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. 24997

HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Travis Macha
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter and 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	Subsea Structure Map of Second Bone Spring
B-4	Subsea Structure Map of Third Bone Spring
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Diagram
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter Sent December 6, 2024
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns

C-4 Affidavit of Publication for December 12, 2024

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS					
Case: 24997	APPLICANT'S RESPONSE				
Date: February 13, 2025					
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	Terlingua				
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: Well Location Setback Rules:	Winchester; Bone Spring, West (Code 97569) Statewide				
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 N/2 of Section 6, Township 19 South, Range 28 East, and the N/2 N/2 of Section 1, Township 19 South, Range 27 East, Eddy County.				
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, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed				
Well #1	Terlingua 6-1 State Com 131H (API # pending) SHL: 1,430' FNL & 180' FWL (Unit E), Section 5, T19S-R28E BHL: 330' FNL & 10' FWL (Lot 4), Section 1, T19S-R27E Completion Target: Bone Spring (Approx. 8,040' TVD)				
Well #2	Terlingua 6-1 State Com 121H (API # pending) SHL: 1,400' FNL & 180' FWL (Unit E), Section 5, T19S-R28E BHL: 330' FNL & 10' FWL (Lot 4), Section 1, T19S-R27E Completion Target: Wolfcamp (Approx. 6,810' TVD)				
AFE Capex and Operating Costs					
Orilling Supervision/Month \$	\$10,000				
Production Supervision/Month \$	\$1,000				
Justification for Supervision Costs	Exhibit A-4				
Requested Risk Charge	200%				
Notice of Hearing					
	Exhibit A-1				
Proposed Notice of Hearing	Exhibit A-1 Exhibits C-1, C-2, C-3				
Proposed Notice of Hearing Proof of Mailed Notice of Hearing (20 days before hearing) Proof of Published Notice of Hearing (10 days before hearing)					

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-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibit B-3, B-4
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-5
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provi	ded 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:	2/6/2025

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. 24997

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

- 1. I am employed by Permian Resources Operating, LLC ("Permian Resources") as the New Mexico Land Manager. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.
- 2. Copies of Permian Resources' application and proposed hearing notice are attached as **Exhibit A-1**.
- 3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.
- 4. Permian Resources 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 Section 6, Township 19 South, Range 28 East, and the N/2 N/2 of Section 1, Township 19 South, Range 27 East, Eddy County, New Mexico ("Unit").
- 5. The Unit will be dedicated to the **Terlingua 6-1 State Com 121H** and **Terlingua 6-1 State Com 131H** wells ("Wells"), which will produce from a first take point in the NE/4 NE/4 (Unit A) of Section 6, Township 19 South, Range 28 East to a last take point in the NW/4 NW/4 (Unit D) of Section 1, Township 19 South, Range 27 East.
 - 6. The completed intervals of the Wells will be orthodox.

Permian Resources Operating, LLC Case No. 24997 Exhibit A

- 7. **Exhibit A-2** contains the C-102s for the Wells.
- 8. **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 Permian Resources seeks to pool highlighted in yellow.
- 9. Permian Resources has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.
- 10. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Wells. The estimated costs reflected on the AFE 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.
- 11. In my opinion, Permian Resources 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**.
- 12. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Wells are being drilled and \$1,000 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Permian Resources and other operators in the vicinity.
- 13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.
- 14. In my opinion, the granting of Permian Resources' application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. 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.

	2.2.2025
TRAVIS MACHA	Date

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. 24997

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 Section 6, Township 19 South, Range 28 East, and the N/2 N/2 of Section 1, Township 19 South, Range 27 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states the following:

- 1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
- 2. The Unit will be dedicated to the **Terlingua 6-1 State Com 121H** and **Terlingua 6-1 State Com 131H** wells ("Wells"), which will produce from a first take point in the NE/4 NE/4 (Unit A) of Section 6, Township 19 South, Range 28 East to a last take point in the NW/4 NW/4 (Unit D) of Section 1, Township 19 South, Range 27 East.
 - 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 protest correlative rights.
- 6. 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 Wells and the Unit.

Permian Resources Operating, LLC Case No. 24997 Exhibit A-1 WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025, 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.

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 Section 6, Township 19 South, Range 28 East, and the N/2 N/2 of Section 1, Township 19 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Terlingua 6-1 State Com 121H and Terlingua 6-1 State Com 131H wells ("Wells"), which will produce from a first take point in the NE/4 NE/4 (Unit A) of Section 6, Township 19 South, Range 28 East to a last take point in the NW/4 NW/4 (Unit D) of Section 1, Township 19 South, Range 27 East. 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

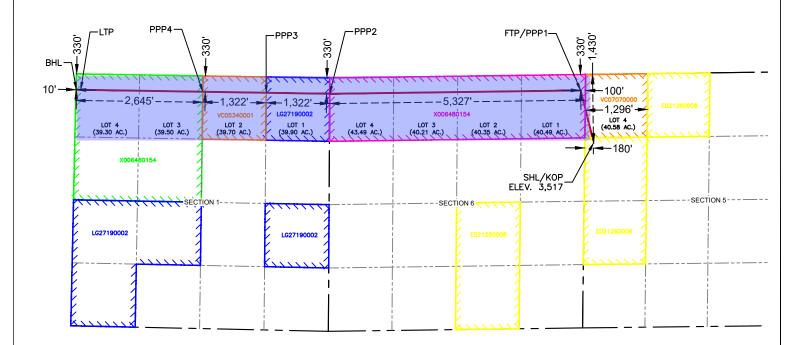
approximately 16.8 miles North of Carlsbad, New Mexico.

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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.



TERLINGUA 6-1 STATE 131H

SURFACE HOLE LOCATION & KICK-OFF POINT 1,430' FNL & 180' FWL ELEV. = 3,517

NAD 83 X = 580,649.27'
NAD 83 Y = 615,751.13'
NAD 83 LAT = 32.692678°
NAD 83 LONG = -104.205546°
NAD 27 X = 539,469.72'
NAD 27 Y = 615,688.85'
NAD 27 LAT = 32.692562°
NAD 27 LONG = -104.205036°

FIRST TAKE POINT & PENETRATION POINT 1 330' FNL & 100' FWL

NAD 83 X = 580,382.44' NAD 83 Y = 616,847.62' NAD 83 LAT = 32.695693° NAD 83 LONG = -104.206409° NAD 27 X = 539,202.90' NAD 27 Y = 616,785.33' NAD 27 LAT = 32.695577° NAD 27 LONG = -104.205899° POINT OF PENETRATION 330' FNL & 0' FWL

NAD 83 X = 575,154.93' NAD 83 Y = 616,777.73' NAD 83 LAT = 32.695517° NAD 83 LONG = -104,223403° NAD 27 X = 533,975.38' NAD 27 Y = 616,715.47' NAD 27 LAT = 32.695401° NAD 27 LONG = -104.222892° POINT OF PENETRATION 330' FNL & 1,322' FEL

NAD 83 X = 573,833.59' NAD 83 Y = 616,798.86' NAD 83 LAT = 32.695578° NAD 83 LONG = -104.227698° NAD 27 X = 532,654.05' NAD 27 Y = 616,736.62' NAD 27 LAT = 32.695462° NAD 27 LONG = -104.227187°

