

**BEFORE THE OIL CONSERVATION DIVISION
EXAMINER HEARING APRIL 20, 2023**

CASE NO. 23394

*ERIC CARTMAN 31 STATE COM #504H
ERIC CARTMAN 31 STATE COM #505H*

LEA COUNTY, NEW MEXICO

PERMIAN
RESOURCES

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

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

CASE NO. 23394

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23394	APPLICANT'S RESPONSE
Date	April 20, 2023
Applicant	Permian Resources Operaring, LLC
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (372165)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	V-F Petroleum, Inc., Gahr Energy Company, & Fuel Products, Inc.
Well Family	Eric Cartman
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Ojo Chiso; Bone Spring [96553]
Well Location Setback Rules:	Statewide setbacks
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acre, more or less
Building Blocks:	40 acres
Orientation:	Standup
Description: TRS/County	W/2 E/2 of Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico
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	Yes; Top of the Bone Spring formation to 10,388 feet
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
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	Eric Cartman 31 State Com 504H (API: 30-025-50159) SHL: 135' FNL, 448' FEL (Unit A) of Section 31 FTP: 100' FNL, 2,250' FEL (Unit B) of Section 31 LTP: 100' FSL, 2,250' FEL (Unit O) of Section 31 BHL: 100' FSL, 2,250' FEL (Unit O) of Section 31 Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Standard
Well #2	Eric Cartman 31 State Com 505H (API: 30-025-50160) SHL: 135' FNL, 415' FEL (Unit A) of Section 31 FTP: 100' FNL, 1,330' FEL (Unit B) of Section 31 LTP: 100' FSL, 1,330' FEL (Unit O) of Section 31 BHL: 100' FSL, 1,330' FEL (Unit O) of Section 31 Completion Target: Bone Spring formation Well Orientation: North to South Completion Location expected to be: Non-Standard
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 \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	See Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit D
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)	A-3
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of IOA)	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, B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B, B-4, B-5
HSU Cross Section	Exhibit B-4, B-5
Depth Severance Discussion	Exhibit A, A-3
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, B-2
Well Bore Location Map	Exhibit B-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-2, B-3
Cross Section (including Landing Zone)	Exhibit B-4, B-5
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):	Paula M Vance
Signed Name (Attorney or Party Representative):	
Date:	4/18/2023

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

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

CASE NO. 23394

APPLICATION

Permian Resources Operating, LLC (“Permian” or “Applicant”) (OGRID No. 372165), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests from the top of the Bone Spring formation to 10,388 feet underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. In support of its application, Permian states:

1. Applicant is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant seeks to be designated as the operator of the proposed horizontal spacing unit.
3. Applicant seeks to initially dedicate the above-referenced horizontal spacing unit to the proposed **Eric Cartman 31 State Com #504H** and **Eric Cartman 31 State Com #505H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 31 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31.
4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all interest owners in the subject spacing unit.

5. The pooling of interests will allow Applicant to obtain a just and fair share of the oil and gas underlying the subject lands, avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on March 2, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Approving the horizontal well spacing unit and pooling all uncommitted interests therein;
- B. Designating Applicant as operator of this horizontal spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, completing, and equipping the wells;
- D. 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
- E. Imposing a 200% penalty 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,

HOLLAND & HART LLP

By: _____

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Adam G. Rankin
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**ATTORNEYS FOR PERMIAN RESOURCES
OPERATING, LLC**

Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests from the top of the Bone Spring formation to 10,388 feet underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed **Eric Cartman 31 State Com #504H** and **Eric Cartman 31 State Com #505H** wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 31 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15 miles west of Eunice, New Mexico.

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

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

CASE NO. 23394

SELF-AFFIRMED STATEMENT OF CHRIS ASTWOOD

1. My name is Chris Astwood. I work for Permian Resources Operating, LLC (“Permian”) as a Senior Landman.
2. I have not previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. I have included a copy of my resume as **Permian Exhibit A-1** for the Division to review and respectfully request that my credentials be accepted as a matter of record, and that I be tendered as an expert in land matters.
3. I am familiar with the application filed by Permian in this case, and I am familiar with the status of the lands in the subject area.
4. None of the uncommitted parties in this case has indicated opposition to proceeding by self-affirmed statement and, therefore, I do not expect any opposition at the hearing.
5. In **Case No. 23394**, Permian seeks an order pooling all uncommitted interests from the top of the Bone Spring formation to 10,388 feet underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. Permian seeks to pool and initially dedicate this Bone Spring spacing unit to the drilled but not yet producing **Eric Cartman 31 State Com #504H** and **Eric Cartman 31 State Com #505H** wells, both to be horizontally drilled from a surface location

in the NE/4 NE/4 (Unit A) of Section 31 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31.

6. **Permian Exhibit A-2** contains a draft Form C-102 for the wells in this standard spacing unit. These forms demonstrate that the completed interval for the **Eric Cartman 31 State Com #504H** well will comply with statewide setbacks for oil wells. The **Eric Cartman 31 State Com #505H** is at a non-standard location; therefore, Permian has applied separately by administrative application. The exhibit shows that the wells will be assigned to the (Ojo Chiso; Bone Spring [Pool Code 96553]).

7. **Permian Exhibit A-3** identifies the tracts of land comprising the horizontal spacing unit, the ownership interests in each tract, and ownership interests on a spacing unit basis. The subject acreage is comprised of state lands.

8. An ownership depth severance exists in the Bone Spring formation underlying the spacing unit. Accordingly, Permian seeks to pool only from the top of the Bone Spring formation to 10,388 feet.

9. **Permian Exhibit A-4** contains a sample of the well proposal letter and AFEs sent to owners with a working interest. The costs reflected in the AFEs are consistent with what Permian and other operators have incurred for drilling similar horizontal wells in the area in this formation.

10. Permian requests that the overhead and administrative costs for drilling and producing the proposed wells be set at \$8,000 per month while drilling and \$800 per month while producing. These costs are consistent with what other operators are charging in this area for similar wells.

11. **Permian Exhibit A-5** contains a general summary of the contacts with the uncommitted interest owners. As indicated in the exhibit, Permian has made a good faith effort to locate and has had communications with the majority of the parties that it seeks to pool in this case in an effort to reach voluntary joinder. In my opinion, Permian has undertaken good faith efforts to reach an agreement with the uncommitted interest owners.

12. Permian has provided the law firm of Holland & Hart LLP with the names and addresses of the parties that Permian seeks to pool and instructed that they be notified of this hearing. Permian has conducted a diligent search of all public records in the county where the property is located, reviewed telephone directories, and conducted computer searches to locate contact information for each interest owner.

13. **Permian Exhibits A-1 through A-5** were either prepared by me or compiled under my direction and supervision.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Chris Astwood

4/18/2023

Date

Chris Astwood, CPL

Submitted by: Permian Resources Operating, LLC
Hearing Date: April 20, 2023
Case Nos. 23394

2405 SCR 1055, Midland, TX 79706
Christopher.Astwood@gmail.com
806-632-2633

Education: Bachelor of Business Administration, Energy Commerce – Minor in Psychology
December 2012, Texas Tech University, Lubbock, TX Magna Cum Laude

Professional Experience:

Permian Resources, Midland, TX

September 2022 - Present

Senior Landman

- Prepared drilling units in Lea County, NM with a 7-rig drilling program. Transitioned responsibilities for Texas assets to co-workers and advised leadership on best routes moving forward with outstanding projects. Worked to integrate and implement land systems and processes that would best fit the larger acreage and PDP position.
- Negotiate Joint Operating Agreements with non-operators to ensure timely and full development of units. Work closely with land team to propose trades or acquisitions when non-operators don't plan to participate.
- Work with regulatory, land, geology and outside counsel to ensure compliance with NMOCD, BLM and other agencies.
- Formed spacing units for wells that require notice of overlapping spacing units, compulsory pooling hearings, and non-standard locations.

Centennial Resource Development, Inc., Midland, TX

June 2018 – September 2022

Landman/Senior Landman

- Negotiated, spearheaded, and closed multiple trades, acquisitions and divestitures of developed and undeveloped leasehold in Reeves County, TX. Worked with the technical and legal team to evaluate upside potential in various zones along with existing PDP to high grade our inventory while balancing production targets.
- Mentored interns and other landmen in various areas pertaining to chaining title, curing title, clearing wells, navigating negotiations with mineral owners, and understanding the bigger picture around processes.
- Created value without a leasing budget by initiating and negotiating cost-free extensions and trades via upgraded lease terms, future well commitments with CDC's and production payments.
- Prepared well locations for development by overseeing abstracts, title opinions, and curative work. Drafted and negotiated off-lease penetration point waivers, JOA's, leases, letter agreements and production sharing agreements in clearing locations for a multi-rig drilling program. Met with title attorneys to understand and evaluate title requirements and levels of curative needed to satisfy company thresholds.
- Drafted and negotiated contractual solutions when necessary to strategically maximize leasehold value. Worked closely with our team to ensure flexibility and efficiencies are fully utilized within the drill schedule by keeping an open dialogue for expirations, continuous development clauses, and depth severances.
- Engaged in acreage trades that high grade company acreage by adding reserves and extending lateral lengths. Worked with our team to analyze and negotiate deal terms that maximize value for Centennial by adding new drilling locations, consolidating acreage, and deferring expirations. Managed brokers throughout the due diligence process to identify liens, mortgages, and other burdens while ensuring we abide by CTA's, preferential rights to purchase, rights of first refusal, AMI's, and other binding terms related to the trade.
- Increased Centennial WI and NRI within existing and future wells through leasing. Managed several brokers in a robust leasing program focused on consolidating acreage, increasing unit interest, and creating trade opportunities. Negotiated several dozen leases with landowners, attorneys and families covering simple producer 88 type forms to cumbersome competitor producer forms from large cap companies.
- Worked closely with the operations team to ensure all lease requirements are satisfied, lease retention is maximized, and future well planning is optimized.
- Collaborated with Geology and Reservoir to identify PUD's and contingent locations for compliance and financing determination in both Texas and New Mexico. Researched and communicated with accounting to ensure reserves are accurately reflected. Worked with auditors to verify interest from various sources for each reserves location.
- Forecasted Spending for budgets on various lease projects, title expenditures, and curative work.

