

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

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR A HORIZONTAL SPACING UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NOS. 23448-23455**

**APPLICATIONS OF CIMAREX ENERGY CO.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO**

**CASE NOS. 23594-23601**

**APPLICATIONS OF READ & STEVENS, INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NOS. 23508-23523**

**NOTICE OF REVISED EXHIBIT B**

Pursuant to the testimony provided at the contested hearing on these matters, Read & Stevens, Inc., applicant in Case Nos. 23508-23523, gives notice that it is filing the attached revised exhibits for acceptance into the record. As explained at the hearing, Read & Stevens intends to initially drill and complete its proposed Third Bone Spring and Wolfcamp wells together through co-development as part of its proposed full development plan presented at hearing.

Accordingly, **Revised Exhibit B** contains revised compulsory pooling checklists that include only the proposed initial Third Bone Spring wells for Case Nos. 23508-23511 and 23516-23519, reflecting Read & Stevens' stated plan to initially drill and co-develop these wells with the corresponding Wolfcamp wells in Case Nos. 232512-23215 and 232520-232523 under compulsory pooling orders.

Respectfully submitted,

HOLLAND & HART LLP



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**ATTORNEYS FOR READ & STEVENS, INC.**

**CERTIFICATE OF SERVICE**

I hereby certify that on August 24, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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***Attorneys for Sandstone Properties, LLC***



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Adam G. Rankin

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

|                                                                                                                                            |                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23508</b>                                                                                                                         | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                                | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                                  | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                                    | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                       | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                                | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                         | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                                | Bane                                                                                                                                                                             |
| <b>Formation/Pool</b>                                                                                                                      |                                                                                                                                                                                  |
| 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:                                                                                                                   | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                               | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                        |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                                 | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                               | 320.21-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                           | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                               | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                                    | Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and<br>the W/2 SW/4 of Section 4 and the W/2 W/2 of<br>Section 9, Township 20 South, Range 34 East, NMPM,<br>Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u><br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                                    |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                                  | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                                      | No                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                               | No                                                                                                                                                                               |
| Applicant's Ownership in Each Tract                                                                                                        | Exhibit C-9                                                                                                                                                                      |
| <b>Well(s)</b>                                                                                                                             |                                                                                                                                                                                  |

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Revised Exhibit No. B**  
**Submitted by: Read & Stevens, Inc.**  
**Hearing Date: July 20, 2023**  
**Case No. 23508**

|                                                                                                                                                                                                        |                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if Assigned) 2023 Fed Com 131H<br>Received by OSD 8/24/2023 9:59:50 AM<br>and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                          |
| Well #1                                                                                                                                                                                                | <b>Bane 4-9 Fed Com 131H:</b><br>SHL: 498' FNL, 1,103' FWL (Lot 4) of Section 4<br>BHL: 10' FSL, 330' FWL (Unit M) of Section 9<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                                                                             | Exhibit C-1                                                                                                                                                                                                                                                  |
| Completion Target (Formation, TVD and MD)                                                                                                                                                              | Exhibit C-10                                                                                                                                                                                                                                                 |
|                                                                                                                                                                                                        |                                                                                                                                                                                                                                                              |
| <b>AFE Capex and Operating Costs</b>                                                                                                                                                                   |                                                                                                                                                                                                                                                              |
| Drilling Supervision/Month \$                                                                                                                                                                          | \$8,000                                                                                                                                                                                                                                                      |
| Production Supervision/Month \$                                                                                                                                                                        | \$800                                                                                                                                                                                                                                                        |
| Justification for Supervision Costs                                                                                                                                                                    | Exhibit C                                                                                                                                                                                                                                                    |
| Requested Risk Charge                                                                                                                                                                                  | 200%                                                                                                                                                                                                                                                         |
| <b>Notice of Hearing</b>                                                                                                                                                                               |                                                                                                                                                                                                                                                              |
| Proposed Notice of Hearing                                                                                                                                                                             | Exhibit A                                                                                                                                                                                                                                                    |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                                                                             | Exhibit G                                                                                                                                                                                                                                                    |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                                                                          | Exhibit H                                                                                                                                                                                                                                                    |
| <b>Ownership Determination</b>                                                                                                                                                                         |                                                                                                                                                                                                                                                              |
| Land Ownership Schematic of the Spacing Unit                                                                                                                                                           | Exhibit C-3                                                                                                                                                                                                                                                  |
| Tract List (including lease numbers and owners)                                                                                                                                                        | Exhibit C-3, C-5, C-6, C-7, C-9                                                                                                                                                                                                                              |
| 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 C-5, C-6, C-7                                                                                                                                                                                                                                        |
| Unlocatable Parties to be Pooled                                                                                                                                                                       | None                                                                                                                                                                                                                                                         |
| Ownership Depth Severance (including percentage above & below)                                                                                                                                         | N/A                                                                                                                                                                                                                                                          |
| <b>Joinder</b>                                                                                                                                                                                         |                                                                                                                                                                                                                                                              |
| Sample Copy of Proposal Letter                                                                                                                                                                         | Exhibit C-10                                                                                                                                                                                                                                                 |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                                                                          | Exhibit C-9                                                                                                                                                                                                                                                  |
| Chronology of Contact with Non-Joined Working Interests                                                                                                                                                | Exhibit C-11                                                                                                                                                                                                                                                 |
| Overhead Rates In Proposal Letter                                                                                                                                                                      | Exhibit C-10                                                                                                                                                                                                                                                 |
| Cost Estimate to Drill and Complete                                                                                                                                                                    | Exhibit C-10                                                                                                                                                                                                                                                 |
| Cost Estimate to Equip Well                                                                                                                                                                            | Exhibit C-10                                                                                                                                                                                                                                                 |
| Cost Estimate for Production Facilities                                                                                                                                                                | Exhibit C-10                                                                                                                                                                                                                                                 |
| <b>Geology</b>                                                                                                                                                                                         |                                                                                                                                                                                                                                                              |

|                                                                                                                  |                                                                                      |                                       |             |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------|-------------|
| Summary (including special considerations)                                                                       | Exhibit E                                                                            | Received by OCD: 8/24/2023 9:21:36 AM | Page 6 of 2 |
| Spacing Unit Schematic                                                                                           | Exhibit E-8                                                                          |                                       |             |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit E-14                                                                         |                                       |             |
| Well Orientation (with rationale)                                                                                | Exhibit E                                                                            |                                       |             |
| Target Formation                                                                                                 | Exhibit E, E-13                                                                      |                                       |             |
| HSU Cross Section                                                                                                | Exhibit E-13                                                                         |                                       |             |
| Depth Severance Discussion                                                                                       | N/A                                                                                  |                                       |             |
| <b>Forms, Figures and Tables</b>                                                                                 |                                                                                      |                                       |             |
| C-102                                                                                                            | Exhibit C-1                                                                          |                                       |             |
| Tracts                                                                                                           | Exhibit C-3                                                                          |                                       |             |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit C-3, C-5, C-6, C-7, C-9                                                      |                                       |             |
| General Location Map (including basin)                                                                           | Exhibit E-1                                                                          |                                       |             |
| Well Bore Location Map                                                                                           | Exhibit E-8                                                                          |                                       |             |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit E-9, E-10, E-11, E-12                                                        |                                       |             |
| Cross Section Location Map (including wells)                                                                     | Exhibit E-9, E-10, E-11, E-12                                                        |                                       |             |
| Cross Section (including Landing Zone)                                                                           | Exhibit C-13                                                                         |                                       |             |
| <b>Additional Information</b>                                                                                    |                                                                                      |                                       |             |
| Special Provisions/Stipulations                                                                                  | See Exhibit C, para. 25                                                              |                                       |             |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                                                                                      |                                       |             |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Adam G. Rankin                                                                       |                                       |             |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           |  |                                       |             |
| <b>Date:</b>                                                                                                     |                                                                                      |                                       | 8/24/2023   |

