) ("Applicant") application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. Applicant seeks an order pooling all uncommitted interests in the Wolfcamp formation underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit").
  - 4. Applicant owns a working interest in the Unit.
- 5. The Unit will be dedicated to the **Outback 13-14 Fed Com 203H** well ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14.

Permian Resources Operating, LLC Case No. 24717 Exhibit A

- 6. The Well will be completed in the BURTON FLAT; WOLFCAMP, NORTH (GAS) pool (Code 73520).
  - 7. The completed interval of the Well will be orthodox.
- 8. The Unit will partially overlap with the spacing unit for the Government R Com #001 (API No. 30-015-20871), which is located in the S/2 of Section 14, Township 20 South, Range 28 East, and produces from the Burton Flat; Wolfcamp, North (Gas) Pool (Code 73520).
  - 9. **Exhibit A-2** contains the C-102 for the Well.
- 10. **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 Applicant seeks to pool highlighted in yellow. All of the parties are locatable in that Applicant believes it located valid addresses for them. Exhibit A-3 also depicts the overlapping spacing unit.
- 11. Permian Resources has conducted a diligent search of all county public records, including phone directories, computer databases, and internet searches to locate the interest owners it seeks to pool.
- 12. **Exhibit A-4** contains a sample well proposal letter that was sent to interest owners for the Well. 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.
- 13. In my opinion, Applicant made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit** A-5.
- 14. 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 should be designated as operator of the Well and the Unit.

- 15. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Well is being drilled, and \$1,000 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Permian Resources and other operators in the vicinity.
- 16. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 17. In my opinion, the granting of Applicant's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 18. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my electronic signature below.

Ryan Curry

7/29/24 Date

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

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24717** 

## **APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order: (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the 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 **Outback 13-14 Fed Com 203H** well ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14.
  - 3. The completed interval of the Well will be orthodox.
- 4. The Unit will partially overlap with the spacing unit for the Government R Com #001 (API No. 30-015-20871), which is located in the S/2 of Section 14, Township 20 South, Range 28 East, and produces from the Burton Flat; Wolfcamp, North (Gas) Pool (Code 73520).
- 5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

Permian Resources Operating, LLC Case No. 24717 Exhibit A-1

- 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, 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 Applicant should be designated the operator of the Well and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2024, 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 Well in the Unit;
- C. Approving the proposed overlapping spacing unit;
- D. Designating Permian Resources Operating, LLC as operator of the Unit and the
   Well to be drilled thereon;
- E. Authorizing Permian Resources Operating, LLC to recover its costs of drilling, equipping, and completing the Well;
- 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 Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

#### HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy
Jaclyn M. McLean
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

Counsel for Permian Resources Operating, LLC

Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Eddy County, New Mexico. Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the Outback 13-14 Fed Com 203H well ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Government R Com #001 (API No. 30-015-20871), which is located in the S/2 of Section 14, Township 20 South, Range 28 East, and produces from the Burton Flat; Wolfcamp, North (Gas) Pool (Code 73520). Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 15 miles northeast of Carlsbad, New Mexico.

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

Permian Resources Operating, LLC

Email Address

Well Number Property Name Drawn By Revised By OUTBACK 13-14 FED COM 203H Z.L. 12-06-23 REV. 2 N.R. 07-19-24 (UPDATE TO NEW FORMAT)

NAD 83 (FIRST TAKE POINT)

LATITUDE = 32°34'21.97" (32.572768

LONGITUDE = -104°07'22.90" (-104.123027° NAD 27 (SHL/KOP) LATITUDE = 32°34'19.13" (32.571980°) LONGITUDE = -104°07'21.08" (-104.122521° STATE PLANE NAD 83 (N.M. EAST) N: 571924 08' E: 606122 12 STATE PLANE NAD 27 (N.M. EAST)

LATITUDE = 32°34'19.55" (32.572098°)

NAD 83 (SHL/KOP)

N: 571862.60' E: 564941.78 NAD 83 (LAST TAKE POINT)

LONGITUDE = -104°07'21.05" (-104.122513°) NAD 27 (FIRST TAKE POINT) LATITUDE = 32°34'21.54" (32.572650°) LONGITUDE = -104°07'19.23" (-104.122008° STATE PLANE NAD 83 (N.M. EAST) N: 572168 12' E: 606279 77 STATE PLANE NAD 27 (N.M. EAST) N: 572106.63' E: 565099.43'

NAD 83 (LPP) LATITUDE = 32°34'21.94" (32.572760°) LONGITUDE = -104°08'37.83" (-104.143841°) NAD 27 (LPP) LATITUDE = 32°34'21.51" (32.572642°) LONGITUDE = -104°08'36.01" (-104.143335°) STATE PLANE NAD 83 (N.M. EAST) N: 572152 68' E: 599709 90' STATE PLANE NAD 27 (N.M. EAST) N: 572091.25' E: 558529.59'

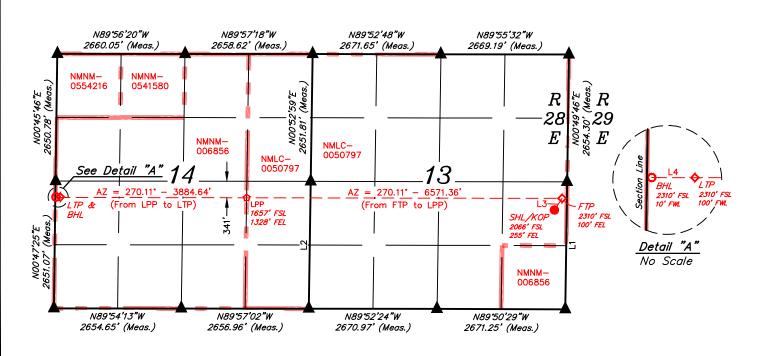
LONGITUDE = -104°09'23.21" (-104.156448°) NAD 27 (LAST TAKE POINT) LATITUDE = 32°34'21.49" (32.572635°) LONGITUDE = -104°09'21.39" (-104.155942° STATE PLANE NAD 83 (N.M. EAST) N: 572143.56' E: 595826.16' STATE PLANE NAD 27 (N.M. EAST) N: 572082.16' E: 554645.86'

LATITUDE = 32°34'21.91" (32.572753°

NAD 83 (BOTTOM HOLE LOCATION) LATITUDE = 32°34'21.91" (32.572753° LONGITUDE = -104°09'24.27" (-104.156741°) NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°34'21.49" (32.572635 LONGITUDE = -104°09'22.44" (-104.156234°) STATE PLANE NAD 83 (N.M. EAST) STATE PLANE NAD 27 (N.M. EAST) N: 572081.93' E: 554555.88'

LINE TABLE		
LINE	DIRECTION LENGTH	
L1	N00°50'40"E	2653.68
L2	N00°49'20"E	2651.97

WELLBORE - LINE TABLE		
LINE	DIRECTION	LENGTH
L3	$AZ = 33.10^{\circ}$	290.60'
L4	AZ = 270.10°	90.01'



- = SURFACE HOLE LOCATION/KICK OFF POINT = FIRST TAKE POINT/LAST TAKE POINT
- = LEASE PENETRATION POINT
- = BOTTOM HOLE LOCATION
- = SECTION CORNER LOCATED
- = LEASE LINE.