- Worked across disciplines to identify and evaluate creative solutions to drilling and lease obligations.
- Intentionally built relationships with local operators, non-op owners, landowners, attorneys, mineral groups and other interest owners. Worked with the team to evaluate potential deals initiated by these relationships.

Encana Oil & Gas (USA) Inc., Midland, TX**December 2015 – June 2018**

Land Negotiator

- Analyzed, negotiated, and prepared various agreements both for acreage trades and a multi-rig drilling program from a sub-surface perspective. Managed brokers and attorneys to obtain the necessary abstracts, title, and curative to execute our drilling objectives while maintaining capital spending discipline. Worked with legal, development, and operations to understand and mitigate risks identified in title opinions.
- Networked with operators in the Permian Basin to initiate negotiations for potential mineral acreage trades. Managed an acreage trade for ~400 net acres involving title discrepancies, PDP, and unleased minerals.
- Supported operations by analyzing and managing mineral lease issues as it pertains to cessation of production, continuous development clauses, retained acreage, and assignment of wells. Strategized with development to prepare an amendment on the Guitar Ranch in Howard County that would increase operational flexibility and preserve value for any future zones we would develop and produce.
- Negotiated all surface rights necessary to support drilling, midstream and production operations in Glasscock and Howard Counties. Managed well clearance process for a multi-rig drilling program on the surface land team. Worked with construction to reduce capital expenditures with well and road locations while ensuring we abide by all terms agreed upon in easements, ROW's and SUA's.
- Supported EH&S to mitigate impact of spills and leaks. Attended monthly safety meetings and participated in JSA's prior to entering surface locations where work/remediation was being performed. Completed driving, first aid, and CPR training along with other annual OSHA training requirements.

Encana Oil & Gas (USA) Inc., Denver, CO**January 2013 – December 2015**

Land Negotiator

- Prepared and reviewed various agreements, including but not limited to Unit and Unit Operating Agreements, Ratification and Joinders, Joint Operating Agreements, Leases (Federal, State, and Fee), Letter Agreements, Purchase and Sale Agreements, ROW and Easement Agreements, and Surface Use and Damage Agreements.
- Pulled books and indexed records in Martin County, TX after acquiring Athlon's Permian assets.
- Assisted in the divestiture of Encana's Wind River and Jonah assets. Reviewed material contracts and lease/well files to ensure the exhibits and PSA were accurate and contained all necessary contracts.
- Utilized a multi-disciplinary approach to engage and work closely with individuals, municipalities, counties, State governments, and the BLM to maintain our social license to operate. Fostered a positive work environment by having a perpetually positive attitude and building relationships with people inside and out of our company.
- Completed a new-grad rotation of various land functions including lease analyst, division order analyst, land coordinator, and surface land management.

Encana Oil & Gas (USA) Inc., Denver, CO**May 2012 – August 2012**

Land Negotiator Internship

- Worked with interdisciplinary team to create federal exploratory units covering over 60,000 acres. Monitored federal lease auctions and evaluated with the technical team to acreage acquisition opportunities and competitor movement. Worked closely with WI partners to ensure drilling and development timelines were met. Presented Summer project to senior management team with recommendations going forward.

Organizations:

- American Association of Professional Landmen
 - Certified Professional Landman
- Permian Basin Landman Association

August 2010 – Present**October 2020 – Present****May 2015 – Present****Community Activities:**

- West Texas Foodbank
- Run for a Reason benefitting Safe Place, Mission AGAPE, True-Lite Day Care, and The Life Center
- Legends Dove Hunt to benefit Children's Health Care

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50159		² Pool Code 96553		³ Pool Name OJO CHISO; BONE SPRING	
⁴ Property Code		⁵ Property Name ERIC CARTMAN 31 STATE COM			⁶ Well Number 504H
⁷ OGRID No. 372165		⁸ Operator Name PERMIAN RESOURCES OPERATING, LLC			⁹ Elevation 3612.9'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	21S	35E		135	NORTH	448	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	31	21S	35E		100	SOUTH	2250	EAST	LEA
¹² Dedicated Acres 160		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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.

¹⁶

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

SCALE

DRAWN BY: D.J.S. 11-18-21
REV: 3 D.J.S. 01-13-23
(SHL MOVE)

LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N89°05'41"W	1802.19'

¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION

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.

November 12, 2021

Date of Survey _____
Signature and Seal of Professional Surveyor: _____

Certificate Number: _____

● = SURFACE HOLE LOCATION
◆ = PENETRATION POINT/FIRST TAKE POINT
◐ = LAST TAKE POINT/BOTTOM HOLE LOCATION
▲ = SECTION CORNER LOCATED
△ = SECTION CORNER RE-ESTABLISHED.
(Not Set on Ground.)

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-50160		² Pool Code 96553		³ Pool Name OJO CHISO; BONE SPRING	
⁴ Property Code		⁵ Property Name ERIC CARTMAN 31 STATE COM			⁶ Well Number 505H
⁷ OGRID No. 372165		⁸ Operator Name PERMIAN RESOURCES OPERATING, LLC			⁹ Elevation 3612.8'

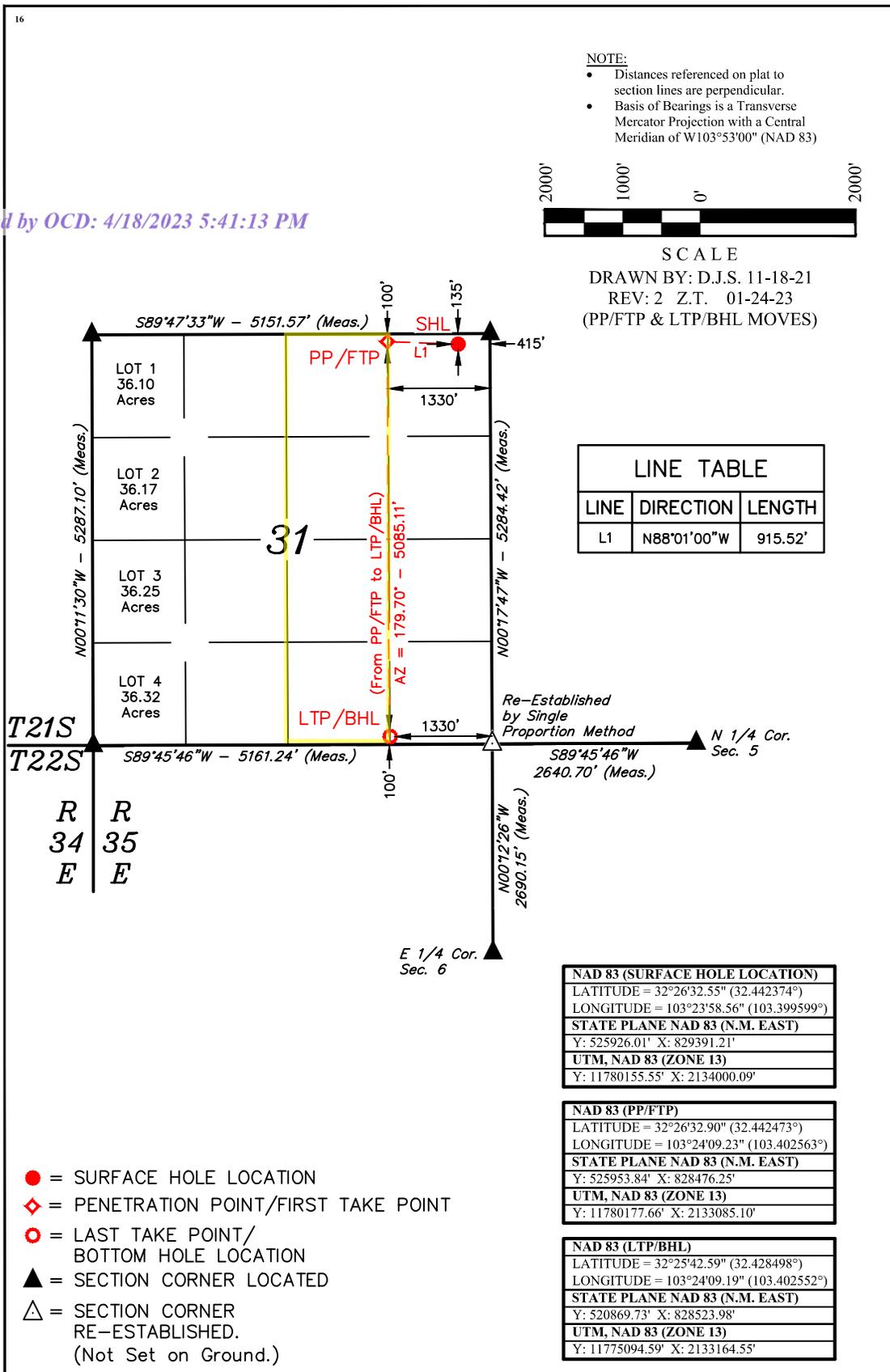
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	31	21S	35E		135	NORTH	415	EAST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	31	21S	35E		100	SOUTH	1330	EAST	LEA
¹² Dedicated Acres 160		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

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.



¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____
Printed Name _____
E-mail Address _____

¹⁸ SURVEYOR CERTIFICATION
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.

