

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

**APPLICATION OF CHEVRON U.S.A. INC.
TO REOPEN CASE NO. 24185 (ORDER NO.
R-23684 (E.G.L. RESOURCES, INC.) AND
CASE NO. 24886 (ORDER NO. R-23685
PBEX, LLC) TO REQUIRE SUBMISSION
OF PROPER STATEMENTS OF WELL
COSTS BY OPERATOR AND RECOGNIZE
THE CONSENTING STATUS OF CHEVRON.**

CASE NO. 25878

**PBEX, LLC AND E.G.L. RESOURCES, INC.'S
MOTION TO DISMISS FOR LACK OF STANDING**

PBEX, LLC and E.G.L. Resources, Inc., an affiliate of PBEX, LLC (collectively, “PBEX”), through their undersigned counsel, move to dismiss the application filed by Chevron U.S.A. Inc. (“Chevron”) for lack of standing. In support of this Motion, PBEX states the following.

I. BACKGROUND

On December 24, 2025, Chevron filed an Application with the Oil Conservation Division (“Division”) seeking to reopen Case Nos. 24185 and 24886 “to clarify and confirm Chevron’s voluntary joinder to participate in the costs of drilling, completing and equipping the wells authorized by the Division in those cases.” PBEX and Chevron have been discussing the wells at issue in this proceeding¹ since 2023. PBEX initially sent Chevron well proposals on October 2,

¹ Order No. R-23684 approved an 640-acre, standard horizontal spacing unit within the Bone Spring formation comprised of the S/2 of Sections 33 and 34, Township 18 South, Range 32 East in Lea County and dedicated the unit to the Bond 33-34 Fed Com 104H; Bond 33-34 Fed Com 105H; Bond 33-34 Fed Com 106H; Bond 33-34 Fed Com 207H; Bond 33-34 Fed Com 209H; and the Bond 33-34 Fed Com 211H wells (“South Bond Wells”). Order No. R-23685 approved an 800-acre, standard horizontal spacing unit within the Bone Spring formation comprised of the NE/4 of Section 32 and the N/2 of Sections 33 and 34, Township 18 South, Range 32 East in Lea County and dedicated the unit to the Bond 32-34 Fed Com 101H; Bond 32-34 Fed Com 102H; Bond 32-34 Fed Com 103H; Bond 32-34 Fed Com 201H; Bond 32-34 Fed Com 203H; and the Bond 32-34 Fed Com 205H wells (“North Bond Wells”). The Bond 32-34 Fed Com wells and Bond 33-34 Fed Com wells identified in the orders are referenced collectively as “the Bond Wells.”

2023 and followed up with a proposed Joint Operating Agreement (“JOA”) for the North Bond Wells, a proposed form of JOA for the South Bond Wells, and communitization agreements in December 2023. FedEx tracking shows that Chevron received those documents on December 5, 2023.²

On September 19, 2024, PBEX notified Chevron that it was rescinding its original proposals for the North Bond Wells and proposed new North Bond Wells. PBEX sent Chevron a new proposed form of JOA and communitization agreement, which Chevron received on September 23, 2024.³ Chevron’s claim that PBEX failed to send an operating agreement for the Bond Wells is false. During the following months, PBEX continued to provide Chevron with information regarding the Bond Wells.⁴ Throughout this time period, PBEX inquired whether Chevron was interested in signing the operating agreement for the Bond Wells, but Chevron failed to respond.

PBEX filed its pooling applications for the Bond Wells on February 5, 2024 in Case Nos. 24185 and 24886. Chevron received notice of the applications and hearing but declined to enter an appearance in either case. PBEX’s hearing exhibits, which are publicly available, identified Chevron as a pooled working interest owner and included Chevron’s working interest in the Bond Wells.⁵ The Division issued Orders R-23684 and R-23685 (each an “Order” and collectively, the “Orders”) on February 19, 2025.⁶

² Self-Affirmed Statement of Ruth Pelzel, ¶ 3, attached as Exhibit A; December 5, 2023 USPS Tracking Receipt, attached as Exhibit A-1 (referencing USPS CMRR No. 9589 0710 5270 0583 5199 27).