POINT OF PENETRATION 330' FNL & 2,644' FEL

NAD 83 X = 572,512.25'
NAD 83 Y = 616,820.00'
NAD 83 LAT = 32.695640°
NAD 83 LONG = -104.231993'
NAD 27 X = 531,332.71'
NAD 27 Y = 616,757.76'
NAD 27 LAT = 32.695524°
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LAST TAKE POINT 330' FNL & 100' FWL

NAD 83 X = 569,969.56' NAD 83 Y = 616,860.68' NAD 83 LAT = 32.695758° NAD 83 LONG = -104,240259' NAD 27 X = 528,790.00' NAD 27 Y = 616,798.45' NAD 27 LAT = 32.695642° NAD 27 LONG = -104,239747' BOTTOM HOLE LOCATION 330' FNL & 10' FWL

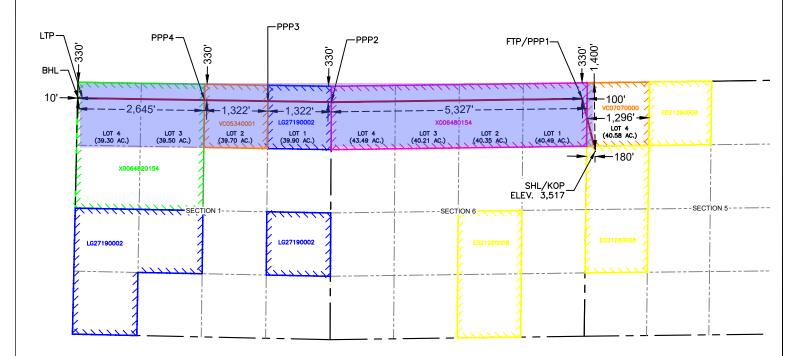
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NAD 83 LAT = 32.695762°
NAD 82 LONG = -104.240551°
NAD 27 X = 528,700.01'
NAD 27 Y = 616,799.89'
NAD 27 LAT = 32.695647°
NAD 27 LONG = -104.240040°

<u>C-102</u>			En			ıral Resources Department			Revised July 9, 2024		
	Electronically Permitting	/		OIL (CONSERVA	TION DIVISION			☐ Initial Su	ıbmittal	
								Submittal Type:	☐ Amende	ed Report	
									☐ As Drille	ed	
			<u> </u>		WELL LOCAT	ON INFORMATION					
API Nu			Pool Code	97569		Pool Name WINCH	IESTER; B	ONE SPR	ING, WEST		
Propert	ty Code		Property N	ame	TERLING	GUA 6-1 STATE COM	И		Well Numb	er 121H	
OGRID		_	Operator N						Ground Lev	vel Elevation	
	37216 Surface Owr	ner: □ State	 □Fee□T			RCES OPERATING, Mineral Ow		P □ Fee □	_ <u>l</u> ⊒ Tribal □ Fe	3,517'	
	Junace Owi	ici. 🗆 otate		IIDAI 🗆 I (- Cociai	William Civi	Tion. 🗆 Otati			Sucrai	
		T	D	t	-	ce Location	1	1.		O	
UL E	Section 5	Township 19 S	Range 28 E	Lot	Ft. from N/S	Ft. from E/W 180' FWL	Latitude		ongitude	County EDDY	
	5	195	28 E		1,400' FNL		32.6926	-1	04.205546°	EDDT	
UL	Section	Township	Range	Lot	Ft. from N/S	Hole Location Ft. from E/W	Latitude	L	ongitude	County	
LOT 4	1	19 S	27 E	201	330' FNL	10' FWL	32.6957		04.240551°	EDDY	
					000 1112						
	ted Acres 20	Infill or Defir	ing Well	Defining	Well API	Overlapping Spacing	g Unit (Y/N)	Consolida	tion Code		
Order N	Numbers.					Well setbacks are under Common Ownership: □Yes □No					
•					Kick O	ff Point (KOP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	L	ongitude	County	
LOT 1	6	19 S	28 E		330' FNL	0' FWL	32.6927	60° -1	04.205545°	EDDY	
	l				First Ta	L ake Point (FTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	L	ongitude	County	
LOT 1	6	19 S	28 E		330' FNL	100' FWL	32.6956	93° -1	04.206409°	EDDY	
					Last Ta	Take Point (LTP)					
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude		ongitude	County	
LOT 4	1	19 S	27 E		330' FNL	100' FWL	32.6957	′58° -1	04.240259°	EDDY	
Unitized	d Area or A	rea of Uniform	Interest	Spacing	⊔nit Type □ Ho	rizontal □ Vertical	Grou	nd Floor Ele	evation:		
OPERA	ATOR CER	TIFICATIONS				SURVEYOR CERTIFI	ICATIONS				
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.				I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.							
If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.				PRELIMINARY THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE AND SHALL NOT BE USED OR VIEWED OR RELIED UPON AS A FINAL SURVEY DOCUMENT.							
						R	RELIED UPON A	3 AT INAL 301	RVEY DOCUMEN	Т.	
Signatur	om the divisio		D	ate		Signature and Seal of Pro			RVEY DOCUMEN'	Т.	
	om the divisio		D	ate				veyor	RVEY DOCUMEN	т.	
Signatur	om the divisio		D	ate		Signature and Seal of Pro	ofessional Sur	veyor	RVEY DOCUMEN	т.	

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TERLINGUA 6-1 STATE 121H

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POINT OF PENETRATION 330' FNL & 2,644' FEL

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NAD 27 LAT = 32.695647°
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Terlingua N2N2 – Case 24997



Terlingua N2N2 Pooling Info

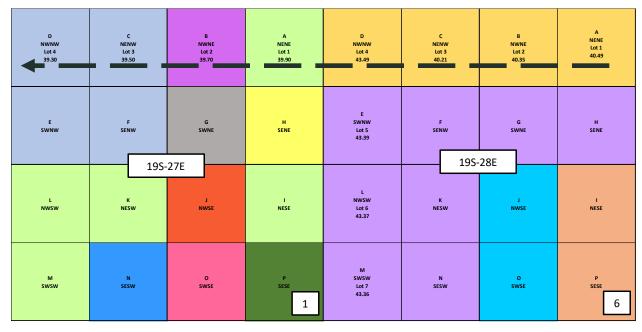
Notes:

- Please see Tract Capitulation Slide for Tract-by-Tract Interests
- Permian as noted is a minority interest owner but in the process of working a deal with EOG (Majority Owner)
 - S2N2 of Section 1 contains unleased SLO interest therefore not being pooled today. PR plans to ensure it is leased by itself or a 3rd Party and codevelop with the rest of the Section
 - Owners in YELLOW sought to be pooled

Unit Capitulation - N2N2						
Owner	WI					
EOG Resources, Inc.	0.78197922					
Permian Resources	0.013708233					
Permian Resources	0					
Permian Resources	0					
Permian Resources	0					
Permian Resources	0.061466526					
V-F Petroleum	0.061466526					
Marathon Oil Permian LLC	0.081379495					
Santo Legado, LLC	0					
Sharbro Energy, LLC	0					
Jalapeno Corporation	0					
MRC Delaware Resources, LLC	0					
Vladin, LLC	0					
Tinian Oil & Gas, LLC	0					
Permian Resources	0					

