

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

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

**CASE NO. 23583**

**HEARING EXHIBITS**

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Travis Macha
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Christopher Cantin
B-1	Regional Locator Map
B-2	Cross Section Location Map of the Pinkie Pie 22-21 Fed Com 123H and 133H wells
B-3	Second Bone Spring Subsea Structure Map
B-4	Third Bone Spring Subsea Structure Map
B-5	Stratigraphic Cross-Section
B-6	Gun Barrel Diagram
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for June 14, 2023

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23583</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date</b>	<b>August 3, 2023</b>
Applicant	Permian Resources Operating, LLC (OGRID No. 372165)
Designated Operator & OGRID (affiliation if applicable)	<b>OGRID No. 372165</b>
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Permian Resources Operating for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None.
Well Family	Pinkie Pie
<b>Formation/Pool</b>	
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:	Tamano; Bone Spring Pool (Code 58040)
Well Location Setback Rules:	Statewide
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	Quarter-quarter
Orientation:	East to West
Description: TRS/County	N/2 S/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes
<b>Other Situations</b>	
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
<b>Well(s)</b>	
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	Pinkie Pie 22-21 Fed Com 123H (API # ---) SHL: 1285' FSL & 354' FEL (Unit P), Section 22, T18S, R31E BHL: 1980' FSL & 100' FWL (Unit L), Section 21, T18S, R31E Completion Target: Second Bone Spring (8,679' TVD)
Well #2	Pinkie Pie 22-21 Fed Com 133H (API # ---) SHL: 1351' FSL & 354' FEL (Unit I), Section 22, T18S, R31E BHL: 1980' FSL & 100' FWL (Unit L), Section 21, T18S, R31E Completion Target: Third Bone Spring (9,514' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
<b>AFE Capex and Operating Costs</b>	

Drilling Supervision/Month \$	\$8,000.00	Received by OGD: 8/1/2023 5:01:04 PM	Page 3 of 42
Production Supervision/Month \$	\$800.00		
Justification for Supervision Costs	Exhibit A		
Requested Risk Charge	200%		
<b>Notice of Hearing</b>			
Proposed Notice of Hearing	Exhibit A-1		
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3		
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4		
<b>Ownership Determination</b>			
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		
<b>Joinder</b>			
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		
<b>Geology</b>			
Summary (including special considerations)	Exhibit B		
Spacing Unit Schematic	Exhibit B-1		
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6		
Well Orientation (with rationale)	Exhibit B		
Target Formation	Exhibit B		
HSU Cross Section	Exhibit B-2		
Depth Severance Discussion	N/A		
<b>Forms, Figures and Tables</b>			
C-102	Exhibit A-2		
Tracts	Exhibit A-3		
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3		
General Location Map (including basin)	Exhibit B-1		
Well Bore Location Map	Exhibit B-2		
Structure Contour Map - Subsea Depth	Exhibit B-3, Exhibit B-4		
Cross Section Location Map (including wells)	Exhibit B-5		
Cross Section (including Landing Zone)	Exhibit B-5		
<b>Additional Information</b>			
Special Provisions/Stipulations	N/A		

<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	/s/ Dana S. Hardy
<b>Date:</b>	8/1/2023

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

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

**CASE NO. 23583**

**SELF-AFFIRMED STATEMENT  
OF TRAVIS MACHA**

1. I am a Senior Landman at Permian Resources Operating, LLC (“Permian Resources”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-referenced case. Copies of Permian Resources’ application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit; therefore I do not expect any opposition at hearing.

4. Permian Resources seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the following proposed wells (“Wells”), which will be completed in the Tamano; Bone Spring Pool (Code 58040):

- a. **Pinkie Pie 22-21 Fed Com 123H** well, to be drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 22 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 21; and


**Permian Resources Operating, LLC  
Case No. 23583  
Exhibit A**

- 2

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

14. In my opinion, the granting of Permian Resources' application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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



\_\_\_\_\_  
Travis Macha

\_\_\_\_\_  
8/1/2023

Date

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

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

**CASE NO. 23583**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (OGRID No. 372165) (“Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico (“Unit”). In support of its application, Applicant states the following:

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Pinkie Pie 22-21 Fed Com 123H** and **Pinkie Pie 22-21 Federal Com 133H** wells (“Wells”), which will be drilled from surface hole locations in the NE/4 SE/4 (Unit I) of Section 22, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 21.
3. The completed intervals of the Wells will be orthodox.
4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**Permian Resources Operating, LLC  
Case No. 23583  
Exhibit A-1**



6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 6, 2023, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554  
dhardy@hinklelawfirm.com  
jmclean@hinklelawfirm.com  
ypena@hinklelawfirm.com  
*Counsel for Permian Resources Operating,  
LLC*

**Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Pinkie Pie 22-21 Fed Com 123H** and **Pinkie Pie 22-21 Federal Com 133H** wells ("Wells"), which will be drilled from surface hole locations in the NE/4 SE/4 (Unit I) of Section 22, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 21. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 32.64 miles Southeast of Artesia, New Mexico.

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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 58040	<sup>3</sup> Pool Name Tamano; Bone Spring Pool
<sup>4</sup> Property Code	<sup>5</sup> Property Name PINKIE PIE 22-21 FED COM	<sup>6</sup> Well Number 123H
<sup>7</sup> OGRID No. 372165	<sup>8</sup> Operator Name PERMIAN RESOURCES OPERATING, LLC	<sup>9</sup> Elevation 3654.9'

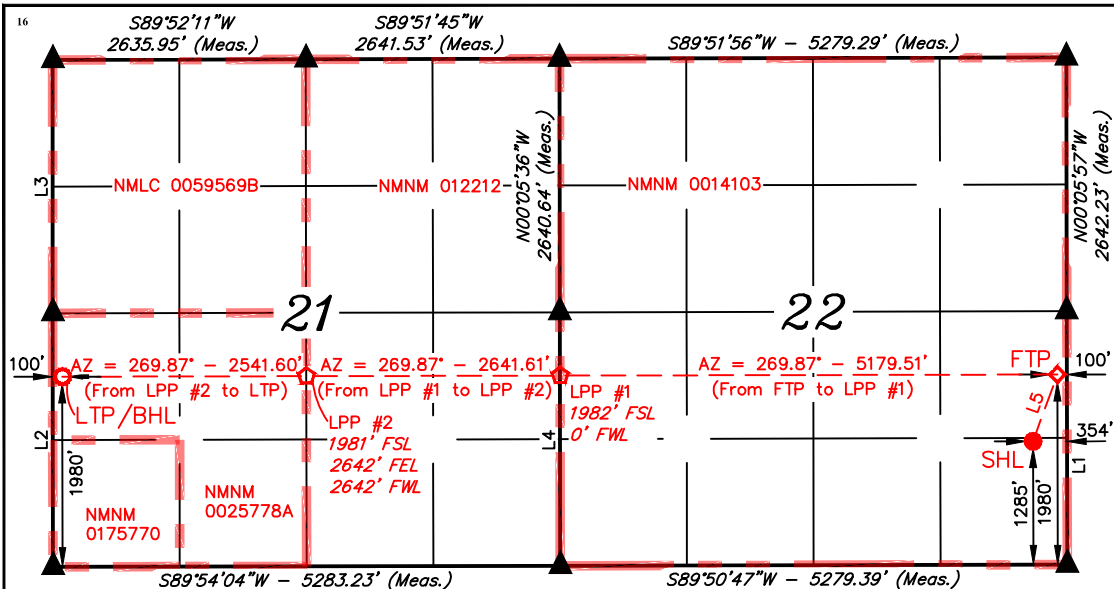
<sup>10</sup> Surface Location

UL or lot no. P	Section 22	Township 18S	Range 31E	Lot Idn	Feet from the 1285	North/South line SOUTH	Feet from the 354	East/West line EAST	County EDDY
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. L	Section 21	Township 18S	Range 31E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 100	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.



SECTION LINE TABLE		
LINE	DIRECTION	LENGTH
L1	N00°05'16"W	2638.76'
L2	N00°05'27"W	2641.07'
L3	N00°01'52"E	2638.48'
L4	N00°05'29"W	2642.11'

WELL BORE LINE TABLE		
LINE	DIRECTION	LENGTH
L5	AZ = 19.96°	740.13'

LEGEND:

- = SURFACE HOLE LOCATION.
- ◆ = FIRST TAKE POINT.
- ☆ = LEASE PENETRATION POINT.
- = LAST TAKE POINT/BOTTOM HOLE LOCATION.
- ▲ = SECTION CORNERS LOCATED.
- = LEASE LINE.



