Hardy | McLean LLC
ENERGY AND NATURAL RESOURCES ATTORNEYS

August 3, 2026

VIA ONLINE FILING

Albert Chang
Division Director
Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Permian Resources Operating, LLC
Request for Administrative Approval of Extension to Commence Drilling the Le Mans 2419 State Com 131H

Dear Mr. Chang,

In accordance with Division Rules 19.15.4.12(B) and 19.15.4.12(C) NMAC, Permian Resources Operating, LLC ("Permian Resources" or "Applicant") (OGRID No. 372165) seeks administrative approval of a one-year extension of time to commence drilling the Le Mans 2419 State Com 131H well ("Well") under Order No. R-23981 ("Order"), which is attached hereto.

The Division entered the Order in Case No. 25502 on September 2, 2025. The Order pooled all uncommitted interests in the Bone Spring formation, underlying a 319.77-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of Section 24, Township 20 South, Range 26 East, and the N/2 N/2 equivalent of irregular Section 19, Township 20 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Order dedicated the Unit to the Well and designated Applicant as operator of the Unit and Well.

The Order requires Permian Resources to commence drilling the Wells within one (1) year of the date of the Order. The Order also provides that Permian Resources may request "an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing." *See* Order at ¶ 21.

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMclean.com

Writer:
Jaclyn M. McLean
Managing Partner
jmclean@hardymclean.com

Permian Resources requests the extension of time to commence drilling the Well so that it can incorporate the Well into a co-development plan with Permian Resources' offsetting Catalina unit. This approach supports improved parent-child well production and therefore, prevents waste and protects correlative rights. Accordingly, Permian Resources requests a one (1) year extension of time to commence drilling the Well, until September 2, 2027.

Attached is a list of the parties who were sent a copy of this request for extension and all attachments by certified mail, advising that any objections must be filed in writing with the Division within 20 days from the date the Division receives the request. The notice is being sent to all of the parties originally notified of the pooling. The attachment also includes a copy of the notice letter and the date notice was sent.

Thank you for your attention to this matter. Please let me know if you require additional information.

Very truly yours,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean
Jaclyn M. McLean

ATTORNEYS FOR PERMIAN RESOURCES OPERATING, LLC

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY PERMIAN RESOURCES OPERATING, LLC	**CASE NO. 25502** **ORDER NO. R-23981**

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on August 7, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. Permian Resources Operating, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. Operator seeks to be designated the operator of the Unit.

2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.

3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.

4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.

5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.

7. Operator is the owner of an oil and gas working interest within the Unit.

8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

10. Operator has the right to drill the Well(s) to a common source of supply at the

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.

12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.

13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.

14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.

16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.

17. Operator is designated as operator of the Unit and the Well(s).

18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.

19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.

20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.

21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.

22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.

24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").

25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.

27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.

28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."

29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include

the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

31. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.

33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.

34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.

35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*

36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.

37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Albert Chang

ALBERT CHANG
DIRECTOR
AC/asf

Date: 9/2/2025

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25502	APPLICANT'S RESPONSE
Date: August 7, 2025	
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (OGRID No. 372165)
Applicant's Counsel:	Hardy McLean LLC
Case Title:	Application of Permian Resources Operating, LLC for Compulsory Pooling and Approval of Overlapping Spacing Unit, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Le Mans
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)	319.77
Building Blocks:	quarter-quarter
Orientation:	West to East
Description: TRS/County	N/2 N/2 of Section 24, Township 20 South, Range 26 East, and the N/2 N/2 equivalent of Section 19, Township 20 South, Range 27 East, Eddy County.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	N/A
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	Le Mans 2419 State Com 131H SHL: 1,361' FNL & 295' FEL (Unit E), Section 24, T20S-R26E BHL: 330' FNL & 100' FEL (Unit A), Section 19, T20S-R27E Completion Target: Third Bone Spring (Approx. 7,522' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month $	$10,000
Production Supervision/Month $	$1,000
Justification for Supervision Costs	Exhibit A-4
Requested Risk Charge	200%
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-4
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-5
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	7/30/2025

CASE NO. 25502
ORDER NO. R-23981

NOTICE LIST: Case Nos. 25502, 25503 // Order Nos. R-23981, R-23982 // Le Mans 131H & 132H Wells				
Party	**Address**	**Interest Type**	**Date Notice Sent**	**Tracking No.**
Permian Resources Operating, LLC	300 N. Marienfeld St., Ste. 1000 Midland, Texas 79701	WI - OPERATOR	6/18/2026	9414836208551302312294
Powderhorn Assets, LLC	2100 Mckinney Ave., Ste. 1675 Dallas, Texas 75201	WI	6/18/2026	9414836208551302312317
Yates Industries LLC	403 W. San Francisco St. Santa Fe, New Mexico 87501	WI	6/18/2026	9414836208551302312348
Chief Capital (O&G) II LLC	8111 Westchester Dr., Ste. 900 Dallas, Texas 75225	WI	6/18/2026	9414836208551302312379
WR Non-Op LLC	PO Box 2266 Midland, Texas 79701	WI	6/18/2026	9414836208551302312393
EOG Resources, Inc.	5509 Champions Dr. Midland, Texas 79706	WI	6/18/2026	9414836208551302312409
Cibolo Resources, LLC	3600 Bee Cave Rd., Ste. 216 West Lake Hills, Texas 78746	WI	6/18/2026	9414836208551302312461
Tascosa Energy partners, LLC	901 W. Missouri Ave. Midland, Texas 79701	RT	6/18/2026	9414836208551302312478