VC05340001

Terlingua Lease Map:



Terlingua Dedication:

Terlingua 6-1 State Com 121H (2nd Bone) & 131H (3rd Bone)

Permian Resources Operating, LLC Case No. 24997 Exhibit A-3

*Multiple Permian Resources' lines as previous parties have sold to PR

X0-0648-0157 OG07800013 E021260008 E006410005 X006480154 VC05370001 X006480146 V062650000 UNLEASED Released to Imaging: 2/6/202508006:32 AM VC05350001

Master Tract Capitulation - Terlingua



Tract Capitulation	278.8	40	79.9	39.7	40	40	40	40	40	164.54	330.12	80	80
Unit	All	S2S2	N2N2, N2S2	N2N2	S2N2	S2N2	N2S2	S2S2	S2S2	N2N2	S2N2, S2	S2	52
	Sec 1: Lots 3-4,										Sec 6: Lots 5-7,		
Owner	S2NW, N2SW,		Sec 1: Lot 1,								SENW, S2NE,		
	SWSW	Sec 1: SESW	NESE	Sec 1: Lot 2	Sec 1: SWNE	Sec 1: SENE	Sec 1: NWSE	Sec 1: SWSE	Sec 1: SESE	Sec 6: Lots 1-4	E2SW	Sec 6: W2SE	Sec 6: E2SE
EOG Resources, Inc.	94.382060%	98.885775%	100.000000%	0.000000%	0.000000%	0.000000%	0.000000%	100.000000%	0.000000%	84.027778%	100.000000%	58.180478%	47.451311%
Permian Resources	5.617940%	0.159175%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Permian Resources	0.000000%	0.795875%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Permian Resources	0.000000%	0.079588%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Permian Resources	0.000000%	0.079588%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Permian Resources	0.000000%	0.000000%	0.000000%	50.000000%	0.000000%	50.000000%	50.000000%	0.000000%	50.000000%	0.000000%	0.000000%	0.000000%	0.000000%
V-F Petroleum	0.000000%	0.000000%	0.000000%	50.000000%	0.000000%	50.000000%	50.000000%	0.000000%	50.000000%	0.000000%	0.000000%	0.000000%	0.000000%
Marathon Oil Permian LLC	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	15.972222%	0.000000%	12.500000%	0.000000%
Santo Legado, LLC	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	6.250000%	4.166667%
Sharbro Energy, LLC	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	14.062500%	9.375000%
Jalapeno Corporation	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	1.871388%	1.871388%
MRC Delaware Resources, LLC	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	7.135635%	7.135635%
Vladin, LLC	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	16.875000%
Tinian Oil & Gas, LLC	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	4.375000%
Permian Resources	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	0.000000%	8.750000%

^{*}Multiple Permian Resources' lines as previous parties have sold to PR

Released to Imaging: 2/6/2025 9:06:32 AM



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

OFFICE 432.695.4222 **FAX** 432.695.4063

September 11, 2024

Via Certified Mail

EOG Resources, Inc. 5509 Champions Drive Midland, Texas 79706

RE: Well Proposals – Terlingua 6-1 State Com

All of Section 6, T19S-R28E & All of Section 1, T19S-R27E

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 six (6) wells, the Terlingua 6-1 State Com at the following approximate locations within Township 19 South, Range 27 East & Township 19 South, Range 28 East, Eddy Co., NM:

1. Terlingua 6-1 State Com 121H

SHL: At a legal location within the W/2 of the NW/4 of Section 5

BHL: 10' FWL & 330' FNL of Section 1 FTP: 100' FEL & 330' FNL of Section 6 LTP: 100' FWL & 330' FNL of Section 1

TVD: Approximately 6,810' TMD: Approximately 17,095'

Proration Unit: N/2N/2 of Section 1 & N/2N/2 of Section 6

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

2. Terlingua 6-1 State Com 123H

SHL: At a legal location within the E/2 of the SE/4 of Section 6

BHL: 10' FWL & 2,310' FSL of Section 1 FTP: 100' FEL & 2,310' FSL of Section 6 LTP: 100' FWL & 2,310' FSL of Section 1

TVD: Approximately 6,910' TMD: Approximately 17,195'

Proration Unit: N/2S/2 of Section 1 & N/2S/2 of Section 6

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

3. Terlingua 6-1 State Com 124H

SHL: At a legal location within the E/2 of the SE/4 of Section 6

BHL: 10' FWL & 990' FSL of Section 1 FTP: 100' FEL & 990' FSL of Section 6 LTP: 100' FWL & 990' FSL of Section 1

TVD: Approximately 6,910' TMD: Approximately 17,195

Proration Unit: S/2S/2 of Section 1 & S/2S/2 of Section 6

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

Permian Resources Operating, LLC Case No. 24997 Exhibit A-4

4. Terlingua 6-1 State Com 131H

SHL: At a legal location within the W/2 of the NW/4 of Section 5

BHL: 10' FWL & 330' FNL of Section 1 FTP: 100' FEL & 330' FNL of Section 6 LTP: 100' FWL & 330' FNL of Section 1

TVD: Approximately 8,040' TMD: Approximately 18,325'

Proration Unit: N/2N/2 of Section 1 & N/2N/2 of Section 6

Targeted Interval: 3rd Bone Spring Total Cost: See attached AFE

5. Terlingua 6-1 State Com 133H

SHL: At a legal location within the E/2 of the SE/4 of Section 6

BHL: 10' FWL & 2,310' FSL of Section 1 FTP: 100' FEL & 2,310' FSL of Section 6

LTEOG Resources, Inc.

5509 Champions Drive, Midland, Texas 79706 P: 100' FWL & 2,310' FSL of Section 1

TVD: Approximately 8,115' TMD: Approximately 18,400'

Proration Unit: N/2S/2 of Section 1 & N/2S/2 of Section 6

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

6. Terlingua 6-1 State Com 134H

SHL: At a legal location within the E/2 of the SE/4 of Section 6

BHL: 10' FWL & 990' FSL of Section 1 FTP: 100' FEL & 990' FSL of Section 6 LTP: 100' FWL & 990' FSL of Section 1

TVD: Approximately 8,185' TMD: Approximately 18,470'

Proration Unit: S/2S/2 of Section 1 & S/2S/2 of Section 6

Targeted Interval: 2nd Bone Spring Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is 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 Kathryn Hanson at Kathryn.Hanson@permianres.com or myself at, Travis.Macha@permianres.com.

