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

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

CASE NO. 24776

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A Self-Affirmed Statement of Ryan Curry A-1 Application and Proposed Notice of Hearing A-2 C-102s A-3 Plat of Tracts, Ownership Interests, Applicable Lease Numbers, Unit Recapitulation A-4 Sample Well Proposal Letter A-5 Chronology of Contact Exhibit B **Self-Affirmed Statement of Chris Cantin** B-1 Regional Locator Map **B-2** Wolfcamp Cross-Section Location Map B-3 Bone Spring Cross-Section Location Map **B-**4 Wolfcamp Subsea Structure Map B-5 Bone Spring Subsea Structure Map B-6 Stratigraphic Cross-Section **B-7** Gun Barrel Development Plan

- Exhibit C Self-Affirmed Statement of Dana S. Hardy
 - C-1 Sample Notice Letter to All Interested Parties
 - C-2 Chart of Notice to All Interested Parties

- C-3 Copies of Certified Mail Receipts and Returns
- C-4 Affidavit of Publication from August 24, 2024

COMPULSORY POOLING APPLICATION CHECKLIST

Case: 24776	APPLICANT'S RESPONSE
Hearing Date: September 12, 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 Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Ventura
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Avalon; Bone Spring pool (Code 96381)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	quarter-quarter
Orientation:	West to East
Description: TRS/County	N/2 N/2 of Sections 32 and 33, Township 20 South, Range 27 East, Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes
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, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Ventura 3233 Fed Com 121H (API # pending) SHL: 1435' FNL & 300' FWL (Unit E), Section 32, T20S-R27E BHL: 330' FNL & 100' FEL (Unit A), Section 33, T20S-R27E Completion Target: Bone Spring (Approx. 6,567' TVD)

<u>Received by OCD: 9/5/2024 3:57:06 PM</u>	Page 4 of 51
Well #2	Ventura 3233 Fed Com 131H (API # pending) SHL: 1495' FNL & 300' FWL (Unit E), Section 32, T20S-R27E BHL: 330' FNL & 100' FWL (Unit A), Section 33, T20S-R27E Completion Target: Bone Spring (Approx. 6,657' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4b
Ownership Determination	
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-7
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
શિવસાંક્રેટ સેવર વાતાલુક્તા છું. 97082024 9:54:38 AM	N/A

Received by OCD: 9/5/2024 3:57:06 PM	Page 5 of 51
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-3
Structure Contour Map - Subsea Depth	Exhibit B-5
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-6
Additional Information	N/A
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information prov	vided 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:	9/5/2024

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

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

CASE NO. 24776

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 Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 32 and 33, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit").

4. Applicant owns a working interest in the Unit.

5. The Unit will be dedicated to the Ventura 3233 Fed Com 121H and Ventura 3233 Fed Com 131H wells ("Wells"), which will be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 32 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 33.

6. The Wells will be completed in the Avalon; Bone Spring pool (Code 96381).

7. The completed interval of the Wells will be orthodox.

Permian Resources Operating, LLC Case No. 24776 Exhibit A 8. Exhibit A-2 contains the C-102 for the Wells.

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

10. Applicant has conducted a diligent search of all county public records including phone directories and computer databases. Applicant also conducted internet searches to identify all potential addresses and contact information for each interest owner it seeks to pool.

11. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

12. **Exhibit A-4** contains a sample well proposal letter that was sent to interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

In my opinion, Applicant made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in Exhibit A-5.

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 Wells are being drilled, and \$1,000 per month while the Wells are producing.

2

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.

an Curry

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

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

CASE NO. 24776

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 32 and 33, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). In support of this application, the 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 Ventura 3233 Fed Com 121H and Ventura 3233

Fed Com 131H wells ("Wells"), which will be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 32 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 33.

3. The completed intervals of the Wells will be orthodox.

4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas

Permian Resources Operating, LLC Case No. 24776 Exhibit A-1 underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 12, 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 Wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

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Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com Counsel for Permian Resources Operating, LLC **Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Sections 32 and 33, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): the **Ventura 3233 Fed Com 121H** and **Ventura 3233 Fed Com 131H** wells ("Wells"), which will be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 32 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 33. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 7 miles North-Northwest from Carlsbad, New Mexico.