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|                                                                                                                                            |                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23509</b>                                                                                                                         | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                                | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                                  | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                                    | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                       | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                                | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                         | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                                | Bane                                                                                                                                                                             |
| <b>Formation/Pool</b>                                                                                                                      |                                                                                                                                                                                  |
| 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:                                                                                                                   | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                               | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                        |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                                 | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                               | 320.44-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                           | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                               | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                                    | Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and<br>the E/2 SW/4 of Section 4 and the E/2 W/2 of<br>Section 9, Township 20 South, Range 34 East, NMPM,<br>Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u><br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                                    |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                                  | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                                      | No                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                               | No                                                                                                                                                                               |
| Applicant's Ownership in Each Tract                                                                                                        | Exhibit C-9                                                                                                                                                                      |
| <b>Well(s)</b>                                                                                                                             |                                                                                                                                                                                  |

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Revised Exhibit No. B  
Submitted by: Read & Stevens, Inc.  
Hearing Date: July 20, 2023  
Case No. 23509

|                                                                                                                                                   |                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if assigned) of well and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                            |
| Well #1                                                                                                                                           | <b>Bane 4-9 Fed Com 132H:</b><br>SHL: 498' FNL, 1,169' FWL (Lot 4) of Section 4<br>BHL: 10' FSL, 1,650' FWL (Unit N) of Section 9<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                        | <b>Exhibit C-1</b>                                                                                                                                                                                                                                             |
| Completion Target (Formation, TVD and MD)                                                                                                         | <b>Exhibit C-10</b>                                                                                                                                                                                                                                            |
|                                                                                                                                                   |                                                                                                                                                                                                                                                                |
| <b>AFE Capex and Operating Costs</b>                                                                                                              |                                                                                                                                                                                                                                                                |
| Drilling Supervision/Month \$                                                                                                                     | <b>\$8,000</b>                                                                                                                                                                                                                                                 |
| Production Supervision/Month \$                                                                                                                   | <b>\$800</b>                                                                                                                                                                                                                                                   |
| Justification for Supervision Costs                                                                                                               | <b>Exhibit C</b>                                                                                                                                                                                                                                               |
| Requested Risk Charge                                                                                                                             | <b>200%</b>                                                                                                                                                                                                                                                    |
| <b>Notice of Hearing</b>                                                                                                                          |                                                                                                                                                                                                                                                                |
| Proposed Notice of Hearing                                                                                                                        | <b>Exhibit A</b>                                                                                                                                                                                                                                               |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                        | <b>Exhibit G</b>                                                                                                                                                                                                                                               |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                     | <b>Exhibit H</b>                                                                                                                                                                                                                                               |
| <b>Ownership Determination</b>                                                                                                                    |                                                                                                                                                                                                                                                                |
| Land Ownership Schematic of the Spacing Unit                                                                                                      | <b>Exhibit C-3</b>                                                                                                                                                                                                                                             |
| Tract List (including lease numbers and owners)                                                                                                   | <b>Exhibit C-3, C-5, C-6, C-7, C-9</b>                                                                                                                                                                                                                         |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.  | <b>N/A</b>                                                                                                                                                                                                                                                     |
| Pooled Parties (including ownership type)                                                                                                         | <b>Exhibit C-5, C-6, C-7</b>                                                                                                                                                                                                                                   |
| Unlocatable Parties to be Pooled                                                                                                                  | <b>None</b>                                                                                                                                                                                                                                                    |
| Ownership Depth Severance (including percentage above & below)                                                                                    | <b>N/A</b>                                                                                                                                                                                                                                                     |
| <b>Joinder</b>                                                                                                                                    |                                                                                                                                                                                                                                                                |
| Sample Copy of Proposal Letter                                                                                                                    | <b>Exhibit C-10</b>                                                                                                                                                                                                                                            |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                     | <b>Exhibit C-9</b>                                                                                                                                                                                                                                             |
| Chronology of Contact with Non-Joined Working Interests                                                                                           | <b>Exhibit C-11</b>                                                                                                                                                                                                                                            |
| Overhead Rates In Proposal Letter                                                                                                                 | <b>Exhibit C-10</b>                                                                                                                                                                                                                                            |
| Cost Estimate to Drill and Complete                                                                                                               | <b>Exhibit C-10</b>                                                                                                                                                                                                                                            |
| Cost Estimate to Equip Well                                                                                                                       | <b>Exhibit C-10</b>                                                                                                                                                                                                                                            |
| Cost Estimate for Production Facilities                                                                                                           | <b>Exhibit C-10</b>                                                                                                                                                                                                                                            |
| <b>Geology</b>                                                                                                                                    |                                                                                                                                                                                                                                                                |



|                                                                                                                  |                                                                                      |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Summary (including special considerations)                                                                       | Exhibit E                                                                            |
| Spacing Unit Schematic                                                                                           | Exhibit E-8                                                                          |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit E-14                                                                         |
| Well Orientation (with rationale)                                                                                | Exhibit E                                                                            |
| Target Formation                                                                                                 | Exhibit E, E-13                                                                      |
| HSU Cross Section                                                                                                | Exhibit E-13                                                                         |
| Depth Severance Discussion                                                                                       | N/A                                                                                  |
| <b>Forms, Figures and Tables</b>                                                                                 |                                                                                      |
| C-102                                                                                                            | Exhibit C-1                                                                          |
| Tracts                                                                                                           | Exhibit C-3                                                                          |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit C-3, C-5, C-6, C-7, C-9                                                      |
| General Location Map (including basin)                                                                           | Exhibit E-1                                                                          |
| Well Bore Location Map                                                                                           | Exhibit E-8                                                                          |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit E-9, E-10, E-11, E-12                                                        |
| Cross Section Location Map (including wells)                                                                     | Exhibit E-9, E-10, E-11, E-12                                                        |
| Cross Section (including Landing Zone)                                                                           | Exhibit C-13                                                                         |
| <b>Additional Information</b>                                                                                    |                                                                                      |
| Special Provisions/Stipulations                                                                                  | See Exhibit C, para. 25                                                              |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                                                                                      |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Adam G. Rankin                                                                       |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           |  |
| <b>Date:</b>                                                                                                     | 8/24/2023                                                                            |