³ Exh. A, ¶ 4; September 23, 2024 USPS Tracking Receipt, attached as Exhibit A-2 (referencing USPS CMRR No. 9589 0710 5270 1252 1187 86).

⁴ Exh. A, ¶ 5; January 29, 2025 email correspondence, attached as Exhibit A-3.

⁵ Exh. A, ¶ 6; Case No. 24185, PBEX Exhibit C-3 (Feb. 6, 2025) & Case No. 24886, PBEX Exhibit C-4 (Feb. 6, 2025), attached as Exhibit A-4.

⁶ Exh. A, ¶ 6; Orders R-23684 & R-23685, attached as Exhibit A-5.

Paragraph 24 of each Order requires an operator to “submit each owner of an uncommitted working interest in the pool (‘Pooled Working Interest’) an itemized schedule of estimated costs to drill, complete, and equip the well (‘Estimated Well Costs.’).” Additionally, Paragraph 25 states that:

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

Following issuance of the Orders, PBEX and Chevron continued to discuss the Bond Wells. On June 2, 2025, PBEX provided Chevron with information regarding its working interest and net royalty interest in the Bond Wells.⁷

On August 7, 2025, PBEX sent Chevron proposals for the Bond Wells under the terms of the Orders.⁸ The letter included Authorizations for Expenditures (“AEFs”) for each of the Bond Wells, referenced the Orders, and stated “Pursuant to said Orders, if you wish to participate in the operations described above, please indicate so in the space provided, and sign and return the enclosed AFEs within 30 days of receipt of this correspondence.”⁹

On August 12, 2025, Chevron acknowledged receipt of the proposals and requested information regarding the Bond Wells, including confirmation of its working interest percentage.¹⁰

⁷ Exh. A, ¶ 7; June 2, 2025 email, attached as Exhibit A-6.

⁸ Exh. A, ¶ 8; August 7, 2025 Well Proposal, attached as Exhibit A-7.

⁹ *Id.*

¹⁰ Exh. A, ¶ 9; August 12 and 14, 2025 email correspondence, attached as Exhibit A-8.

PBEX responded on August 14, 2025, informing Chevron that its percentage in the South Bond Wells looked correct but Chevron's interest in the North Bond Wells could be slightly higher than previously discussed.¹¹ In response, Chevron's landman stated, "Thank you. We just want to run our evaluation on the best information at hand so we can make a timely election."¹² On August 19, 2025, 18 days prior to the expiration of the election period, PBEX confirmed Chevron's working interest in the Bond Wells.¹³

On August 27, 2025, Chevron sent PBEX a letter electing to participate in all of the Bond Wells proposed by PBEX under the Orders.¹⁴ Chevron's election letter was unconditional and did not raise any concern regarding the validity of PBEX's August 7th Well Proposal.¹⁵

While Chevron elected to participate in the Bond Wells, was notified of the pooling orders, and had information regarding the Estimated Well Costs and its ownership interest, it failed to pay its share of the Estimated Well Costs by the deadline set forth in Paragraph 25 of the Orders. Thus, as of September 26, 2025 (30 days after Chevron's August 27, 2025 election to participate in the Bond Wells) Chevron was deemed a "Non-Consenting Pooled Working Interest" under the Orders.

In a last-ditch effort to remedy its failure to comply with the Orders, Chevron now seeks to reopen these proceedings by claiming fault with PBEX's proposals under the Orders. As demonstrated below, Chevron lacks standing to reopen the Orders and its Application should be dismissed as a matter of law.

¹¹ *Id.*

¹² *Id.*

¹³ Exh. A, ¶ 10; August 19, 2025 email correspondence, attached as Exhibit A-9.

¹⁴ Exh. A, ¶ 11; August 27, 2025 election letter, attached as Exhibit A-10.

¹⁵ See generally *id.*

II. ARGUMENT

Under the Division's regulations, only "an operator or producer or other person with standing may file an application with the division for an adjudicatory hearing." 19.15.4.8(A) NMAC. Although the Rule does not define "standing," the Oil Conservation Commission ("Commission") has previously embraced the standing analysis applicable in civil court cases. *See, e.g.*, Commission Order No. R-10987-A(2), ¶¶ 13, 22-24. Under such an analysis, to establish standing, Chevron must (1) "present an injury that is concrete, particularized, and actual or imminent" ("injury-in-fact"); (2) that is "fairly traceable to [PBEX and/or E.G.L.'s] challenged behavior" ("causation"); and (3) "likely to be redressed by a favorable ruling" ("redressability").¹⁶ In this case, Chevron's allegations do not establish legal standing such that the Commission's Orders may be reopened.