Respectfully,

Travis Macha NM Land Manager

Enclosures

ELECTIONS ON PAGE TO FOLLOW

Terlingua 6-1 State Com Elections:

Well Elections: (Please indicate your responses in the spaces below)						
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate				
Terlingua 6-1 State Com 121H						
Terlingua 6-1 State Com 123H						
Terlingua 6-1 State Com 124H						
Terlingua 6-1 State Com 131H						
Terlingua 6-1 State Com 133H						
Terlingua 6-1 State Com 134H						

Company Name (If Applicable):					
Ву:					
Printed Name:					
Date:					

Participate / Rejection Declaration

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

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

Company Name (If Applicable):
Ву:
Printed Name:
Date:



AFE Number: Description: Terlingua 6 - 1 State Com 121H

AFE Name: TERLINGUA 6 - 1 STATE COM 121H AFE TYPE: Drill and Complete

Well Operator: Permian Resources

Operator AFE #:

Operator AFE #.	=		
Account	Description		Gross Est. (\$)
Drilling Intangible			
8015.5000	IDC - WELL CONTROL INSURANCE		\$8,285.13
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8015.5200	IDC - CONTINGENCY		\$124,812.11
8015.2400	IDC - RIG WATER		\$7,150.00
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.2350	IDC - FUEL/MUD		\$40,000.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP		\$18,000.00
8015.2300	IDC - FUEL / POWER		\$97,750.00
8015.3100	IDC - CASING CREW & TOOLS		\$50,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS		\$50,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC		\$15,000.00
8015.1700	IDC - DAYWORK CONTRACT		\$418,000.00
8015.4100	IDC - RENTAL EQUIPMENT		\$23,000.00
8015.4300	IDC - WELLSITE SUPERVISION		\$66,000.00
8015.1100	IDC - STAKING & SURVEYING		\$15,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW		\$35,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP		\$160,000.00
8015.4200	IDC - MANCAMP		\$28,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$45,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR		\$30,500.00
8015.2150	IDC - DRILL BIT		\$53,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM		\$39,700.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL		\$8,400.00
8015.1400	IDC - ROAD, LOCATIONS, PITS		\$108,333.33
8015.1310	IDC - PERMANENT EASEMENT		\$12,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$45,000.00
8015.3700	IDC - DISPOSAL		\$97,000.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$110,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY		\$224,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$30,000.00
8015.3400	IDC - MATERIALS & SUPPLIES		\$5,000.00
8015.1500	IDC - RIG MOB / TRUCKING		\$100,000.00
		Sub-total	\$2,091,930.57
Facilities			,_, ,
8035.1310	FAC - PEMANENT EASEMENT		\$3,333.00
8035.2100	FAC - INSPECTION & TESTING		\$833.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP		\$13,333.00
8035,2200	FAC - CONTRACT LABOR / ROUSTAB		\$86,667.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$833.00
8035.3700	FAC - AUTOMATION MATERIAL		\$41,667.0





<u>Account</u>	<u>Description</u>		Gross Est. (\$)
8035.2500	FAC - CONSULTING SERVICES		\$2,500.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL		\$667.00
8035.1700	FAC - RENTAL EQUIPMENT		\$4,167.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$5,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$150,000.00
8035.3800	FAC - FLARE/COMBUSTER		\$16,667.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$500.00
8035.3400	FAC - METER & LACT		\$34,467.00
8035.2400	FAC - SUPERVISION		\$5,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$108,333.00
8035.2900	FAC - TANK BATTERY		\$96,667.00
8035.3500	FAC - COMPRESSOR		\$5,333.00
8035.3600	FAC - ELECTRICAL		\$41,667.00
8035.1400	FAC - ROAD LOCATIONS PITS		\$29,167.00
8035.4500	FAC - CONTINGENCY		\$23,833.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$833.00
Completion Intan	nibla	Sub-total	\$671,467.00
8025.2000	ICC - TRUCKING		\$14,375.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$2,405,186.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING		\$172,358.00
8025,2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.1500	ICC - FUEL / POWER		\$560,880.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.1600	ICC - COILED TUBING		\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3400	ICC - RENTAL EQUIPMENT		\$198,747.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$406,429.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$20,160.00
8025.3050	ICC - SOURCE WATER		\$318,862.00
8025.3500	ICC - WELLSITE SUPERVISION		\$48,600.00
		Sub-total	\$4,517,699.00
Artificial Lift Tang	jible		
8065.3100	TAL - MEASUREMENT EQUIPMENT		\$30,000.00
8065.2000	TAL - WELLHEAD EQUIPMENT		\$40,000.00
8065.1300	TAL - DOWNHOLE ARTIFICIAL LIFT EQPT		\$10,000.00
8065.2500	TAL - VALVES/CONNECTIONS/FTGS		\$95,000.00
8065.3400	TAL - CONTRACT LABOR INSTALL		\$30,000.00
8065.1700	TAL - PACKER/DOWNHOLE TOOLS		\$5,000.00
8065.1100	TAL - TUBING		\$105,000.00
		Sub-total	\$315,000.00



Account	<u>Description</u>		Gross Est. (\$)
Artificial Lift Intan	gible		
8060.3500	IAL - WELLSITE SUPERVISION		\$10,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$20,000.00
8060.3700	IAL - HEALTH & SAFETY		\$5,000.00
8060.1200	IAL - WORKOVER RIG		\$30,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$20,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$25,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$20,000.00
		Sub-total	\$130,000.00
Pipeline			
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$11,666.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL		\$33,333.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$20,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$23,100.00
8036.1300	PLN - SURFACE DAMAGE / ROW		\$2,500.00
8036.2200	PLN - CONTRACT LABOR		\$70,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$66,528.00
		Sub-total	\$227,127.00
Completion Tangil	ble		
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
		Sub-total	\$47,250.00
Drilling Tangible			
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$177,697.81
8020.1100	TDC - CASING - SURFACE		\$33,834.25
8020.1400	TDC - CASING - PRODUCTION		\$652,674.41
8020.1500	TDC - WELLHEAD EQUIPMENT		\$65,875.00
		Sub-total	\$930,081.47
Flowback Intangib	le		
8040.2900	IFC - WELL TESTING / FLOWBACK		\$150,000.00
8040.1899	IFC - FRAC WATER RECOVERY		\$290,000.00
8040.3500	IFC - WELLSITE SUPERVISION		\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT		\$25,000.00
		Sub-total	\$475,000.00
		Grand Total	\$9,405,555.04