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

Sheet 2 of 2



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## PERMIAN RESOURCES OPERATING, LLC OUTBACK 13-14 FED COM 203H

#### Lands:

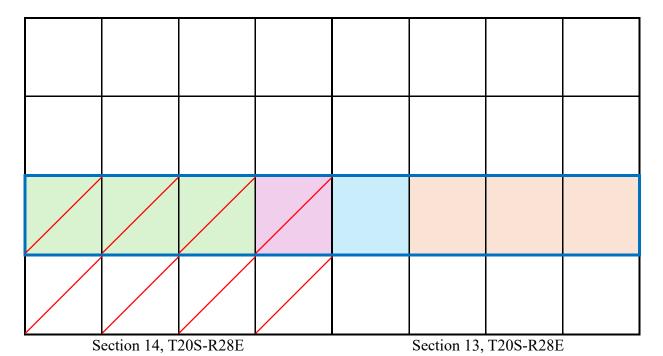
Township 20 South – Range 28 East, N.M.P.M.

Section 13: N/2S/2 Section 14: N/2S/2

Eddy County, New Mexico

Containing 320.00 acres, more or less Limited to the Wolfcamp Formation

# **Tract Diagram:**



Tract 1 USA BLM NMNM 006856
Tract 2 USA BLM NMLC 050797
Tract 3 USA BLM NMLC 050797
Tract 4 USA BLM NMLC 050797
Spacing Unit Government R Com #1

Permian Resources Operating, LLC Case No. 24717 Exhibit A-3

# PERMIAN RESOURCES OPERATING, LLC OUTBACK 13-14 FED COM 203H

# **Unit Ownership:**

Total	100.000000%
Great Western Drilling Ltd.	2.079525%
Davoil, Inc.	1.145745%
Sabinal Energy Operating, LLC	0.445868%
Permian Resources Operating, LLC	96.328862%

#### Tract 2: Section 14: NE/4SE/4 (Containing 40.00 Acres More or Less)

Total	100.000000%
LLJ Ventures, LLC	Record Title
Great Western Drilling Ltd.	2.079525%
Davoil, Inc.	1.145745%
Sabinal Energy Operating, LLC	0.445868%
Permian Resources Operating, LLC	96.328862%

# Tract 3: Section 13: NW/4SW/4 (Containing 40.00 Acres More or Less)

Permian Resources Operating, LLC	85.416667%
Javelina Partners	3.949666%
Lindy's Living Trust U/T/A 7/8/1994	3.190100%
Delmar Hudson Lewis Living Trust U/T/A 9/9/2002	3.190100%
Zorro Partners, Ltd	2.126733%
Ard Oil, Ltd	1.595050%
Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard	0.531684%
LLJ Ventures, LLC	Record Title
Total	100.000000%

## Tract 4: Section 13: N/2SE/4, NE/4SW/4 (Containing 120.00 Acres More or Less)

Permian Resources Operating, LLC	85.416667%
Javelina Partners	3.949666%
Lindy's Living Trust U/T/A 7/8/1994	3.190100%
Delmar Hudson Lewis Living Trust U/T/A 9/9/2002	3.190100%
Zorro Partners, Ltd	2.126733%
Ard Oil, Ltd	1.595050%
Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard	0.531684%
LLJ Venture, LLC	Record Title
Total	100.000000%

# PERMIAN RESOURCES OPERATING, LLC OUTBACK 13-14 FED COM 203H

# **Unit Working Interest**

Permian Resources Operating, LLC	90.872765%
Sabinal Energy Operating, LLC	0.222934%
Davoil, Inc.	0.572873%
Great Western Drilling Ltd.	1.039763%
Javelina Partners	1.974833%
Lindy's Living Trust U/T/A 7/8/1994	1.595050%
Delmar Hudson Lewis Living Trust U/T/A 9/9/2002	1.595050%
Zorro Partners, Ltd	1.063367%
Ard Oil, Ltd	0.797525%
Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard	0.265842%
LLJ Ventures, LLC	Record Title
Total	100.000000%
Total Committed to Unit	90.872765%
Total Seeking to Pool	9.127236%
Parties Seeking to Pool	



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

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

June 12, 2024 Via Certified Mail

Sabinal Energy Operating, LLC 1780 Hughes Landing Blvd Ste 1200 The Woodlands, TX 77380

RE: Well Proposals – Outback 13-14 Fed Com

All of Sections 13 & 14, T20S-R28E

Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator, hereby proposes the drilling and completion of the following eight (8) wells, the Outback 13 14 Fed Com at the following approximate locations within Township 20 South, Range 28 East, Eddy Co., NM:

#### 1. Outback 13-14 Fed Com 131H

SHL: 433' FEL & 1,320' FNL of Section 13 (Unit Letter A)

BHL: 10' FWL & 990' FNL of Section 13 FTP: 100' FEL & 990' FNL of Section 13 LTP: 100' FWL & 990' FNL of Section 13

TVD: Approximately 8,877' TMD: Approximately 14,162'

Proration Unit: N/2N/2 of Section 13 Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See enclosed AFE

#### 2. Outback 13-14 Fed Com 132H

SHL: 403' FEL & 1,320' FNL of Section 13 (Unit Letter A)

BHL: 10' FWL & 2,310' FNL of Section 14 FTP: 100' FEL & 2,310' FNL of Section 13 LTP: 100' FWL & 2,310' FNL of Section 14

TVD: Approximately 8,879' TMD: Approximately 19,164'

Proration Unit: S/2N/2 of Sections 13 & 14

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

#### 3. Outback 13-14 Fed Com 133H

SHL: 285' FEL & 2,066' FSL of Section 13 (Unit Letter I)

BHL: 10' FWL & 1,650' FSL of Section 14 FTP: 100' FEL & 1,650' FSL of Section 13 LTP: 100' FWL & 1,650' FSL of Section 14