A. Chevron cannot establish any injury-in-fact from the prior proceedings.

As an initial matter, the Commission has appropriately rejected attempts by litigants to reopen prior proceedings to which they were not a party in order to excuse their own failure to meet deadlines. For example, in Case No. 16265 (Re-Opened), OXY USA WTP, LLC ("OXY") and Canaan Resources Drilling Company, LLC ("Canaan") filed an application to re-open the case and amend a Division Order in order to "clarify" OXY and Canaan's "rights, as pooled working interest owners, to pay in advance their share of estimated wells costs, rather than having the operator withhold those costs[.]"¹⁷ In that case, OXY and Canaan missed the deadline to pay estimated costs to the operator and requested that the Division excuse that failure, much like

¹⁶ *Deutsche Bank Nat. Tr. Co. v. Johnston*, 2016-NMSC-013, ¶ 13, 369 P.3d 1046 (quoting *Davis v. Fed. Election Comm'n*, 554 U.S. 724, 733 (2008)); *see also ACLU of N.M. v. City of Albuquerque*, 2008-NMSC-045, ¶ 1, 188 P.3d 1222 (reciting traditional three-part test for standing).

¹⁷ Case No. 16265, Application, at 1 (Jun. 7, 2019).

Chevron seeks here.¹⁸ The Division rejected OXY and Canaan's efforts to remedy their own failure to timely pay estimated costs to the operator and appropriately dismissed the Application to Reopen.¹⁹

Under the "injury in fact" requirement, a party must show that it is "imminently threatened with injury" or that it faces "a real risk of future injury."²⁰ Here, Chevron declined to appear as a party of record in Case No. 24185 or Case No. 24886. In its Application, Chevron identifies no issues with the prior proceedings or the Orders entered by the Division. Nor does Chevron identify any sort of injury as a result of the prior proceedings. Rather, like OXY and Canaan, it seeks to reopen these prior proceedings "to clarify and confirm Chevron's voluntary joinder to participate in the costs of drilling, completing and equipping the wells authorized by the Division in those cases."²¹ Chevron's allegations do not identify an imminently threatening injury or "a real risk of future injury" arising from the prior proceedings or the Orders. Rather, the claimed injury is tangential to those proceedings (to which Chevron was not a party), arose after the Orders were entered, and results from Chevron's own failure to comply with the deadlines imposed by the Orders.²² Chevron's belated attempt to obtain a "redo" of its deadline to pay its share of the Estimated Well Costs is improper and should be dismissed for lack of standing.

B. Chevron's failure to pay its share of the Estimated Well Costs in accordance with the requirements of the Orders is not fairly traceable to any action or inaction by PBEX.

Even if Chevron could identify an injury-in-fact sufficient to confer standing in this matter, which it cannot, there is no causal connection between its failure to timely pay its share of the

¹⁸ *Id.* ¶¶ 10-13.

¹⁹ Order No. R-20279 (Aug. 26, 2019).

²⁰ See *ACLU*, 2008, NMSC-045, ¶ 11.

²¹ Application at 1.

²² See, e.g., *Stripling v. Shauna, Inc.*, No. 28,729, 2012 WL 394617, at *5 (N.M. Ct. App. Jan. 13, 2012) (unpublished) (declining to find "injury-in-fact" for standing purposes where the alleged injury was a result of the party's own conduct).