S C A L E

DRAWN BY: N.D.T. 03-27-23

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)

<b>NAD 83 (LPP #1)</b> LATITUDE = 32°43'52.23" (32.731175°) LONGITUDE = -103°51'57.26" (-103.865904°)
<b>NAD 27 (LPP #1)</b> LATITUDE = 32°43'51.80" (32.731056°) LONGITUDE = -103°51'55.44" (-103.865400°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 630050.25' E: 685073.88'
<b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 629986.91' E: 643894.94'

<b>NAD 83 (SURFACE HOLE LOCATION)</b> LATITUDE = 32°43'45.45" (32.729292°) LONGITUDE = -103°50'59.59" (-103.849887°)
<b>NAD 27 (SURFACE HOLE LOCATION)</b> LATITUDE = 32°43'45.02" (32.729172°) LONGITUDE = -103°50'57.78" (-103.849382°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 629387.04' E: 690002.62'
<b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 629323.69' E: 648823.69'
<b>NAD 83 (LPP #2)</b> LATITUDE = 32°43'52.18" (32.731160°) LONGITUDE = -103°52'28.18" (-103.874493°)
<b>NAD 27 (LPP #2)</b> LATITUDE = 32°43'51.75" (32.731041°) LONGITUDE = -103°52'26.36" (-103.873988°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 630033.21' E: 682432.85'
<b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 629969.90' E: 641253.90'

<b>NAD 83 (FIRST TAKE POINT)</b> LATITUDE = 32°43'52.33" (32.731203°) LONGITUDE = -103°50'56.63" (-103.849064°)
<b>NAD 27 (FIRST TAKE POINT)</b> LATITUDE = 32°43'51.90" (32.731084°) LONGITUDE = -103°50'54.82" (-103.848560°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 630083.65' E: 690252.26'
<b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 630020.28' E: 649073.35'
<b>NAD 83 (LTP/BHL)</b> LATITUDE = 32°43'52.12" (32.731145°) LONGITUDE = -103°52'57.92" (-103.882756°)
<b>NAD 27 (LTP/BHL)</b> LATITUDE = 32°43'51.69" (32.731026°) LONGITUDE = -103°52'56.10" (-103.882251°)
<b>STATE PLANE NAD 83 (N.M. EAST)</b> N: 630016.82' E: 679891.82'
<b>STATE PLANE NAD 27 (N.M. EAST)</b> N: 629953.53' E: 638712.85'

<sup>17</sup> 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 \_\_\_\_\_

<sup>18</sup> 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.

March 22, 2023

Date of Survey \_\_\_\_\_  
Signature and Seal of Professional Surveyor: \_\_\_\_\_



Certificate Number: \_\_\_\_\_

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  
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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

<sup>1</sup> API Number	<sup>2</sup> Pool Code 58040	<sup>3</sup> Pool Name Tamano; Bone Spring Pool
<sup>4</sup> Property Code	<sup>5</sup> Property Name PINKIE PIE 22-21 FED COM	<sup>6</sup> Well Number 133H
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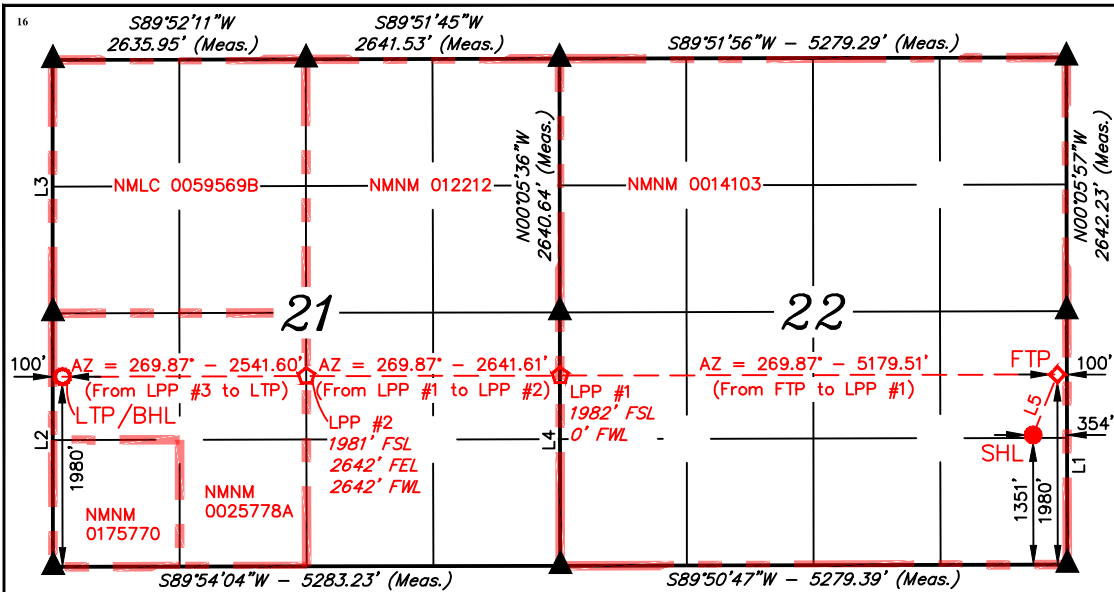
<sup>10</sup> Surface Location

UL or lot no. I	Section 22	Township 18S	Range 31E	Lot Idn	Feet from the 1351	North/South line SOUTH	Feet from the 354	East/West line EAST	County EDDY
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<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no. L	Section 21	Township 18S	Range 31E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 100	East/West line WEST	County EDDY
<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

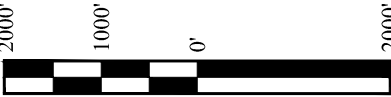
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WELL BORE LINE TABLE		
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  - = LAST TAKE POINT/BOTTOM HOLE LOCATION.
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  - = LEASE LINE.



S C A L E  
DRAWN BY: N.D.T. 03-27-23

- 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)

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LATITUDE = 32°43'52.23" (32.731175°)
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LONGITUDE = -103°50'57.78" (-103.849383°)
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N: 629453.03' E: 690001.94'
<b>STATE PLANE NAD 27 (N.M. EAST)</b>
N: 629389.67' E: 648823.02'
<b>NAD 83 (LPP #2)</b>
LATITUDE = 32°43'52.18" (32.731160°)
LONGITUDE = -103°52'28.18" (-103.874493°)
<b>NAD 27 (LPP #2)</b>
LATITUDE = 32°43'51.75" (32.731041°)
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N: 629953.53' E: 638712.85'

<sup>17</sup> 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 \_\_\_\_\_

<sup>18</sup> 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.

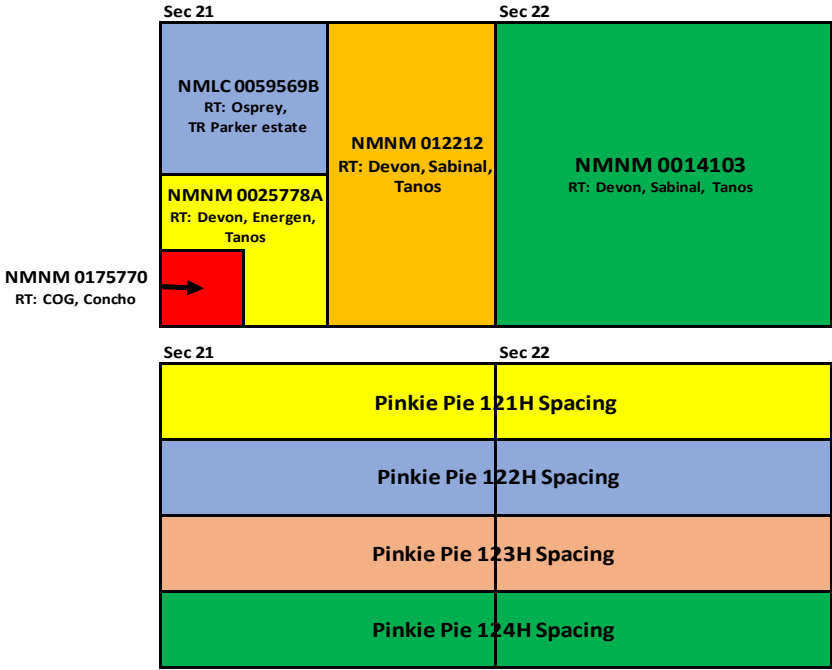
March 22, 2023

Date of Survey  
Signature and Seal of Professional Surveyor:



Certificate Number:

**Land Exhibit: Pinkie Pie Fed Com 123H & 133H**  
N2S2 of Sections 21 and 22, T18S-R31E, Eddy Co., NM



		Documents Sent			
Owner	Pooling?	Proposal	JOA	Com Agmt	Notes
Colgate Production, LLC	N/A	N/A	N/A	N/A	
Devon Energy Production Co., LP	Y	N/A	N/A	Y	RT assigned to Colgate
Tanos Energy Holdings II, LLC	Y	N/A	N/A	Y	RT Only
Chief Capital (O&G) II LLC	Y	Y	Y	Y	
Sabinal Energy Operating LLC	Y	Y	Y	Y	
Kent Production, LLC	Y	Y	Y	Y	
Nortex Corporation	Y	Y	Y	Y	

Leasehold Ownership			
Owner	Sec 21: S2NW	Section 21: S2NE	Sec 22: S2N2
Colgate Production, LLC	41.201007%	57.591819%	64.883475%
Chief Capital (O&G) II LLC	10.594545%	16.684322%	16.684322%
Sabinal Energy Operating LLC	11.704449%	18.432203%	18.432203%
Nortex/Kent Prod	0.000000%	7.291656%	0.000000%
BEXP II Alpha LLC	15.562980%	0.000000%	0.000000%
BEXP II Omega LLC	20.937021%	0.000000%	0.000000%