November 12, 2021
Date of Survey
Signature and Seal of Professional Surveyor:

PAUL BUCHELE
NEW MEXICO
23782
01-24-23
PROFESSIONAL SURVEYOR

Certificate Number: _____

Ownership Map - Eric Cartman 31 State Com #504H & #505H
W/2 E/2 of Section 31 - Township 21 South, Range 35 East, Lea County, New Mexico

	V0-6397	Op Rights: PR: 0.62500 Chev: 0.25000 Fuel: 0.05000 Gahr: 0.05000 MN: 0.02500	
	Sec. 31, T21S-R35E	Tract 1 Record Title: PR: 1.0000	
	V0-6419	Op Rights: PR: 1.0000	
		Tract 2 Record Title: PR: 1.0000	

Eric Cartman 504H & 505H	160.00 acres
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Operating Rights (Bone Spring Formation Only)						
Tract 1	Owner	Mineral Interest	Royalty	Working Interest	Interest Type	Net Revenue Interest
NE/4 Sec 31 T21S R35E	State of New Mexico VO-6397-2	1.00000000	0.16666667		Mineral	0.16666667
80	Magnum Hunter (Reserved ORRI)		0.05208333		ORRI	0.05208333
	Chevron Midcontinent, LP			0.25000000	WI	0.20833333
	Fuel Products, Inc.			0.05000000	WI	0.04166667
	Gahr Energy Company			0.05000000	WI	0.04166667
	Mark K Nearburg			0.02500000	WI	0.02083333
	Permian Resources Operating, LLC			0.62500000	WI	0.46875000
			0.21875000	1.00000000		1.00000000
NOTE: For Operating Rights (All Depths, Save and Except the Bone Spring Formation), all of the interests indicated above are the same EXCEPT Permian Resources Operating, LLC does not own an interest; rather, Magnum Hunter Production, Inc. owns 0.625 working interest ownership.						

Operating Rights (Bone Spring Formation Only)						
Tract 2	Owner	Mineral Interest	Royalty	Working Interest	Interest Type	Net Revenue Interest
SE/4 Sec 31 T21S R35E	State of New Mexico VO-6419-2	1.00000000	0.16666667		Mineral	0.16666667
80	Magnum Hunter (Reserved ORRI)				ORRI	0.08333333
	Permian Resources Operating, LLC			1.00000000	WI	0.75000000
			0.16666667	1.00000000		1.00000000
NOTE: For Operating Rights (All Depths, Save and Except the Bone Spring Formation), Permian Resources Operating, LLC does not own an interest; rather Magnum Hunter Production, Inc. owns 1.0 working interest ownership.						



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

OFFICE 432.695.4222
FAX 432.695.4063

January 25, 2022

Via Certified Mail

Atlas OBO Energy, LP
1900 St. James Place
Houston, TX 77056

RE: Well Proposals – Eric Cartman 31 State Com 504H & 505H
Section 31: W/2E/2, T21S-R35E, Second Bone Spring
Lea County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC (“Permian”), hereby proposes the drilling and completion of the following two (2) wells, the Eric Cartman 31 State Com 504H and 505H (the “Well(s)”) at the approximate locations listed below, within Township 21 South, Range 35 East, Lea County, New Mexico. Please be advised that Centennial Resource Production, LLC will be the designated operator, as Permian is a result of the merger between Centennial Resource Development and Colgate Energy, LLC, effective September 1, 2022.

1. Eric Cartman 31 State Com 504H

SHL: 135’ FNL & 445’ FEL of Section 31 (or at a legal location within Unit A)
BHL: 100’ FSL & 2250’ FEL of Section 31
FTP: 100’ FNL & 2250’ FEL of Section 31
LTP: 100’ FSL & 2250’ FEL of Section 31
TVD: Approximately 10,224’
TMD: Approximately 15,304’
Spacing Unit: W2E2 of Section 31, T21S-R35E from top of Bone Spring to 10,388 feet
Targeted Interval: Second Bone Spring
Total Cost: See attached AFE

2. Eric Cartman 31 State Com 505H

SHL: 135’ FNL & 415’ FEL of Section 31 (or at a legal location within Unit A)
BHL: 100’ FSL & 1330’ FEL of Section 31
FTP: 100’ FNL & 1330’ FEL of Section 31
LTP: 100’ FSL & 1330’ FEL of Section 31
TVD: Approximately 9,975’
TMD: Approximately 14,864’
Spacing Unit: W2E2 of Section 31, T21S-R35E, from top of Bone Spring to 10,388 feet
Targeted Interval: Second 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 enclosed. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$8,500/\$800 drilling and producing rates

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. A4

Submitted by: Permian Resources Operating, LLC
Hearing Date: April 20, 2023
Case No. 23394

- Centennial Resource Production, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, 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 a spacing unit for the proposed well. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which are 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 Chris Astwood at 432.315.0102 or by email at Chris.Astwood@permianres.com.

Respectfully,

PERMIAN RESOURCES OPERATING, LLC

Jordan Ireton
Land Coordinator
Jordan.Ireton@permianres.com

Eric Cartman 31 State Com 504H & 505H Elections:

<i>Well Elections: (Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Eric Cartman 31 State Com 504H		
Eric Cartman 31 State Com 505H		

Atlas OBO Energy, LP

By: _____

Printed Name: _____

Title: _____

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.

Agreed this _____ day of _____, 2023 by:

Atlas OBO Energy, LP

By: _____

Printed Name: _____

Title: _____



COST ESTIMATE

Printed Date: 01/23/2023

AFE Number: 500218	Location: T21S-R35E, Section 21:W/2E/2
Description:	County/State: Lea County, New Mexico
Geologic Target: Second BS	AFE Type: Drilling and Completion
Operator: Centennial Resource Production, LLC	MD/TVD: 15,304' / 10,224'
Well Name: Eric Cartman 31 State Com #504H	Lateral Length: 4,615'

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Facilities		
8035.4500	FAC - CONTINGENCY	\$90,091.00
8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$100,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$8,817.00
8035.2900	FAC - TANK BATTERY	\$133,667.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$160,000.00
8035.1700	FAC - RENTAL EQUIPMENT	\$10,000.00
8035.2500	FAC - CONSULTING SERVICES	\$3,333.00
8035.3600	FAC - ELECTRICAL	\$133,333.00
8035.2100	FAC - INSPECTION & TESTING	\$280.00
8035.4400	FAC - COMPANY LABOR	\$1,133.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$160,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$15,000.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$16,667.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$58,333.00
8035.2400	FAC - SUPERVISION	\$13,333.00
8035.3800	FAC - FLARE/COMBUSTER	\$31,667.00
8035.3400	FAC - METER & LACT	\$185,000.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$65,000.00
8035.4300	FAC - INSURANCE	\$0.00
8035.4100	FAC - OVERHEAD	\$0.00
8035.2300	FAC - FRAC TANK RENTAL	\$0.00
8035.1800	FAC - FUEL / POWER	\$0.00
8035.1310	FAC - PEMANENT EASEMENT	\$0.00
8035.1300	FAC - SURFACE DAMAGE / ROW	\$0.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$0.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$0.00
8035.2000	FAC - WASTE DISPOSAL	\$0.00

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8035.2600	FAC - INJECTION PUMP	\$0.00
8035.3500	FAC - COMPRESSOR	\$0.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$0.00

Sub-total	\$1,186,987.00
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Drilling Intangible

8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$9,400.00
8015.3700	IDC - DISPOSAL	\$95,000.00
8015.1700	IDC - DAYWORK CONTRACT	\$468,000.00
8015.5200	IDC - CONTINGENCY	\$138,275.79
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$12,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$65,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
8015.5000	IDC - WELL CONTROL INSURANCE	\$9,073.12
8015.4200	IDC - MANCAMP	\$30,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$26,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2300	IDC - FUEL / POWER	\$107,250.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$70,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$72,000.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$27,500.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$260,000.00
8015.2350	IDC - FUEL/MUD	\$103,500.00
8015.2400	IDC - RIG WATER	\$8,290.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$15,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$35,750.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$126,000.00
8015.2150	IDC - DRILL BIT	\$86,000.00

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COST ESTIMATE

Printed Date: 01/23/2023

8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$240,000.00
8015.2600	IDC - MUD LOGGING	\$0.00
8015.4800	IDC - OVERHEAD	\$0.00
8015.2800	IDC - CORE ANALYSIS	\$0.00
8015.1950	IDC - LOST IN HOLE	\$0.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$0.00
8015.1800	IDC - FOOTAGE CONTRACT	\$0.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$0.00
8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$0.00

Sub-total \$2,442,872.24

Pipeline

8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$53,030.30
8036.2700	PLN - PIPELINE	\$409,728.00
8036.1310	PLN - PEMANENT EASEMENT	\$109,964.00
8036.2800	PLN - FLOWLINE	\$79,166.67
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$53,030.30
8036.3200	PLN - VALVES FITTINGS & PIPE	\$0.00
8036.3000	PLN - SEPARATOR / SCRUBBER	\$0.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$0.00
8036.3600	PLN - ELECTRICAL SUPPLIES	\$0.00
8036.4500	PLN - CONTINGENCY	\$0.00
8036.2300	PLN - FRAC TANK RENTAL	\$0.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$0.00
8036.1100	PLN - STAKING & SURVEYING	\$0.00
8036.2100	PLN - INSPECTION & TESTING	\$0.00
8036.3700	PLN - AUTOMATION	\$0.00
8036.1700	PLN - RENTAL EQUIPMENT	\$0.00
8036.1500	PLN - MATERIALS & SUPPLIES	\$0.00
8036.1000	PLN - PERMITS LICENSES ETC	\$0.00
8036.2900	PLN - TANK BATTERY	\$0.00
8036.3100	PLN - TREATING EQUIPMENT	\$0.00
8036.1600	PLN - TRANSPORTATION TRUCKING	\$0.00
8036.1900	PLN - WATER DISPOSAL / SWD	\$0.00
8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$0.00
8036.3500	PLN - COMPRESSOR	\$0.00
8036.3400	PLN - METER	\$0.00
8036.2200	PLN - CONTRACT LABOR	\$0.00

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COST ESTIMATE

Printed Date: 01/23/2023

8036.3300	PLN - PUMP	\$0.00
8036.4300	PLN - INSURANCE	\$0.00
8036.2000	PLN - WASTE DISPOSAL	\$0.00
8036.4400	PLN - COMPANY LABOR	\$0.00
8036.2500	PLN - CONSULTING SERVICES	\$0.00
8036.2400	PLN - SUPERVISION	\$0.00
8036.1400	PLN - ROAD LOCATIONS PITS	\$0.00
	Sub-total	\$704,919.27