AFE Number: Description: Terlingua 6 -1 State Com 131H

AFE Name: TERLINGUA 6 -1 STATE COM 131H AFE TYPE: Drill and Complete

Well Operator: PERMIAN RESOURCES

Operator AFE #: **Description** Gross Est. (\$) **Account Drilling Intangible** 8015.3700 IDC - DISPOSAL \$145,411.00 8015.3500 IDC - TRUCKING/VACUUM/ TRANSP \$31,500.00 8015.4100 **IDC - RENTAL EQUIPMENT** \$115,500.00 8015.3200 IDC - CONTRACT LABOR/ROUSTABOUT \$27,000.00 **IDC - CASING CREW & TOOLS** 8015.3100 \$73,000.00 8015.2200 IDC - BITS, TOOLS, STABILIZERS \$123,746.00 8015.3600 IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM \$82,556.25 8015.5000 **IDC - WELL CONTROL INSURANCE** \$11,550.00 8015.2500 IDC - MUD/CHEMICALS/ACIDIZING \$176.811.69 8015.2300 IDC - FUEL / POWER \$196,350.00 8015.1400 IDC - ROAD, LOCATIONS, PITS \$95,625.00 8015.1310 **IDC - PERMANENT EASEMENT** \$12,000.00 8015.1700 **IDC - DAYWORK CONTRACT** \$809,943.75 8015.1100 **IDC - STAKING & SURVEYING** \$15,000.00 8015.2150 **IDC - DRILL BIT** \$66,750.00 8015.2400 **IDC - RIG WATER** \$26,250.00 8015.2000 IDC - CONDUCTOR HOLE & SERVICE \$42,500.00 8015.1500 IDC - RIG MOB / TRUCKING \$127,500.00 8015.3000 IDC - CEMENT SERV/FLOAT EQUIP \$190,500.00 8015.4200 **IDC - MANCAMP** \$54,600.00 8015.2350 IDC - FUEL/MUD \$66,000.00 8015.4300 **IDC - WELLSITE SUPERVISION** \$121,800.00 8015.1900 **IDC - DIRECTNL DRILL & SURVEY** \$345,843.75 IDC - SAFETY / ENVIRONMENTAL 8015.4600 \$23,100.00 8015.2700 IDC - INSPECTION, TESTING & REPAIR \$37,000.00 8015.3800 **IDC - WELLHEAD PREPARE/REPAIR** \$12,500.00 8015.3400 **IDC - MATERIALS & SUPPLIES** \$5,000.00 8015.1600 IDC - RIG MOB / STANDBY RATE \$36,300.00 8015.5200 **IDC - CONTINGENCY** \$141,058.68 8015.1000 IDC - PERMITS, LICENSES, ETC \$15,000.00 8015 1300 IDC - SURFACE DAMAGE / ROW \$35,000.00 8015.1200 IDC - LEGAL, TITLE SERVICES \$13,000.00 Sub-total \$3,275,696.12 **Facilities** 8035.2500 **FAC - CONSULTING SERVICES** \$1,667.00 FAC - SAFETY / ENVIRONMENTAL 8035.4000 \$1,333.00 8035.2200 FAC - CONTRACT LABOR / ROUSTAB \$50,000.00 8035.4400 **FAC - COMPANY LABOR** \$3,333.00 8035.1800 FAC - FUEL / POWER \$2,667.00 8035.4500 **FAC - CONTINGENCY** \$11,450,00





RESOURCES		Printed L	Jale. Sep 6, 2024
Account	<u>Description</u>		Gross Est. (\$)
8035.1600	FAC - TRANSPORTATION TRUCKING		\$10,000.00
8035.2400	FAC - SUPERVISION		\$20,000.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$110,000.00
8035.3700	FAC - AUTOMATION MATERIAL		\$23,333.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$667.00
8035.3500	FAC - COMPRESSOR		\$10,000.00
8035.3400	FAC - METER & LACT		\$37,000.00
8035.3600	FAC - ELECTRICAL		\$25,000.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$10,000.00
8035.1300	FAC - SURFACE DAMAGE / ROW		\$1,667.00
8035.3200	FAC - VALVES FITTINGS & PIPE		\$50,000.00
8035.2100	FAC - INSPECTION & TESTING		\$1,667.00
8035.1700	FAC - RENTAL EQUIPMENT		\$23,333.00
		Sub-total	\$393,117.00
Completion Intang	gible		
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK		\$16,065.00
8025.3050	ICC - SOURCE WATER		\$266,933.00
8025.1500	ICC - FUEL / POWER		\$441,443.00
8025.3400	ICC - RENTAL EQUIPMENT		\$164,232.00
8025.1600	ICC - COILED TUBING		\$207,532.00
8025.2000	ICC - TRUCKING		\$14,375.00
8025.3600	ICC - SUPERVISION/ENGINEERING		\$5,000.00
8025.3500	ICC - WELLSITE SUPERVISION		\$48,600.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING		\$317,380.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL		\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE		\$40,000.00
8025.2300	ICC - COMPLETION FLUIDS		\$10,000.00
8025.2500	ICC - WELL STIMULATION/FRACTUR		\$1,621,954.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8025.3800	ICC - OVERHEAD		\$10,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR		\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS		\$10,500.00
8025.3000	ICC - WATER HANDLING		\$117,765.00
		Sub-total	\$3,361,779.00
Artificial Lift Intan	gible		
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.1200	IAL - WORKOVER RIG		\$17,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$5,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$15,000.00





		Grand Total	\$9,706,793.73
		Sub-total	\$47,250.00
8030.2000	TCC - WELLHEAD EQUIPMENT		\$47,250.00
Completion Tangil	ble	Sub-total	\$255,227.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	Cub 4a4al	\$25,000.00
8036.3200	PLN - VALVES FITTINGS & PIPE		\$15,000.00
8036.2800	PLN - FLOWLINE MATERIAL		\$80,000.00
8036.2200	PLN - CONTRACT LABOR		\$87,500.00
8036.3620	PLN - POWER DISTRIBUTION LABOR		\$25,000.00
8036.1310	PLN - PEMANENT EASEMENT		\$22,727.00
Pipeline			
		Sub-total	\$1,064,666.02
8020.1100	TDC - CASING - SURFACE		\$77,295.28
8020.1200	TDC - CASING - INTERMEDIATE - 1		\$429,641.69
8020.1500	TDC - WELLHEAD EQUIPMENT		\$53,125.00
8020.1400	TDC - CASING - PRODUCTION		\$504,604.05
Drilling Tangible		552 5533	4 5,555.6.
0000.2400	TAL - GOWN NEGGOT INGTALL & GTANTON	Sub-total	\$470,000.00
3065.2400	TAL - COMPRESSOR INSTALL & STARTUP		\$70,000.0
3065.3200	TAL - COMM, TELEMETRY & AUTOMA		\$10,000.00
3065.1100	TAL - TUBING		\$125,000.00
3065.2300	TAL - MEASUREMENT EQUIPMENT TAL - GAS LIFT INJECTION LINE & INSTALL		\$130,000.0
3065.3100	TAL - GAS LIFT EQUIPMENT/MSTALL TAL - MEASUREMENT EQUIPMENT		\$30,000.0
065.1320	TAL - VALVES/CONNECTIONS/FIGS TAL - GAS LIFT EQUIPMENT/INSTALL		\$15,000.0 \$30,000.0
3065.2500	TAL - WELLHEAD EQUIPMENT TAL - VALVES/CONNECTIONS/FTGS		
3065.2000	TAL - WELLHEAD EQUIPMENT		\$60,000.0
Artificial Lift Tangi	iblo	Sub-total	\$759,058.5
3040.3500	IFC - WELLSITE SUPERVISION	0.1.4.4.1	\$10,000.0
3040.3420	IFC - TANK RENTALS		\$20,000.0
3040.2900	IFC - WELL TESTING / FLOWBACK		\$125,000.00
3040.2000	IFC - TRUCKING/VACUUM/TRANSP		\$20,000.00
3040.3430	IFC - SURFACE PUMP RENTAL		\$20,000.00
8040.1100	IFC - ROADS LOCATIONS / PITS		\$5,000.0
3040.4000	IFC - CHEMICALS		\$15,000.0
3040.1899	IFC - FRAC WATER RECOVERY		\$544,058.5
Flowback Intangib			
		Sub-total	\$80,000.0
			