TVD: Approximately 8,875' TMD: Approximately 19,160'

Proration Unit: N/2S/2 of Sections 13 & 14

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

Permian Resources Operating, LLC Case No. 24717 Exhibit A-4

#### 4. Outback 13-14 Fed Com 134H

SHL: 315' FEL & 2,067' FSL of Section 13 (Unit Letter I)

BHL: 10' FWL & 330' FSL of Section 14 FTP: 100' FEL & 330' FSL of Section 13 LTP: 100' FWL & 330' FSL of Section 14

TVD: Approximately 8,875' TMD: Approximately 19,160'

Proration Unit: S/2S/2 of Sections 13 & 14

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

#### 5. Outback 13-14 Fed Com 201H

SHL: 373' FEL & 1,320' FNL of Section 13 (Unit Letter A)

BHL: 10' FWL & 330' FNL of Section 14 FTP: 100' FEL & 330' FNL of Section 13 LTP: 100' FWL & 330' FNL of Section 14

TVD: Approximately 9,228' TMD: Approximately 19,513'

Proration Unit: N/2N/2 of Sections 13 & 14

Targeted Interval: Wolfcamp Total Cost: See enclosed AFE

#### 6. Outback 13-14 Fed Com 202H

SHL: 343' FEL & 1,321' FNL of Section 13 (Unit Letter A)

BHL: 10' FWL & 1,650' FNL of Section 14 FTP: 100' FEL & 1,650' FNL of Section 13 LTP: 100' FWL & 1,650' FNL of Section 14

TVD: Approximately 9,230' TMD: Approximately 19,515'

Proration Unit: S/2N/2 of Sections 13 & 14

Targeted Interval: Wolfcamp Total Cost: See enclosed AFE

#### 7. Outback 13-14 Fed Com 203H

SHL: 255' FEL & 2,066' FSL of Section 13 (Unit Letter I)

BHL: 10' FWL & 2,310' FSL of Section 14 FTP: 100' FEL & 2,310' FSL of Section 13 LTP: 100' FWL & 2,310' FSL of Section 14

TVD: Approximately 9,224' TMD: Approximately 19,509'

Proration Unit: N/2S/2 of Sections 13 & 14

Targeted Interval: Wolfcamp Total Cost: See enclosed AFE

#### 8. Outback 13-14 Fed Com 204H

SHL: 225' FEL & 2,067' FSL of Section 13 (Unit Letter I)

BHL: 10' FWL & 990' FSL of Section 14 FTP: 100' FEL & 990' FSL of Section 13 LTP: 100' FWL & 990' FSL of Section 14

TVD: Approximately 9,224' TMD: Approximately 19,509'

Proration Unit: S/2S/2 of Sections 13 & 14

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

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

Please indicate your election to participate in the drilling and completion of the proposed wells 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.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.0209 or Kathryn Hanson by email at <a href="mailto:Kathryn.hanson@permianres.com">Kathryn.hanson@permianres.com</a>.

Respectfully,

Ryan Curry Senior Landman

Ryan B Cury

**Enclosures** 

ELECTIONS ON PAGE TO FOLLOW

# **Outback 13-14 Fed Com Elections:**

Well Elections: (Please indicate your responses in the spaces below)			
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate	
Outback 13-14 Fed Com 131H			
Outback 13-14 Fed Com 132H			
Outback 13-14 Fed Com 133H			
Outback 13-14 Fed Com 134H			
Outback 13-14 Fed Com 201H			
Outback 13-14 Fed Com 202H			
Outback 13-14 Fed Com 203H			
Outback 13-14 Fed Com 204H			

Company Name (If Applicable):				
3у:				
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:	





Printed Date: Apr 17, 2024

AFE Number: Description: SECTIONS 13 & 14 T20S-R28E

AFE Name: OUTBACK 13-14 FED COM 203H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES OPERATING

Operator AFE #:

Account	Description		Gross Est. (\$)
Flowback Intangibl	e		
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$226,200.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS		\$5,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
		Sub-total	\$441,200.00
Artificial Lift Tangil	ble		
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$70,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$60,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$10,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL		\$30,000.00
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL		\$80,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
		Sub-total	\$420,000.00
Completion Intangi	ble		
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2000	ICC - TRUCKING		\$14,375.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,487,131.00
8025.3400	ICC - RENTAL EQUIPMENT		\$202,410.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3000	ICC - WATER HANDLING		\$199,134.00
8025.1500	ICC - FUEL / POWER		\$647,517.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$18,113.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$398,624.00
8025.3500	ICC - WELLSITE SUPERVISION		\$56,700.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.3050	ICC - SOURCE WATER		\$368,398.00
8025.1600	ICC - COILED TUBING		\$226,602.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
		Sub-total	\$4,764,504.00
Drilling Intangible			

**Drilling Intangible** 





Printed Date: Apr 17, 2024

RESCONCES		Timed E	7410.71pi 17, 2024
Account	<u>Description</u>		Gross Est. (\$)
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$248,760.47
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$27,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$23,250.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$12,500.00
8015.2300	IDC - FUEL / POWER		\$165,305.08
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$143,200.00
8015.2600	IDC - MUD LOGGING		\$35,000.00
8015.4100	IDC - RENTAL EQUIPMENT		\$85,250.00
8015.1000	IDC - PERMITS,LICENSES,ETC		\$15,000.00
8015.4300	IDC - WELLSITE SUPERVISION		\$89,900.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$186,604.40
8015.2350	IDC - FUEL/MUD		\$73,570.31
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.5000	IDC - WELL CONTROL INSURANCE		\$8,525.00
8015.1700	IDC - DAYWORK CONTRACT		\$597,815.63
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$95,625.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$36,300.00
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.3700	IDC - DISPOSAL		\$153,384.00
8015.2400	IDC - RIG WATER		\$19,375.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$20,150.00
8015.4200	IDC - MANCAMP		\$40,300.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.5200	IDC - CONTINGENCY		\$116,725.85
8015.1500	IDC - RIG MOB / TRUCKING		\$127,500.00
8015.2150	IDC - DRILL BIT		\$98,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$47,812.50
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$37,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$53,346.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	0.1.4.1	\$60,934.38
Facilities		Sub-total	\$2,745,633.62
Facilities	FAC CONCULTING CERVICES		Ф <b>7</b> 4.4.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00
8035.3000	FAC - HEATER TREATER/SEPARATOR  FAC - MATERIALS & SUPPLIES		\$110,000.00 \$2,143.00
8035.1500	FAC - INSPECTION & TESTING		
8035.2100	FAC - SUPERVISION		\$714.00 \$8.571.00
8035.2400	FAC - TRANSPORTATION TRUCKING		\$8,571.00
8035.1600 8035.3700	FAC - AUTOMATION MATERIAL		\$4,286.00 \$10,714.00
8035.4500	FAC - CONTINGENCY		\$7,884.00
8035.2200	FAC - CONTINGENCT  FAC - CONTRACT LABOR / ROUSTAB		\$21,429.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$21,429.00 \$57,143.00
8035.3600	FAC - ELECTRICAL		\$10,714.00
3333.0000	. NO ELECTRICAL		Ψ10,717.00