Flowback Intangible

8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$6,825.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$180,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$10,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$203,020.30
8040.3500	IFC - WELLSITE SUPERVISION	\$7,000.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00
8040.1200	IFC - COMPLETION RIG	\$14,175.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$84,000.00
8040.1500	IFC - FUEL / POWER	\$0.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$0.00
8040.4400	IFC - COMPANY LABOR	\$0.00
8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$0.00
8040.4500	IFC - SWABBING	\$0.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$0.00
8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$0.00
8040.2300	IFC - COMPLETION FLUID	\$0.00
8040.1600	IFC - COILED TUBING	\$0.00
8040.2500	IFC - WELL STIMULATION/FRACTURE	\$0.00
8040.2400	IFC - CASING CREW AND TOOLS	\$0.00
8040.1900	IFC - INSPECTION & TESTING	\$0.00
8040.4200	IFC - CONTINGENCY	\$0.00
8040.1700	IFC - CEMENTING & SERVICES	\$0.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$0.00
	Sub-total	\$545,020.30

Completion Intangible

8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00

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COST ESTIMATE

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8025.2000	ICC - TRUCKING	\$14,375.00
8025.3000	ICC - WATER HANDLING	\$91,900.00
8025.1500	ICC - FUEL / POWER	\$270,137.00
8025.3050	ICC - SOURCE WATER	\$110,281.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.1600	ICC - COILED TUBING	\$153,283.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$223,160.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,104,367.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$17,430.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3500	ICC - WELLSITE SUPERVISION	\$54,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$195,012.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.2530	ICC - SAND LAST MILE	\$0.00
8025.3300	ICC - COMMUNICATIONS	\$0.00
8025.1200	ICC - COMPLETION RIG	\$0.00
8025.1900	ICC - INSPECTION & TESTING	\$0.00
8025.2520	ICC - SAND	\$0.00
8025.3410	ICC - FRAC STACKS AND VALVES	\$0.00
8025.2540	ICC - COMPLETIONS SCIENCE AND DIAGNOSTICS	\$0.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$0.00
8025.3200	ICC - FISHING TOOLS & SERVICES	\$0.00
8025.2400	ICC - CASING CREW AND TOOLS	\$0.00
8025.4200	ICC - CONTINGENCY	\$0.00
8025.2510	ICC - FRAC CHEMICALS	\$0.00
8025.1700	ICC - CEMENTING & SERVICES	\$0.00
8025.1000	ICC - STAKING & SURVEYING	\$0.00
8025.4400	ICC - COMPANY LABOR	\$0.00

Sub-total \$2,379,445.00

Drilling Tangible

8020.1400	TDC - CASING - PRODUCTION	\$648,143.53
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$357,714.00
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1100	TDC - CASING - SURFACE	\$155,214.62

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COST ESTIMATE

Printed Date: 01/23/2023

8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$0.00
8020.1800	TDC - CONTINGENCY	\$0.00
8020.1000	TDC - CASING - CONDUCTOR	\$0.00
8020.1300	TDC - CASING - INTERMEDIATE 2	\$0.00

Sub-total	\$1,226,947.15
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Flowback Tangible

8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$5,000.00
8045.2000	TFC - WELLHEAD EQUIPMENT	\$14,000.00
8045.1100	TFC - TUBING	\$154,100.00
8045.3100	TFC - MEASUREMENT EQUIPMENT	\$10,000.00
8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$10,000.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$25,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$15,000.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$0.00
8045.4400	TFC - COMPANY LABOR	\$0.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$0.00
8045.3500	TFC - CONTINGENCY	\$0.00
8045.1500	TFC - SUBSURFACE PUMPS	\$0.00
8045.1200	TFC - SUCKER RODS & ACCESSORY	\$0.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$0.00

Sub-total	\$233,100.00
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Completion Tangible

8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$0.00
8030.1600	TCC - PROD LINER & EQUIPMENT	\$0.00
8030.1000	TCC - CASING - PRODUCTION	\$0.00

Sub-total	\$47,250.00
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Grand Total	\$8,766,540.96
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COST ESTIMATE

Printed Date: 01/23/2023

AFE Number: 500219	Location: T21S-R35E, Section 31: W/2E/2
Description:	County/State: Lea County, New Mexico
Geologic Target: Second BS	AFE Type: Drilling and Completion
Operator: Centennial Resource Production, LLC	MD/TVD: 14,864' / 9,975'
Well Name: Eric Cartman 31 State Com 505H	Lateral Length: 4,613'

<u>Account</u>	<u>Description</u>	<u>Gross Est. (\$)</u>
Drilling Intangible		
8015.1000	IDC - PERMITS,LICENSES,ETC	\$15,000.00
8015.2350	IDC - FUEL/MUD	\$103,500.00
8015.1310	IDC - PERMANENT EASEMENT	\$12,000.00
8015.4300	IDC - WELLSITE SUPERVISION	\$72,000.00
8015.1100	IDC - STAKING & SURVEYING	\$15,000.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR	\$55,000.00
8015.4100	IDC - RENTAL EQUIPMENT	\$26,000.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP	\$260,000.00
8015.3700	IDC - DISPOSAL	\$95,000.00
8015.3100	IDC - CASING CREW & TOOLS	\$65,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS	\$108,333.33
8015.5000	IDC - WELL CONTROL INSURANCE	\$9,025.74
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP	\$12,000.00
8015.2150	IDC - DRILL BIT	\$86,000.00
8015.2100	IDC - WIRELINE SVCS CASED&OPEN	\$15,000.00
8015.3400	IDC - MATERIALS & SUPPLIES	\$5,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE	\$30,000.00
8015.4200	IDC - MANCAMP	\$30,000.00
8015.2300	IDC - FUEL / POWER	\$107,250.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE	\$27,500.00
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING	\$126,000.00
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT	\$20,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR	\$30,500.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL	\$9,400.00
8015.2400	IDC - RIG WATER	\$8,290.00
8015.5200	IDC - CONTINGENCY	\$138,272.94
8015.2200	IDC - BITS, TOOLS, STABILIZERS	\$70,000.00
8015.1300	IDC - SURFACE DAMAGE / ROW	\$35,000.00

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COST ESTIMATE

Printed Date: 01/23/2023

8015.1700	IDC - DAYWORK CONTRACT	\$468,000.00
8015.1200	IDC - LEGAL, TITLE SERVICES	\$13,000.00
8015.1500	IDC - RIG MOB / TRUCKING	\$100,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY	\$240,000.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTEM	\$35,750.00
8015.2600	IDC - MUD LOGGING	\$0.00
8015.4800	IDC - OVERHEAD	\$0.00
8015.2800	IDC - CORE ANALYSIS	\$0.00
8015.1950	IDC - LOST IN HOLE	\$0.00
8015.4400	IDC - SUPERVISION/ENGINEERING	\$0.00
8015.1800	IDC - FOOTAGE CONTRACT	\$0.00
8015.3900	IDC - FISHING TOOLS & SERVICES	\$0.00
8015.2900	IDC - OPEN/CASED HOLE LOGGING	\$0.00

Sub-total \$2,442,822.01

Completion Intangible

8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT	\$15,000.00
8025.3050	ICC - SOURCE WATER	\$110,233.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL	\$15,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING	\$223,160.00
8025.3500	ICC - WELLSITE SUPERVISION	\$54,000.00
8025.3800	ICC - OVERHEAD	\$10,000.00
8025.1500	ICC - FUEL / POWER	\$270,025.00
8025.3100	ICC - WELLHEAD/FRACTURE REPAIR	\$40,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS	\$10,500.00
8025.2500	ICC - WELL STIMULATION/FRACTUR	\$1,104,129.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK	\$17,430.00
8025.3000	ICC - WATER HANDLING	\$91,861.00
8025.2300	ICC - COMPLETION FLUIDS	\$10,000.00
8025.3400	ICC - RENTAL EQUIPMENT	\$195,012.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE	\$40,000.00
8025.3600	ICC - SUPERVISION/ENGINEERING	\$5,000.00
8025.1600	ICC - COILED TUBING	\$153,283.00
8025.2000	ICC - TRUCKING	\$14,375.00
8025.2530	ICC - SAND LAST MILE	\$0.00
8025.3300	ICC - COMMUNICATIONS	\$0.00
8025.1200	ICC - COMPLETION RIG	\$0.00
8025.1900	ICC - INSPECTION & TESTING	\$0.00

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COST ESTIMATE

Printed Date: 01/23/2023

8025.2520	ICC - SAND	\$0.00
8025.3410	ICC - FRAC STACKS AND VALVES	\$0.00
8025.2540	ICC - COMPLETIONS SCIENCE AND DIAGNOSTICS	\$0.00
8025.4000	ICC - WELL CONTROL INSURANCE	\$0.00
8025.3200	ICC - FISHING TOOLS & SERVICES	\$0.00
8025.2400	ICC - CASING CREW AND TOOLS	\$0.00
8025.4200	ICC - CONTINGENCY	\$0.00
8025.2510	ICC - FRAC CHEMICALS	\$0.00
8025.1700	ICC - CEMENTING & SERVICES	\$0.00
8025.1000	ICC - STAKING & SURVEYING	\$0.00
8025.4400	ICC - COMPANY LABOR	\$0.00
	Sub-total	\$2,379,008.00

Facilities

8035.4000	FAC - SAFETY / ENVIRONMENTAL	\$1,333.00
8035.4400	FAC - COMPANY LABOR	\$1,133.00
8035.1400	FAC - ROAD LOCATIONS PITS	\$100,000.00
8035.2400	FAC - SUPERVISION	\$13,333.00
8035.4500	FAC - CONTINGENCY	\$90,091.00
8035.3200	FAC - VALVES FITTINGS & PIPE	\$65,000.00
8035.1700	FAC - RENTAL EQUIPMENT	\$10,000.00
8035.3400	FAC - METER & LACT	\$185,000.00
8035.1500	FAC - MATERIALS & SUPPLIES	\$15,000.00
8035.3300	FAC - CIRCULATING TRNSFER PUMP	\$8,817.00
8035.3700	FAC - COMM TELEMETRY & AUTOMAT	\$58,333.00
8035.3600	FAC - ELECTRICAL	\$133,333.00
8035.2900	FAC - TANK BATTERY	\$133,667.00
8035.2200	FAC - CONTRACT LABOR / ROUSTAB	\$160,000.00
8035.2100	FAC - INSPECTION & TESTING	\$280.00
8035.1600	FAC - TRANSPORTATION TRUCKING	\$16,667.00
8035.3000	FAC - HEATER TREATER/SEPARATOR	\$160,000.00
8035.2500	FAC - CONSULTING SERVICES	\$3,333.00
8035.3800	FAC - FLARE/COMBUSTER	\$31,667.00
8035.4300	FAC - INSURANCE	\$0.00
8035.4100	FAC - OVERHEAD	\$0.00
8035.2300	FAC - FRAC TANK RENTAL	\$0.00
8035.1800	FAC - FUEL / POWER	\$0.00
8035.1310	FAC - PEMANENT EASEMENT	\$0.00