Unit Capitulation	
Owner	WI
Colgate Production, LLC	63.0605840%
Chief Capital (O&G) II LLC	16.6843220%
Sabinal Energy Operating LLC	18.4322030%
Nortex/Kent Prod	1.8228910%
BEXP II Alpha LLC	0.0000000%
BEXP II Omega LLC	0.0000000%

**\*Parties seeking to pool are highlighted in yellow.**



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

OFFICE 432.695.4222  
FAX 432.695.4063

April 10, 2023

***Via Certified Mail***

Chief Capital (O&G) II LLC  
8111 Westchester Drive, Suite 900  
Dallas, TX 75225

**RE: Pinke Pie 22-21 Fed Com – Well Proposals**  
Section 21 & 22, T18S-R31E  
Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC, ("Permian"), hereby proposes the drilling and completion of the following eight (8) wells, the Pinkie Pie 22-21 Federal Com wells at approximate locations within Township 18 South, Range 31 East:

**SECOND BONE SPRING FORMATION:**

**1. Pinkie Pie 22-21 Fed Com 121H**

SHL: 1,550' FNL & 256' FEL (or at a legal location within unit letter A) of Section 22  
FTP: 100' FEL & 660' FNL of Section 22  
LTP: 100' FWL & 660' FNL of Section 21  
BHL: 10' FWL & 660' FNL of Section 21  
Standard Spacing Unit: N2N2 of Section 22, and N2N2 of Section 21, T18S-R31E  
TVD: 8,685'  
TMD: 18,970'  
Total Cost: See attached AFE

**2. Pinkie Pie 22-21 Fed Com 122H**

SHL: 1,550' FNL & 289' FEL (or at a legal location within unit letter H) of Section 22  
FTP: 100' FEL & 1,980' FNL of Section 22  
LTP: 100' FWL & 1,980' FNL of Section 21  
BHL: 10' FWL & 1,980' FWL of Section 21  
Standard Spacing Unit: S2N2 of Section 22, and S2N2 of Section 21, T18S-R31E  
TVD: 8,685'  
TMD: 18,970'  
Total Cost: See attached AFE

**3. Pinkie Pie 22-21 Fed Com 123H**

SHL: 1,185' FSL & 313' FEL (or at a legal location within unit letter I) of Section 22  
FTP: 100' FEL & 1,980' FSL of Section 22  
LTP: 100' FWL & 1,980' FSL of Section 21  
BHL: 10' FWL & 1,980' FSL of Section 21  
Standard Spacing Unit: N2S2 of Section 22, N2S2 of Section 21, T18S-R31E  
TVD: 8,679'  
TMD: 18,964'  
Total Cost: See attached AFE

**Permian Resources Operating, LLC**  
**Case No. 23583**  
**Exhibit A-4**

**4. Pinkie Pie 22-21 Fed Com 124H**

SHL: 1,177' FSL & 281' FEL (or at a legal location within unit letter P) of Section 22  
FTP: 100' FEL & 660' FSL of Section 22  
LTP: 100' FWL & 660' FSL of Section 21  
BHL: 10' FWL & 660' FSL of Section 21  
Standard Spacing Unit: S2S2 of Section 22, S2S2 of Section 21, T18S-R31E  
TVD: 8,679'  
TMD: 18,964'  
Total Cost: See attached AFE

**THIRD BONE SPRING FORMATION:****5. Pinkie Pie 22-21 Fed Com 131H**

SHL: 1,550' FNL & 190' FEL (or at a legal location within unit letter A) of Section 22  
FTP: 100' FEL & 660' FNL of Section 22  
LTP: 100' FWL & 660' FNL of Section 21  
BHL: 10' FWL & 660' FNL of Section 21  
Standard Spacing Unit: N2N2 of Section 22, N2N2 of Section 21, T18S-R31E  
TVD: 9,545'  
TMD: 19,830'  
Total Cost: See attached AFE

**6. Pinkie Pie 22-21 Fed Com 132H**

SHL: 1,550' FNL & 223' FEL (or at a legal location within unit letter H) of Section 22  
FTP: 100' FEL & 1,980' FNL of Section 22  
LTP: 100' FWL & 1,980' FNL of Section 21  
BHL: 10' FWL & 1,980' FSL of Section 21  
Standard Spacing Unit: S2N2 of Section 22, S2N2 of Section 21, T18S-R31E  
TVD: 9,545'  
TMD: 19,830'  
Total Cost: See attached AFE

**7. Pinkie Pie 22-21 Fed Com 133H**

SHL: 1,169' FSL & 249' FEL (or at a legal location within unit Letter I) of Section 22  
FTP: 100' FEL & 1,980' FSL of Section 22  
LTP: 100' FWL & 1,980' FSL of Section 21  
BHL: 10' FWL & 1,980' FSL of Section 21  
Standard Spacing Unit: N2S2 of Section 22, N2S2 of Section 21, T18S-R31E  
TVD: 9,514'  
TMD: 19,799'  
Total Cost: See attached AFE

**8. Pinkie Pie 22-21 Fed Com 134H**

SHL: 1,161' FSL & 217' FEL (or at a legal location within unit letter P) of Section 22  
FTP: 100' FEL & 660' FSL of Section 22  
LTP: 100' FWL & 660' FSL of Section 21  
BHL: 10' FWL & 660' FSL of Section 21  
Standard Spacing Unit: S2S2 of Section 22, S2S2 of Section 21, T18S-R31E  
TVD: 9,514'  
TMD: 19,799'  
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
- \$8,000/\$800 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells 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 is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.1037 or by email at [travis.macha@permianres.com](mailto:travis.macha@permianres.com). Due to the number of inquiries received, email may be the quickest way to receive a response.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Travis Macha', is written over a horizontal line.

Travis Macha  
Senior Landman

*Enclosures*

**Pinkie Pie 22-21 Federal Com Elections:**

<b>Well Elections:</b> (Please indicate your responses in the spaces below)		
<b>Well(s)</b>	<b>Elect to Participate</b>	<b>Elect to <u>NOT</u> Participate</b>
<b>Pinkie Pie 22-21 Federal Com 121H</b>		
<b>Pinkie Pie 22-21 Federal Com 122H</b>		
<b>Pinkie Pie 22-21 Federal Com 123H</b>		
<b>Pinkie Pie 22-21 Federal Com 124H</b>		
<b>Pinkie Pie 22-21 Federal Com 131H</b>		
<b>Pinkie Pie 22-21 Federal Com 132H</b>		
<b>Pinkie Pie 22-21 Federal Com 133H</b>		
<b>Pinkie Pie 22-21 Federal Com 134H</b>		

Company Name (If Applicable):

---

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Date: \_\_\_\_\_

**Participate / Rejection Declaration**

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

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

Agreed this \_\_\_\_\_ day of \_\_\_\_\_, 2023 by:

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701  
Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	2.17.2023	AFE NO.:	1
WELL NAME:	Pinkie Pie Federal Com 123H	FIELD:	Shugart; Bone Spring, North
LOCATION:	Section 22, T18S-R31E	MD/TVD:	18,964' / 8,679'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal SBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 50,668	-	-	\$ 50,668
2 Location, Surveys & Damages	247,119	15,498	-	262,618
4 Freight / Transportation	40,856	37,554	18,645	97,054
5 Rental - Surface Equipment	106,649	184,788	88,562	380,000
6 Rental - Downhole Equipment	176,216	51,302	-	227,518
7 Rental - Living Quarters	41,246	46,734	-	87,980
10 Directional Drilling, Surveys	368,469	-	-	368,469
11 Drilling	646,640	-	-	646,640
12 Drill Bits	85,933	-	-	85,933
13 Fuel & Power	162,071	621,970	-	784,041
14 Cementing & Float Equip	208,704	-	-	208,704
15 Completion Unit, Swab, CTU	-	-	13,983	13,983
16 Perforating, Wireline, Slickline	-	337,239	-	337,239
17 High Pressure Pump Truck	-	105,747	-	105,747
18 Completion Unit, Swab, CTU	-	125,656	-	125,656
20 Mud Circulation System	90,250	-	-	90,250
21 Mud Logging	15,037	-	-	15,037
22 Logging / Formation Evaluation	6,236	7,153	-	13,389
23 Mud & Chemicals	310,388	375,883	9,322	695,593
24 Water	37,280	567,553	233,058	837,890
25 Stimulation	-	698,292	-	698,292
26 Stimulation Flowback & Disp	-	104,316	139,835	244,151
28 Mud / Wastewater Disposal	165,648	52,456	-	218,104
30 Rig Supervision / Engineering	103,964	114,450	13,983	232,397
32 Drlg & Completion Overhead	8,941	-	-	8,941
35 Labor	131,553	59,609	13,983	205,145
54 Proppant	-	1,076,755	-	1,076,755
95 Insurance	12,575	-	-	12,575
97 Contingency	-	20,949	-	20,949
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	8,151,718