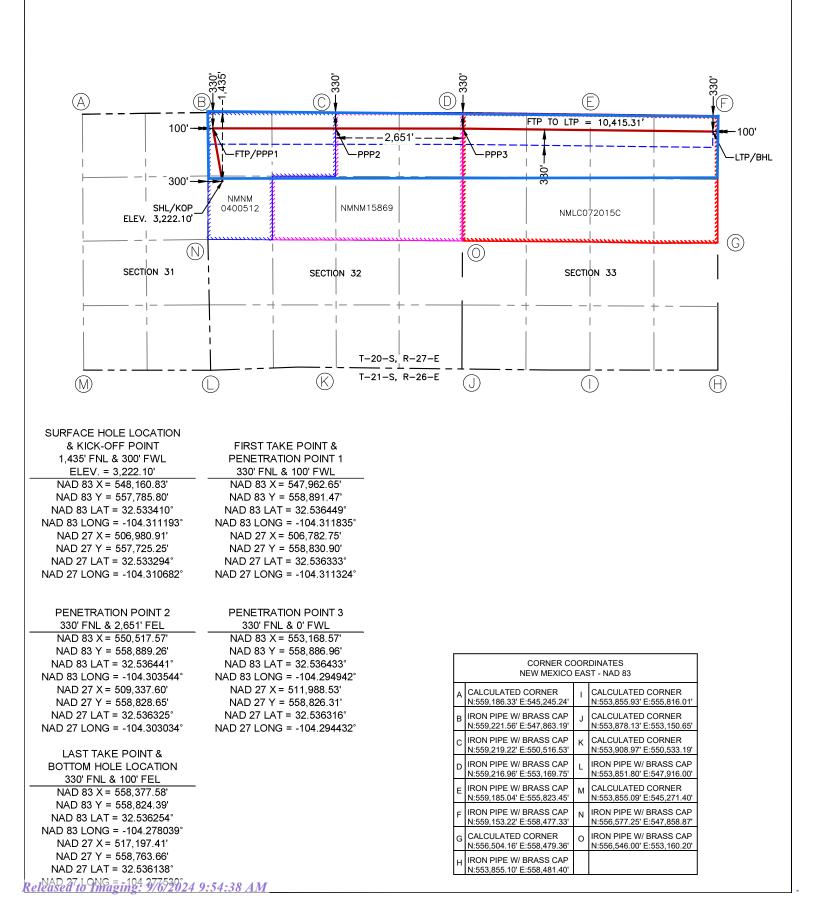
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Energy, Minerals & Nati					lew Mexico Revised J ural Resources Department			Revised July 9, 2024		
	Electronically Permitting	/		OIL	JONSERVA	TION DIVISION			🗹 Initial Su	ubmittal
								Submittal Type:	Amende	ed Report
								туре.	🗆 As Drille	ed
					WELL LOCAT	ION INFORMATION				
API Nu	Imber		Pool Code	9638	1	Pool Name Avalor	i; Bone Sp	oring		
Propert	ty Code		Property N	ame	VENTUR	A 3233 FED COM			Well Numb	oer 121H
OGRID		-	Operator N							vel Elevation
	37216	5 ner: □ State				JRCES OPERATING	, LLC vner: □ Stat	- 🗆 F		3,222.10'
	Surface Owr	ner: 🗆 State		ribal 🔽 Fe	ederal	Mineral Ov	vner: 🗆 Stat	e 🗆 Fee 🗆	I l'ribal V I Fo	ederal
					Surfa	ace Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Lo	ongitude	County
Е	32	20 S	27 E		1,435' FNL	300' FWL	32.5334	410 -1	04.311193	EDDY
	1	l	l	1	Botton	n Hole Location	1			1
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Lo	ongitude	County
Α	33	20 S	27 E		330' FNL	100' FEL	32.5362	254 -1	04.278039	EDDY
Dedica 320.	ted Acres 00	Infill or Defir N/A	ning Well	Defining N/A	y Well API	Overlapping Spacin N	Overlapping Spacing Unit (Y/N) Consolidation Code			
Order N	Numbers.					Well setbacks are	under Comm	on Ownersh	nip: X Yes □I	No
					Kiek ()ff Doint (KOD)				
UL	Section	Township	Range	Lot	Ft. from N/S	Off Point (KOP)	Latitude		ongitude	County
	32		-	Lot			32.5334		0	,
E	32	20 S	27 E		1,435' FNL		32.5334	+10 -1	04.311193	EDDY
		-		1		ake Point (FTP)		· · ·		
UL -	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		ongitude	County
D	32	20 S	27 E		330' FNL	100' FWL	32.5364	449 -1	04.311835	EDDY
			•		-	ake Point (LTP)	-			1
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		ongitude	County
Α	33	20 S	27 E		330' FNL	100' FEL	32.5362	254 -1	04.278039	EDDY
Unitize	d Area or Aı	rea of Uniform	n Interest	Spacing	ı Unit Type X Ho	rizontal 🗆 Vertical	Grou	nd Floor Ele	evation:	
OPER/	ATOR CER	TIFICATIONS				SURVEYOR CERTIF	ICATIONS			
best of r that this in the lan well at th unlease	ny knowledge organization nd including t his location p d mineral inte	e and belief, and either owns a w he proposed bo ursuant to a cor	d, if the well is vorking interes ottom hole loca ntract with an c luntary pooling	a vertical or t or unlease tion or has owner of a w	d complete to the r directional well, ed mineral interest a right to drill this vorking interest or t or a compulsory	I hereby certify that the v actual surveys made by correct to the best of my	me or under m belief.	W MEXIC	at was plotted and that the s	from field notes of ame is true and
the cons mineral the well' order fro	sent of at leas interest in ead 's completed i om the divisio	t one lessee or ch tract (in the ta interval will be lo	owner of a wo arget pool or fo	rking interes ormation) in	which any part of		RECENTION	Profession A	5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	24
0. 1	re		D	ate		Signature and Seal of P	rofessional Sur	veyor		
Signatur										
Printed I	Name					Certificate Number	Date of Sur	vey		
-	Name					Certificate Number 12177	Date of Sur		9/5/2024	

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Received by OCD: 9/5/2024 3:57:06 PM ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



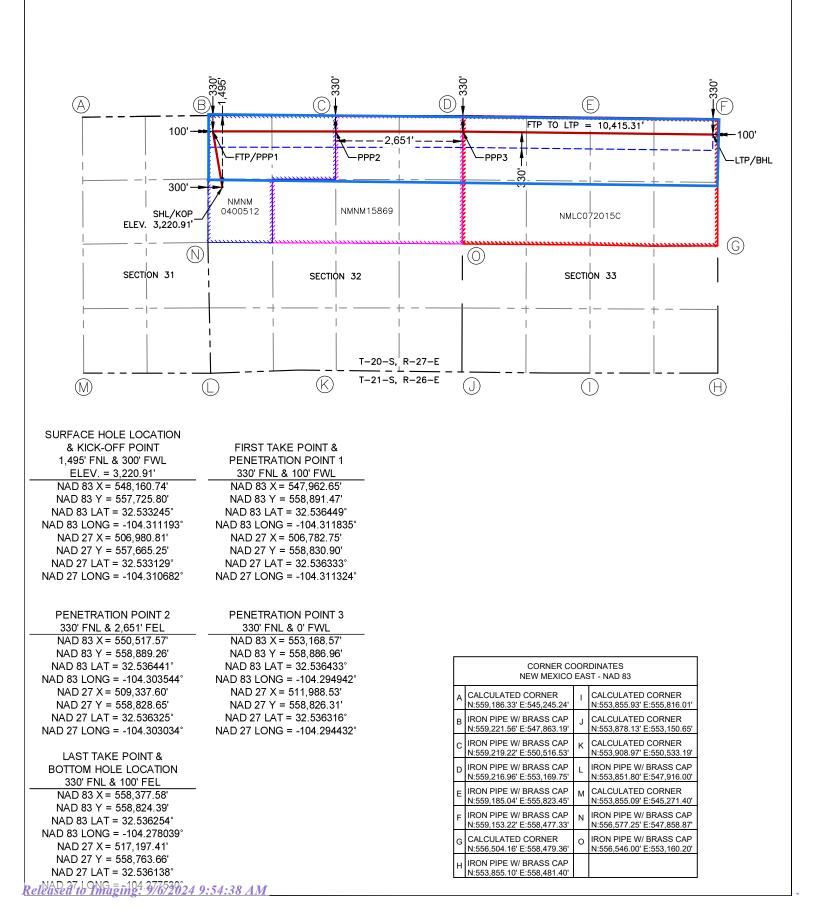
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Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division. <u>Released to Imaging: 9/6/2024 9:54:38 AM</u>

Received by OCD: 9/5/2024 3:57:06 PM

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.