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

|                                                                                                                                            |                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23510</b>                                                                                                                         | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                                | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                                  | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                                    | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                       | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                                | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                         | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                                | Bane                                                                                                                                                                             |
| <b>Formation/Pool</b>                                                                                                                      |                                                                                                                                                                                  |
| 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:                                                                                                                   | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                               | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                        |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                                 | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                               | 320.66-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                           | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                               | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                                    | Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and<br>the W/2 SE/4 of Section 4 and the W/2 E/2 of<br>Section 9, Township 20 South, Range 34 East, NMPM,<br>Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u><br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                                    |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                                  | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                                      | No                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                               | No                                                                                                                                                                               |
| Applicant's Ownership in Each Tract                                                                                                        | Exhibit C-9                                                                                                                                                                      |
| <b>Well(s)</b>                                                                                                                             |                                                                                                                                                                                  |

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Revised Exhibit No. B**  
**Submitted by: Read & Stevens, Inc.**  
**Hearing Date: July 20, 2023**  
**Case No. 23510**

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if Assigned) 2023-02-27 10:10<br>Received by OSD 8/24/2023 9:59:50 AM<br>and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                              |
| Well #1                                                                                                                                                                                               | <b>Bane 4-9 Fed Com 133H:</b><br>SHL: 1,060' FNL, 1,459' FEL (Lot 2) of Section 4<br>BHL: 10' FSL, 2,310' FEL (Unit O) of Section 9<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                                                                            | Exhibit C-1                                                                                                                                                                                                                                                      |
| Completion Target (Formation, TVD and MD)                                                                                                                                                             | Exhibit C-10                                                                                                                                                                                                                                                     |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                  |
| <b>AFE Capex and Operating Costs</b>                                                                                                                                                                  |                                                                                                                                                                                                                                                                  |
| Drilling Supervision/Month \$                                                                                                                                                                         | \$8,000                                                                                                                                                                                                                                                          |
| Production Supervision/Month \$                                                                                                                                                                       | \$800                                                                                                                                                                                                                                                            |
| Justification for Supervision Costs                                                                                                                                                                   | Exhibit C                                                                                                                                                                                                                                                        |
| Requested Risk Charge                                                                                                                                                                                 | 200%                                                                                                                                                                                                                                                             |
| <b>Notice of Hearing</b>                                                                                                                                                                              |                                                                                                                                                                                                                                                                  |
| Proposed Notice of Hearing                                                                                                                                                                            | Exhibit A                                                                                                                                                                                                                                                        |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                                                                            | Exhibit G                                                                                                                                                                                                                                                        |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                                                                         | Exhibit H                                                                                                                                                                                                                                                        |
| <b>Ownership Determination</b>                                                                                                                                                                        |                                                                                                                                                                                                                                                                  |
| Land Ownership Schematic of the Spacing Unit                                                                                                                                                          | Exhibit C-3                                                                                                                                                                                                                                                      |
| Tract List (including lease numbers and owners)                                                                                                                                                       | Exhibit C-3, C-5, C-6, C-7, C-9                                                                                                                                                                                                                                  |
| 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 C-5, C-6, C-7                                                                                                                                                                                                                                            |
| Unlocatable Parties to be Pooled                                                                                                                                                                      | None                                                                                                                                                                                                                                                             |
| Ownership Depth Severance (including percentage above & below)                                                                                                                                        | N/A                                                                                                                                                                                                                                                              |
| <b>Joinder</b>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                  |
| Sample Copy of Proposal Letter                                                                                                                                                                        | Exhibit C-10                                                                                                                                                                                                                                                     |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                                                                         | Exhibit C-9                                                                                                                                                                                                                                                      |
| Chronology of Contact with Non-Joined Working Interests                                                                                                                                               | Exhibit C-11                                                                                                                                                                                                                                                     |
| Overhead Rates In Proposal Letter                                                                                                                                                                     | Exhibit C-10                                                                                                                                                                                                                                                     |
| Cost Estimate to Drill and Complete                                                                                                                                                                   | Exhibit C-10                                                                                                                                                                                                                                                     |
| Cost Estimate to Equip Well                                                                                                                                                                           | Exhibit C-10                                                                                                                                                                                                                                                     |
| Cost Estimate for Production Facilities                                                                                                                                                               | Exhibit C-10                                                                                                                                                                                                                                                     |
| <b>Geology</b>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                  |

|                                                                                                                  |                                  |
|------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <i>Received by OCD: 8/24/2023 9:21:36 AM</i><br>Summary (including special considerations)                       | <i>Page 12 of 2</i><br>Exhibit E |
| Spacing Unit Schematic                                                                                           | Exhibit E-8                      |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit E-14                     |
| Well Orientation (with rationale)                                                                                | Exhibit E                        |
| Target Formation                                                                                                 | Exhibit E, E-13                  |
| HSU Cross Section                                                                                                | Exhibit E-13                     |
| Depth Severance Discussion                                                                                       | N/A                              |
| <b>Forms, Figures and Tables</b>                                                                                 |                                  |
| C-102                                                                                                            | Exhibit C-1                      |
| Tracts                                                                                                           | Exhibit C-3                      |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit C-3, C-5, C-6, C-7, C-9  |
| General Location Map (including basin)                                                                           | Exhibit E-1                      |
| Well Bore Location Map                                                                                           | Exhibit E-8                      |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit E-9, E-10, E-11, E-12    |
| Cross Section Location Map (including wells)                                                                     | Exhibit E-9, E-10, E-11, E-12    |
| Cross Section (including Landing Zone)                                                                           | Exhibit C-13                     |
| <b>Additional Information</b>                                                                                    |                                  |
| Special Provisions/Stipulations                                                                                  | See Exhibit C, para. 25          |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                                  |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Adam G. Rankin                   |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           |                                  |
| <b>Date:</b>                                                                                                     | 8/24/2023                        |

# COMPULSORY POOLING APPLICATION CHECKLIST

## ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

|                                                                                                                                            |                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23511</b>                                                                                                                         | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                                | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                                  | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                                    | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                       | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                                | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                         | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                                | Bane                                                                                                                                                                             |
| <b>Formation/Pool</b>                                                                                                                      |                                                                                                                                                                                  |
| 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:                                                                                                                   | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                               | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                        |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                                 | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                               | 320.89-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                           | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                               | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                                    | Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the<br>E/2 SE/4 of Section 4 and the E/2 E/2 of Section 9,<br>Township 20 South, Range 34 East, NMPM, Lea<br>County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u><br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                                    |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                                  | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                                      | No <b>BEFORE THE OIL CONSERVATION DIVISION</b><br>Santa Fe, New Mexico                                                                                                           |
| Proximity Defining Well: if yes, description                                                                                               | No <b>Revised Exhibit No. B</b><br>Submitted by: Read & Stevens, Inc.                                                                                                            |
| Applicant's Ownership in Each Tract                                                                                                        | <b>Exhibit C-9</b><br>Hearing Date: July 20, 2023<br>Case No. 23511                                                                                                              |
| <b>Well(s)</b>                                                                                                                             |                                                                                                                                                                                  |