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 108,321	-	-	\$ 108,321
61 Intermediate Casing	305,096	-	-	305,096
62 Drilling Liner	-	-	-	-
63 Production Casing	608,837	-	-	608,837
64 Production Liner	-	-	-	-
65 Tubing	-	-	134,827	134,827
66 Wellhead	57,442	-	38,522	95,964
67 Packers, Liner Hangers	13,055	-	19,261	32,316
68 Tanks	-	-	67,414	67,414
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	38,522	38,522
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	86,675	86,675
73 Compressor	-	-	-	-
74 Installation Costs	-	-	28,892	28,892
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	28,892	28,892
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	19,261	19,261
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	48,153	48,153
85 Communications / SCADA	-	-	-	-
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	1,092,750	0	510,417	1,603,166
TOTAL COSTS >	4,021,335	4,469,808	1,026,312	9,754,884

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer:	PS
Completions Engineer:	ML
Production Engineer:	DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO	Co-CEO	VP - Operations
WH	JW	CRM
VP - Land & Legal	VP - Geosciences	
BG	SO	

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval:	<input type="checkbox"/> Yes <input type="checkbox"/> No (mark one)

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

Permian Resources Operating, LLC

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701  
Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	2.17.2023	AFE NO.:	1
WELL NAME:	Pinkie Pie Federal Com 133H	FIELD:	Shugart; Bone Spring, North
LOCATION:	Section 22, T18S-R31E	MD/TVD:	19,799' / 9,514'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000'
Permian WI:		DRILLING DAYS:	19.6
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal TBSG well and complete with 44 stages. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 52,391	-	-	\$ 52,391
2 Location, Surveys & Damages	255,521	16,025	-	271,547
4 Freight / Transportation	42,245	38,831	19,279	100,354
5 Rental - Surface Equipment	110,275	191,071	91,573	392,920
6 Rental - Downhole Equipment	182,207	53,046	-	235,254
7 Rental - Living Quarters	42,648	48,323	-	90,971
10 Directional Drilling, Surveys	380,997	-	-	380,997
11 Drilling	668,626	-	-	668,626
12 Drill Bits	88,854	-	-	88,854
13 Fuel & Power	167,582	643,117	-	810,699
14 Cementing & Float Equip	215,800	-	-	215,800
15 Completion Unit, Swab, CTU	-	-	14,459	14,459
16 Perforating, Wireline, Slickline	-	348,705	-	348,705
17 High Pressure Pump Truck	-	109,342	-	109,342
18 Completion Unit, Swab, CTU	-	129,928	-	129,928
20 Mud Circulation System	93,318	-	-	93,318
21 Mud Logging	15,548	-	-	15,548
22 Logging / Formation Evaluation	6,448	7,396	-	13,845
23 Mud & Chemicals	320,941	388,663	9,639	719,243
24 Water	38,547	586,849	240,982	866,379
25 Stimulation	-	722,033	-	722,033
26 Stimulation Flowback & Disp	-	107,863	144,589	252,452
28 Mud / Wastewater Disposal	171,280	54,240	-	225,519
30 Rig Supervision / Engineering	107,499	118,341	14,459	240,299
32 Drlg & Completion Overhead	9,245	-	-	9,245
35 Labor	136,025	61,636	14,459	212,120
54 Proppant	-	1,113,365	-	1,113,365
95 Insurance	13,003	-	-	13,003
97 Contingency	-	21,661	-	21,661
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,928,585	4,469,808	515,896	8,428,876

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 112,004	-	-	\$ 112,004
61 Intermediate Casing	315,469	-	-	315,469
62 Drilling Liner	-	-	-	-
63 Production Casing	629,537	-	-	629,537
64 Production Liner	-	-	-	-
65 Tubing	-	-	139,411	139,411
66 Wellhead	59,395	-	39,832	99,226
67 Packers, Liner Hangers	13,499	-	19,916	33,415
68 Tanks	-	-	69,706	69,706
69 Production Vessels	-	-	-	-
70 Flow Lines	-	-	39,832	39,832
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	89,621	89,621
73 Compressor	-	-	-	-
74 Installation Costs	-	-	29,874	29,874
75 Surface Pumps	-	-	-	-
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	29,874	29,874
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	19,916	19,916
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	-	-
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	49,790	49,790
85 Communications / SCADA	-	-	-	-
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	1,129,903	0	527,771	1,657,674
TOTAL COSTS >	4,058,489	4,469,808	1,043,666	10,086,550

PREPARED BY Permian Resources Operating, LLC:

Drilling Engineer:	PS
Completions Engineer:	ML
Production Engineer:	DC

Permian Resources Operating, LLC APPROVAL:

Co-CEO	Co-CEO	VP - Operations
WH	JW	CRM
VP - Land & Legal	VP - Geosciences	
BG	SO	

NON OPERATING PARTNER APPROVAL:

Company Name:	Working Interest (%):	Tax ID:
Signed by:	Date:	
Title:	Approval:	<input type="checkbox"/> Yes <input type="checkbox"/> No (mark one)

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

# **PERMIAN**

## **R E S O U R C E S**

### **Pinkie Pie – Chronology of Communication**

January 9, 2023 – Colgate Production, subsidiary of Permian, acquires Pinkie Pie acreage from Devon

April 5, 2023 – Permian proposes Pinkie Pie wells, sends JOAs

April 10, 2023 – Com Agreement packages go out to all RT and WI owners

April 13, 2023 – Correspondence with Chief

April 14, 2023 – Correspondence with COP

April 17, 2023 – Correspondence with Chief, Sabinal, Nortex & Kent Production

April 18, 2023 – Supplemental well proposal to Kent & Nortex

April 19, 2023 – Correspondence with Sabinal

April 20, 2023 - Correspondence with Chief

April 25, 2023 – Correspondence with Sabinal

May 1, 2023 – Correspondence with BEXP

May 18, 2023 – Correspondence with Sabinal

May 23, 2023 – Correspondence with BEXP

May 24, 2023 – Correspondence with Nortex & Kent Production

June 1, 2023 – Supplemental letter correcting BHL for 122H & 132H

June 5, 2023 – Correspondence with BEXP

June 26, 2023 – Correspondence with COP

**Permian Resources Operating, LLC**  
**Case No. 23583**  
**Exhibit A-5**

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

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

**CASE NO. 23583**

**SELF-AFFIRMED STATEMENT  
OF CHRISTOPHER CANTIN**

1. I am a geologist with Permian Resources Operating, LLC ("Permian Resources") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the geological matters that pertain to the above-referenced case.

3. **Exhibit B-1** is a regional locator map that identifies the Pinkie Pie project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.

4. **Exhibit B-2** is a cross section location map for the proposed horizontal spacing unit ("Unit") within the Bone Spring formation. The approximate wellbore paths for the proposed **Pinkie Pie 22-21 Fed Com 123H** and **Pinkie Pie 22-21 Fed Com 133H** wells ("Wells") are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A' with the cross-section wells name and a black line in proximity to the proposed Wells.

5. **Exhibit B-3** is a Subsea Structure map on the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed **Pinkie Pie 22-21 Fed Com 123H** with a orange dashed line. It also identifies the

**Permian Resources Operating, LLC  
Case No. 23583  
Exhibit B**



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 South/Southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-4** is a Subsea Structure map on the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore paths for the proposed **Pinkie Pie 22-21 Fed Com 133H** with a red dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the South/Southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

7. **Exhibit B-5** identifies 3 wells penetrating the targeted interval I used to construct a stratigraphic cross-section from A to A', and it contains gamma ray, resistivity, and porosity logs. 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 cross section is oriented from West to East and is hung on the top of the Wolfcamp formation. The target zones for the proposed Wells are in the Bone Spring formation, which is consistent across the units. The approximate well-paths for the proposed Wells are indicated by dashed lines to be drilled from east to west across the units.

8. **Exhibit B-6** is a gun barrel diagram that shows the wells **Pinkie Pie 22-21 Fed Com 123H** and **Pinkie Pie 22-21 Fed Com 133H** wells in the Bone Spring formation.

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

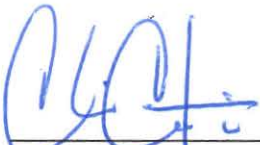


10. Based on my geologic study of the area, the targeted interval underlying the Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.