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COST ESTIMATE

Printed Date: 01/23/2023

8035.1300	FAC - SURFACE DAMAGE / ROW	\$0.00
8035.1900	FAC - WATER DISPOSAL / SWD	\$0.00
8035.2700	FAC - P-LINE F-LINE LINEPIPE	\$0.00
8035.2000	FAC - WASTE DISPOSAL	\$0.00
8035.2600	FAC - INJECTION PUMP	\$0.00
8035.3500	FAC - COMPRESSOR	\$0.00
8035.3100	FAC - DEHYDRATOR EQUIPMENT	\$0.00
	Sub-total	\$1,186,987.00

Flowback Tangible

8045.1700	TFC - PACKER/DOWNHOLE TOOLS	\$10,000.00
8045.2500	TFC - VALVES / CONNECTIONS / FITINGS	\$10,000.00
8045.1100	TFC - TUBING	\$147,400.00
8045.1300	TFC - DOWNHOLE ARTIFICIAL LIFT EQPT	\$10,000.00
8045.3400	TFC - CONTRACTOR LABOR INSTALL	\$10,000.00
8045.3200	TFC - COMM, TELEMETRY & AUTOMATION	\$5,000.00
8045.2000	TFC - WELLHEAD EQUIPMENT	\$20,000.00
8045.1500	TFC - SUBSURFACE PUMPS	\$80,000.00
8045.1900	TFC - PUMPING UNITS /SURFACE LIFT EQUIPMENT	\$0.00
8045.4400	TFC - COMPANY LABOR	\$0.00
8045.3500	TFC - CONTINGENCY	\$0.00
8045.1200	TFC - SUCKER RODS & ACCESSORY	\$0.00
8045.1600	TFC - PROD LINER & EQUIPMENT	\$0.00
8045.3100	TFC - MEASUREMENT EQUIPMENT	\$0.00
	Sub-total	\$292,400.00

Flowback Intangible

8040.1200	IFC - COMPLETION RIG	\$14,175.00
8040.3700	IFC - SAFETY / ENVIRONMENTAL	\$10,000.00
8040.2000	IFC - TRUCKING/VACUUM/TRANSP	\$10,000.00
8040.3400	IFC - RENTAL EQUIPMENT	\$180,000.00
8040.2900	IFC - WELL TESTING / FLOWBACK	\$180,000.00
8040.1500	IFC - FUEL / POWER	\$25,000.00
8040.2600	IFC - CONTRACT LABOR/ROUSTABOUT	\$30,000.00
8040.1899	IFC - FRAC WATER RECOVERY	\$203,020.30
8040.3500	IFC - WELLSITE SUPERVISION	\$20,000.00
8040.3200	IFC - FISHING TOOLS & SERVICES	\$0.00
8040.4400	IFC - COMPANY LABOR	\$0.00
8040.3100	IFC - WELLHEAD/FRAC TREE REPAIR	\$0.00

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COST ESTIMATE

Printed Date: 01/23/2023

8040.1400	IFC - WIRELINE OPEN/CASED HOLE	\$0.00
8040.4500	IFC - SWABBING	\$0.00
8040.1100	IFC - ROADS LOCATIONS / PITS	\$0.00
8040.2200	IFC - ELECTRIC LOGGING/PERFORATING	\$0.00
8040.2300	IFC - COMPLETION FLUID	\$0.00
8040.1600	IFC - COILED TUBING	\$0.00
8040.2500	IFC - WELL STIMULATION/FRACTURE	\$0.00
8040.2400	IFC - CASING CREW AND TOOLS	\$0.00
8040.1900	IFC - INSPECTION & TESTING	\$0.00
8040.4200	IFC - CONTINGENCY	\$0.00
8040.1700	IFC - CEMENTING & SERVICES	\$0.00
8040.2800	IFC - MATERIAL & SUPPLIES	\$0.00

Sub-total \$672,195.30

Pipeline

8036.2800	PLN - FLOWLINE	\$79,166.67
8036.1310	PLN - PERMANENT EASEMENT	\$109,964.00
8036.3620	PLN - POWER DISTRIBUTION LABOR	\$53,030.30
8036.2700	PLN - PIPELINE	\$409,728.00
8036.3610	PLN - POWER DISTRIBUTION MATERIAL	\$53,030.30
8036.3200	PLN - VALVES FITTINGS & PIPE	\$0.00
8036.3000	PLN - SEPARATOR / SCRUBBER	\$0.00
8036.1200	PLN - LEGAL TITLE SERVICES	\$0.00
8036.3600	PLN - ELECTRICAL SUPPLIES	\$0.00
8036.4500	PLN - CONTINGENCY	\$0.00
8036.2300	PLN - FRAC TANK RENTAL	\$0.00
8036.1300	PLN - SURFACE DAMAGE / ROW	\$0.00
8036.1100	PLN - STAKING & SURVEYING	\$0.00
8036.2100	PLN - INSPECTION & TESTING	\$0.00
8036.3700	PLN - AUTOMATION	\$0.00
8036.1700	PLN - RENTAL EQUIPMENT	\$0.00
8036.1500	PLN - MATERIALS & SUPPLIES	\$0.00
8036.1000	PLN - PERMITS LICENSES ETC	\$0.00
8036.2900	PLN - TANK BATTERY	\$0.00
8036.3100	PLN - TREATING EQUIPMENT	\$0.00
8036.1600	PLN - TRANSPORTATION TRUCKING	\$0.00
8036.1900	PLN - WATER DISPOSAL / SWD	\$0.00
8036.4000	PLN - SAFETY / ENVIRONMENTAL	\$0.00

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COST ESTIMATE

Printed Date: 01/23/2023

8036.3500	PLN - COMPRESSOR	\$0.00
8036.3400	PLN - METER	\$0.00
8036.2200	PLN - CONTRACT LABOR	\$0.00
8036.3300	PLN - PUMP	\$0.00
8036.4300	PLN - INSURANCE	\$0.00
8036.2000	PLN - WASTE DISPOSAL	\$0.00
8036.4400	PLN - COMPANY LABOR	\$0.00
8036.2500	PLN - CONSULTING SERVICES	\$0.00
8036.2400	PLN - SUPERVISION	\$0.00
8036.1400	PLN - ROAD LOCATIONS PITS	\$0.00
	Sub-total	\$704,919.27
Completion Tangible		
8030.2000	TCC - WELLHEAD EQUIPMENT	\$47,250.00
8030.1700	TCC - PACKER/DOWNHOLE TOOLS	\$0.00
8030.1600	TCC - PROD LINER & EQUIPMENT	\$0.00
8030.1000	TCC - CASING - PRODUCTION	\$0.00
	Sub-total	\$47,250.00
Drilling Tangible		
8020.1500	TDC - WELLHEAD EQUIPMENT	\$65,875.00
8020.1200	TDC - CASING - INTERMEDIATE - 1	\$357,714.00
8020.1100	TDC - CASING - SURFACE	\$155,214.62
8020.1400	TDC - CASING - PRODUCTION	\$629,508.98
8020.1700	TDC - PACKER/DOWNHOLE TOOLS	\$0.00
8020.1800	TDC - CONTINGENCY	\$0.00
8020.1000	TDC - CASING - CONDUCTOR	\$0.00
8020.1300	TDC - CASING - INTERMEDIATE 2	\$0.00
	Sub-total	\$1,208,312.60
	Grand Total	\$8,933,894.18



Chronology of Communication/Events

January 27, 2023 – Well proposal sent to all parties

February 7, 2023 – Follow up with Chevron Midcontinent, LP and MRC Permian Company via email.

Phone call with Fuel Products and Gahr Energy Company.

February 8, 2023 - Emails with Chevron Midcontinent.

Emails with Fuel and Gahr on WI and NRI

Sent plats and timeline to Mark Nearburg

Left voicemail and later spoke with MRC Permian Company

February 10, 2023 – Emails with MRC Permian on JOA terms

February 14, 2023 – Emails with Chevron Midcontinent to discuss existing JOA and need for new JOA.

February 15, 2023 – Emails with Chevron Midcontinent to discuss existing JOA and need for new JOA.

February 16, 2023 – Emails with Fuel Products and Gahr Energy Company regarding JOA terms

February 16, 2023 - Emails with MRC Permian on JOA terms

February 17, 2023 - Emails with Fuel Products and Gahr Energy Company regarding JOA terms

February 20, 2023 - Emails with MRC Permian on JOA terms

February 22, 2023 - Emails with Fuel Products and Gahr Energy Company regarding JOA terms

Spoke with Mark Nearburg regarding wells.

February 23, 2023 – Discussion with MRC Energy pertaining to the wells

February 24, 2023 – Follow up email to Chevron Midcontinent

March 1, 2023 – Email from Chevron to confirm total vertical depth in wells

March 1, 2023 – Emails with Fuel Products and Gahr Energy Company to confirm WI and NRI

March 6, 2023 - Email to Chevron confirming total vertical depth

March 7, 2023 – Email with MRC to exchange JOA redlines.

Permian Resources is a result of the merger of Centennial Resource Development and Colgate Energy effective September 1, 2022. Colgate Operating, LLC is a wholly owned subsidiary of Permian Resources.