Account	Description		Gross Est. (
			э энг э эр э, шэш :

Terlingua – Contact Chronology



January 2024: Original Terlingua proposals sent out

Correspondence with V-F

Jalepeno/Sharbro/Tinian consent (Only Jalepeno has signed JOA)

Correspondence with EOG

Correspondence with Sharbro

April 2024: Correspondence with Featherstone

Correspondence with Marathon

Correspondence with EOG

May 2024: Correspondence with Midstream takeaway

Correspondence with V-F

June 2024: Correspondence with Marathon (They agreed to exit Terlingua, but the ConocoPhillips

acquisition of Marathon halted this)

July 2024: Oxy Y-1, Featherstone, Parrot Head, Prospector, Big Three all sell interest to Permian

Resources

September 2024: Permian Resources re-proposes Terlingua

Correspondence with Sharbro, Tinian, MRC, and Vladin

Sharbro & Tinian consent

October 2024: Correspondence with Jalepeno

Jalepeno Consents

November 2024: Vladin Consents

Permian Resources Operating, LLC

Case No. 24997 Exhibit A-5

General EOG commentary: Broader area discussions ongoing since 2023 to present on EOG's exit of surrounding lands inclusive of the Terlingua Unit

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. 24997, 24998, 24999

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 Terlingua project area, in proximity to the Capitan Reef within the Delaware Basin, for the 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 Bone Spring formation. The approximate wellbore path for the proposed Terlingua 6-1 State Com 121H, Terlingua 6-1 State Com 131H, Terlingua 6-1 State Com 123H, Terlingua 6-1 State Com 124H, and Terlingua 6-1 State Com 134H 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 well. The pooling unit areas are defined by blue boxes and are labeled with each respective case number.

Permian Resources Operating, LLC Case No. 24997 Exhibit B

- 5. **Exhibit B-3** is a Subsea Structure map of the Second Bone Spring interval in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed wells with a orange dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed wells. The data points are indicated by red 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.
- 6. **Exhibit B-4** is a Subsea Structure map of the Third Bone Spring interval in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed wells with a red dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red 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 stratigraphic cross-section from A to A' using the representative wells identified on Exhibits B-2 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 Bone Spring 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 east to west across the units. This cross-section demonstrates the target intervals are continuous across the Unit.
- 8. **Exhibit B-6** is a gun barrel diagram that shows the proposed wells in the Bone Spring formation. The spacing units are defined by blue boxes and are labeled with their respective case numbers.

9. In my opinion, a laydown orientation for the wells is appropriate to properly develop the subject acreage because of consistent rock properties throughout the Unit and is the preferred fracture orientation in this portion of the trend.

10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the wells.

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

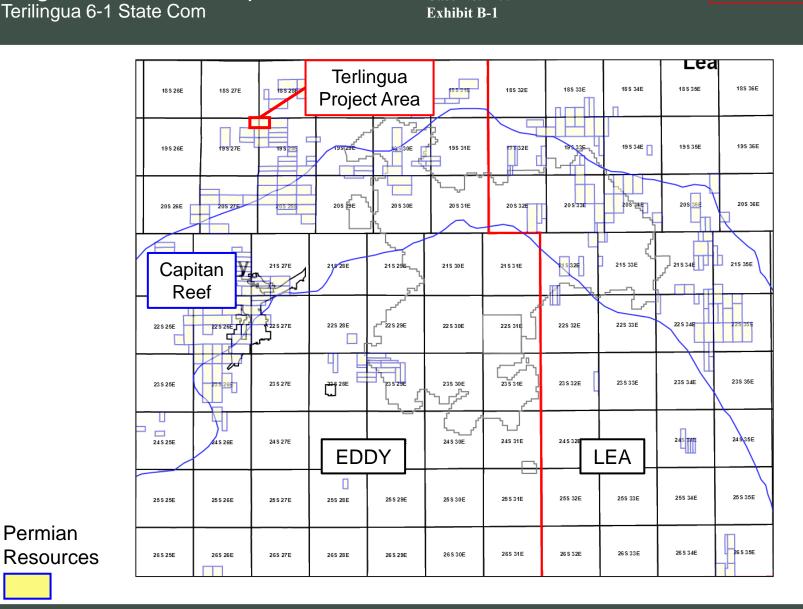
12. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.