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if Assigned) 2023-02-27 10:10<br>Received by OSD 8/24/2023 9:59:50 AM<br>and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                            |
| Well #1                                                                                                                                                                                               | <b>Bane 4-9 Fed Com 134H:</b><br>SHL: 1,126' FNL, 1,464' FEL (Lot 2) of Section 4<br>BHL: 10' FSL, 990' FEL (Unit P) of Section 9<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                                                                            | Exhibit C-1                                                                                                                                                                                                                                                    |
| Completion Target (Formation, TVD and MD)                                                                                                                                                             | Exhibit C-10                                                                                                                                                                                                                                                   |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                |
| <b>AFE Capex and Operating Costs</b>                                                                                                                                                                  |                                                                                                                                                                                                                                                                |
| Drilling Supervision/Month \$                                                                                                                                                                         | \$8,000                                                                                                                                                                                                                                                        |
| Production Supervision/Month \$                                                                                                                                                                       | \$800                                                                                                                                                                                                                                                          |
| Justification for Supervision Costs                                                                                                                                                                   | Exhibit C                                                                                                                                                                                                                                                      |
| Requested Risk Charge                                                                                                                                                                                 | 200%                                                                                                                                                                                                                                                           |
| <b>Notice of Hearing</b>                                                                                                                                                                              |                                                                                                                                                                                                                                                                |
| Proposed Notice of Hearing                                                                                                                                                                            | Exhibit A                                                                                                                                                                                                                                                      |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                                                                            | Exhibit G                                                                                                                                                                                                                                                      |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                                                                         | Exhibit H                                                                                                                                                                                                                                                      |
| <b>Ownership Determination</b>                                                                                                                                                                        |                                                                                                                                                                                                                                                                |
| Land Ownership Schematic of the Spacing Unit                                                                                                                                                          | Exhibit C-3                                                                                                                                                                                                                                                    |
| Tract List (including lease numbers and owners)                                                                                                                                                       | Exhibit C-3, C-5, C-6, C-7, C-9                                                                                                                                                                                                                                |
| 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 C-5, C-6, C-7                                                                                                                                                                                                                                          |
| Unlocatable Parties to be Pooled                                                                                                                                                                      | None                                                                                                                                                                                                                                                           |
| Ownership Depth Severance (including percentage above & below)                                                                                                                                        | N/A                                                                                                                                                                                                                                                            |
| <b>Joinder</b>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                |
| Sample Copy of Proposal Letter                                                                                                                                                                        | Exhibit C-10                                                                                                                                                                                                                                                   |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                                                                         | Exhibit C-9                                                                                                                                                                                                                                                    |
| Chronology of Contact with Non-Joined Working Interests                                                                                                                                               | Exhibit C-11                                                                                                                                                                                                                                                   |
| Overhead Rates In Proposal Letter                                                                                                                                                                     | Exhibit C-10                                                                                                                                                                                                                                                   |
| Cost Estimate to Drill and Complete                                                                                                                                                                   | Exhibit C-10                                                                                                                                                                                                                                                   |
| Cost Estimate to Equip Well                                                                                                                                                                           | Exhibit C-10                                                                                                                                                                                                                                                   |
| Cost Estimate for Production Facilities                                                                                                                                                               | Exhibit C-10                                                                                                                                                                                                                                                   |
| <b>Geology</b>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                |

|                                                                                                                  |                                                                                      |                                       |              |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------|--------------|
| Summary (including special considerations)                                                                       | Exhibit E                                                                            | Received by OCD: 8/24/2023 9:21:36 AM | Page 15 of 2 |
| Spacing Unit Schematic                                                                                           | Exhibit E-8                                                                          |                                       |              |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit E-14                                                                         |                                       |              |
| Well Orientation (with rationale)                                                                                | Exhibit E                                                                            |                                       |              |
| Target Formation                                                                                                 | Exhibit E, E-13                                                                      |                                       |              |
| HSU Cross Section                                                                                                | Exhibit E-13                                                                         |                                       |              |
| Depth Severance Discussion                                                                                       | N/A                                                                                  |                                       |              |
| <b>Forms, Figures and Tables</b>                                                                                 |                                                                                      |                                       |              |
| C-102                                                                                                            | Exhibit C-1                                                                          |                                       |              |
| Tracts                                                                                                           | Exhibit C-3                                                                          |                                       |              |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit C-3, C-5, C-6, C-7, C-9                                                      |                                       |              |
| General Location Map (including basin)                                                                           | Exhibit E-1                                                                          |                                       |              |
| Well Bore Location Map                                                                                           | Exhibit E-8                                                                          |                                       |              |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit E-9, E-10, E-11, E-12                                                        |                                       |              |
| Cross Section Location Map (including wells)                                                                     | Exhibit E-9, E-10, E-11, E-12                                                        |                                       |              |
| Cross Section (including Landing Zone)                                                                           | Exhibit C-13                                                                         |                                       |              |
| <b>Additional Information</b>                                                                                    |                                                                                      |                                       |              |
| Special Provisions/Stipulations                                                                                  | See Exhibit C, para. 25                                                              |                                       |              |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                                                                                      |                                       |              |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Adam G. Rankin                                                                       |                                       |              |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           |  |                                       |              |
| <b>Date:</b>                                                                                                     |                                                                                      |                                       | 8/24/2023    |

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

|                                                                                                                                     |                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23516</b>                                                                                                                  | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                         | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                           | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                             | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                         | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                  | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                         | Joker                                                                                                                                                                            |
| <b>Formation/Pool</b>                                                                                                               |                                                                                                                                                                                  |
| 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:                                                                                                            | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                        | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                 |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                          | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                        | 320.01-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                    | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                        | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                             | Lot 4 (NW/4 NW/4 equivalent), the SW/4 NW/4, and<br>the W/2 SW/4 of Section 5 and the W/2 W/2 of<br>Section 8, Township 20 South, Range 34 East, NMPM,<br>Lea County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and<br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                             |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                           | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                               | No                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                        | No                                                                                                                                                                               |
| Applicant's Ownership in Each Tract                                                                                                 | Exhibit C-8                                                                                                                                                                      |
| <b>Well(s)</b>                                                                                                                      |                                                                                                                                                                                  |