PERMIAN
RESOURCES

March 8, 2023 - Emails with Fuel Products and Gahr Energy Company to confirm WI and NRI

Emails with Fuel and Gahr to exchange JOA redlines

March 10, 2023 – Emails with Fuel and Gahr to discuss JOA changes

March 20, 2023 – Emails with Chevron to follow up on JOA status

March 27, 2023 – Emails with Fuel and Gahr to discuss development plans

March 31, 2023 – Phone call with MRC Permian to discuss Eric Cartman wells

April 4, 2023 – Emails with Chevron to update on hearing status

April 5, 2023 – Emails with Fuel and Gahr to finalize plans

April 12, 2023 – Emails with Chevron to discuss proposed changes to the JOA

April 13, 2023 – Received signed JOA from Fuel and Gahr

Permian Resources is a result of the merger of Centennial Resource Development and Colgate Energy effective September 1, 2022. Colgate Operating, LLC is a wholly owned subsidiary of Permian Resources.

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

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

CASE NO. 23394

SELF-AFFIRMED STATEMENT OF IRA BRADFORD

1. My name is Ira Bradford. I work for Permian Resources Operating, LLC (“Permian”) as a Geologist.
2. I have previously testified before the New Mexico Oil Conservation Division (“Division”) as an expert witness in petroleum land matters. My credentials as a petroleum geologist have been accepted by the Division and made a matter of record.
3. I am familiar with the application filed by Permian in this case, and I have conducted a geologic study of the lands in the subject area.
4. Permian has targeted the Bone Spring formation in this case.
5. **Permian Exhibit B-1** is a regional locator map that identifies the Eric Cartman project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing unit that is the subject of this application.
6. **Permian Exhibit B-2** is a cross section location map for the proposed horizontal spacing unit (“Unit”) within the Bone Spring formation. The approximate wellbore path for the proposed Eric Cartman State Com 504H and Eric Cartman State Com 505H (“Wells”) are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. B
Submitted by: Permian Resources Operating, LLC
Hearing Date: April 20, 2023
Case No. 23394

running from A-A' with the cross-section well names and a black line in proximity to the proposed Wells.

7. **Permian Exhibit B-3** is a Second Bone Spring (“SBSG”) Structure map on the top of the Second Bone Spring formation in Total Vertical Depth (“TVD”) subsea with a contour interval of 50 feet. The map identifies the approximate wellbore path for the proposed Wells with an 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 northeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

8. **Permian Exhibit B-4** identifies three wells penetrating the targeted interval I used to construct a structural cross-section from A to A'. The structural cross section from north to south shows the regional dip to the Northeast for the proposed Bone Spring Wells. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. The target zone for the proposed Wells is the Second Bone Spring Sand formation, which is consistent across the Unit. The approximate well-paths for the proposed Wells are indicated by dashed lines to be drilled from North to South across the Unit.

9. **Permian Exhibit B-5** is a stratigraphic cross-section from A to A' using the representative wells identified on **Exhibit B-4**. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wells is labeled on the

exhibit. The approximate well-path for the proposed Wells is indicated by dashed lines to be drilled from north to south across the Unit.

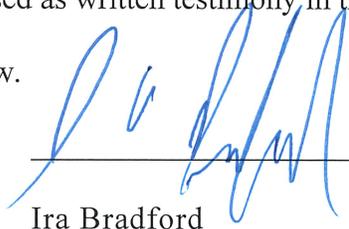
10. In my opinion, standup orientation of the proposed wells is the preferred orientation for horizontal well development in this area and is appropriate to develop the subject acreage efficiently and effectively.

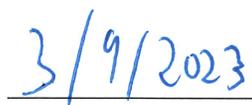
11. Based on my geologic study, the Bone Spring formation underlying the subject area is suitable for development by horizontal wells and the acreage comprising the proposed spacing unit will contribute more-or-less equally to the production from the wellbores. I have not identified any geologic impediments to drilling horizontal wells in the area of the spacing unit proposed.

12. In my opinion, horizontal drilling will be the most efficient method to develop this acreage, to prevent the drilling of unnecessary wells, and to result in the greatest ultimate recovery, and that approving Permian's application will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.

13. **Permian Exhibits B-1 through B-5** were either prepared by me or compiled under my direction and supervision.

14. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.