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

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

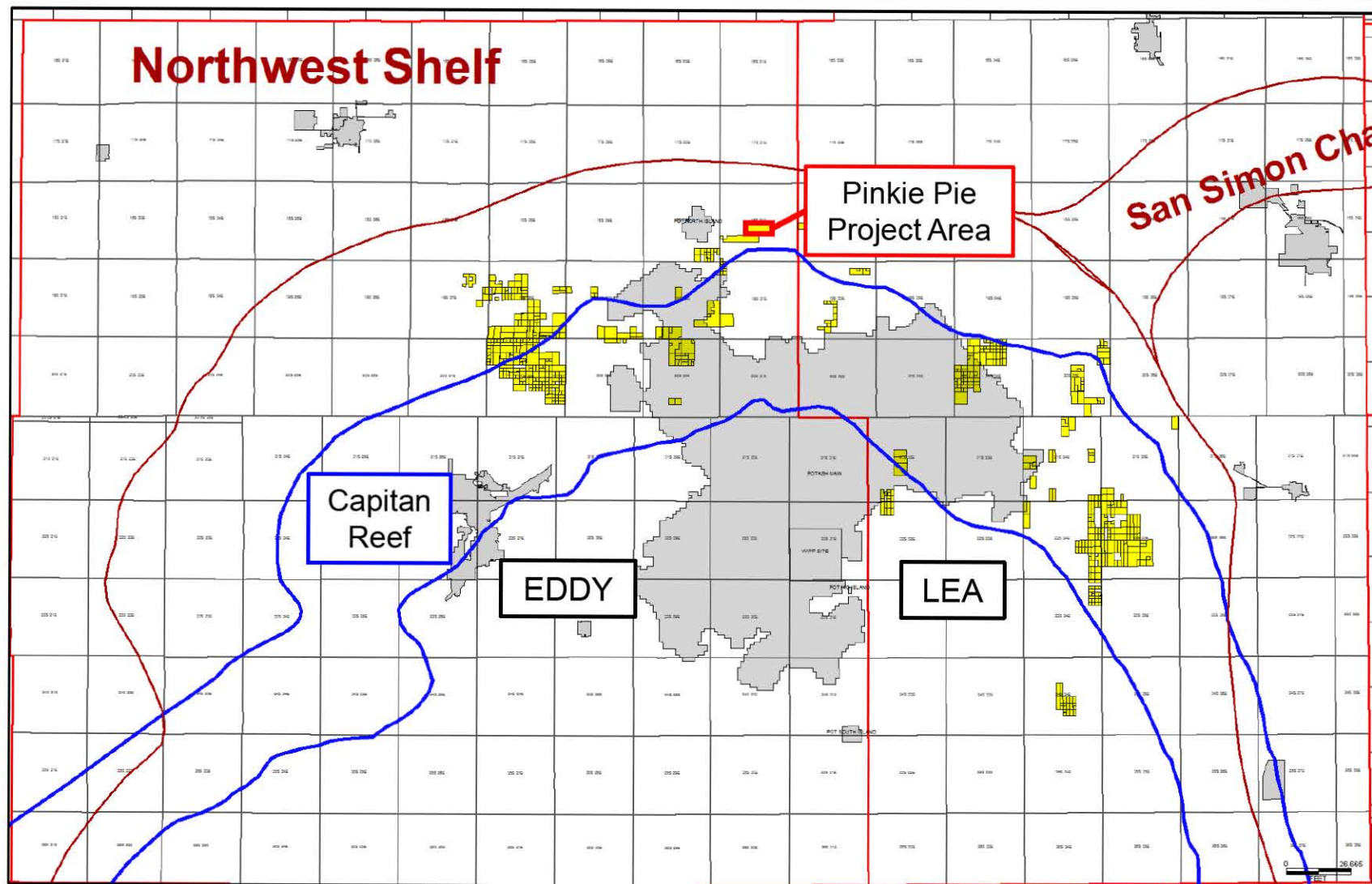
13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