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

Chris Cantin

12-15-2024 Date Regional Locator Map





Permian Resources

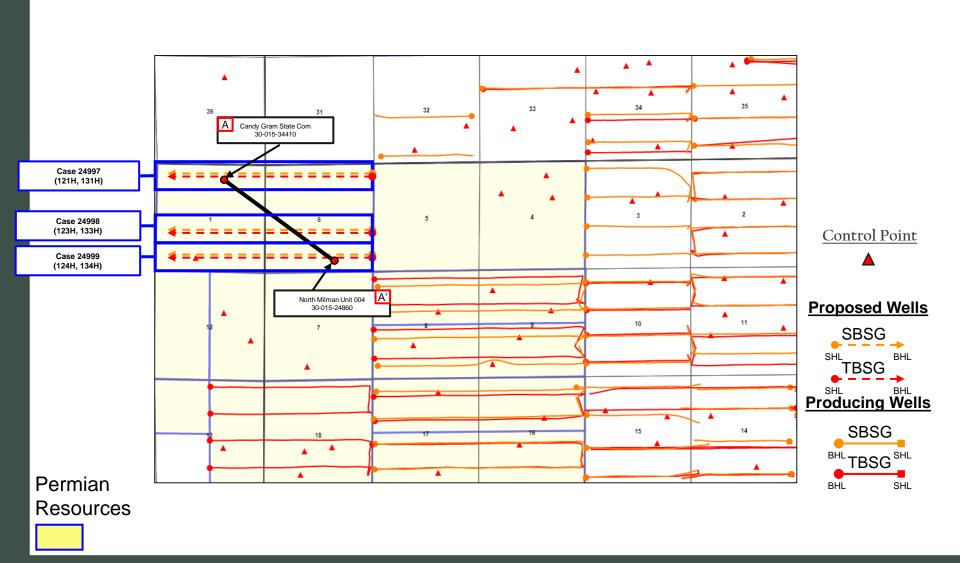


Cross-Section Locator Map

Terilingua 6-1 State Com Second Bone Spring

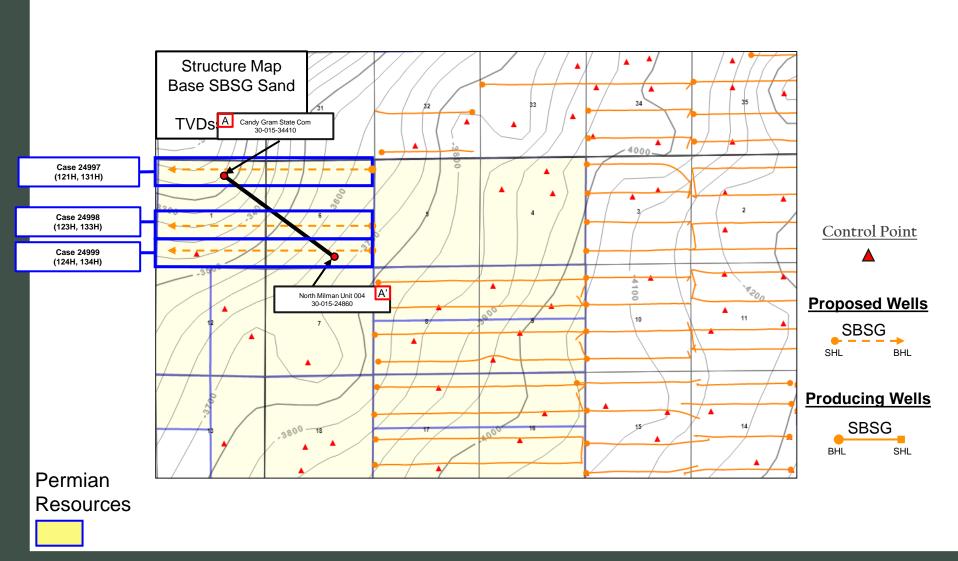




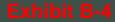


Base of Second Bone Spring – Structure Map Terilingua 6-1 State Com



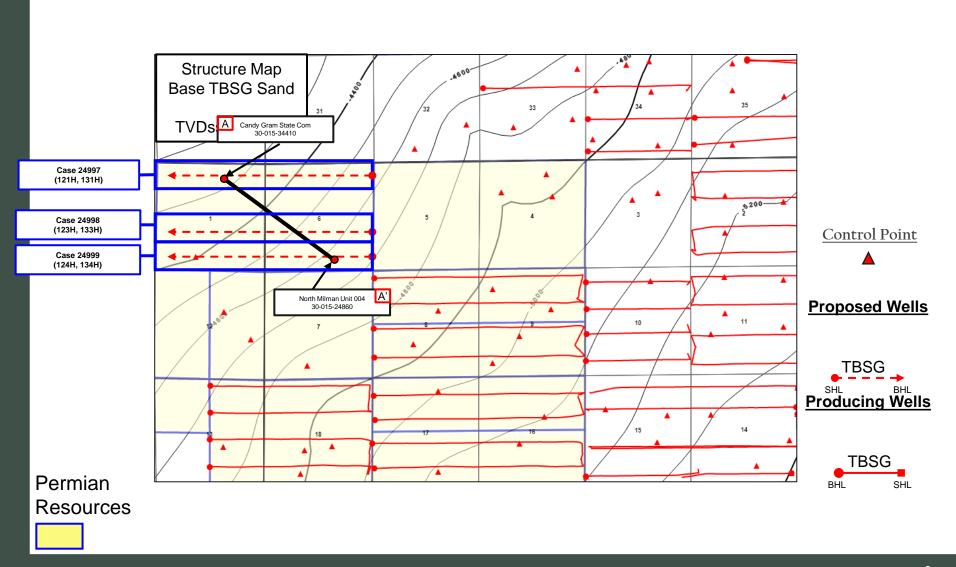


Case No. 24997 Exhibit B-4

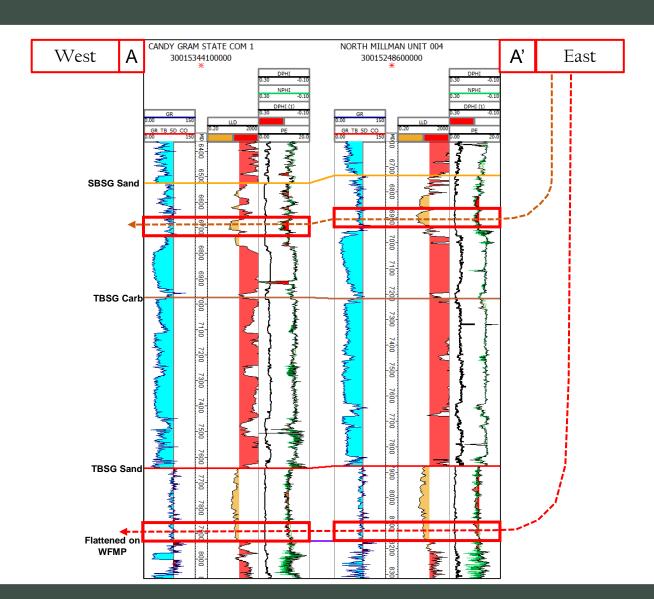




Base of Third Bone Spring – Structure Map Terilingua 6-1 State Com



Stratigraphic Cross-Section A-A' Terilingua 6-1 State Com Second and Third Bone Spring



Target Interval

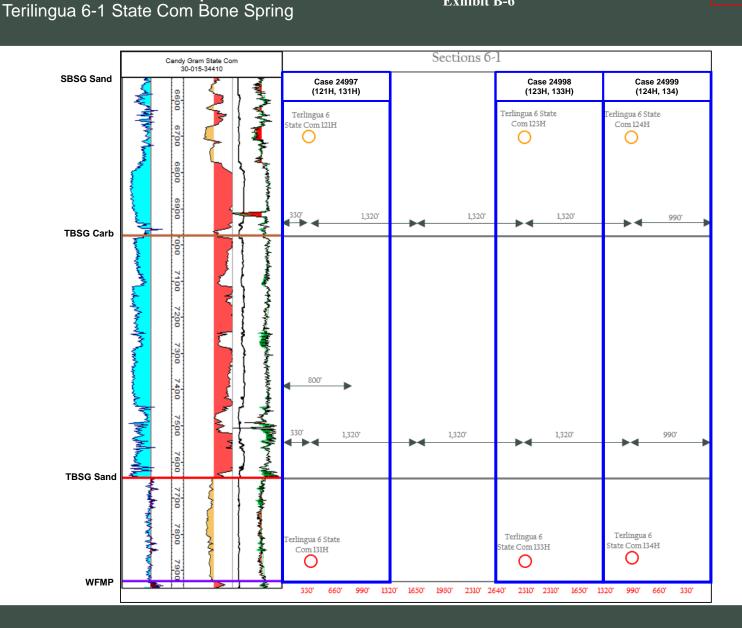
SBSG Target

TBSG Target

Gun Barrel Development Plan

Exhibit B-6







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.24997

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 December 12, 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-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the

subject cases. I affirm that my testimony above is true and correct and 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

January 22, 2025

Date

Permian Resources Operating, LLC Case No. 24997 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

December 6, 2024

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

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24997, 24998, and 24999 – 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 **January 9**, **2025**, beginning at 9:00 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 date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this application, please contact Travis Macha at Permian Resources Operating, LLC, via e-mail at Travis.Macha@permianres.com.