Printed Date: Apr 17, 2024

KESOOKCES		Timod E	7010.71pi 17, 2024
<u>Account</u>	<u>Description</u>		Gross Est. (\$
8035.1700	FAC - RENTAL EQUIPMENT		\$7,143.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT		\$12,857.00
8035.3400	FAC - METER & LACT		\$14,500.00
8035.4400	FAC - COMPANY LABOR		\$1,429.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$429.00
		Sub-total	\$270,670.00
Artificial Lift Intangi	ible		
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8060.1200	IAL - WORKOVER RIG		\$17,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$5,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
		Sub-total	\$80,000.00
Pipeline			
8036.2800	PLN - FLOWLINE MATERIAL		\$147,840.00
8036.2200	PLN - CONTRACT LABOR		\$125,664.00
8036.1310	PLN - PEMANENT EASEMENT		\$13,440.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$15,000.00
		Sub-total	\$301,944.00
Drilling Tangible			
8020.1100	TDC - CASING - SURFACE		\$20,302.25
8020.1500	TDC - WELLHEAD EQUIPMENT		\$63,750.00
8020.1400	TDC - CASING - PRODUCTION		\$454,891.41
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$102,905.25
		Sub-total	\$641,848.91
Completion Tangibl	le		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
		Grand Total	\$9,713,050.53



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

OFFICE 432.695.4222 FAX 432.695.4063

#### Outback - Chronology of Communication

- June 12, 2024 Proposal to all parties sent.
- June 17, 2024 Email correspondence with Javelina Partners & Zorro Partners, Ltd regarding interest.
- June 20, 2024 Email correspondence with Sabinal Energy, LLC regarding interest.
- June 25, 2024 Email received from Delmar Hudson Lewis Trust requesting information on interest.
- June 27, 2024 Email received from Great Western Drilling requesting information on interest.
- July 2, 2024 Received Ard Oil's election to participate.
- July 2, 2024 Received Great Western Drilling's election to participate.
- July 23, 2024 Email correspondence with Javelina Partners & Zorro Partners regarding JOA.
- July 24, 2024 Email correspondence with Sabinal Energy, LLC regarding JOA.
- July 24, 2024 Email correspondence with Great Western Drilling regarding JOA.

Permian Resources Operating, LLC Case No. 24717 Exhibit A-5

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

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24715, 24716 24717, 24718

## SELF-AFFIRMED STATEMENT OF CHRIS 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 Outback project area, in proximity to the Capitan Reef within the Delaware Basin, for the Wolfcamp horizontal spacing units that are the subject of these applications.
- 4. Exhibit B-2 is a cross section location map for the proposed horizontal spacing units ("Units") within the Wolfcamp formation. The approximate wellbore paths for the proposed Outback 13-14 Fed Com 201H, Outback 13-14 Fed Com 202H, Outback 13-14 Fed Com 203H, and Outback 13-14 Fed Com 204H wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in

Permian Resources Operating, LLC Case No. 24717 Exhibit B proximity to the proposed Wells. The pooling unit areas are defined by blue boxes and are labeled with their respective case numbers.

- 5. **Exhibit B-3** is a Subsea Structure map on the Wolfcamp formation in TVD subsea with a contour interval of 100 ft. The map identifies the approximate wellbore paths for the proposed Wells with a purple 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 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 a dashed line to be drilled from east to west across the units. This cross-section demonstrates the target intervals are continuous across the Unit.
- 7. **Exhibit B-5** is a gun barrel diagram that shows the proposed Wells in the Wolfcamp formation. The spacing units are defined by blue dashed boxes and are labeled with their respective case numbers.
- 8. 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.

- 9. 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.
- 10. In my opinion, granting the application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 11. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 12. 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.