Hardy | McLean LLC
ENERGY AND NATURAL RESOURCES ATTORNEYS

June 18, 2026

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL PERSONS WHO RECEIVED NOTICE OF POOLING APPLICATION

Re: Permian Resources Operating, LLC: Request for Administrative Approval of Extension to Commence Drilling the Le Mans 2419 State Com 131H and 132H Wells

Enclosed are copies of administrative applications requesting an extension of the deadline to commence drilling the Le Mans 2419 State Com 131H and 132H wells. Any objection to these requests must be submitted to the Oil Conservation Division in writing within twenty (20) days from the date the Division receives the request. The objection can be transmitted to the Division by mail at 1220 South St. Francis Drive, Santa Fe, New Mexico 87505, or email at ocd.engineer@emnrd.nm.gov. If no objection is received within this twenty-day period, the extension will be automatically granted pursuant to Paragraph 21 of the Order.

If you have any questions this request, please contact Matt Gray, Senior Staff Landman with Permian Resources Operating LLC, at matt.gray@permianres.com.

Sincerely,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean
Jaclyn M. McLean

ATTORNEYS FOR PERMIAN RESOURCES OPERATING, LLC

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMclean.com

Writer:
Jaclyn M. McLean
Managing Partner
jmclean@hardymclean.com

From: Matthew Gray
To: Jaclyn M. McLean
Subject: FW: -EXTERNAL- Re: Le Mans Extension
Date: Tuesday, September 1, 2026 8:02:06 AM
Attachments: image001.png
image002.png

See below for Powderhorns response to Le Mans Extensions.

From: Travis Macha <TMacha@powderhornep.com>
Sent: Tuesday, September 1, 2026 9:00 AM
To: Matthew Gray <Matt.Gray@permianres.com>
Subject: Re: -EXTERNAL- Re: Le Mans Extension

Hey Matt,

Yeah, we are good here

Travis Macha
Vice President of Land
512.200.5319

POWDERHORN
ENERGY PARTNERS

From: Matthew Gray <Matt.Gray@permianres.com>
Sent: Tuesday, September 1, 2026 8:56 AM
To: Travis Macha <TMacha@powderhornep.com>
Subject: RE: -EXTERNAL- Re: Le Mans Extension

Travis-

Any word on this ? You all good with our extension requests ?

Thanks,

Matt Gray

From: Matthew Gray
Sent: Friday, August 28, 2026 9:19 AM
To: 'Travis Macha' <TMacha@powderhornep.com>
Subject: RE: -EXTERNAL- Re: Le Mans Extension

Cool Thanks Travis. We should be about ready to send out elections for Mid October spud date.

From: Travis Macha <TMacha@powderhornep.com>
Sent: Friday, August 28, 2026 9:13 AM
To: Matthew Gray <Matt.Gray@permianres.com>
Subject: -EXTERNAL- Re: Le Mans Extension

Hey Matt,

Sounds good - prob nonissue, JY likes to opine on all this stuff and he's out til Monday so will hit you back then

Think we are under JOA here so isn't going to be material for us either way.

Do yall have estimated timing on additional wells in here?

Travis Macha
Vice President of Land
512.200.5319

POWDERHORN
ENERGY PARTNERS

From: Matthew Gray <Matt.Gray@permianres.com>
Sent: Thursday, August 27, 2026 8:38 AM
To: Travis Macha <TMacha@powderhornep.com>
Subject: Le Mans Extension

Travis,

I hope you can help us with this matter. A few months ago, we submitted Administrative Extension applications for the subject wells but did not receive approval. At the time, we were unable to determine the reason and began preparing to proceed through the hearing process. We recently learned that the applications were not approved administratively because the required notice did not reach Powderhorn's office and was returned to sender. Dean has indicated that he is willing to approve the attached Extension requests if we can obtain confirmation from Powderhorn that they have no objection. Would you be able to assist with this? Please let me know if you have any questions or need any additional information. I appreciate your help.

Thank you,

Matt Gray

PERMIAN RESOURCES

Matthew Gray | Landman - New Mexico
C 505-231-1487 | matt.gray@permianres.com
300 N. Marienfeld Street, Suite 1000 | Midland, TX 79701
permianres.com

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 620703

CONDITIONS

Operator:	
Permian Resources Operating, LLC 300 N. Marienfeld St Ste 1000 Midland, TX 79701	OGRID: 372165
	Action Number: 620703
	Action Type: [HEAR] Order Compliance/Progress Report (ORDER COMPLIANCE REPORT)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	An extension has been granted for Order No. R-23981 in accordance with its Ordering Paragraph 21. Applicant shall drill all the designated wells no later than September 2, 2027, and shall complete each well no later than 1 year after the commencement of drilling it. Applicant may request an extension prior to the order terminating with good cause provided.	9/25/2026