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**

**Revised Exhibit No. B**  
**Submitted by: Read & Stevens, Inc.**

**Hearing Date: July 20, 2023**  
**Case No. 23516**



|                                                                                                                                                                              |                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if Assigned) 2023-02-24 10:00:00<br>Name, location, bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                           |
| Well #1                                                                                                                                                                      | <u>Joker 5-8 Fed Com 131H:</u><br>SHL: 255' FNL, 2,054' FWL (Lot 3) of Section 5<br>BHL: 10' FSL, 330' FWL (Unit M) of Section 8<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                                                   | Exhibit C-1                                                                                                                                                                                                                                                   |
| Completion Target (Formation, TVD and MD)                                                                                                                                    | Exhibit C-10                                                                                                                                                                                                                                                  |
|                                                                                                                                                                              |                                                                                                                                                                                                                                                               |
| <b>AFE Capex and Operating Costs</b>                                                                                                                                         |                                                                                                                                                                                                                                                               |
| Drilling Supervision/Month \$                                                                                                                                                | \$8,000                                                                                                                                                                                                                                                       |
| Production Supervision/Month \$                                                                                                                                              | \$800                                                                                                                                                                                                                                                         |
| Justification for Supervision Costs                                                                                                                                          | Exhibit C                                                                                                                                                                                                                                                     |
| Requested Risk Charge                                                                                                                                                        | 200%                                                                                                                                                                                                                                                          |
| <b>Notice of Hearing</b>                                                                                                                                                     |                                                                                                                                                                                                                                                               |
| Proposed Notice of Hearing                                                                                                                                                   | Exhibit A                                                                                                                                                                                                                                                     |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                                                   | Exhibit G                                                                                                                                                                                                                                                     |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                                                | Exhibit H                                                                                                                                                                                                                                                     |
| <b>Ownership Determination</b>                                                                                                                                               |                                                                                                                                                                                                                                                               |
| Land Ownership Schematic of the Spacing Unit                                                                                                                                 | Exhibit C-3                                                                                                                                                                                                                                                   |
| Tract List (including lease numbers and owners)                                                                                                                              | Exhibit C-3, C-5, C-6, C-7, C-8                                                                                                                                                                                                                               |
| 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 C-5, C-6, C-7                                                                                                                                                                                                                                         |
| Unlocatable Parties to be Pooled                                                                                                                                             | None                                                                                                                                                                                                                                                          |
| Ownership Depth Severance (including percentage above & below)                                                                                                               | N/A                                                                                                                                                                                                                                                           |
| <b>Joinder</b>                                                                                                                                                               |                                                                                                                                                                                                                                                               |
| Sample Copy of Proposal Letter                                                                                                                                               | Exhibit C-10                                                                                                                                                                                                                                                  |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                                                | Exhibit C-8                                                                                                                                                                                                                                                   |
| Chronology of Contact with Non-Joined Working Interests                                                                                                                      | Exhibit C-11                                                                                                                                                                                                                                                  |
| Overhead Rates In Proposal Letter                                                                                                                                            | Exhibit C-10                                                                                                                                                                                                                                                  |
| Cost Estimate to Drill and Complete                                                                                                                                          | Exhibit C-10                                                                                                                                                                                                                                                  |
| Cost Estimate to Equip Well                                                                                                                                                  | Exhibit C-10                                                                                                                                                                                                                                                  |
| Cost Estimate for Production Facilities                                                                                                                                      | Exhibit C-10                                                                                                                                                                                                                                                  |
| <b>Geology</b>                                                                                                                                                               |                                                                                                                                                                                                                                                               |

|                                                                                                                  |  |                                                                                      |  |
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| <i>Received by OCD: 8/24/2023 9:21:36 AM</i>                                                                     |  | <i>Page 18 of 2</i>                                                                  |  |
| Summary (including special considerations)                                                                       |  | Exhibit E                                                                            |  |
| Spacing Unit Schematic                                                                                           |  | Exhibit E-19                                                                         |  |
| Gunbarrel/Lateral Trajectory Schematic                                                                           |  | Exhibit E-25                                                                         |  |
| Well Orientation (with rationale)                                                                                |  | Exhibit E                                                                            |  |
| Target Formation                                                                                                 |  | Exhibit E, E-24                                                                      |  |
| HSU Cross Section                                                                                                |  | Exhibit E-24                                                                         |  |
| Depth Severance Discussion                                                                                       |  | N/A                                                                                  |  |
| <b>Forms, Figures and Tables</b>                                                                                 |  |                                                                                      |  |
| C-102                                                                                                            |  | Exhibit C-1                                                                          |  |
| Tracts                                                                                                           |  | Exhibit C-3                                                                          |  |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               |  | Exhibit C-3, C-5, C-6, C-7, C-8                                                      |  |
| General Location Map (including basin)                                                                           |  | Exhibit E-1                                                                          |  |
| Well Bore Location Map                                                                                           |  | Exhibit E-19                                                                         |  |
| Structure Contour Map - Subsea Depth                                                                             |  | Exhibit E-20, E-21, E-22, E-23                                                       |  |
| Cross Section Location Map (including wells)                                                                     |  | Exhibit E-20, E-21, E-22, E-23                                                       |  |
| Cross Section (including Landing Zone)                                                                           |  | Exhibit E-24                                                                         |  |
| <b>Additional Information</b>                                                                                    |  |                                                                                      |  |
| Special Provisions/Stipulations                                                                                  |  | See Exhibit C, para. 25                                                              |  |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |  |                                                                                      |  |
| Printed Name (Attorney or Party Representative):                                                                 |  | Adam G. Rankin                                                                       |  |
| Signed Name (Attorney or Party Representative):                                                                  |  |  |  |
| Date:                                                                                                            |  | 8/24/2023                                                                            |  |

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

|                                                                                                                                     |                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23517</b>                                                                                                                  | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                         | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                           | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                             | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                         | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                  | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                         | Joker                                                                                                                                                                            |
| <b>Formation/Pool</b>                                                                                                               |                                                                                                                                                                                  |
| 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:                                                                                                            | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                        | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                 |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                          | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                        | 320.04-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                    | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                        | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                             | Lot 3 (NE/4 NW/4 equivalent), the SE/4 NW/4, and<br>the E/2 SW/4 of Section 5 and the E/2 W/2 of Section<br>8, Township 20 South, Range 34 East, NMPM, Lea<br>County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and<br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                             |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                           | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                               | No                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                        | No                                                                                                                                                                               |
| Applicant's Ownership in Each Tract                                                                                                 | Exhibit C-8                                                                                                                                                                      |
| <b>Well(s)</b>                                                                                                                      |                                                                                                                                                                                  |