Permian Resources Operating, LLC Ventura 3233 Fed Com 121H & 131H

Township 20 South – Range 27 East, N.M.P.M. Section 32: N/2N/2 Section 33: N/2N/2 Eddy County, New Mexico Limited in Depth to the Bone Spring Formation 320.00 Acres, more or less

Section 32, T20S-R27E

Section 33, T20S-R27E

Tract 1	USA BLM NMNM-0400512
Tract 2	USA BLM NMNM-015869
Tract 3	USA BLM NMLC-0072015C

Permian Resources Operating, LLC Case No. 24776 Exhibit A-3

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Permian Resources Operating, LLC Ventura 3233 Fed Com 121H & 131H

*Brooks Oil & Gas Interests, Ltd. assigned to Tascosa Energy Partners, LLC recorded 9/3/2024 in Book 1186, Page 341 ECR



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

OFFICE 432.695.4222 **FAX** 432.695.4063

July 24, 2024

Via Certified Mail

Brooks Oil & Gas Interests, Ltd. 335 Mundy Dr Sedona, AZ 86351

RE: Well Proposals – Ventura 3233 Fed Com N/2 Sections 32 & 33, T20S-R27E, N.M.P.M. 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 five (5) horizontal wells, the Ventura 3233 Fed Com at the following approximate locations within Township 20 South, Range 27 East, Eddy Co., NM. The reason for this letter is to make you aware of the updated well names below:

 Ventura 3233 Fed Com 201H is now Ventura 3233 Fed Com 121H SHL: 255' FWL & 1,435' FNL of Section 32 (Unit Letter E) BHL: 100' FEL & 330' FNL of Section 33 (Unit Letter A) FTP: 100' FWL & 330' FNL of Section 32 LTP: 100' FEL & 330' FNL of Section 33 TVD: Approximately 6,567' TMD: Approximately 16,852' Proration Unit: N/2N/2 of Sections 32 & 33 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Ventura 3233 Fed Com 202H is now Ventura 3233 Fed Com 122H SHL: 300' FWL & 1,465' FNL of Section 32 (Unit Letter E) BHL: 100' FEL & 1,870' FNL of Section 33 (Unit Letter H) FTP: 100' FWL & 1,870' FNL of Section 32 LTP: 100' FEL & 1,870' FNL of Section 33 TVD: Approximately 6,567' TMD: Approximately 16,852' Proration Unit: S/2N/2 of Sections 32 & 33 Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

3. Ventura 3233 Fed Com 301H is now Ventura 3233 Fed Com 131H

SHL: 255' FWL & 1,495' FNL of Section 32 (Unit Letter E) BHL: 100' FEL & 330' FNL of Section 33 (Unit Letter A) FTP: 100' FWL & 330' FNL of Section 32 LTP: 100' FEL & 330' FNL of Section 33 TVD: Approximately 7,828' TMD: Approximately 18,113' Proration Unit: N/2N/2 of Sections 32 & 33 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

> Permian Resources Operating, LLC Case No. 24776 Exhibit A-4

Ventura 3233 Fed Com 303H is now Ventura 3233 Fed Com 132H SHL: 255' FWL & 1,525' FNL of Section 32 (Unit Letter E) BHL: 100' FEL & 1,980' FNL of Section 33 (Unit Letter H) FTP: 100' FWL & 1,980' FNL of Section 32 LTP: 100' FEL & 1,980' FNL of Section 33 TVD: Approximately 7,826' TMD: Approximately 18,111' Proration Unit: S/2N/2 of Sections 32 & 33 Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

5. Ventura 3233 Fed Com 602H is now Ventura 3233 Fed Com 201H SHL: 255' FWL & 1,555' FNL of Section 32 (Unit Letter E)

BHL: 100' FEL & 1,155' FNL of Section 33 (Unit Letter A) FTP: 100' FWL & 1,155' FNL of Section 32 LTP: 100' FEL & 1,155' FNL of Section 33 TVD: Approximately 8,167' TMD: Approximately 18,452' Proration Unit: N/2 of Sections 32 & 33 Targeted Interval: Wolfcamp Total Cost: See attached AFE

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

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 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 by email at <u>Kathryn.hanson@permianres.com</u>.

Respectfully,

Ryan B Curry

Ryan Curry Senior Landman

Ventura 3233 Fed Com Elections:

Well Elections: (Please indicate your responses in the spaces below)						
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate				
Ventura 3233 Fed Com 121H						
Ventura 3233 Fed Com 122H						
Ventura 3233 Fed Com 131H						
Ventura 3233 Fed Com 132H						
Ventura 3233 Fed Com 201H						

Company Name (If Applicable):

Ву: _____

Printed Name: _____

Date: _____

Participate / Rejection Declaration

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

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

Company Name (If Applicable):

Ву: _____

Printed Name: _____

Date:_____

Permian Resources Operating, LLC

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

Phone (432) 695-4222 • Fax (432) 695-4063 ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:		AFE NO.:	1
WELL NAME:	Ventura 3233 Fed Com 121H	FIELD:	Bone Spring
LOCATION:	Section 32 & 33, T20S-R27E	MD/TVD:	16852 TMD / 6567 TVD
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	

REMARKS:

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory \$	48,916	-	-	\$ 48,916
2 Location, Surveys & Damages	250,959	15,739	-	266,698
4 Freight / Transportation	41,491	38,137	18,934	98,562
5 Rental - Surface Equipment	108,306	187,660	89,938	385,904
6 Rental - Downhole Equipment	178,954	52,099	-	231,053
7 Rental - Living Quarters	41,887	47,460	-	89,347
10 Directional Drilling, Surveys	374,195	-	-	374,195
11 Drilling	656,687	-	-	656,687
12 Drill Bits	87,268	-	-	87,268
13 Fuel & Power	164,590	631,634	-	796,224
14 Cementing & Float Equip	211,946	-	-	211,946
15 Completion Unit, Swab, CTU	-	-	14,201	14,201
16 Perforating, Wireline, Slickline	-	342,479	-	342,479
17 High Pressure Pump Truck	-	107,390	-	107,390
18 Completion Unit, Swab, CTU	-	127,609	-	127,609
20 Mud Circulation System	91,652	-	-	91,652
21 Mud Logging	15,271	-	-	15,271
22 Logging / Formation Evaluation	6,333	7,264	-	13,597
23 Mud & Chemicals	315,211	381,723	9,467	706,401
24 Water	37,859	576,371	236,679	850,909
25 Stimulation	-	709,142	-	709,142
26 Stimulation Flowback & Disp	-	105,937	142,008	247,945
28 Mud / Wastewater Disposal	168,222	53,271	-	221,493
30 Rig Supervision / Engineering	105,579	116,228	14,201	236,008
32 Drlg & Completion Overhead	9,080	-	-	9,080
35 Labor	133,597	60,535	14,201	208,333
54 Proppant	-	1,093,486	-	1,093,486
95 Insurance	12,771	-	-	12,771
97 Contingency	-	21,274	-	21,274
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	3,060,773	4,675,438	539,629	8,275,840
	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
TANGIBLE COSTS				
60 Surface Casing \$	106,484	-		\$ 106,484
61 Intermediate Casing	317,373	-		317,373
62 Drilling Liner	-	-	-	-
63 Production Casing	598,511	-		598,511
64 Production Liner	-	-		
65 Tubing	-	-	132,540	132,540
66 Wellhead	56,467	-	37,869	94,336
67 Packers, Liner Hangers 68 Tanks	12,834		18,934	31,768
69 Production Vessels	-	-	-	
70 Flow Lines	-	-	-	-
	-	-	-	-
71 Rod string 72 Artificial Lift Equipment	-	-	-	- 85,205
	-	-	85,205	
73 Compressor	-	-		-
74 Installation Costs	-	-	52,595	52,595
75 Surface Pumps	-	-		-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	28,402	28,402
78 Gas Conditioning / Dehydration 79 Interconnecting Excility Pining	-	-	- דריה סד	-
79 Interconnecting Facility Piping	-	-	18,934	18,934
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
92 Tank / Facility Containmost	-		- 15,779	-
82 Tank / Facility Containment				15,779
83 Flare Stack	-	-		
83 Flare Stack 84 Electrical / Grounding	-		36,817	36,817
83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA	-		36,817 10,519	36,817 10,519
83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA 86 Instrumentation / Safety	- - - -		36,817 10,519 5,260	36,817 10,519 5,260
83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA	- - - - 1,091,669		36,817 10,519	36,817 10,519 5,260 1,534,523

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer:	PS				
Completions Engineer:	ML				
Production Engineer:	DC				
Permian Resources Operating, LL	C APPROVAL:		VP - Operations CRM Tax ID:		
Co-CEO		Co-CEO	VP - Operations		
	WH	JW	CRM		
VP - Land & Legal		VP - Geosciences			
	BG	SO			
NON OPERATING PARTNER A	PPROVAL:				
Company Name:		Working Interest (%):	Tax ID:		
Signed by:		Date:			
Title:		Approval:	Yes No (mark one)		

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



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AFE Number:		Description:	SHL LEGAL	
AFE Name:	VENTURA 3233 FED COM 131H PERMIAN	AFE TYPE:	Drill and Complete	
Well Operator:	RESOURCES OPERATING, LLC			
Operator AFE #:				
Account	Description			<u>Gross Est. (</u>
Completion Intangit	ble			
8025.3500	ICC - WELLSITE SUPERVISION			\$56,700.0
8025.3400	ICC - RENTAL EQUIPMENT			\$202,410.0
8025.3700	ICC - SAFETY / ENVIRONMENTAL			\$15,000.0
8025.3800	ICC - OVERHEAD			\$10,000.0
8025.1100	ICC - ROAD, LOCATIONS, PITS			\$10,500.0
8025.3000	ICC - WATER HANDLING			\$199,134.0
8025.2500	ICC - WELL STIMULATION/FRACTUR			\$2,487,131.0
8025.2000	ICC - TRUCKING			\$14,375.0
8025.3050	ICC - SOURCE WATER			\$368,398.0
8025.1500	ICC - FUEL / POWER			\$647,517.0
8025.2300	ICC - COMPLETION FLUIDS			\$10,000.0
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING			\$398,624.0
8025.1600	ICC - COILED TUBING			\$226,602.
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT			\$15,000.0
3025.1400	ICC - WIRELINE OPEN/CASED HOLE			\$40,000.0
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR			\$40,000.
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK			\$18,113.
8025.3600	ICC - SUPERVISION/ENGINEERING			\$5,000.
			Sub-total	\$4,764,504.0
Drilling Intangible				
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT			\$27,000.0
8015.1900	IDC - DIRECTNL DRILL & SURVEY			\$248,760.4
8015.1310	IDC - PERMANENT EASEMENT			\$12,000.0
8015.5200	IDC - CONTINGENCY			\$116,725.8
3015.2600	IDC - MUD LOGGING			\$35,000.
8015.1400	IDC - ROAD, LOCATIONS, PITS			\$95,625.
8015.4600	IDC - SAFETY / ENVIRONMENTAL			\$20,150.
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP			\$143,200.
8015.1500	IDC - RIG MOB / TRUCKING			\$127,500.
3015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYS	TEM		\$60,934.3
3015.3400	IDC - MATERIALS & SUPPLIES			\$5,000.
8015.3800	IDC - WELLHEAD PREPARE/REPAIR			\$12,500.
3015.4100	IDC - RENTAL EQUIPMENT			\$85,250.
3015.4300	IDC - WELLSITE SUPERVISION			\$89,900.
3015.1300	IDC - SURFACE DAMAGE / ROW			\$35,000.
8015.1000	IDC - PERMITS,LICENSES,ETC			\$15,000.
8015.1100	IDC - STAKING & SURVEYING			\$15,000.
8015.2150	IDC - DRILL BIT			\$98,000.
	.SO BRILLEBR			φου,ουυ.
8015.2200	IDC - BITS, TOOLS, STABILIZERS			\$53,346.