Sincerely,

<u>/s/ Dana S. Hardy</u>

Dana S. Hardy

Enclosure

Permian Resources Operating, LLC Case No. 24997 Exhibit C-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

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

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

CASE NOS. 24997, 24998, &

24999

POOLED PARTIES NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Blue Star Oil and Gas, LLC	12-06-2024	12-11-2024
PO Box 100	9589071052701502521007	
Artesia, NM 88211-0100		
EOG Resources, Inc.	12-06-2024	1-2-2025
5509 Champions Dr.	9589071052701501976709	
Midland, TX 79706		
Headington Royalty, Inc.	12-06-2024	12-16-2024
1501 N Hardin Blvd.	9589071052701501976716	
McKinney, TX 75701		
Jalapeno Corporation	12-06-2024	12-9-2024
PO Box 1608	9589071052701501976730	
Albuquerque, NM 87103		
Marathon Oil Permian LLC	12-06-2024	12-16-2024
990 Town and Country Blvd.	9589071052701501976723	
Houston, TX 77024		
MRC Delaware Resources, LLC	12-06-2024	12-16-2024
One Lincoln Centre	9589071052701501976747	
5400 LBJ Freeway, Ste. 1500		
Dallas, TX 75240		
Riley Exploration- Permian, LLC	12-06-2024	12-16-2024
1807 Hughes Landing Blvd. Ste. 265	9589071052701501976754	
The Woodlands, TX 77380		
Santo Legado, LLC	12-06-2024	12-11-2024
PO Box 1020	9589071052701501976761	
Artesia, NM 88211		
Sharbro Energy, LLC	12-06-2024	12-11-2024
PO Box 840	9589071052701501976778	
Artesia, NM 88211		
Tinian Oil & Gas, LLC	12-06-2024	12-12-2024
PO Box 900	9589071052701501976785	
Artesia, NM 88211-0900		1
V-F Petroleum Inc.	12-06-2024	12-16-2024
PO Box 1889	9589071052701501976792	
Midland, TX 79702		1
Vladin, LLC	12-06-2024	12-11-2024
PO Box 100	9589071052702305985010	
Artesia, NM 88211		

Permian Resources Operating, LLC Case No. 24997 Exhibit C-2

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. 24997, 24998, &

24999

POOLED PARTIES NOTICE LETTER CHART

WPX Permian, LLC	12-06-2024	12-16-2024
333 W Sheridan Ave	9589071052702305985027	
Oklahoma City, OK 73102		





Permian Resources Operating, LLC Case No. 24997 Exhibit C-3





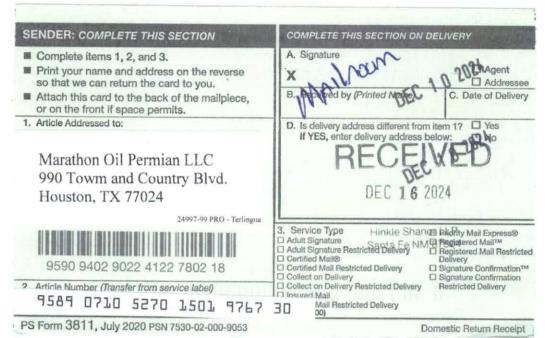




E3	U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only				
10	For delivery information, visit our website at www.usps.com .				
9767	OFFICIAL				
Н	Certified Mail Fee				
1.501	\$ Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) \$				
	Return Receipt (electronic) \$	Postmark			
5270	Certified Mail Restricted Delivery \$	Here			
ru	Adult Signature Restricted Delivery \$				
	Postage				
	\$				
7	Total Postage and Fees				
0770	\$				
	Sent To				
9589	Street and Jalapeno Corporation PO Box 1608	***************************************			
5	City, Stati Albuquerque, NM 87103				
	24997-99 PRO - Terlingun				
	PS Form 3800, January 2023 PSN 7530-02-000-9047	See Reverse for Instructions			















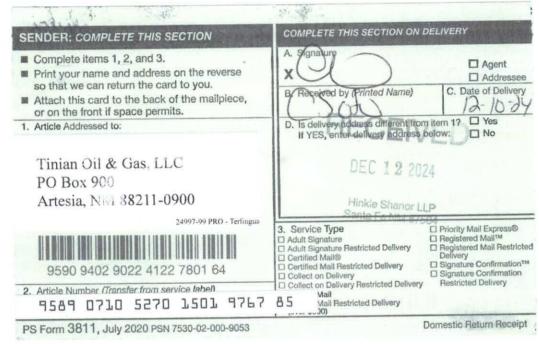
























AFFIDAVIT OF PUBLICATION

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

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 94 Ad Number: 25620

Description: Pro-Terlingua 24997,98,99

Ad Cost:

\$181.50

Sherry Groves, 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:

December 12, 2024

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

Sherry Dance

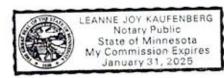
Agent

Subscribed to and sworn to me this 12th day of December 2024.

Leanne Kaufenberg, Notary Public, Redwood County

Minnesota

CARA DOUGLAS HINKLE SHANOR, LLP PO BOX 2068 Santa Fe, NM 87504 cdouglas@hinklelawfirm.com



Permian Resources Operating, LLC Case No. 24997 Exhibit C-4

PUBLIC NOTICE

This is to notify all interested parties, including: Blue Star Oil and Gas, LLC; EOG Resources, Inc.; Headington Royalty, Inc.; Jalapeno Cor-poration; Marathon Oil Per-mian LLC; MRC Delaware Resources, LLC; Riley Exploration-Permian, LLC; Santo Legado, LLC; Sharbro Energy, LLC: Tinian Oil & Gas, LLC; V-F Petroleum Inc.; Vladin, LLC; WPX Permian, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on applica-tions submitted by Permian Resources Operating, LLC ("Applicant") (Case Numbers 24997, 24998, and 24999). The hearing will be conducted on January 9, 2025, 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-

In Case No. 24997, 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 Section 6, Township 19 South, Range 28 East, and the N/2 N/2 of Section 1, Township 19 South, Range 27 East, Eddy County, New Mexico, The Unit will be dedicated to the Terlingua 6-1 State Com 121H and Ter-lingua 6-1 State Com 131H wells, which will produce from a first take point in the NE/4 NE/4 (Unit A) of Section 6, Township 19 South, Range 28 East to a last take point in the NW/4 NW/4 (Unit D) of Section 1. Township 19 South, Range 27 East.

In Case No. 24998, 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 S/2 of Section 6, Township 19 South, Range 28 East, and the N/2 S/2 of Section 1, Township 19 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the Terlingua 6-1 State Com 133H wells, which will produce from a first take point in the NE/4 SE/4 (Unit 1) of Section 6, Township 19 South, Range 28 East to a last take point in the NW/4 SW/4 (Unit L) of Section 1, Township 19 South, Range 27 East.

In Case No. 24999, 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 S/2 S/2 of Section 6, Township 19 South, Range 28 East, and the S/2 S/2 of Section 1, Township 19 South, Range 27 East, Eddy County, New Mexico. The Unit will be dedicated to the Terlingua 6-1 State Com 124H and Terlingua 6-1 State Com 134H wells, which will produce from a first take point in the SE/4 SE/4 (Unit P) of Section 6, Township 19 South, Range 28 East to a last take point in the SW/4 SW/4 (Unit M) of Section 1, Township 19 South, Range 27 East. The completed intervals of the wells are expected to be orthodox. Also to be considered in each case 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 16.8 miles North of Carlsbad, New Mexico.

Published in the Carlsbad Current-Argus December 12, 2024. #25620