Chris Cantin

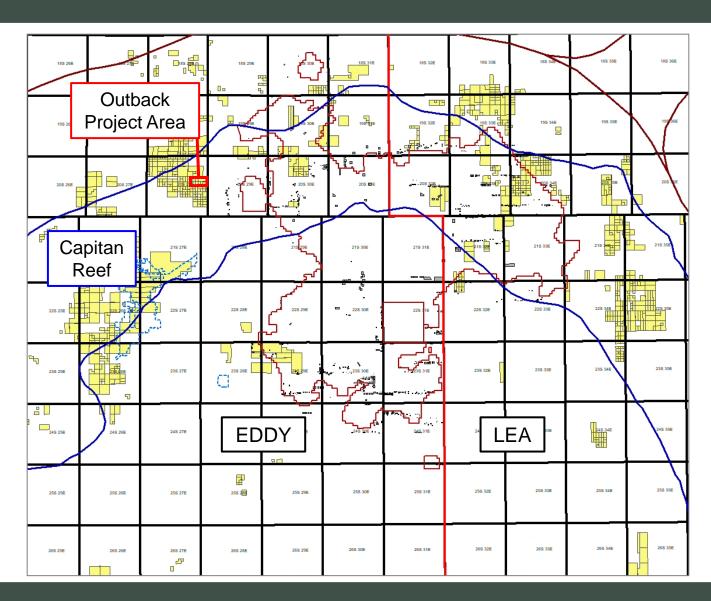
07/29/2024

Date

# Regional Locator Map Outback 13-14 Fed Com

Permian Resources Operating, LLC Case No. 24717 Exhibit B-1





Permian Resources

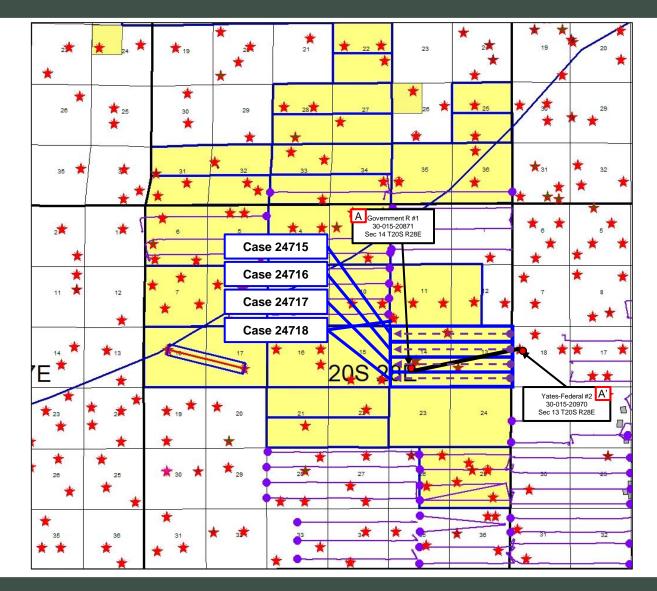


**Cross-Section Locator Map** 

Outback 13 – 14 Fed Com Wolfcamp 201H - 204H

# **Permian Resources Operating, LLC** Case No. 24717 Exhibit B-2





**Control Point** 





**Producing Wells** 



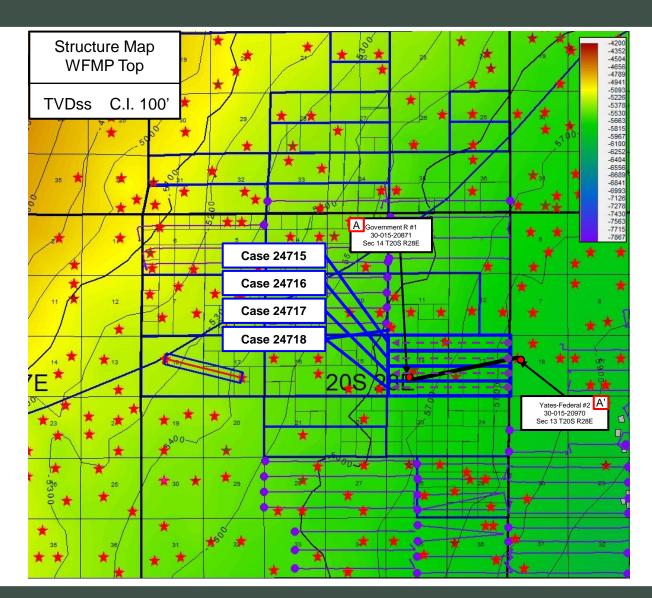
Permian Resources



# Wolfcamp – Structure Map Outback 13 – 14 Fed Com 201H - 204H

Permian Resources Operating, LLC Case No. 24717 Exhibit B-3





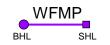
Control Point



**Proposed Wells** 



**Producing Wells** 



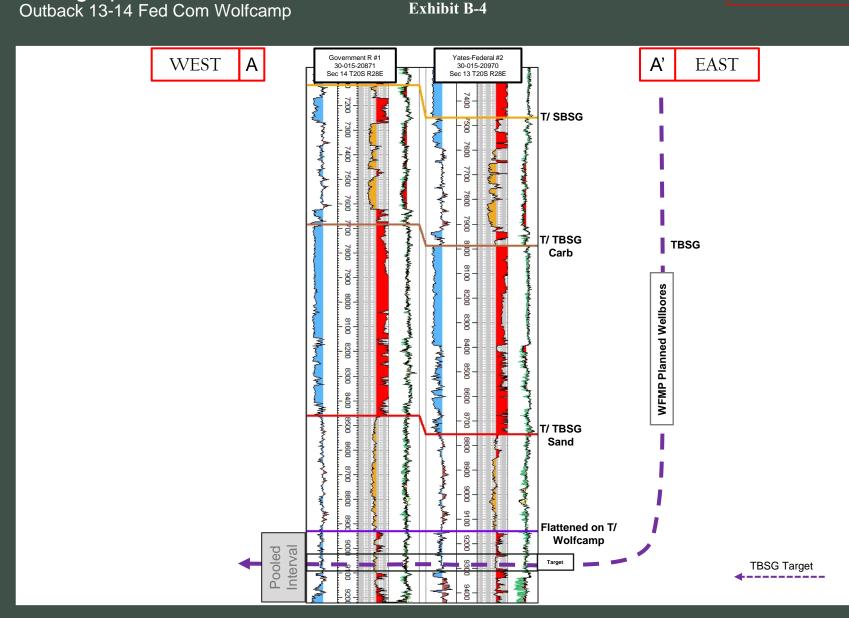
Permian Resources



Stratigraphic Cross-Section A-A'

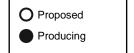
# **Permian Resources Operating, LLC** Case No. 24717

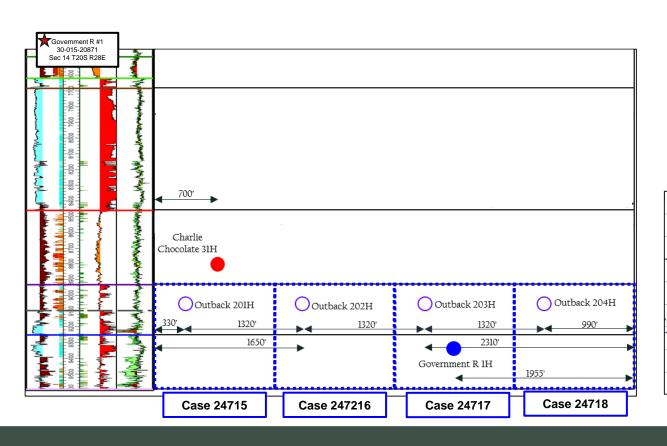


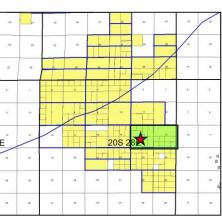












# STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24717** 

# SELF-AFFIRMED STATEMENT OF DANA S. HARDY

- I am attorney in fact and authorized representative of Permian Resources Operating,
   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 of Overlapping Spacing Unit Letter attached as **Exhibit C-4**, along with the Application in this case, to be sent to the parties listed on the chart attached as **Exhibit C-5**.
- 6. Exhibit C-5 also provides the date each Notice Letter was sent and the date each return was received.
- 7. 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.