Received by OCD: 9/5/2024 3:57:06 PM RESOURCES

Printed Date: Apr 17, 2024

RESOURCES		Printed Date: Apr 17, 2024	
<u>Account</u>	Description		<u>Gross Est. (\$)</u>
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$186,604.40
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.4200	IDC - MANCAMP		\$40,300.00
8015.2350	IDC - FUEL/MUD		\$73,570.31
8015.3700	IDC - DISPOSAL		\$153,384.00
8015.2300	IDC - FUEL / POWER		\$165,305.08
8015.5000	IDC - WELL CONTROL INSURANCE		\$8,525.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$37,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$36,300.00
8015.2400	IDC - RIG WATER		\$19,375.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$47,812.50
8015.1700	IDC - DAYWORK CONTRACT		\$597,815.63
		Sub-total	\$2,745,633.62
Artificial Lift Intangil	ble		
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8060.1200	IAL - WORKOVER RIG		\$17,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$5,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
		Sub-total	\$80,000.00
Pipeline 8036.2200	PLN - CONTRACT LABOR		\$35,904.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$15,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$42,240.00
8036.1310	PLN - PEMANENT EASEMENT		\$4,128.00
000011010		Sub-total	\$97,272.00
Facilities			
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$21,429.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$2,143.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$4,286.00
8035.2100	FAC - INSPECTION & TESTING		\$714.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$429.00
8035.3400	FAC - METER & LACT		\$14,500.00
8035.4400	FAC - COMPANY LABOR		\$1,429.00
8035.4500	FAC - CONTINGENCY		\$7,884.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$110,000.00
8035.1700	FAC - RENTAL EQUIPMENT		\$7,143.00
8035.2400	FAC - SUPERVISION		\$8,571.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00

Reseived by OCD: 9/5/2024 3:57:06 PM RESOURCES

Printed Date: Apr 17, 2024

<u>Account</u>	Description		<u>Gross Est. (\$)</u>
8035.3600	FAC - ELECTRICAL		\$10,714.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$57,143.00
8035.3700	FAC - AUTOMATION MATERIAL		\$10,714.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT		\$12,857.00
		Sub-total	\$270,670.00
Artificial Lift Tangi	ble		
8065.2300	TAL - GAS LIFT INJECTION LINE & INSTALL		\$80,000.00
8065.1100	TAL - TUBING		\$125,000.00
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$10,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$60,000.00
8065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$70,000.00
8065.1320	TAL - GAS LIFT EQUIPMENT/INSTALL		\$30,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$15,000.00
		Sub-total	\$420,000.00
Flowback Intangib	le		
8040.4000	IFC - CHEMICALS		\$15,000.00
8040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$215,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS		\$5,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
8040.3420	IFC - TANK RENTALS		\$20,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
		Sub-total	\$430,000.00
Completion Tangit	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
Drilling Tangible			
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$102,905.25
8020.1400	TDC - CASING - PRODUCTION		\$454,891.41
8020.1500	TDC - WELLHEAD EQUIPMENT		\$63,750.00
8020.1100	TDC - CASING - SURFACE		\$20,302.25
		Sub-total	\$641,848.91
		Grand Total	\$9,497,178.53



300 N. MARIENFELD STREET, SUITE 1000 MIDLAND, TX 79701 OFFICE 432.695.4222 FAX 432.695.4063

Ventura – Chronology of Communication

- June 13, 2024 Email communication with Brooks Oil & Gas to request Brooks negotiates a JOA
- June 17, 2024 Email communication with Brooks Oil & Gas providing information on ownership and Permian Resource's proposed development.
- June 19, 2024 Email communication with Brooks Oil & Gas seeking either a JOA or to purchase the interest.
- June 24, 2024 Proposal sent to Brooks Oil & Gas, Interests
- July 22, 2024 Email communication with Brooks Oil & Gas requesting Brooks to sign a JOA.
- July 24, 2024 Updated proposal letter sent to Brooks Oil & Gas, Interests

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

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

CASE NOS. 24775, 24776, 24777

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 Ventura project area, in proximity to the Capitan Reef within the Delaware Basin, for the Wolfcamp and Bone Spring 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 unit within the Wolfcamp formation. The approximate wellbore path for the proposed **Ventura 3233 Fed Com 201H** well is represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed well. The pooling unit areas are defined by blue boxes and are labeled with its respective case number.

5. **Exhibit B-3** is a cross section location map for the proposed horizontal spacing units within the Bone Spring formation. The approximate wellbore paths for the proposed **Ventura**

Permian Resources Operating, LLC Case No. 24776 Exhibit B **3233** Fed Com 121H, Ventura 3233 Fed Com 131H, Ventura 3233 Fed Com 122H, and Ventura 3233 Fed Com 132H wells are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Wells. The pooling unit areas are defined by blue boxes and are labeled with their respective case numbers.

6. **Exhibit B-4** is a Subsea Structure map on the Wolfcamp formation in TVD subsea with a contour interval of 50 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 triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

7. **Exhibit B-5** is a Subsea Structure map on the Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed wells with a red and orange dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red triangles. 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.

8. **Exhibit B-6** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibits B-3 and B-4. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The

proposed landing zones for the Wells are labeled on the exhibit. The approximate well-paths for the proposed wells are indicated by dashed lines to be drilled from west to east across the units. This cross-section demonstrates the target intervals are continuous across the Unit.

9. **Exhibit B-7** is a gun barrel diagram that shows the proposed wells in the Wolfcamp and Bone Spring formations. The spacing units are defined by blue dashed boxes and are labeled with their respective case numbers.

10. 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.

11. 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.

12. In my opinion, granting the application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

14. 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.