  
\_\_\_\_\_  
Christopher Cantin

07/28/2023  
Date

# Regional Locator Map Pinkie Pie 22-21 Fed Com

Case No. 23583  
Exhibit B-1



Permian Resources

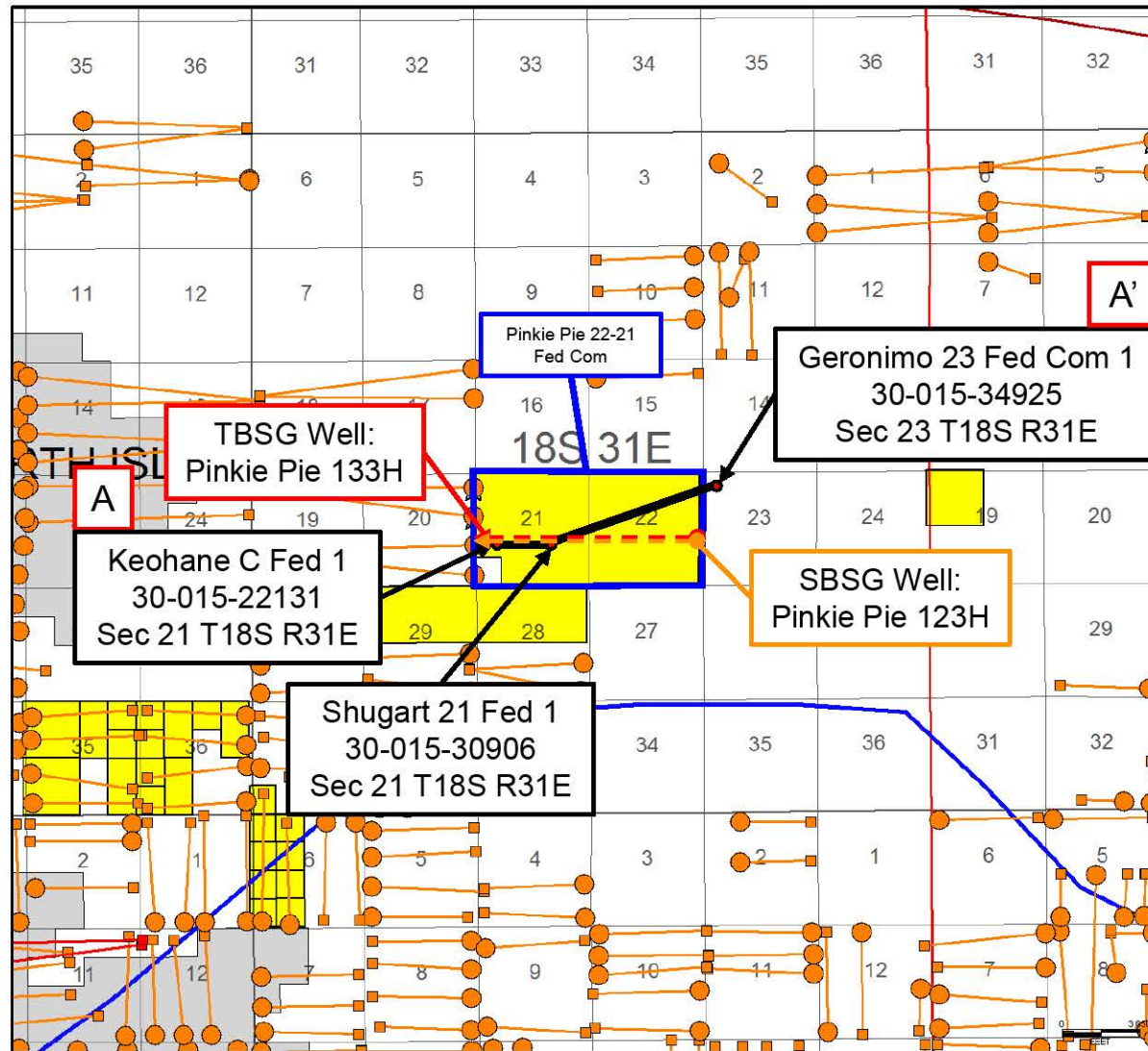


# Cross-Section Locator Map

Pinkie Pie 22-21 Fed Com 123H, 133H

Case No. 23583

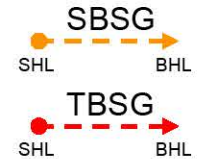
Exhibit B-2



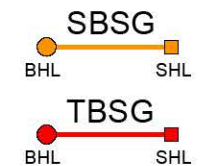
Permian  
Resources



## Proposed Wells



## Producing Wells





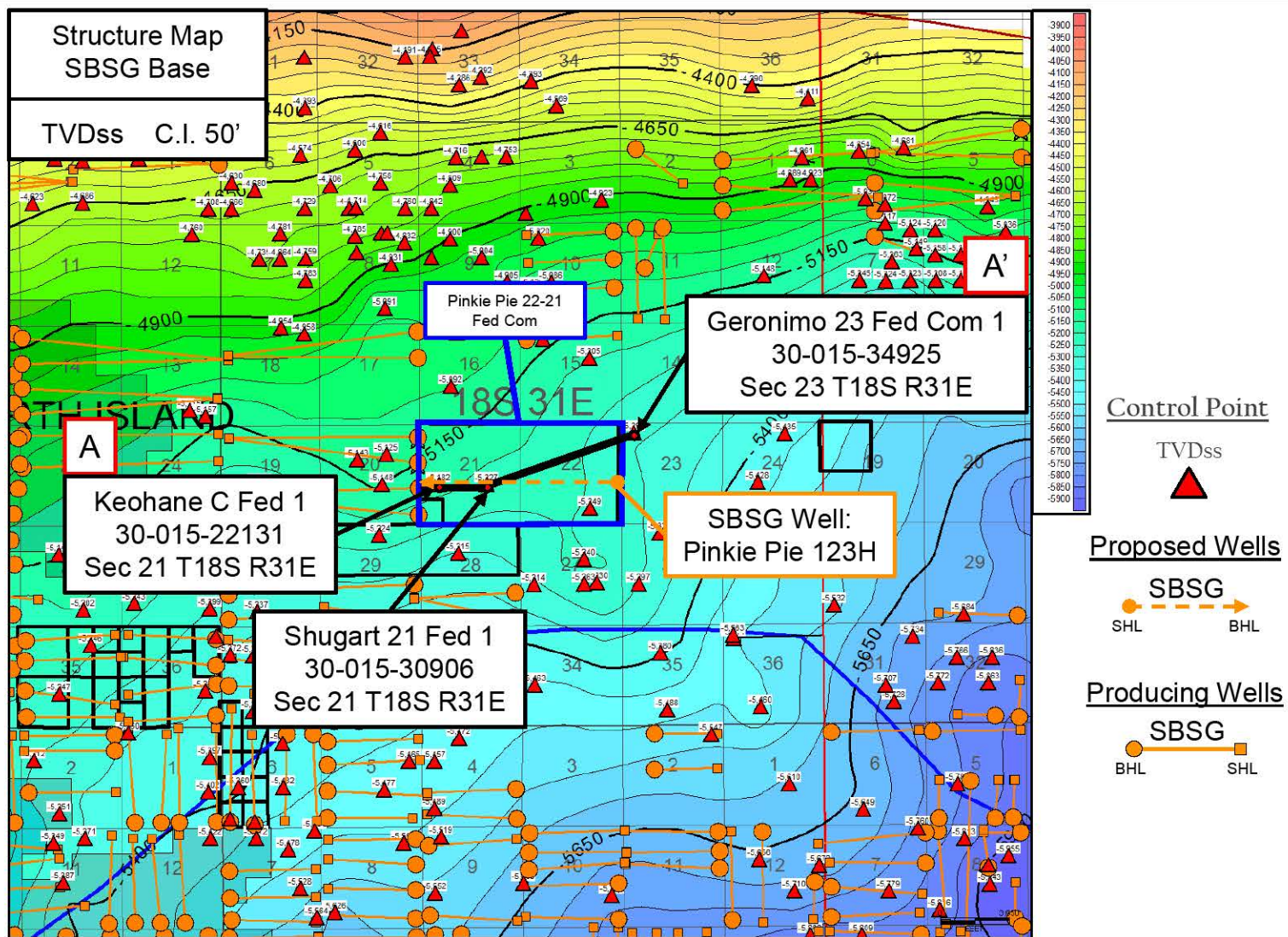


# Second Bone Spring – Structure Map

## Pinkie Pie 22-21 Fed Com 123H

Case No. 23583

Exhibit B-3

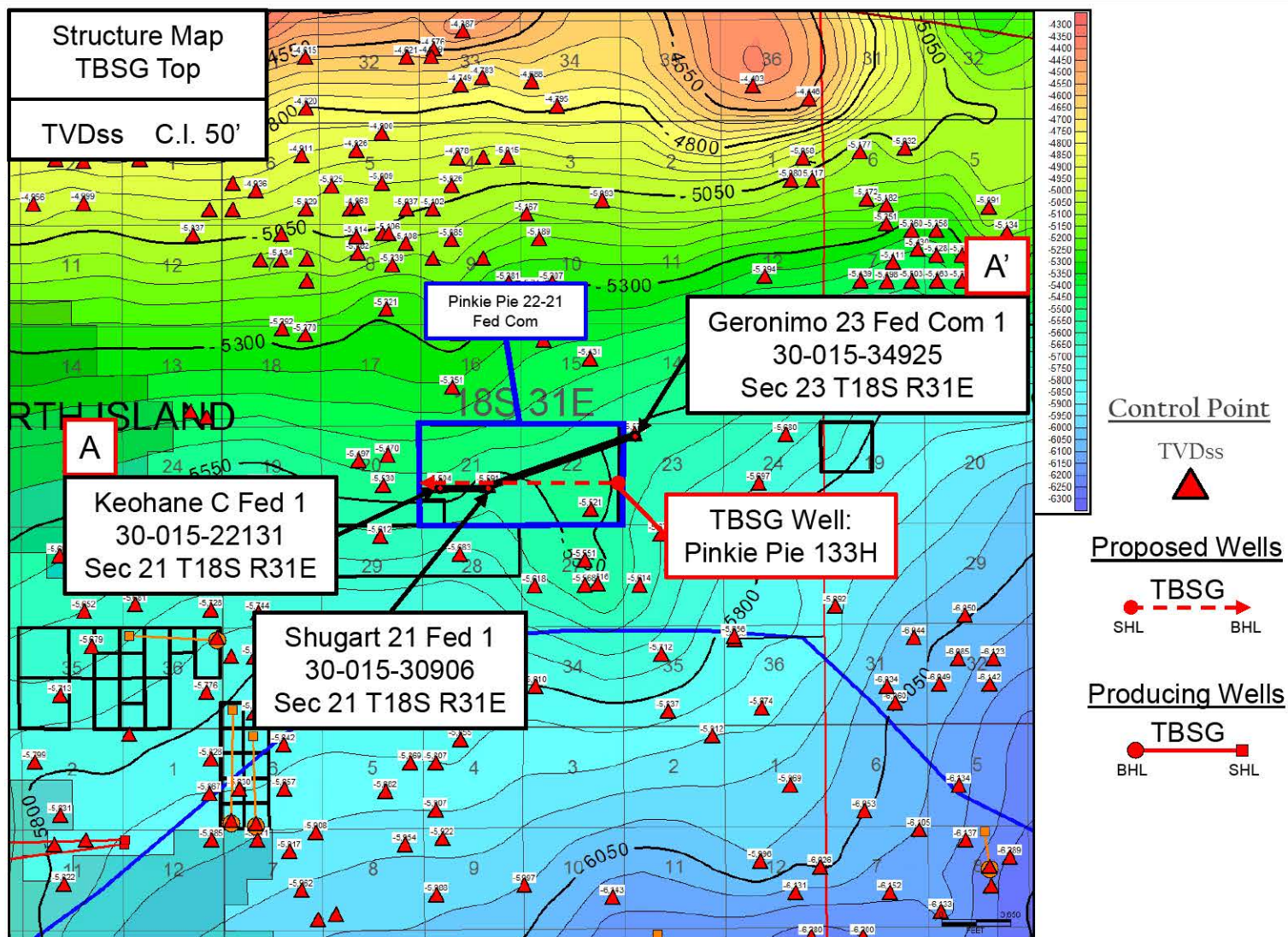






# Third Bone Spring – Structure Map

Pinkie Pie 22-21 Fed Com 133H



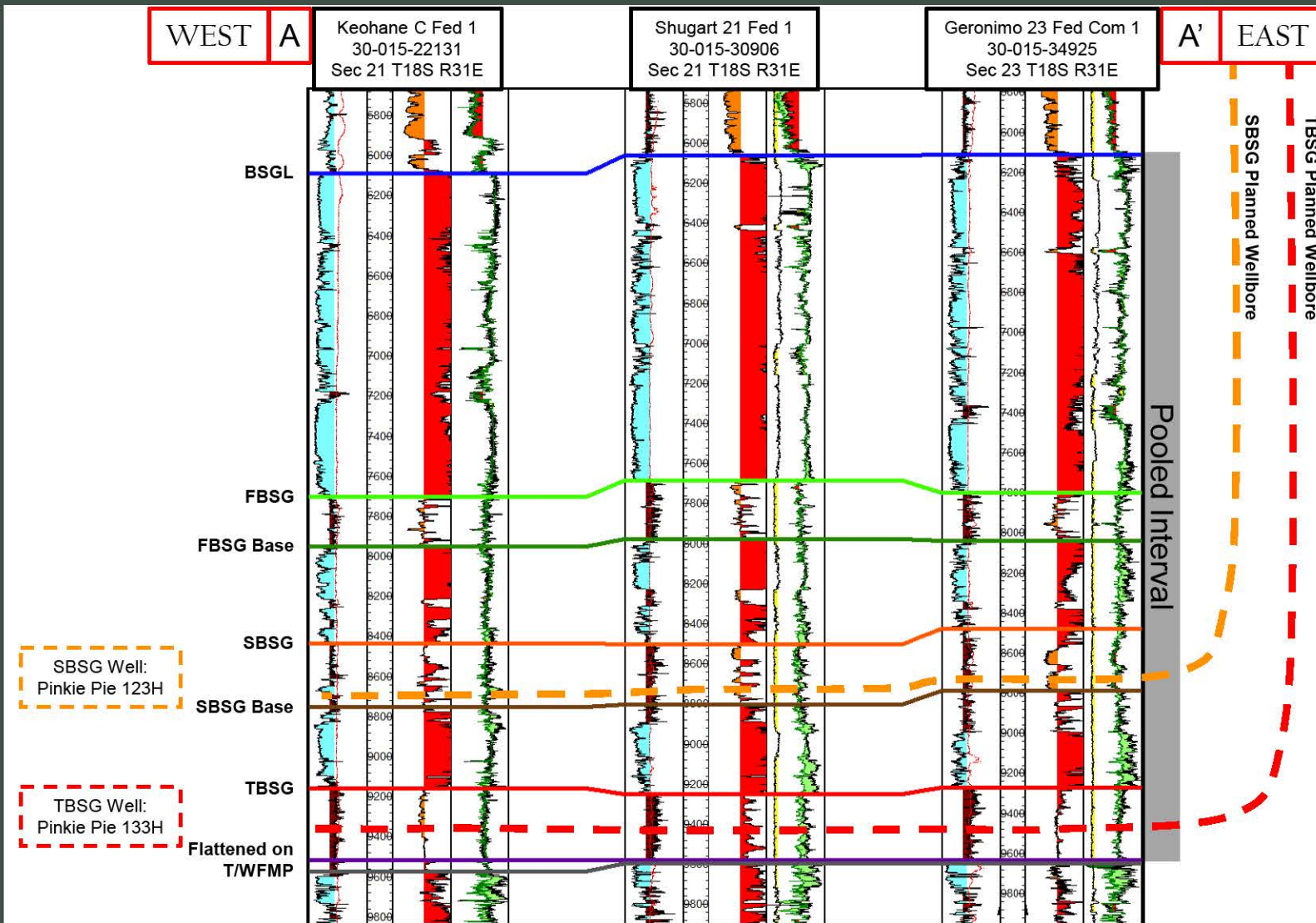


# Stratigraphic Cross-Section A-A'

Pinkie Pie 22-21 Fed Com 123H, 133H

Case No. 23583

Exhibit B-5





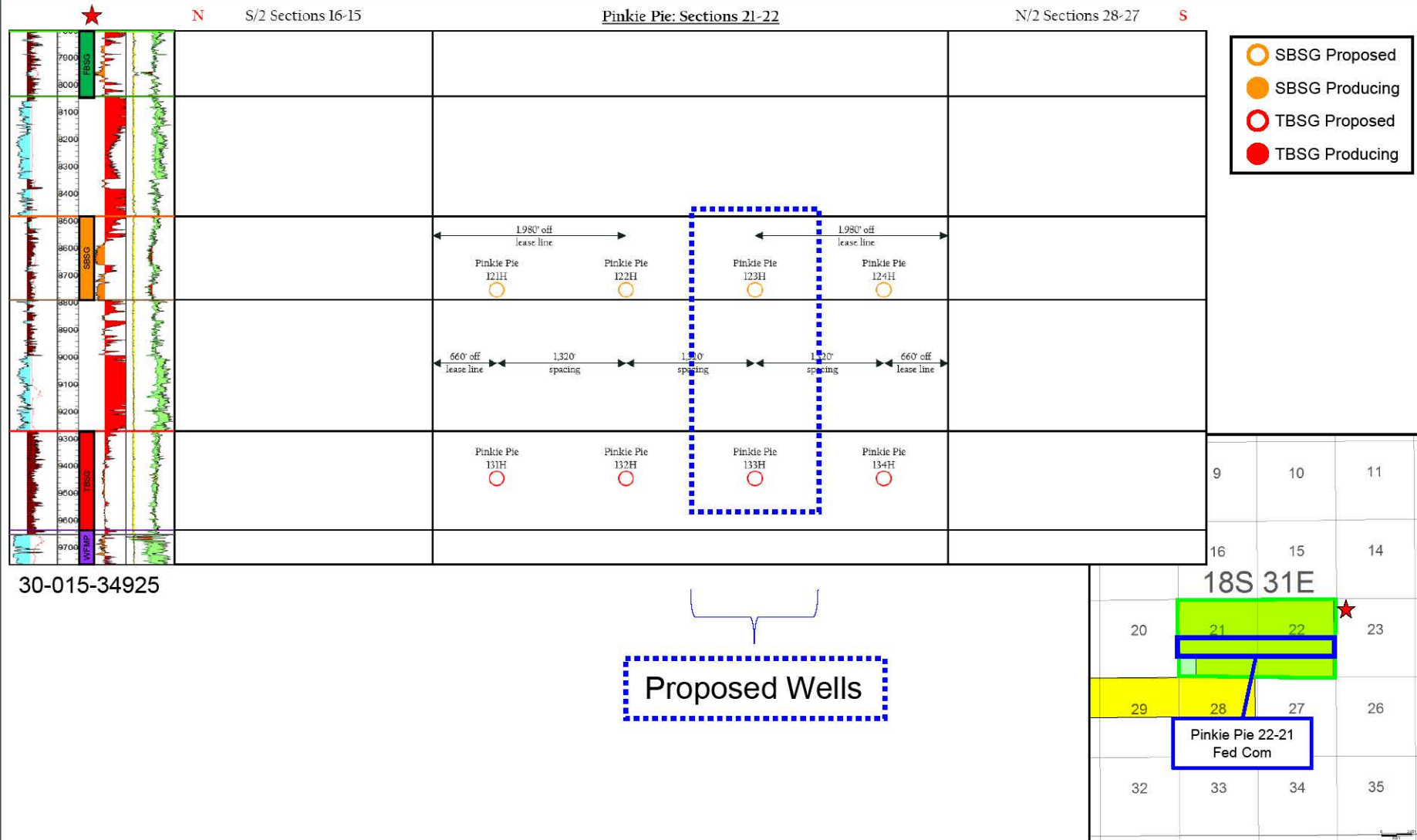


# Gun Barrel Development Plan

## Pinkie Pie 22-21 Fed Com 123H, 133H

Case No. 23583

Exhibit B-6



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

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

**CASE NO. 23583**

**SELF-AFFIRMED STATEMENT  
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Permian Resources Operating, LLC, the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On June 14, 2023, I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

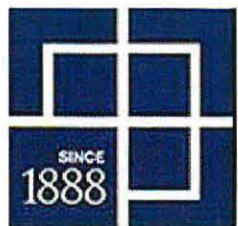
6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and it made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature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

/s/ Dana S. Hardy  
Dana S. Hardy

August 1, 2023  
Date

**Permian Resources Operating, LLC  
Case No. 23583  
Exhibit C**





hinklelawfirm.com

## HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

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

June 8, 2023

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**TO ALL PARTIES ENTITLED TO NOTICE**

**Re: Case No. 23583 – Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 6, 2023** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

Please contact Travis Macha, Senior Landman for Permian Resources Operating, LLC, by phone at (432) 400-1037 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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

7601 JEFFERSON ST NE · SUITE 180  
ALBUQUERQUE, NEW MEXICO 87109  
505-858-8320  
(FAX) 505-858-8321

PO BOX 2068  
SANTA FE, NEW MEXICO 87504  
(505) 982-4554  
FAX (505) 982-8623