Permian Resources Operating, LLC Case No. 24717 Exhibit C Received by OCD: 7/31/2024 9:49:46 AM

Page 35 of 69

8. On July 18, 2024, 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-7**.

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

/s/ Dana S. Hardy Dana S. Hardy July 29, 2024 Date



# HINKLE SHANOR LLP

#### ATTORNEYS AT LAW

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

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

July 11, 2024

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

#### TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24715, 24716, 24717 & 24718 – Applications of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Units,

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 **August 8, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: https://www.emnrd.nm.gov/ocd/hearing-info/. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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 through the OCD E-Permitting (https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/) via e-mail or 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 these applications, please contact Ryan Curry, Senior Landman at Permian Resources Operating, LLC, via email at <a href="mailto:ryan.curry@permianres.com">ryan.curry@permianres.com</a>.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Permian Resources Operating, LLC Case No. 24717

Enclosure

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

Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332

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

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNITS, EDDY COUNTY, NEW MEXICO.

**CASE NOS. 24715-24718** 

# **NOTICE LETTER CHART**

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Ard Oil, Ltd	7/11/24	07/25/24
P.O. Box 101027		
Fort Worth, TX 76102		
Davoil, Inc.	7/11/24	07/19/24
6300 Ridglea Place, Suite 1208		
Fort Worth, TX 76116		
Frost Bank Trustee of the Josephine T.	7/11/24	Per USPS Tracking
Hudson Testamentary Trust f/b/o J.		(Last Checked 07/29/24):
Terrell Ard		
640 Taylor Street, 17th Floor		07/15/24 – Delivered to
Fort Worth, TX 76102		individual at the address.
Great Western Drilling Ltd.	7/11/24	07/26/24
P.O. Box 1659		
Midland, TX 79701		
Javelina Partners	7/11/24	07/18/24
616 Texas Street		
Fort Worth, TX 76102		
LLJ Ventures, LLC	7/11/24	07/18/24
P.O. Box 3188		
Roswell, NM 88202		
Sabinal Energy Operating, LLC	7/11/24	07/29/24
1780 Hughes Landing Blvd, Ste 1200		
The Woodlands, Texas 77380		
Trustees of the Delmar Hudson Lewis	7/11/24	Per USPS Tracking
Living Trust created by Trust Agreement		(Last Checked 07/29/24):
dated September 9, 2002		
901 Main Street		07/25/24 – Item in transit
Dallas, TX 75202		to next facility.
Trustees of Lindy's Living Trust created	7/11/24	Per USPS Tracking
by Trust Agreement dated July 8, 1994		(Last Checked 07/29/24):
215 West Bandera Road		0.7/4.0/2.4
Suite 114-620		07/18/24 – Item in transit
Boerne, TX 78006		to next facility.

Permian Resources Operating, LLC Case No. 24717 Exhibit C-2

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

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNITS, EDDY COUNTY, NEW MEXICO.

**CASE NOS. 24715-24718** 

# **NOTICE LETTER CHART**

Union Oil Company of California	7/11/24	Per USPS Tracking
6301 Deauville		(Last Checked 07/29/24):
Midland, TX 79706		
		07/18/24 – Item in transit
		to next facility.
Zorro Partners, Ltd	7/11/24	07/18/24
616 Texas Street		
Fort Worth, TX 76102		

	U.S. Postal Service <sup>™</sup>
2	CERTIFIED MAIL® RECEIPT
	Domestic Mail Only
П	
40	For delivery information, visit our website at www.usps.com®.
ก	OFFICIALLISS
7	Certified Mail Fee
5	\$ 2000000000000000000000000000000000000
2	Extra Services & Fees (check box, add fee as appropriate)
	Return Receipt (hardcopy) \$
	☐ Return Receipt (electronic) \$ Postmark ☐ Certified Mall Restricted Delivery \$
L-	Adult Signature Required \$
5270	☐ Adult Signature Restricted Delivery \$
ш	Postage
	Postage \$ Total Postage and Fees
7	Total Postage and Fees
0770	\$
	Sent To
П	Street and Api-Bi Ard Oil, Ltd
	Street and Apt. N Ard Oil, Ltd P.O. Box 101027
L J	City, State, ZiP+4 Fort Worth, TX 76102
н	24715-18 - PRO Outback WC
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

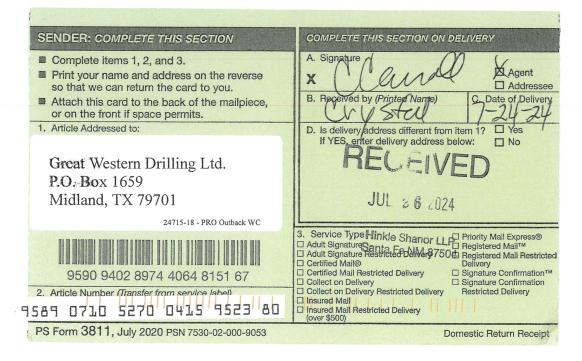
The state of the s		
SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3.  ■ Print your name and address on the reverse so that we can return the card to you.  ■ Attach this card to the back of the mailpiece, or on the front if space permits.  1. Article Addressed to:  Ard Oil, Ltd P.O. Box 101027 Fort Worth, TX 76102	A. Signature  X	
9590 9402 8974 4064 8152 11 2. Article Number (Transfer from service label) 710 5270 0751 2489 70	3. Service Type Hinkle Shanor LL Priority Mail Express® Adult Signature Resistant Delivery Registered Mail™ Restricted Delivery Stollect on Delivery Signature Confirmation™ Signature Confirmation™ Signature Confirmation™ Signature Confirmation™ Signature Confirmation™ Restricted Delivery Insured Mail Restricted Delivery (over \$500)	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	

Permian Resources Operating, LLC Case No. 24717 Exhibit C-3

1523 73	U.S. Postal Service  CERTIFIED MAIL® REC  Domestic Mail Only  For delivery information, visit our website	
5270 0475	Certified Mail Fee  \$ Extra Services & Fees (check box, add fee as appropriate)  Return Receipt (hardcopy)  Return Receipt (electronic)  Certified Mail Restricted Delivery  Adult Signature Required  Adult Signature Restricted Delivery \$  Postage	Postmark Here
9589 0710	\$ Total Postage and Fees \$ Sent To  Street and Apt. No. 6300 Ridglea Place, Suite 1208 Fort Worth, TX 76116 24715-18 - PRO Outbac  PS Form 3800, January 2028 PSN 7550-02-000-9047	:kWC



23 80	U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT  Domestic Mail Only  For delivery information, visit our website at www.usps.com <sup>®</sup> .
12	OFFICIAL USE
0710 5270 0415	Certified Mail Fee  \$ Extra Services & Fees (check box, add fee as appropriate)   Return Receipt (hardcopy)
9589	Sent To  Great Western Drilling Ltd, P.O. Box 1659 Midland, TX 79701  City, State, ZiP+4  PS Form 3800, January 2023 PSN 7530-02-000-9047  See Reverse for Instructions