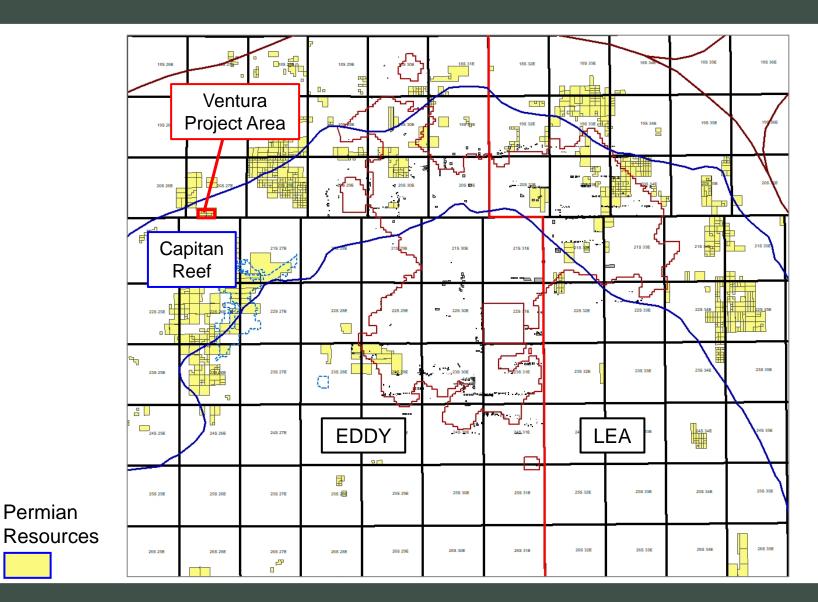
Chris Cantin

05/2024

Date

Regional Locator Map Ventura 3233 Fed Com

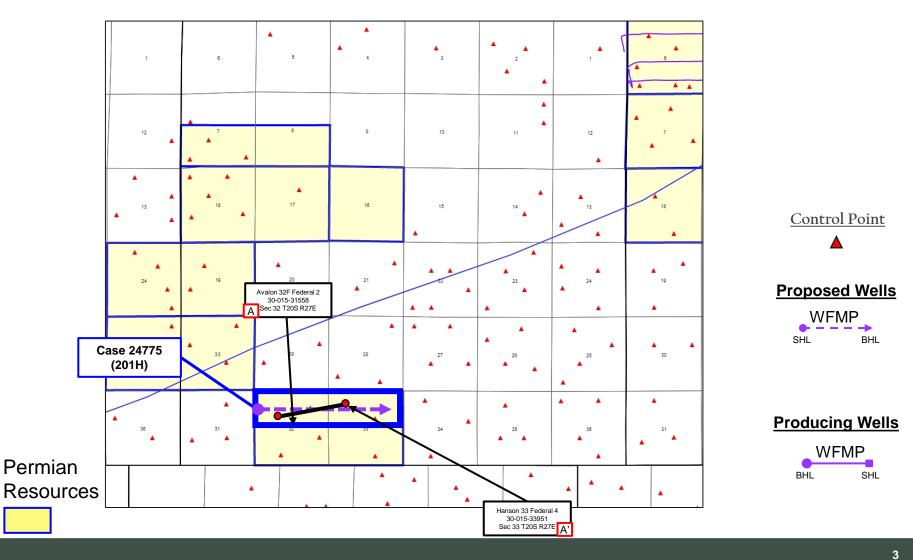
Permian Resources Operating, LLC Case No. 24776 Exhibit B-1



Page 31 of 51

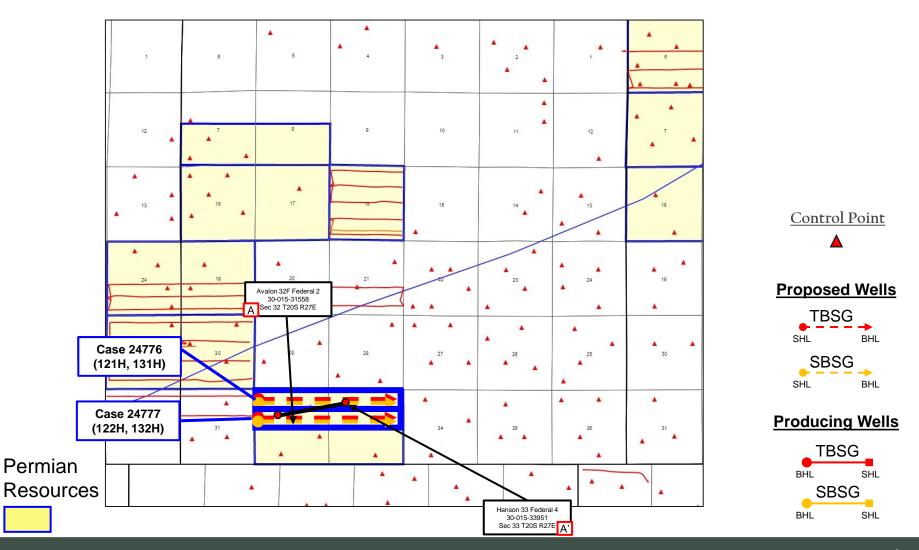
Cross-Section Locator Map Ventura 3233 Fed Com Wolfcamp

Permian Resources Operating, LLC Case No. 24776 Exhibit B-2



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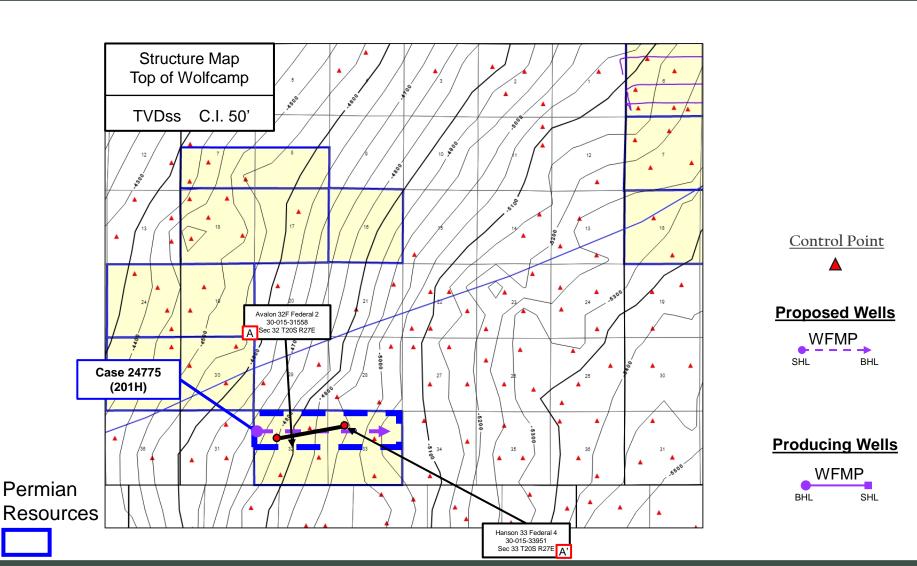
Cross-Section Locator Map Ventura 3233 Fed Com Bone Spring Permian Resources Operating, LLC Case No. 24776 Exhibit B-3



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Top of Wolfcamp – Structure Map Ventura 3233 Fed Com 201H

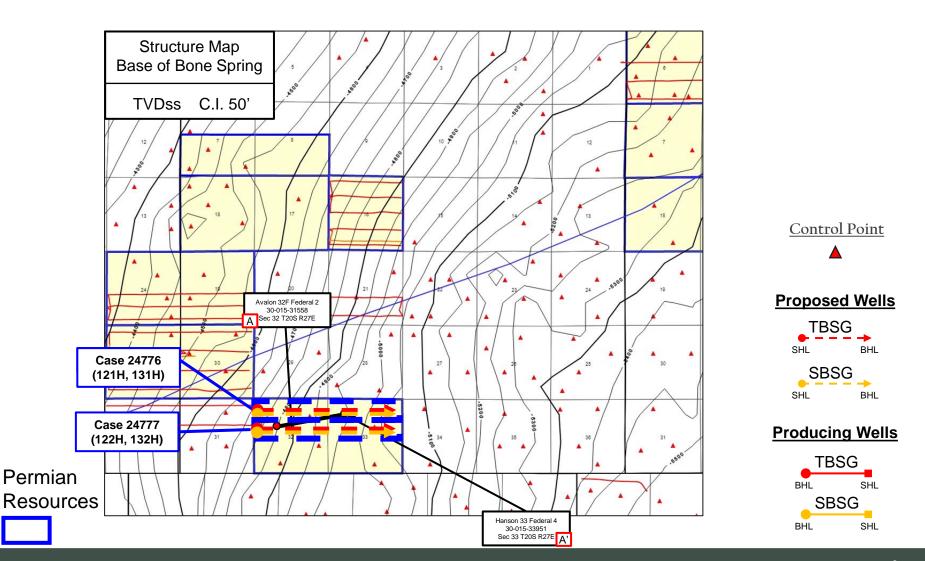
Permian Resources Operating, LLC Case No. 24776 Exhibit B-4