**Permian Resources Operating, LLC**  
**Case No. 23583**  
**Exhibit C-1**

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

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

**CASE NO. 23583**

**NOTICE LETTER CHART**

<b>PARTY</b>	<b>NOTICE LETTER SENT</b>	<b>RETURN RECEIVED</b>
Chief Capital (O&G) II LLC 8111 Westchester Drive, Suite 900 Dallas, TX 75255	06/08/23	06/15/23
Devon Energy Prod. Co. LP 333 Sheridan Ave. Oklahoma City, OK 73102	06/08/23	06/20/23
Energen Resources Co. 605 Richard Arrington Jr. Blvd. Birmingham, AL 35203	06/08/23	06/26/23  Return to sender.
Kent Production, LLC 3009 Post Oak Blvd. Houston, TX 77056	06/08/23	06/15/23
Nortex Corporation 3009 Post Oak Blvd. Houston, TX 77056	06/08/23	06/20/23
Sabinal Energy Operating LLC 1780 Hughes Landing Blvd., Ste. 1200 The Woodlands, TX 77380	06/08/23	07/24/23
Tanos Energy Holdings II, LLC 821 E. Southeast Loop 323 Tyler, TX 75701	06/08/23	06/16/23

**Permian Resources Operating, LLC  
Case No. 23583  
Exhibit C-2**



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 Extra Services & Fees (check box, add fees as appropriate)  
☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$

Sent To  
 Chief Capital (O&G) II LLC  
 Street or PO Box 8111 Westchester Drive, Suite 900  
 Dallas, TX 75255  
 City, State, ZIP+4® Permian Pinkie Pie 23583

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

*Postmark Here*  
 JUN 08 2023  
 SANTA FE, NM 87501  
 USPS

9589 0710 5270 0496 9562 60

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Chief Capital (O&G) II LLC  
 8111 Westchester Drive, Suite 900  
 Dallas, TX 75255  
 Permian Pinkie Pie 23583

9590 9402 7635 2122 6614 25

2. Article Number (Transfer from service label)  
 9589 0710 5270 0496 9562 60

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
☒ Agent  
☐ Addressee  
*Reshed Al-Ugdeh*

B. Received by (Printed Name)  
*Reshed Al-Ugdeh*

C. Date of Delivery  
*6-12-23*

D. Is delivery address different from item 1? ☐ Yes  
 If YES, enter delivery address below: ☐ No

**RECEIVED**  
 JUN 15 2023

3. Service Type  
☐ Adult Signature  
☐ Adult Signature Restricted Delivery  
☐ Certified Mail®  
☐ Certified Mail Restricted Delivery  
☐ Collect on Delivery  
☐ Collect on Delivery Restricted Delivery  
☐ Insured Mail  
☐ Insured Mail Restricted Delivery (over \$500)  
☐ Priority Mail Express®  
☐ Registered Mail™  
☐ Registered Mail Restricted Delivery  
☐ Signature Confirmation™  
☐ Signature Confirmation Restricted Delivery