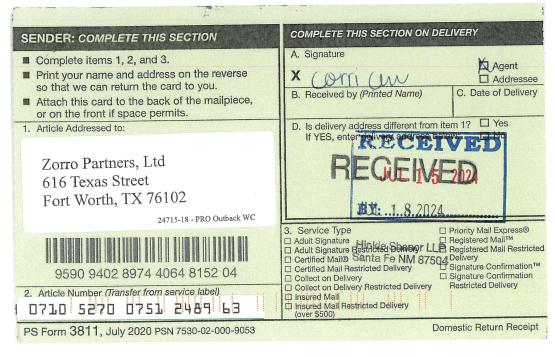


SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> <li>1. Article Addressed to:</li> </ul>	A. Signature  X
LLJ Ventures, LLC P.O. Box 3188 Roswell, NM 88202	JUL 1 8 2024
9590 9402 8974 4064 8152 35 2. Article Number (Transfer from service label) 2. D 5270 0751; 2489 94	3. Service Type   Hinkle Shanor LL   Priority Mail Express® Registered Mail™ Restricted Delivery   Gretified Mail®   Gr
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt





m	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT  Domestic Mail Only
2489	For delivery information, visit our website at www.usps.com <sup>o</sup> .
5270 0751	Certified Mail Fee  \$ Extra Services & Fees (check box, add fee as appropriate)   Return Receipt (hardcopy)
9589 0710	\$ Total Postage and Fees \$ Sent To Street and Ap
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions





# **USPS Tracking®**

FAQs >

**Tracking Number:** 

Remove X

# 9589071052700751248987

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# **Latest Update**

Your item was delivered to an individual at the address at 2:40 pm on July 15, 2024 in FORT WORTH, TX 76102.

# **Get More Out of USPS Tracking:**

USPS Tracking Plus®

### Delivered

#### Delivered, Left with Individual

FORT WORTH, TX 76102 July 15, 2024, 2:40 pm

### In Transit to Next Facility

July 14, 2024

### **Departed USPS Regional Facility**

FORT WORTH TX DISTRIBUTION CENTER July 13, 2024, 9:44 pm

# **Arrived at USPS Regional Facility**

FORT WORTH TX DISTRIBUTION CENTER July 13, 2024, 10:46 am

# **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 11, 2024, 9:49 pm Arrived at USPS Facility
ALBUQUERQUE, NM 87101
July 11, 2024, 9:13 pm

**Hide Tracking History** 

What Do USPS Tracking	ng Statuses Mean?	(https://faq.usp	os.com/s/article/Where-	-is-my-package)
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Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Track Another Package	
9589 0710 5270 0415 9524 34	

# **Need More Help?**

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# **USPS Tracking®**

FAQs >

**Tracking Number:** 

Remove X

# 9589071052700751248956

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# **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:**

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**Delivered** 

**Out for Delivery** 

**Preparing for Delivery** 

# **Moving Through Network**

In Transit to Next Facility

July 25, 2024

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

OKLAHOMA CITY OK DISTRIBUTION CENTER July 21, 2024, 11:37 am

# **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 11, 2024, 9:49 pm

### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101

July 11, 2024, 9:13 pm

Hide Tracking History

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

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Track Another Package	
Enter tracking or barcode numbers	

# **Need More Help?**

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# **USPS Tracking®**

FAQs >

**Tracking Number:** 

Remove X

# 9589071052700751248949

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# **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®

**Delivered** 

**Out for Delivery** 

**Preparing for Delivery** 

# **Moving Through Network**

In Transit to Next Facility

July 18, 2024

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

SAN ANTONIO TX DISTRIBUTION CENTER July 14, 2024, 10:26 am

### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 11, 2024, 9:49 pm

### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101

July 11, 2024, 9:13 pm

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

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USPS Tracking Plus®	~
Product Information	~
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rack Another Package	
Enter tracking or barcode numbers	

# **Need More Help?**

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# **USPS Tracking®**

FAQs >

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# 9589071052700751249007

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# **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®

**Delivered** 

**Out for Delivery** 

**Preparing for Delivery** 

# **Moving Through Network**

In Transit to Next Facility

July 18, 2024

# **Arrived at USPS Regional Facility**

MIDLAND TX DISTRIBUTION CENTER July 13, 2024, 8:03 pm

# **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 11, 2024, 9:49 pm

### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101

July 11, 2024, 9:13 pm

**Hide Tracking History** 

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

Text & Email Updates	~
USPS Tracking Plus®	~
Product Information	~
See Less ^	
Track Another Package	
Enter tracking or barcode numbers	

# **Need More Help?**

Contact USPS Tracking support for further assistance.



# HINKLE SHANOR LLP

#### **ATTORNEYS AT LAW**

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

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

July 19, 2024

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

#### NOTICE OF OVERLAPPING SPACING UNITS

Re: Notice Of Overlapping Spacing Units Regarding Case Nos. 24715, 24716, 24717, 24718 & 24724 – Applications of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Units, 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 ("Division").

In Case No. 24715, Permian Resources Operating, LLC applies for an order: (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 N/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the Outback 13-14 Fed Com 201H well.

In Case No. 24716, Permian Resources Operating, LLC applies for an order: (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 N/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the Outback 13-14 Fed Com 202H well.

In Case No. 24717, Permian Resources Operating, LLC applies for an order: (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the Outback 13-14 Fed Com 203H well.

In Case No. 24718, Permian Resources Operating, LLC applies for an order: (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Wolfcamp formation underlying the Unit. The Unit will be dedicated to the Outback 13-14 Fed Com 204H well.

Permian Resources Operating, LLC Case No. 24717

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 April 5, 2024 Page 2

In Case No. 24724, Permian Resources Operating, LLC applies for an order: (1) establishing a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 N/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying the Unit. The Unit will be dedicated to the Outback 13-14 Fed Com 132H well.

The Units will partially overlap with the spacing units for the following wells:

Well Name	<u>API</u>	<b>Operator</b>	Spacing Unit	<u>Pool</u>
		Permian		
		Resources		
Government	30-015-	Operating,		Burton Flat; Wolfcamp,
T Com #001	20958	LLC	N/2 14-20S-28E	North (Gas) (73520)
		Permian		
Government		Resources		
R Com	30-015-	Operating,		Burton Flat; Wolfcamp,
#001	20871	LLC	S/2 14-20S-28E	North (Gas) (73520)
Government		Permian		
AC 13		Resources		
Federal	30-015-	Operating,		Russell; Bone Spring
#005H	40880	LLC	S/2 N/2 13-20S-28E	(52805)

In accordance with 19.15.15.12(B) NMAC, you have 20 days to notify the undersigned counsel or Ryan Curry, Senior Landman at Permian Resources Operating, LLC, via email at (<a href="mailto:ryan.curry@permianres.com">ryan.curry@permianres.com</a>) that you object to the proposed overlapping spacing unit.