Ira Bradford


Date

Regional Locator Map

Eric Cartman 31 State Com

BEFORE THE OIL CONSERVATION DIVISION

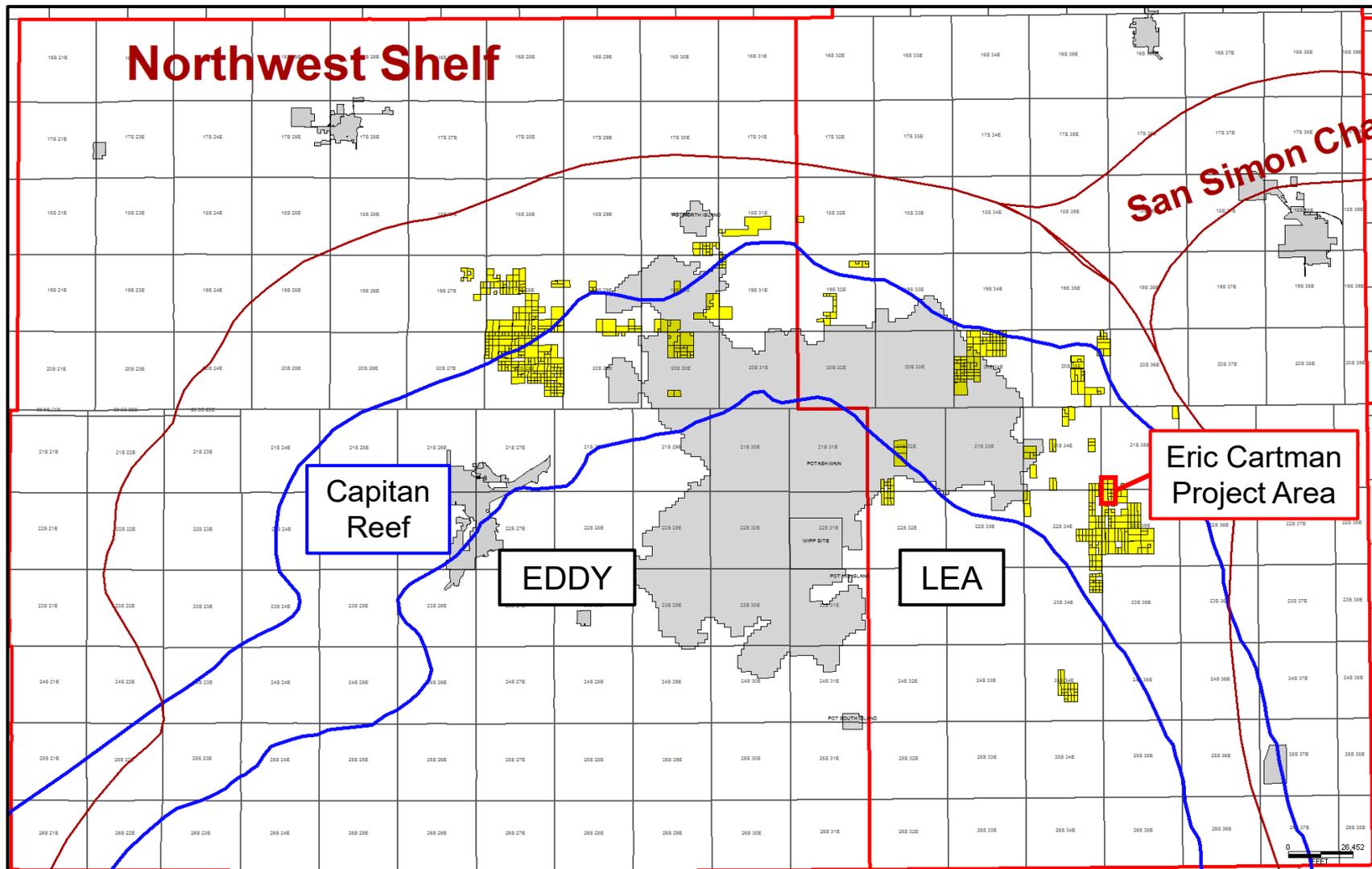
Santa Fe, New Mexico

Exhibit No. B1

Submitted by: Permian Resources Operating, LLC

Hearing Date: April 20, 2023

Case No. 23394



Permian Resources

Cross-Section Locator Map

Eric Cartman 31 State Com 504H, 505H

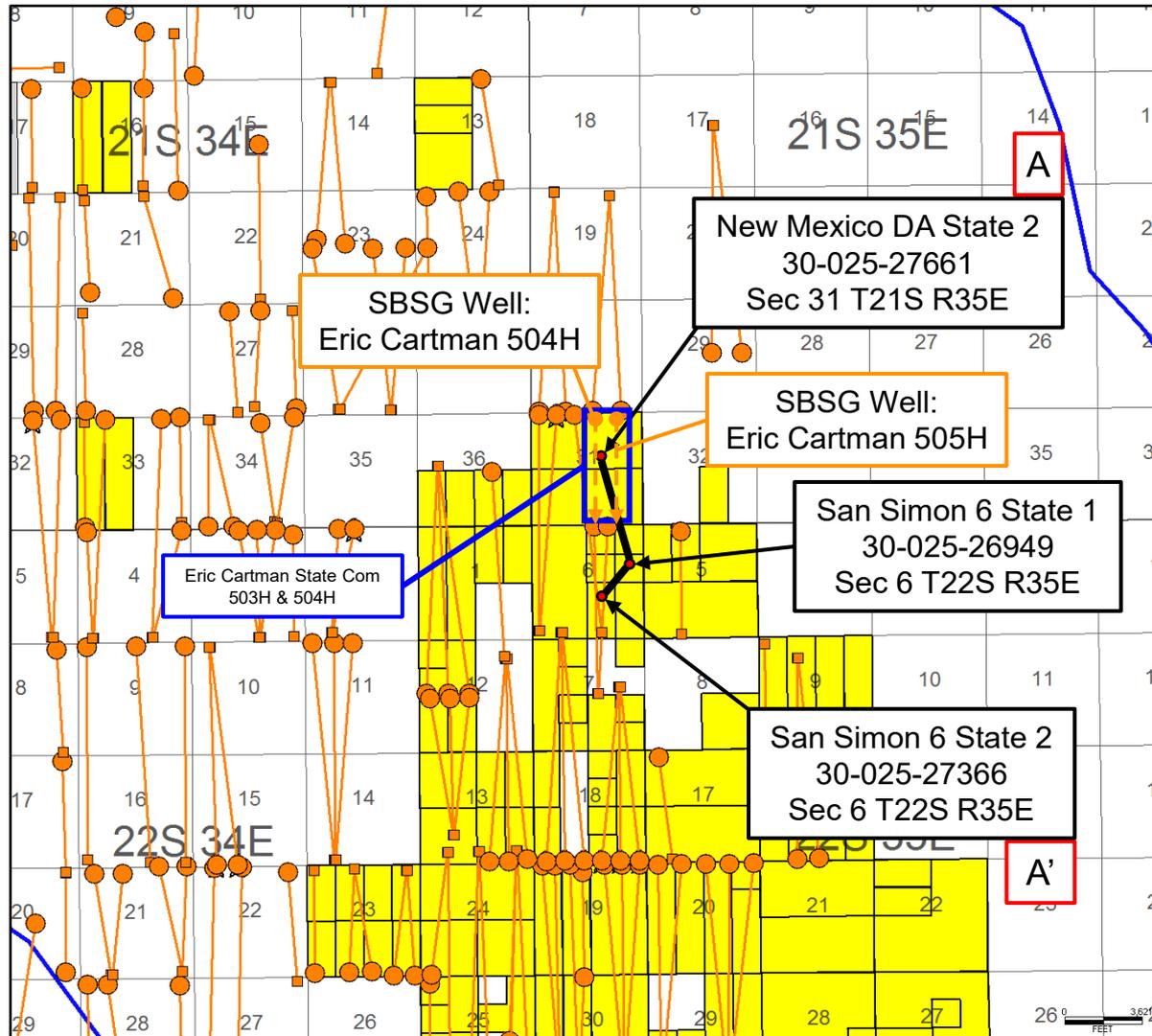
Santa Fe, New Mexico

Exhibit No. B2

Submitted by: Permian Resources Operating, LLC

Hearing Date: April 20, 2023

Case No. 23394



Permian Resources



Proposed Wells



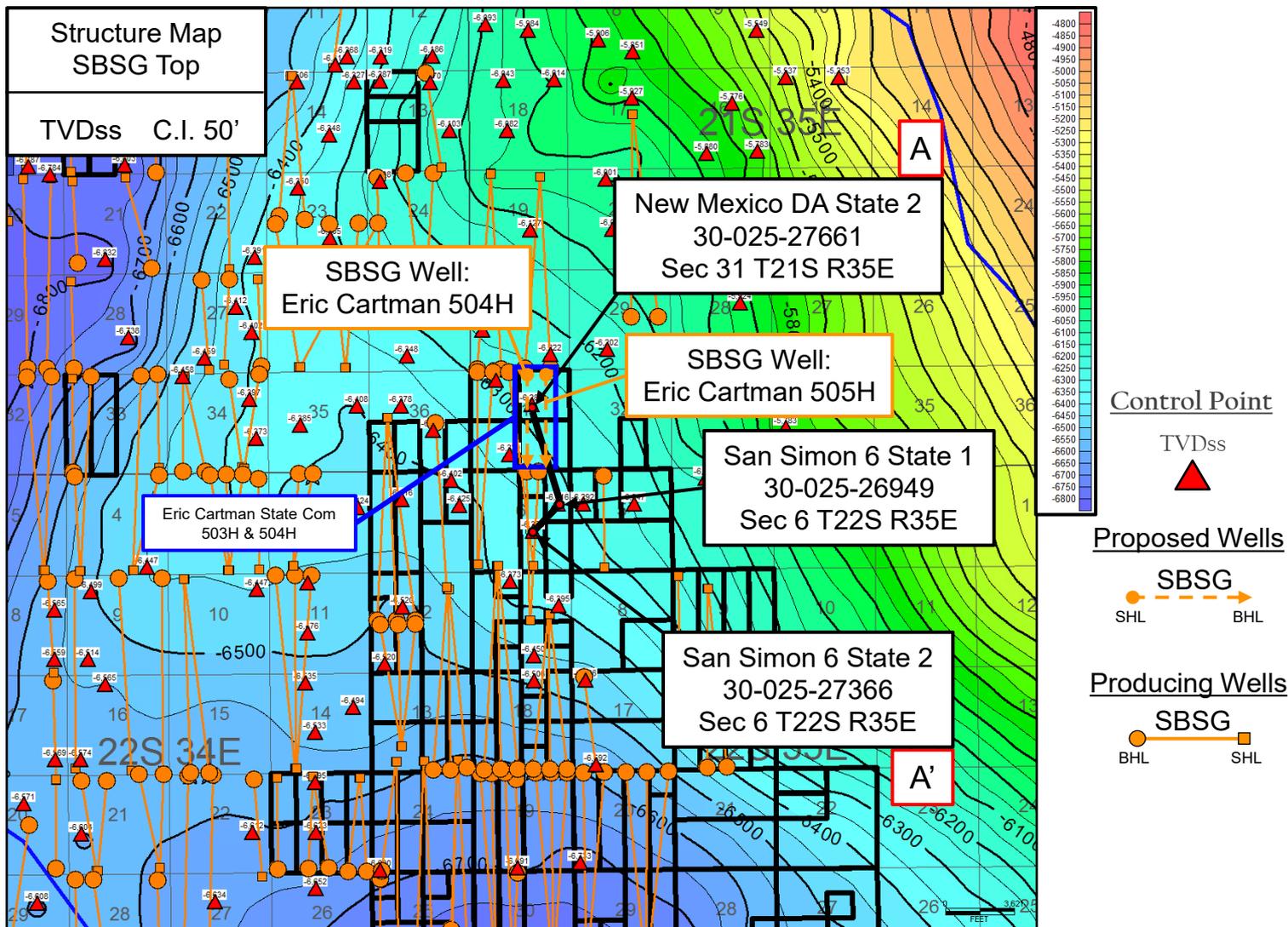
Producing Wells





Second Bone Spring – Structure Map

Eric Cartman 31 State Com 504H, 505H



Structural Cross-Section A-A'