BEFORE THE OIL CONSERVATION DIVISION  
Santa Fe, New Mexico  
Revised Exhibit No. B  
Submitted by: Read & Stevens, Inc.  
Hearing Date: July 20, 2023  
Case No. 23517

|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if Assigned) 2023-02-24 10:00<br>Received by: OSD Signed 2023-02-24 10:00<br>Bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                             |
| Well #1                                                                                                                                                                                               | <u>Joker 5-8 Fed Com 132H:</u><br>SHL: 255' FNL, 2,120' FWL (Lot 3) of Section 5<br>BHL: 10' FSL, 1,650' FWL (Unit N) of Section 8<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                                                                            | Exhibit C-1                                                                                                                                                                                                                                                     |
| Completion Target (Formation, TVD and MD)                                                                                                                                                             | Exhibit C-10                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                 |
| <b>AFE Capex and Operating Costs</b>                                                                                                                                                                  |                                                                                                                                                                                                                                                                 |
| Drilling Supervision/Month \$                                                                                                                                                                         | \$8,000                                                                                                                                                                                                                                                         |
| Production Supervision/Month \$                                                                                                                                                                       | \$800                                                                                                                                                                                                                                                           |
| Justification for Supervision Costs                                                                                                                                                                   | Exhibit C                                                                                                                                                                                                                                                       |
| Requested Risk Charge                                                                                                                                                                                 | 200%                                                                                                                                                                                                                                                            |
| <b>Notice of Hearing</b>                                                                                                                                                                              |                                                                                                                                                                                                                                                                 |
| Proposed Notice of Hearing                                                                                                                                                                            | Exhibit A                                                                                                                                                                                                                                                       |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                                                                            | Exhibit G                                                                                                                                                                                                                                                       |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                                                                         | Exhibit H                                                                                                                                                                                                                                                       |
| <b>Ownership Determination</b>                                                                                                                                                                        |                                                                                                                                                                                                                                                                 |
| Land Ownership Schematic of the Spacing Unit                                                                                                                                                          | Exhibit C-3                                                                                                                                                                                                                                                     |
| Tract List (including lease numbers and owners)                                                                                                                                                       | Exhibit C-3, C-5, C-6, C-7, C-8                                                                                                                                                                                                                                 |
| 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 C-5, C-6, C-7                                                                                                                                                                                                                                           |
| Unlocatable Parties to be Pooled                                                                                                                                                                      | None                                                                                                                                                                                                                                                            |
| Ownership Depth Severance (including percentage above & below)                                                                                                                                        | N/A                                                                                                                                                                                                                                                             |
| <b>Joinder</b>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                 |
| Sample Copy of Proposal Letter                                                                                                                                                                        | Exhibit C-10                                                                                                                                                                                                                                                    |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                                                                         | Exhibit C-8                                                                                                                                                                                                                                                     |
| Chronology of Contact with Non-Joined Working Interests                                                                                                                                               | Exhibit C-11                                                                                                                                                                                                                                                    |
| Overhead Rates In Proposal Letter                                                                                                                                                                     | Exhibit C-10                                                                                                                                                                                                                                                    |
| Cost Estimate to Drill and Complete                                                                                                                                                                   | Exhibit C-10                                                                                                                                                                                                                                                    |
| Cost Estimate to Equip Well                                                                                                                                                                           | Exhibit C-10                                                                                                                                                                                                                                                    |
| Cost Estimate for Production Facilities                                                                                                                                                               | Exhibit C-10                                                                                                                                                                                                                                                    |
| <b>Geology</b>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                 |

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| <i>Received by OCD: 8/24/2023 9:21:36 AM</i>                                                                     |  | <i>Page 21 of 2</i>                                                                  |  |
| Summary (including special considerations)                                                                       |  | Exhibit E                                                                            |  |
| Spacing Unit Schematic                                                                                           |  | Exhibit E-19                                                                         |  |
| Gunbarrel/Lateral Trajectory Schematic                                                                           |  | Exhibit E-25                                                                         |  |
| Well Orientation (with rationale)                                                                                |  | Exhibit E                                                                            |  |
| Target Formation                                                                                                 |  | Exhibit E, E-24                                                                      |  |
| HSU Cross Section                                                                                                |  | Exhibit E-24                                                                         |  |
| Depth Severance Discussion                                                                                       |  | N/A                                                                                  |  |
| <b>Forms, Figures and Tables</b>                                                                                 |  |                                                                                      |  |
| C-102                                                                                                            |  | Exhibit C-1                                                                          |  |
| Tracts                                                                                                           |  | Exhibit C-3                                                                          |  |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               |  | Exhibit C-3, C-5, C-6, C-7, C-8                                                      |  |
| General Location Map (including basin)                                                                           |  | Exhibit E-1                                                                          |  |
| Well Bore Location Map                                                                                           |  | Exhibit E-19                                                                         |  |
| Structure Contour Map - Subsea Depth                                                                             |  | Exhibit E-20, E-21, E-22, E-23                                                       |  |
| Cross Section Location Map (including wells)                                                                     |  | Exhibit E-20, E-21, E-22, E-23                                                       |  |
| Cross Section (including Landing Zone)                                                                           |  | Exhibit E-24                                                                         |  |
| <b>Additional Information</b>                                                                                    |  |                                                                                      |  |
| Special Provisions/Stipulations                                                                                  |  | See Exhibit C, para. 25                                                              |  |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |  |                                                                                      |  |
| Printed Name (Attorney or Party Representative):                                                                 |  | Adam G. Rankin                                                                       |  |
| Signed Name (Attorney or Party Representative):                                                                  |  |  |  |
| Date:                                                                                                            |  | 8/24/2023                                                                            |  |

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

|                                                                                                                                     |                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23518</b>                                                                                                                  | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                         | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                           | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                             | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                         | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                  | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                         | Joker                                                                                                                                                                            |
| <b>Formation/Pool</b>                                                                                                               |                                                                                                                                                                                  |
| 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:                                                                                                            | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                        | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                 |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                          | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                        | 320.06-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                    | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                        | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                             | Lot 2 (NW/4 NE/4 equivalent), the SW/4 NE/4, and<br>the W/2 SE/4 of Section 5 and the W/2 E/2 of Section<br>8, Township 20 South, Range 34 East, NMPM, Lea<br>County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and<br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                             |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                           | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                               | No                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                        | No                                                                                                                                                                               |
| Applicant's Ownership in Each Tract                                                                                                 | Exhibit C-8                                                                                                                                                                      |
| <b>Well(s)</b>                                                                                                                      |                                                                                                                                                                                  |

**BEFORE THE OIL CONSERVATION DIVISION**  
**Santa Fe, New Mexico**  
**Revised Exhibit No. B**  
**Submitted by: Read & Stevens, Inc.**  
**Hearing Date: July 20, 2023**  
**Case No. 23518**