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Base of Bone Spring – Structure Map Ventura 3233 Fed Com 121H, 122H, 131H, & 132H Permian Resources Operating, LLC Case No. 24776 Exhibit B-5

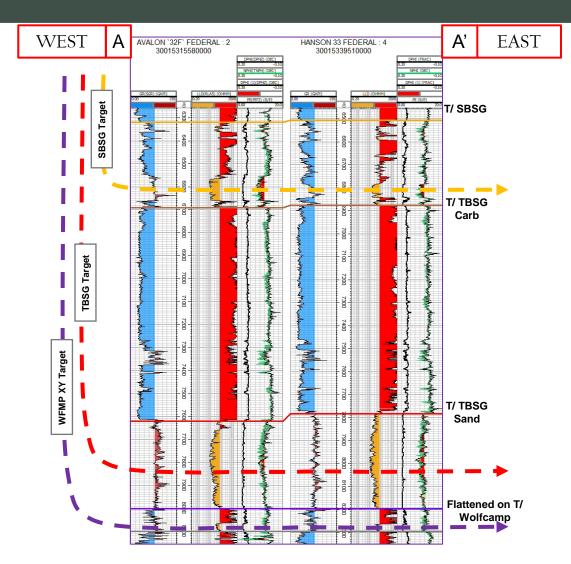


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Stratigraphic Cross-Section A-A' Ventura 3233 Fed Com Targets

Permian Resources Operating, LLC Case No. 24776 Exhibit B-6 Page 36 of 51

Exhibit B-6



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MALA

FBSG

Sand

SBSG Sand

Gun Barrel Development Plan Ventura 3233 Fed Com

TBSG Sand	Ventura 3233 Fed Com 131H 3300 1650
Wolfcamp	Case 24775 Ventura 3233 Fed Com 201H
Released to Imaging: 9/6/2024 9:54:38 AM	

Case 24776

Ventura 3233

Fed Com 121H

1540'

330

Case 24777

Ventura 3233

Fed Com 122H

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Permian Resources Operating, LLC Case No. 24776 Exhibit B-7 Exhibit B-7

ProposedProducing

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

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

CASE NOS. 24775, 24776, & 24777

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. 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. On August 24, 2024, I caused a notice to be published to all interested parties in the Carlsbad Current-Argus. The Affidavits of Publication from the Legal Clerk of the Carlsbad Current-Argus, along with a copy of the notice publication, are attached as **Exhibit C-4a**, **C-4b**, **and C-4c**.

6. 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.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy September 3, 2024 Date

> Permian Resources Operating, LLC Case Nos. 24776 Exhibit C

HINKLE SHANOR LLP

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

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

hinklelawfirm.com

August 16, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24775, 24776, and 24777 - Applications of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **September 12, 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: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

If you have any questions about these applications, please contact Ryan Curry, Landman at Permian Resources Operating, LLC via e-mail at <u>ryan.curry@permianres.com</u> or at (432) 400-0209.

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

> Permian Resources Operating, LLC Case Nos. 24776 Exhibit C-1

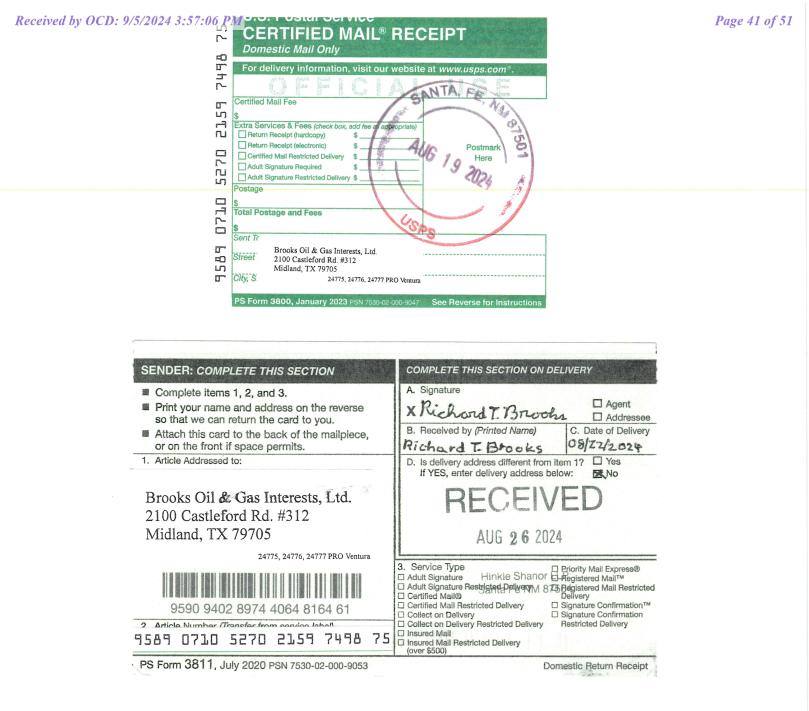
STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS, AND NATURAL RESOURCES OIL CONSERVASION DIVISON

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

CASE NOS. 24775, 24776 & 24777

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Brooks Oil & Gas Interests, Ltd.	08/19/2024	08/26/2024
2100 Castleford Rd. #312		
Midland, TX 79705		
Dive Hill & Cas Company	08/19/2024	Den LISDS Treal-ing on
Blue Hill & Gas Company 757 Williams St.	08/19/2024	Per USPS Tracking on 09/03/24:
		Item in transit to next facility as
Denver, CO 80218		of 09/02/2024.
John F. Sheridan and wife, Susan	08/19/2024	Per USPS Tracking on
Sheridan		09/03/2024:
2400 Milwaukee St. Suite 200		Item in transit to next facility as
Denver, CO 80206		of 08/24/2024.
	00/10/2024	00/20/2024
Kaiser Francis Oil Co.	08/19/2024	08/26/2024
PO Box 21468		
Tulsa, OK 74121		
COG Operating LLC		Per USPS Tracking on
600 W. Illinois Avenue		09/03/2024:
Midland, TX 79701		Item delivered on 08/23/2024.
, , , , , , , , , , , , , , , , , , ,		



Permian Resources Operating, LLC Case Nos. 24776 Exhibit C-3







Released to Imaging: 9/6/2024 9:54:38 AM

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USPS Tracking[®]

FAQs 🗲

Page 44 of 51

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Tracking Number: 9589071052702159749837

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

Latest Update

Your item was picked up at a postal facility at 7:44 am on August 23, 2024 in MIDLAND, TX 79701.