Hinkle Shanor LLC  
 Santa Fe NM 87504

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

Permian Resources Operating, LLC  
 Case No. 23583  
 Exhibit C-3



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Extra Services & Fees (check box, add fee as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$


Total Postage and Fees \$

Sent To

Devon Energy Prod. Co. LP  
333 Sheridan Ave.  
Oklahoma City, OK 73102

City, State Permian Pinkie Pic 23583

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<p>■ Complete items 1, 2, and 3.</p> <p>■ Print your name and address on the reverse so that we can return the card to you.</p> <p>■ Attach this card to the back of the mailpiece, or on the front if space permits.</p> <p>1. Article Addressed to:</p> <p>Devon Energy Prod. Co. LP 333 Sheridan Ave. Oklahoma City, OK 73102</p> <p>Permian Pinkie Pic 23583</p> <p>9590 9402 8299 3094 9843 13</p> <p>2. Article Number (Transfer from service label) 9589 0710 5270 0496 9555 46</p>	<p>A. Signature </p> <p>B. Received by (Printed Name) _____</p> <p>C. Date of Delivery JUN 08 2023</p> <p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: _____</p> <p><b>RECEIVED</b></p> <p>JUN 20 2023</p> <p>3. Service Type</p> <p><input checked="" type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input checked="" type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input checked="" type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input checked="" type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>

PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt

9589 0710 5270 0496 9554 30

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☐ Return Receipt (hardcopy) \$  
☐ Return Receipt (electronic) \$  
☐ Certified Mail Restricted Delivery \$  
☐ Adult Signature Required \$  
☐ Adult Signature Restricted Delivery \$  
 Postage \$  
 Total Postage and Fees \$

Sent To  
 Street Kent Production, LLC  
 3009 Post Oak Blvd.  
 Houston, TX 77056  
 City, Permian Plankie Pic 23583

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

**JUN 08 2023**  
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1. Article Addressed to:

Kent Production, LLC  
 3009 Post Oak Blvd.  
 Houston, TX 77056

Permian Plankie Pic 23583

9590 9402 8299 3094 9843 44

2. Article Number (Transfer from service label)  
 9589 0710 5270 0496 9554 30

PS Form 3811, July 2020 PSN 7530-02-000-9053

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A. Signature  
 X *[Signature]* ☐ Agent ☐ Addressee

B. Received by (Printed Name) *Phyllis Kent* C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes ☐ No  
 If YES, enter delivery address below:

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 JUN 15 23

3. Service Type *Priority Mail Express®*  
☐ Adult Signature *Santa Fe NM 87504* ☐ Registered Mail™  
☐ Adult Signature Restricted Delivery ☐ Registered Mail Restricted Delivery  
☐ Certified Mail® ☐ Signature Confirmation™  
☐ Certified Mail Restricted Delivery ☐ Signature Confirmation Restricted Delivery  
☐ Collect on Delivery ☐ Insured Mail  
☐ Collect on Delivery Restricted Delivery ☐ Insured Mail Restricted Delivery (over \$500)

Domestic Return Receipt



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Extra Services & Fees (check box, add fees as appropriate)

☐ Return Receipt (hardcopy) \$

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Sent To

Nortex Corporation  
3009 Post Oak Blvd.  
Houston, TX 77056

Permian Pinkie Pic 23583

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- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Nortex Corporation  
3009 Post Oak Blvd.  
Houston, TX 77056

Permian Pinkie Pic 23583

2. Article Number (PSN 7530-02-000-9053)

9589 0710 5270 0496 9554 23

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature ☒ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery 6-8-23

D. Is delivery address different from item 1? ☐ Yes  
If YES, enter delivery address below: ☐ No

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3. Service Type

☐ Adult Signature ☒ Hinkie Senior LLP Registered Mail™

☐ Adult Signature Restricted Delivery ☒ Signature Confirmation™

☐ Certified Mail® ☐ Signature Confirmation Restricted Delivery

☐ Certified Mail Restricted Delivery ☐ Signature Confirmation Restricted Delivery

☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery

☐ Collect on Delivery Restricted Delivery ☐ Signature Confirmation Restricted Delivery

☐ Insured Mail ☐ Signature Confirmation Restricted Delivery

☐ Insured Mail Restricted Delivery (over \$500)

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<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

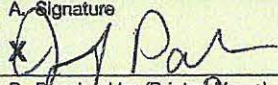
Postage  
 \$

**Total Postage and Fees**  
 \$

Sent To  
 Sabinal Energy Operating LLC  
 1780 Hughes Landing Blvd., Suite 1200  
 The Woodlands, TX 77380  
 Permian Pinkie Pic 23583

City, S

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SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY		
<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  </p> <p><input checked="" type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)            Jennifer Palma</p> <p>C. Date of Delivery            06/12</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes            If YES, enter delivery address below: <input type="checkbox"/> No</p> <p><b>RECEIVED</b></p> <p><b>JUL 24 2023</b></p>		
<p>1. Article Addressed to:</p> <p>Sabinal Energy Operating LLC            1780 Hughes Landing Blvd., Suite 1200            The Woodlands, TX 77380</p> <p>Barcode: 9590 9402 7635 2122 6614 32</p>	<p>3. Service Type <b>Hinkle Shanor LLP</b>  <b>Santa Fe NM 87504</b></p> <table border="0"> <tr> <td> <input type="checkbox"/> Adult Signature  <input type="checkbox"/> Adult Signature Restricted Delivery  <input type="checkbox"/> Certified Mail®  <input type="checkbox"/> Certified Mail Restricted Delivery  <input type="checkbox"/> Collect on Delivery  <input type="checkbox"/> Collect on Delivery Restricted Delivery  <input type="checkbox"/> Insured Mail  <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)               </td> <td> <input type="checkbox"/> Priority Mail Express®  <input type="checkbox"/> Registered Mail™  <input type="checkbox"/> Registered Mail Restricted Delivery  <input type="checkbox"/> Signature Confirmation™  <input type="checkbox"/> Signature Confirmation Restricted Delivery               </td> </tr> </table>	<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery		
<p>2. Article Number (Transfer from service label)  <b>9589 0710 5270 0496 9562 53</b></p>			

PS Form 3811, July 2020 PSN 7530-02-000-9053



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Postage  
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**Total Postage and Fees**  
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Sent To

Street Tanos Energy Holdings II, LLC  
 821 E. Southeast Loop 323  
 City, S Tyler, TX 75701

Pennian Pinkie Pic 23583

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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<ul style="list-style-type: none"> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	<p>A. Signature  </p> <p><input type="checkbox"/> Agent  <input type="checkbox"/> Addressee</p>
<p>1. Article Addressed to:</p> <p>Tanos Energy Holdings II, LLC        821 E. Southeast Loop 323        Tyler, TX 75701</p>	<p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p>
<p>2. Article Number (Transfer from service label)</p> <p>9589 0710 5270 0496 9555 39</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes        If YES, enter delivery address below: <input type="checkbox"/> No</p> <p><b>RECEIVED</b>        JUN 16 2023</p>
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	<p>Hinkle Shanon LLP        Santa Fe NM 87504</p> <p><input type="checkbox"/> Registered Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>



9589 0710 5270 0496 9554 47

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☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

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Postage \$

Total Postage and Fees \$

Sent To: Energen Resources Co.  
 Street: 605 Richard Arrington Jr. Blvd.  
 Birmingham, AL 35203  
 City: Permian Pinkie Pic 23583

PS Form 3800, January 2023 PSN 7530-02-000-0047 See Reverse for Instructions

**HINKLE SHANOR LLP**  
 ATTORNEYS AT LAW  
 POST OFFICE BOX 2068  
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## Affidavit of Publication

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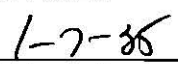
I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

06/14/2023

  
Legal Clerk

Subscribed and sworn before me this June 14, 2023:

  
State of WI, County of Brown  
NOTARY PUBLIC

  
My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

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This is to notify all interested parties, including Colgate Production, LLC; Devon Energy Prod. Co LP; Tanos Energy Holdings II, LLC; Energen Resources Co.; Kent Production, LLC; Nortex Corporation; Chief Capital (O&G) II LLC; Sabinal Energy Operating LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 23583). The hearing will be conducted remotely on July 6, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/oed/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 21 and 22, Township 18 South, Range 31 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Pinkie Pie 22-21 Fed Com 123H and Pinkie Pie 22-21 Federal Com 133H wells ("Wells"), which will be drilled from surface hole locations in the NE/4 SE/4 (Unit I) of Section 22, to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 21. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 32.64 miles Southeast of Artesia, New Mexico.  
#5734960, Current Argus, June 14, 2023

Permian Resources Operating, LLC  
Case No. 23583  
Exhibit C-4