|                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name & API (if Assigned) 2023-02-24 10:00:00<br>Received by: OSD Signed 2023-02-24 10:00:00<br>and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                             |
| Well #1                                                                                                                                                                                                         | <u>Joker 5-8 Fed Com 133H:</u><br>SHL: 253' FNL, 1,987' FEL (Lot 2) of Section 5<br>BHL: 10' FSL, 2,310' FEL (Unit O) of Section 8<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                                                                                      | Exhibit C-1                                                                                                                                                                                                                                                     |
| Completion Target (Formation, TVD and MD)                                                                                                                                                                       | Exhibit C-10                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                 |
| <b>AFE Capex and Operating Costs</b>                                                                                                                                                                            |                                                                                                                                                                                                                                                                 |
| Drilling Supervision/Month \$                                                                                                                                                                                   | \$8,000                                                                                                                                                                                                                                                         |
| Production Supervision/Month \$                                                                                                                                                                                 | \$800                                                                                                                                                                                                                                                           |
| Justification for Supervision Costs                                                                                                                                                                             | Exhibit C                                                                                                                                                                                                                                                       |
| Requested Risk Charge                                                                                                                                                                                           | 200%                                                                                                                                                                                                                                                            |
| <b>Notice of Hearing</b>                                                                                                                                                                                        |                                                                                                                                                                                                                                                                 |
| Proposed Notice of Hearing                                                                                                                                                                                      | Exhibit A                                                                                                                                                                                                                                                       |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                                                                                      | Exhibit G                                                                                                                                                                                                                                                       |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                                                                                   | Exhibit H                                                                                                                                                                                                                                                       |
| <b>Ownership Determination</b>                                                                                                                                                                                  |                                                                                                                                                                                                                                                                 |
| Land Ownership Schematic of the Spacing Unit                                                                                                                                                                    | Exhibit C-3                                                                                                                                                                                                                                                     |
| Tract List (including lease numbers and owners)                                                                                                                                                                 | Exhibit C-3, C-5, C-6, C-7, C-8                                                                                                                                                                                                                                 |
| 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 C-5, C-6, C-7                                                                                                                                                                                                                                           |
| Unlocatable Parties to be Pooled                                                                                                                                                                                | None                                                                                                                                                                                                                                                            |
| Ownership Depth Severance (including percentage above & below)                                                                                                                                                  | N/A                                                                                                                                                                                                                                                             |
| <b>Joinder</b>                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                 |
| Sample Copy of Proposal Letter                                                                                                                                                                                  | Exhibit C-10                                                                                                                                                                                                                                                    |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                                                                                   | Exhibit C-8                                                                                                                                                                                                                                                     |
| Chronology of Contact with Non-Joined Working Interests                                                                                                                                                         | Exhibit C-11                                                                                                                                                                                                                                                    |
| Overhead Rates In Proposal Letter                                                                                                                                                                               | Exhibit C-10                                                                                                                                                                                                                                                    |
| Cost Estimate to Drill and Complete                                                                                                                                                                             | Exhibit C-10                                                                                                                                                                                                                                                    |
| Cost Estimate to Equip Well                                                                                                                                                                                     | Exhibit C-10                                                                                                                                                                                                                                                    |
| Cost Estimate for Production Facilities                                                                                                                                                                         | Exhibit C-10                                                                                                                                                                                                                                                    |
| <b>Geology</b>                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                 |

|                                                                                                                  |                                                                                      |                                       |              |
|------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------|--------------|
| Summary (including special considerations)                                                                       | Exhibit E                                                                            | Received by OCD: 8/24/2023 9:21:36 AM | Page 24 of 2 |
| Spacing Unit Schematic                                                                                           | Exhibit E-19                                                                         |                                       |              |
| Gunbarrel/Lateral Trajectory Schematic                                                                           | Exhibit E-25                                                                         |                                       |              |
| Well Orientation (with rationale)                                                                                | Exhibit E                                                                            |                                       |              |
| Target Formation                                                                                                 | Exhibit E, E-24                                                                      |                                       |              |
| HSU Cross Section                                                                                                | Exhibit E-24                                                                         |                                       |              |
| Depth Severance Discussion                                                                                       | N/A                                                                                  |                                       |              |
| <b>Forms, Figures and Tables</b>                                                                                 |                                                                                      |                                       |              |
| C-102                                                                                                            | Exhibit C-1                                                                          |                                       |              |
| Tracts                                                                                                           | Exhibit C-3                                                                          |                                       |              |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               | Exhibit C-3, C-5, C-6, C-7, C-8                                                      |                                       |              |
| General Location Map (including basin)                                                                           | Exhibit E-1                                                                          |                                       |              |
| Well Bore Location Map                                                                                           | Exhibit E-19                                                                         |                                       |              |
| Structure Contour Map - Subsea Depth                                                                             | Exhibit E-20, E-21, E-22, E-23                                                       |                                       |              |
| Cross Section Location Map (including wells)                                                                     | Exhibit E-20, E-21, E-22, E-23                                                       |                                       |              |
| Cross Section (including Landing Zone)                                                                           | Exhibit E-24                                                                         |                                       |              |
| <b>Additional Information</b>                                                                                    |                                                                                      |                                       |              |
| Special Provisions/Stipulations                                                                                  | See Exhibit C, para. 25                                                              |                                       |              |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |                                                                                      |                                       |              |
| <b>Printed Name</b> (Attorney or Party Representative):                                                          | Adam G. Rankin                                                                       |                                       |              |
| <b>Signed Name</b> (Attorney or Party Representative):                                                           |  |                                       |              |
| <b>Date:</b>                                                                                                     | 8/24/2023                                                                            |                                       |              |



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

|                                                                                                                                            |                                                                                                                                                                                  |
|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Case: 23519</b>                                                                                                                         | <b>APPLICANT'S RESPONSE</b>                                                                                                                                                      |
| <b>Date</b>                                                                                                                                | <b>July 20, 2023</b>                                                                                                                                                             |
| Applicant                                                                                                                                  | Read & Stevens, Inc.                                                                                                                                                             |
| Designated Operator & OGRID (affiliation if applicable)                                                                                    | Permian Resources Operating, LLC (372165)                                                                                                                                        |
| Applicant's Counsel:                                                                                                                       | Holland & Hart LLP                                                                                                                                                               |
| Case Title:                                                                                                                                | APPLICATION OF READ & STEVENS, INC. FOR<br>COMPULSORY POOLING, LEA COUNTY, NEW MEXICO                                                                                            |
| Entries of Appearance/Intervenors:                                                                                                         | Cimarex Energy Co., Sandstone Properties, LLC,<br>Northern Oil and Gas, Inc.                                                                                                     |
| Well Family                                                                                                                                | Joker                                                                                                                                                                            |
| <b>Formation/Pool</b>                                                                                                                      |                                                                                                                                                                                  |
| 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:                                                                                                                   | Teas; Bone Spring, East (96637)                                                                                                                                                  |
| Well Location Setback Rules:                                                                                                               | Statewide setbacks                                                                                                                                                               |
| <b>Spacing Unit</b>                                                                                                                        |                                                                                                                                                                                  |
| Type (Horizontal/Vertical)                                                                                                                 | Horizontal                                                                                                                                                                       |
| Size (Acres)                                                                                                                               | 320.09-acre, more or less                                                                                                                                                        |
| Building Blocks:                                                                                                                           | 40 acres                                                                                                                                                                         |
| Orientation:                                                                                                                               | Standup                                                                                                                                                                          |
| Description: TRS/County                                                                                                                    | Lot 1 (NE/4 NE/4 equivalent), the SE/4 NE/4, and the<br>E/2 SE/4 of Section 5 and the E/2 E/2 of Section 8,<br>Township 20 South, Range 34 East, NMPM, Lea<br>County, New Mexico |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u><br>is approval of non-standard unit requested in this application? | Yes                                                                                                                                                                              |
| <b>Other Situations</b>                                                                                                                    |                                                                                                                                                                                  |
| Depth Severance: Y/N. If yes, description                                                                                                  | N/A                                                                                                                                                                              |
| Proximity Tracts: If yes, description                                                                                                      | No                                                                                                                                                                               |
| Proximity Defining Well: if yes, description                                                                                               | No                                                                                                                                                                               |
| Applicant's Ownership in Each Tract                                                                                                        | Exhibit C-8                                                                                                                                                                      |
| <b>Well(s)</b>                                                                                                                             |                                                                                                                                                                                  |

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Revised Exhibit No. B

Submitted by: Read &amp; Stevens, Inc.