.Please do not hesitate to contact me if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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

APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNITS, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24715, 24716, 24717 & 24718

# **NOTICE LETTER CHART**

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Davoil Inc	07/19/2024	07/25/24
6300 Ridglea Place, Suite 1208		
Fort Worth, TX 76116		
Devon Energy Production Company	07/19/2024	Per USPS Tracking
333 W Sheridan Avenue		(Last Checked 07/29/24):
Oklahoma City, OK 73102		
		07/23/24 – Individual
		picked up at postal facility.
GW Holdings Inc.	07/19/2024	07/26/24
P.O. Box 1659		
Midland, TX 79701		
Sabinal Energy LLC	07/19/2024	Per USPS Tracking
1780 Hughes Landing Blvd, Ste 1200		(Last Checked 07/29/24):
The Woodlands, Texas 77380		
		07/23/24 – Individual
		picked up at postal facility.

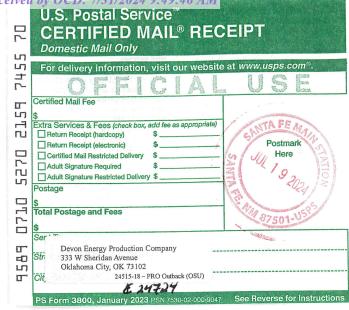
Permian Resources Operating, LLC Case No. 24717 Exhibit C-5

29	U.S. Postal Service <sup>™</sup> CERTIFIED MAIL <sup>®</sup> RECEIPT  Domestic Mail Only
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T	For delivery information, visit our website at www.usps.com®.
7	OFFICIAL USE
П	Certified Mail Fee
μŋ	\$
L L	Extra Services & Fees (check box, add fee as appropriate)  Return Receipt (hardcopy)
1 (1	Return Receipt (electronic)
	Certified Mail Restricted Delivery \$ Here
L	Adult Signature Required \$
5270	Adult Signature Restricted Delivery \$
	Postage
	\$
H	Total Postage and Fees
07.70	\$
	Sent To
	Davoil Inc Stre 6300 Pidgles Place Suite 1208
20	6300 Ridglea Place, Suite 1208 Fort Worth, TX 76116
U	City, 24515-18 – PRO Outback (OSU)
	4724
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions









# **USPS Tracking®**

FAQs >

**Tracking Number:** 

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# **Latest Update**

Your item was picked up at a postal facility at 7:48 am on July 23, 2024 in OKLAHOMA CITY, OK 73102.

# **Get More Out of USPS Tracking:**

**USPS Tracking Plus®** 

# **Delivered**

# Delivered, Individual Picked Up at Postal Facility

OKLAHOMA CITY, OK 73102 July 23, 2024, 7:48 am

#### **Out for Delivery**

OKLAHOMA CITY, OK 73102 July 23, 2024, 6:43 am

#### **Arrived at Post Office**

OKLAHOMA CITY, OK 73102 July 23, 2024, 6:32 am

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

OKLAHOMA CITY OK DISTRIBUTION CENTER July 21, 2024, 12:57 pm

# **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 20, 2024, 7:49 am Arrived at USPS Facility
ALBUQUERQUE, NM 87101
July 19, 2024, 9:37 pm

**Hide Tracking History** 

What Do USPS Trackin	g Statuses Mean?	https://faq.us	ps.com/s/article/Wher	e-is-my-package)
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USPS Tracking Plus®	~
Product Information	~
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FAQs >

**Tracking Number:** 

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# 9589071052702159745556

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# **Latest Update**

Your item was delivered to an individual at the address at 11:18 am on July 27, 2024 in SPRING, TX 77380.

# **Get More Out of USPS Tracking:**

USPS Tracking Plus®

### **Delivered**

#### Delivered, Left with Individual

SPRING, TX 77380 July 27, 2024, 11:18 am

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

NORTH HOUSTON TX DISTRIBUTION CENTER July 27, 2024, 4:23 am

### In Transit to Next Facility

July 24, 2024

# **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 20, 2024, 7:49 am

### **Arrived at USPS Facility**

ALBUQUERQUE, NM 87101 July 19, 2024, 9:37 pm Feedbac

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#### AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 143

Ad Number: 3710

Description: Case #24717

Ad Cost:

\$123.51

Nicole Bitton, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

July 18, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

N Bitton

Agent

Subscribed to and sworn to me this 18th day of July 2024.

KELLI METZGER

MY COMMISSION EXPIRES OCTOBER 19, 2024 the Unit. The Unit will be dedi-

Ti.

Notary Public

ander + county

ID#: \_\_\_\_\_ My commission expires:

> TAMARA CHAVEZ HINKLE SHANOR LLP P.O. BOX 10 ROSWELL, NM 88202-0010

Permian Resources Operating, LLC Case No. 24717 Exhibit C-7

#### PUBLIC NOTICE

This is to notify all interested parties, including Ard Oil, Ltd; Davoil, Inc.; Devon Energy Production Company; GW Hold-ings Inc.; Great Western Drilling Ltd.; Frost Bank Trustee of the Josephine T. Hudson Testamen-Javelina Partners; LLJ Ventures, LLC; Trustees of Lindy's Living Trust created by Trust Agreement Trust created by Trust Agreement dated July 8, 1994; Trustees of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002; Sabinal Energy Operating, LLC; Union Oil Company of California; Zorro Partners, Ltd; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 24717). The hearing will be conducted on August 8, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: https:// www.emnrd.nm.gov/ocd/hearinginfo/. Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order (1) establishing a 320-acre, more less, standard, overlapping horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"); and (2) pooling all un-committed interests in the cated to the Outback 13-14 Fed Com 203H well ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. The completed interval of the Well will be orthodox. The Unit will partially overlap with the spacing unit for the Government R Com #001 (API No. 30-015-20871), which is located in the S/2 of Section 14, Township 20 South, Range 28 East, and produces from the Bur-ton Flat; Wolfcamp, North (Gas) Pool (Code 73520). Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 15 miles northeast of Carlsbad, New Mexico.

3710-Published in the Carlsbad Cruuent-Argus on July 18, 2024.