Eric Cartman 31 State Com 504H, 505H

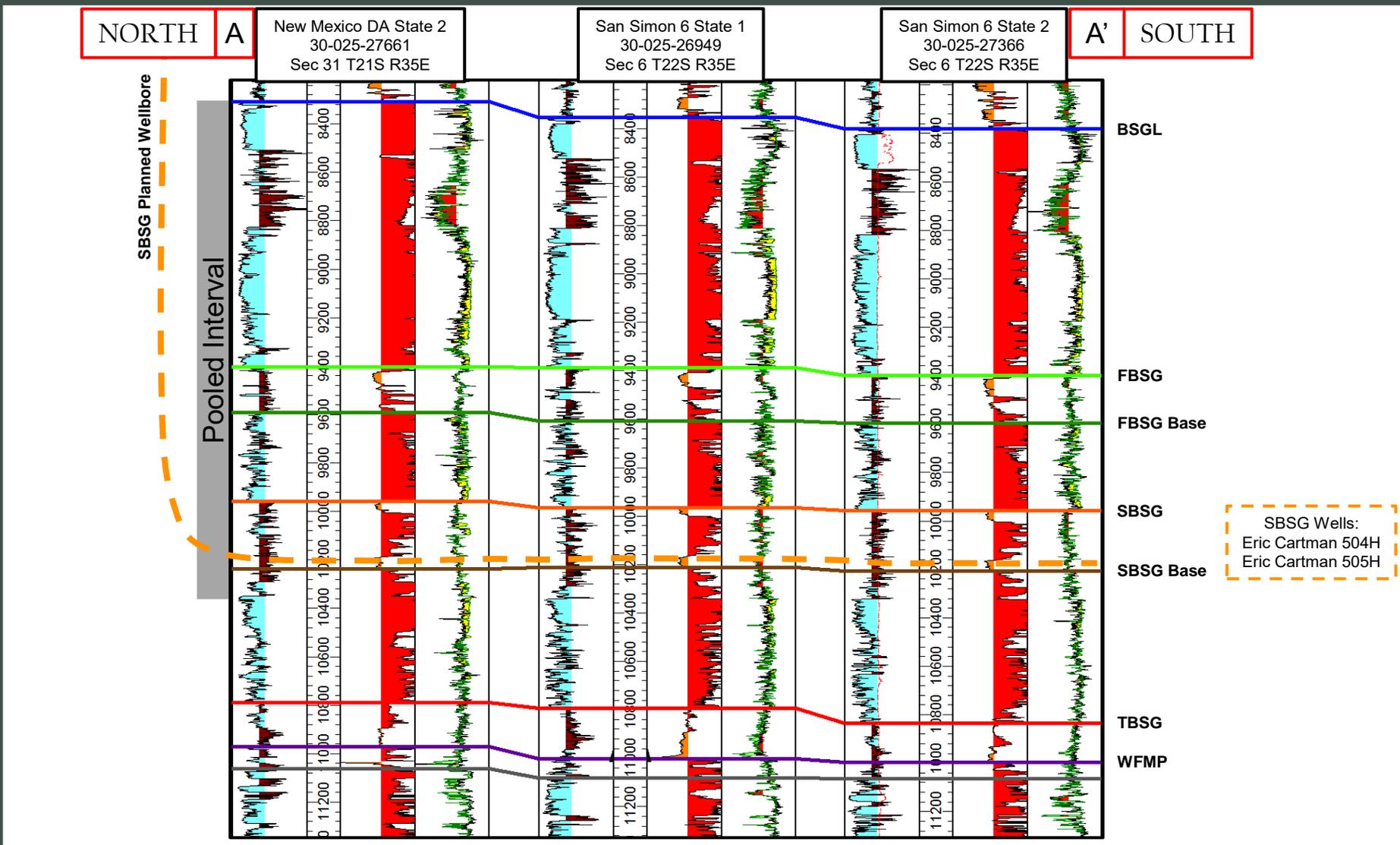
Santa Fe, New Mexico

Exhibit No. B4

Submitted by: Permian Resources Operating, LLC

Hearing Date: April 20, 2023

Case No. 23394



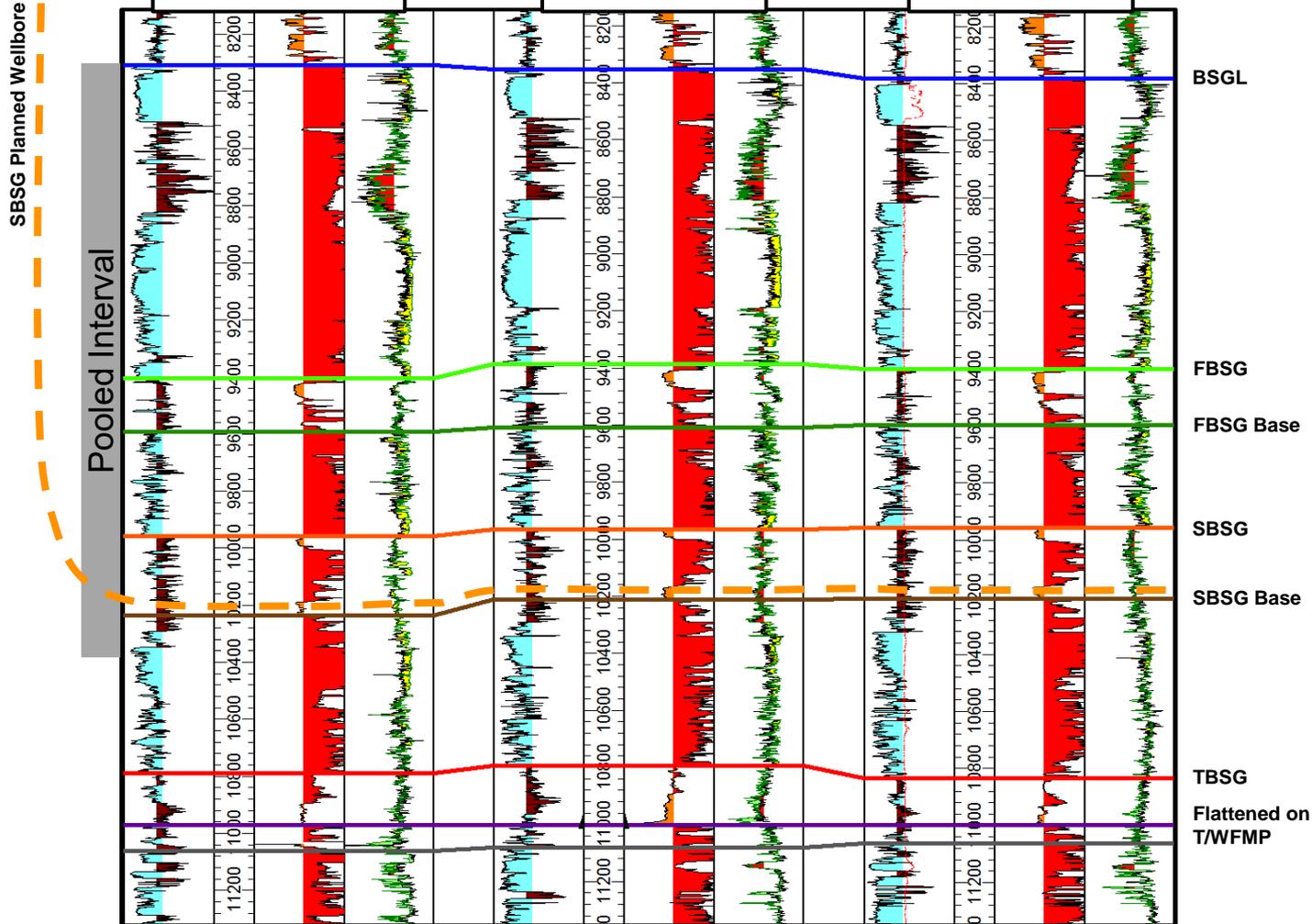


Stratigraphic Cross-Section A-A'

Eric Cartman 31 State Com 504H, 505H

Submitted by: Permian Resources Operating, LLC
Hearing Date: April 20, 2023
Case No. 23394

NORTH	A	New Mexico DA State 2 30-025-27661 Sec 31 T21S R35E	San Simon 6 State 1 30-025-26949 Sec 6 T22S R35E	San Simon 6 State 2 30-025-27366 Sec 6 T22S R35E	A'	SOUTH
-------	---	---	--	--	----	-------



SBSG Wells:
Eric Cartman 504H
Eric Cartman 505H

BSGL

FBGS

FBGS Base

SBSG

SBSG Base

TBSG

Flattened on T/WFMP

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

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

CASE NO. 23394

**SELF-AFFIRMED STATEMENT OF
PAULA M. VANCE**

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC (“Permian”), the Applicant herein. I have personal knowledge of the matters addressed herein and am competent to provide this self-affirmed statement.

2. The above-referenced application and notice of the hearing on this application was sent by certified mail to the affected parties on the date set forth in the letter attached hereto.

3. The spreadsheet attached hereto contains the names of the parties to whom notice was provided.

4. The spreadsheet attached hereto contains the information provided by the United States Postal Service on the status of the delivery of this notice as of April 17, 2023.

5. I caused a notice to be published to all parties subject to these compulsory pooling proceedings. An affidavit of publication from the publication’s legal clerk with a copy of the notice publication is attached as Exhibit D.

6. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.



Paula M. Vance

4/18/2023
Date

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Permian Resources Operating,
LLC Hearing Date: April 20, 2023
Case No. 23394**



Paula M. Vance
Associate
Phone (505) 988-4421
Email pmvance@hollandhart.com

February 10, 2023

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico: Eric Cartman 31 State Come #504H & #505H wells

Ladies & Gentlemen:

This letter is to advise you that Permian Resources Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on March 2, 2023, and the status of the hearing can be monitored through the Division’s website at <https://www.emnrd.nm.gov/ocd/>.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely beginning at 8:15 a.m. To participate in the electronic hearing, 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. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Chris Astwood at (432) 315-0102 or Chris.Astwood@permianres.com.

Sincerely,

Paula M. Vance
**ATTORNEY FOR PERMIAN RESOURCES
OPERATING, LLC**

T 505.988.4421 F 505.983.6043
110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849
Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208
www.hollandhart.com

Alaska	Montana	Utah
Colorado	Nevada	Washington, D.C.
Idaho	New Mexico	Wyoming

Permian_Eric Cartman 504H - 505H wells
Case No. 23394 Postal Delivery Report

9414811898765838227944	Chevron Midcontinent, LP	1400 Smith St	Houston	TX	77002-7327	Your item was picked up at a postal facility at 1:02 pm on February 18, 2023 in HOUSTON, TX 77002.
9414811898765838227982	Fuel Products, Inc.	PO Box 3098	Midland	TX	79702-3098	Your item was delivered at 1:59 pm on February 14, 2023 in MIDLAND, TX 79701.
9414811898765838227975	Gahr Energy Company	PO Box 1889	Midland	TX	79702-1889	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
9414811898765838227654	Mark K. Nearburg	710 Dragon	Lakeway	TX	78734-4353	Your item was delivered to an individual at the address at 11:18 am on February 14, 2023 in AUSTIN, TX 78734.
9414811898765838227661	Magnum Hunter Production Inc.	600 N Marienfeld St Ste 600	Midland	TX	79701-4405	Your item was delivered to an individual at the address at 12:05 pm on February 14, 2023 in MIDLAND, TX 79701.
9414811898765838227623	Chevron Midcontinent, LP	6301 Deauville	Midland	TX	79706-2964	Your item was delivered to the front desk, reception area, or mail room at 10:31 am on February 14, 2023 in MIDLAND, TX 79706.

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Blake Ovard, Editor of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
February 12, 2023
and ending with the issue dated
February 12, 2023.



Editor

Sworn and subscribed to before me this
12th day of February 2023.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said

LEGAL NOTICE February 12, 2023

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. The hearing will be conducted remotely on **Thursday, March 2, 2023, beginning at 8:15 a.m.** To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at <https://www.emnrd.nm.gov/ocd/hearing-info/> or obtained from Marlene Salvidrez, at Marlene.Salvidrez@emnrd.nm.gov. Documents filed in the case may be viewed at <https://ocdimage.emnrd.nm.gov/Imaging/Default.aspx>. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@emnrd.nm.gov, or the New Mexico Relay Network at 1-800-659- 1779, no later than **February 22, 2023**.

Persons may view and participate in the hearings through the following link:

<https://nmemnrd.webex.com/nmemnrd/j.php?MTID=m0516cb02e24e73cc7cbc368389f56cb5> Webinar number: : 24948591976
Panelist password: : 63axMJymRM4 (63296596 from phones and video systems)

Join by video system: 24948591976@nmemnrd.webex.com You can also dial 173.243.2.68 and enter your webinar number

Join by phone: 1-844-992-4726 United States Toll Free +1-408-418-9388 United States Toll
Access code: 24948591976

STATE OF NEW MEXICO TO:
All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All interest owners subject to pooling proceedings, including: Chevron Midcontinent, LP; Fuel Products, Inc.; Gahr Energy Company; Mark K. Nearburg, his heirs and devisees; and Magnum Hunter Production Inc.

Case No. 23394: Application of Permian Resources Operating, LLC for Compulsory Pooling, Lea County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests from the top of the Bone Spring formation to 10,388 feet underlying a standard 160-acre, more or less, horizontal well spacing unit comprised of the W/2 E/2 of Section 31, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. Said unit will be initially dedicated to the proposed Eric Cartman 31 State Com #504H and Eric Cartman 31 State Com #505H wells, both to be horizontally drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 31 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 31. Also, to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 15 miles west of Eunice, New Mexico.
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HOLLAND & HART LLC
PO BOX 2208
SANTA FE, NM 87504-2208

BEFORE THE OIL CONSERVATION DIVISION Santa Fe,
New Mexico
Exhibit No. D
Submitted by: Permian Resources Operating, LLC
Hearing Date: April 20, 2023
Case No. 23394