Hearing Date: July 20, 2023

Case No. 23519

|                                                                                                                                                                                                        |                                                                                                                                                                                                                                                               |
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| Name & API (if Assigned) 2023-02-24 10:00<br>Received by: OSD 8/24/2023 9:59:50 AM<br>and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard) | Add wells as needed                                                                                                                                                                                                                                           |
| Well #1                                                                                                                                                                                                | <u>Joker 5-8 Fed Com 134H:</u><br>SHL: 253' FNL, 1,921' FEL (Lot 2) of Section 5<br>BHL: 10' FSL, 990' FEL (Unit P) of Section 8<br>Completion Target: Bone Spring formation<br>Well Orientation: North-South<br>Completion Location expected to be: Standard |
| Horizontal Well First and Last Take Points                                                                                                                                                             | Exhibit C-1                                                                                                                                                                                                                                                   |
| Completion Target (Formation, TVD and MD)                                                                                                                                                              | Exhibit C-10                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                        |                                                                                                                                                                                                                                                               |
| <b>AFE Capex and Operating Costs</b>                                                                                                                                                                   |                                                                                                                                                                                                                                                               |
| Drilling Supervision/Month \$                                                                                                                                                                          | \$8,000                                                                                                                                                                                                                                                       |
| Production Supervision/Month \$                                                                                                                                                                        | \$800                                                                                                                                                                                                                                                         |
| Justification for Supervision Costs                                                                                                                                                                    | Exhibit C                                                                                                                                                                                                                                                     |
| Requested Risk Charge                                                                                                                                                                                  | 200%                                                                                                                                                                                                                                                          |
| <b>Notice of Hearing</b>                                                                                                                                                                               |                                                                                                                                                                                                                                                               |
| Proposed Notice of Hearing                                                                                                                                                                             | Exhibit A                                                                                                                                                                                                                                                     |
| Proof of Mailed Notice of Hearing (20 days before hearing)                                                                                                                                             | Exhibit G                                                                                                                                                                                                                                                     |
| Proof of Published Notice of Hearing (10 days before hearing)                                                                                                                                          | Exhibit H                                                                                                                                                                                                                                                     |
| <b>Ownership Determination</b>                                                                                                                                                                         |                                                                                                                                                                                                                                                               |
| Land Ownership Schematic of the Spacing Unit                                                                                                                                                           | Exhibit C-3                                                                                                                                                                                                                                                   |
| Tract List (including lease numbers and owners)                                                                                                                                                        | Exhibit C-3, C-5, C-6, C-7, C-8                                                                                                                                                                                                                               |
| 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 C-5, C-6, C-7                                                                                                                                                                                                                                         |
| Unlocatable Parties to be Pooled                                                                                                                                                                       | None                                                                                                                                                                                                                                                          |
| Ownership Depth Severance (including percentage above & below)                                                                                                                                         | N/A                                                                                                                                                                                                                                                           |
| <b>Joinder</b>                                                                                                                                                                                         |                                                                                                                                                                                                                                                               |
| Sample Copy of Proposal Letter                                                                                                                                                                         | Exhibit C-10                                                                                                                                                                                                                                                  |
| List of Interest Owners (ie Exhibit A of JOA)                                                                                                                                                          | Exhibit C-8                                                                                                                                                                                                                                                   |
| Chronology of Contact with Non-Joined Working Interests                                                                                                                                                | Exhibit C-11                                                                                                                                                                                                                                                  |
| Overhead Rates In Proposal Letter                                                                                                                                                                      | Exhibit C-10                                                                                                                                                                                                                                                  |
| Cost Estimate to Drill and Complete                                                                                                                                                                    | Exhibit C-10                                                                                                                                                                                                                                                  |
| Cost Estimate to Equip Well                                                                                                                                                                            | Exhibit C-10                                                                                                                                                                                                                                                  |
| Cost Estimate for Production Facilities                                                                                                                                                                | Exhibit C-10                                                                                                                                                                                                                                                  |
| <b>Geology</b>                                                                                                                                                                                         |                                                                                                                                                                                                                                                               |

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| <i>Received by OCD: 8/24/2023 9:21:36 AM</i>                                                                     |  | <i>Page 27 of 2</i>                                                                  |  |
| Summary (including special considerations)                                                                       |  | Exhibit E                                                                            |  |
| Spacing Unit Schematic                                                                                           |  | Exhibit E-19                                                                         |  |
| Gunbarrel/Lateral Trajectory Schematic                                                                           |  | Exhibit E-25                                                                         |  |
| Well Orientation (with rationale)                                                                                |  | Exhibit E                                                                            |  |
| Target Formation                                                                                                 |  | Exhibit E, E-24                                                                      |  |
| HSU Cross Section                                                                                                |  | Exhibit E-24                                                                         |  |
| Depth Severance Discussion                                                                                       |  | N/A                                                                                  |  |
| <b>Forms, Figures and Tables</b>                                                                                 |  |                                                                                      |  |
| C-102                                                                                                            |  | Exhibit C-1                                                                          |  |
| Tracts                                                                                                           |  | Exhibit C-3                                                                          |  |
| Summary of Interests, Unit Recapitulation (Tracts)                                                               |  | Exhibit C-3, C-5, C-6, C-7, C-8                                                      |  |
| General Location Map (including basin)                                                                           |  | Exhibit E-1                                                                          |  |
| Well Bore Location Map                                                                                           |  | Exhibit E-19                                                                         |  |
| Structure Contour Map - Subsea Depth                                                                             |  | Exhibit E-20, E-21, E-22, E-23                                                       |  |
| Cross Section Location Map (including wells)                                                                     |  | Exhibit E-20, E-21, E-22, E-23                                                       |  |
| Cross Section (including Landing Zone)                                                                           |  | Exhibit E-24                                                                         |  |
| <b>Additional Information</b>                                                                                    |  |                                                                                      |  |
| Special Provisions/Stipulations                                                                                  |  | See Exhibit C, para. 25                                                              |  |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |  |                                                                                      |  |
| Printed Name (Attorney or Party Representative):                                                                 |  | Adam G. Rankin                                                                       |  |
| Signed Name (Attorney or Party Representative):                                                                  |  |  |  |
| Date:                                                                                                            |  | 8/24/2023                                                                            |  |