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Delivered Delivered, Individual Picked Up at Postal Facility MIDLAND, TX 79701 August 23, 2024, 7:44 am

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

Text & Email Updates	\checkmark
USPS Tracking Plus®	\checkmark
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	Postage
0770	\$
	Total Postage and Fees
	\$ USDS
	Sent To
E .	John F. Sheridan and wife, Susan Stree Sheridan
е0 ГЛ	2400 Milwaukee St. Suite 200
T	City, Denver, CO 80206
	24775, 24776, 24777 PRO Ventura
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

USPS Tracking[®]

Tracking Number: 9589071052702159749899

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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.

	USPS Tracking Plus [®]
	Delivered
	Out for Delivery
	Preparing for Delivery
)	Moving Through Network In Transit to Next Facility
	August 24, 2024
	Departed USPS Facility ALBUQUERQUE, NM 87101 August 20, 2024, 9:14 am
	Arrived at USPS Facility ALBUQUERQUE, NM 87101 August 19, 2024, 11:04 pm

Hide Tracking History

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

FAQs >

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Г IJ	Certified Mail Fee
Fi	Extra Services & Fees (check box, add fee as appippriate)
5270	Return Receipt (electronic) Return Receipt (electronic) Certified Mail Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery
	Postage
0770	Total Postage and Fees
	\$
50.0	Blue Hill & Gas Company Street and 757 Williams St. Denver, CO 80218
U,	City, State, 24775, 24776, 24777 PRO Ventura
	PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

FAQs >

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Tracking Number: 9589071052702159749882

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Moving Through Network In Transit to Next Facility September 2, 2024

Arrived at USPS Regional Facility

COLORADO SPRINGS CO DISTRIBUTION CENTER August 30, 2024, 10:21 pm

Addressee Unknown

DENVER, CO 80218 August 23, 2024, 4:39 pm

Departed USPS Facility

ALBUQUERQUE, NM 87101 August 20, 2024, 9:14 am

Arrived at USPS Facility

ALBUQUERQUE, NM 87101 August 19, 2024, 11:04 pm

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: 10560 Case #24775 Description:

Ad Cost: \$110.94

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:

August 24, 2024

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

NBitton	31. 7 ~
Agent	
2024.	KELLI METZGER NOTARY PUBLIC, STATE OF OHIO COMMISSION EXPIRES OCTOBER 19, 2024
ID#: My commission expires: OCF	19,2021

HINKLE SHANOR LLP P.O. BOX 10

PUBLIC NOTICE

This is to notify all interested parties, including Brooks Oil & Gas Interests, Ltd.; Blue Hill & Gas Company; John F. Sheridan and wife, Susan Sheridan; Kaiser Francis Oil Co.; COG Operating, LLC. and their successors and and and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 24775). The hearing will be conducted on September 12, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources 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 Hearings website: https://www. emnrd.nm.gov/ocd/hearing-info/. Applicant seeks an order pooling all uncommitted inter-ests in the Wolfcamp formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Sections 32 and 33, Township 20 South, Range 27 East, Eddy County, New Mexico (Unit). The Unit will be dedicated to the Ventura 3233 Fed Com 201H well (Well), which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 32 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 33. The completed interval of the Well will be located within 330 of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Sections 32 and 33 to allow for the creation of a 640-acre standard, horizontal spacing unit. Also to be considered will be the cost of drilling and completing the Well and the allocation of the cost, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 7 miles North-Northwest of Carlsbad, New Mexico.

10560-Published in the Carlsbad Current-Argus Aug 24, 2024.

Permian Resources Operating, LLC Case No. 24776 Exhibit C-4a

Received by OCD: 9/5/2024 3:57:06 PM

TAMARA CHAVEZ ROSWELL, NM 88202-0010

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:	10550
Description:	Case #24776
Ad Cost:	\$106.75

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:

August 24, 2024

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

Agent
Subscribed to and sworr to me this 24th day of August
2024.
KELLI METZGER
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES OCTOBER 19, 2024
Notary Public
Aguert
County
DH:
My commission expires:
Oct. 19, 2024

This is to notify all interested parties, including Brooks Oil &

PUBLIC NOTICE

parties, including Brooks Oil & Gas Interests, Ltd.; Blue Hill & Gas Company; John F. Sheridan and wife, Susan Sheridan; Kaiser Francis Oil Co.; COG Operating, LLC.; and their successors and and and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (**Case No. 24776**). The hearing will be conducted on September 12, 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 instructions posted on the OCD Hearings website: https://www. emnrd.nm.gov/ocd/hearinginfo/. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320acre, more or less, standard horizontal spacing unit com-prised of the N/2 N/2 of Sections 32 and 33, Township 20 South, Range 27 East, Eddy County, New Mexico (Unit). The Unit will be dedicated to the following wells (Wells): the Ventura 3233 Fed Com 121H and Ventura 3233 Fed Com 131H, which will be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 32 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 33. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 7 miles North-Northwest from Carlsbad, New Mexico.

10550-Published in the Carlsbad Current-Argus on Aug 24, 2024.

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

> Permian Resources Operating, LLC Case No. 24776 Exhibit C-4b

Permi

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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:	10570
Description:	Case #24777
Ad Cost:	\$106.75

Nicole Bitton, being first duly sworn, says:

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August 24, 2024

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

Agent ARIAL S Subscribed to and sworn to me this 24th day of August 2024. **KELLI METZGER** MOTARY PUBLIC, STATE OF OHIO MY COMMISSION EXPIRES OCTOBER 19, 2024 Notary Public County ID# My commission expires:

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

PUBLIC NOTICE

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10570-Published in the Carlsbad Current-Argus on Aug 24, 2024.

the on Permian Resources Operating, LLC Case No. 24776 Exhibit C-4c