Estimated Well Costs and any actions of PBEX. To meet this prong of the standing requirements, “[t]he injury has to be fairly . . . trace[able] to the challenged action of the defendant[.]”²³ In its Application, Chevron requests that the Division reopen the cases and require PBEX to “submit a proper statement for Chevron’s share of the estimated costs of drilling, completing and equipping the wells...”; and then allowing Chevron thirty days to remit payment such costs.²⁴

There is no basis for the Division to grant Chevron’s requested relief because Chevron’s failure to pay its share of the Estimated Well Costs is not fairly traceable to any action or inaction of PBEX. On August 7, 2025, PBEX submitted “an itemized schedule of estimated costs to drill, complete, and equip the well (‘Estimated Well Costs.’)” to Chevron as required by Paragraph 24 of each Order.²⁵ PBEX’s proposal referenced the Orders and also included AFEs for each of the Bond Wells.²⁶ The Orders, as referenced in PBEX’s proposal, are publicly available on the Division’s website and clearly set out the obligations of pooled parties, including the deadline to render payment. Chevron is an experienced operator that regularly appears in Division proceedings and notably fails to allege that it lacked knowledge of the Orders or their requirements.

Furthermore, PBEX provided Chevron’s working interest percentage in the Bond Wells in its publicly filed pooling exhibits in Case Nos. 24185 and 24886²⁷ and again provided that information directly to Chevron on August 14th and 19th,²⁸ long before the expiration of the election period. In addition, Chevron is an established operator and presumably knows what interest it owns. Chevron could have easily determined its share of the Estimated Well Costs, never claimed it was unable to do so, and never raised any issue with PBEX’s proposals or the AFEs included

²³ *Forest Guardians v. Powell*, 2001-NMCA-028, ¶ 25 (quoting *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560 (1992)).

²⁴ Application at 7.

²⁵ Exh. A, ¶ 8; Exh. A-7.

²⁶ See *id.*

²⁷ Exh. A, ¶ 6; Exh. A-4.

²⁸ Exh. A, ¶¶ 9-10; Exhs. A-8, A-9.

therewith. Indeed, by electing to participate in the Bond Wells, Chevron waived any such argument.²⁹ Chevron's failure to pay its share of the Estimated Well Costs, after electing to participate in the Bond Wells, resulted from its own failure rather than any action or inaction of PBEX. Accordingly, Chevron lacks standing and its Application should be dismissed.

C. Chevron's claimed injury is unlikely to be redressed by reopening the prior proceedings.

Chevron requests that the prior proceedings be reopened to "clarify and confirm" its "joinder to participate in the costs of drilling, completing and equipping the wells" approved by the Division in those cases. However, the Division did not rule on Chevron's election in those cases and it is unclear what "clarification" or "confirmation" the Division could provide upon reopening the prior proceedings other than reaffirming the requirements of Paragraphs 24 and 25 of its Orders, which are unambiguous. Chevron's lack of diligence is corroborated by the concession in its Application that it failed to even recognize it was a non-consenting party until it sought to sell its acreage.³⁰ Chevron simply requests a second bite of the apple—a resetting of the deadlines that it missed, which is not a proper basis for standing in this matter.

Moreover, even if the Division were to give Chevron a second opportunity to timely pay its share of the Estimated Well Costs, whether Chevron's claimed injury will be redressed is speculative at best, as there is no guarantee that Chevron will comply with deadlines its second time around.³¹ Because Chevron cannot establish legal redressability, it cannot establish standing and dismissal is therefore proper.

²⁹ See *Easterling v. Peterson*, 1988-NMSC-030, ¶4, 107 N.M. 123, 753 P.2d 902 ("We have held that waivers may be implied by a course of conduct which, in turn, will estop the one who waives from asserting the right waived.").

³⁰ Application at ¶¶ 14-15.

³¹ See, e.g., *Forest Guardians*, 2001-NMCA-028, ¶ 25 (stating that where claimed redressability is speculative or otherwise contingent on other events occurring, there is no standing).

III. CONCLUSION

For the foregoing reasons, PBEX respectfully requests that the Division dismiss Chevron's Application for lack of standing.

Respectfully submitted,

HARDY MCLEAN LLC

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served upon the following counsel of record by electronic mail on January 23, 2026.

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CASE NO. 25878

**SELF-AFFIRMED STATEMENT
OF RUTH PELZEL**

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

2. I am familiar with Division Case Nos. 24185 and 24886, which pertain to the Bond 32-34 Fed Com Wells the “North Bond Wells”) and Bond 33-34 Fed Com Wells (the “North Bond Wells” and together with North Bond Wells, collectively, the “Bond Wells”), as well as related Division Order Nos. R-23684 and R-23685 (the “Orders”).

3. PBEX and Chevron have been discussing the Bond Wells since 2023. PBEX initially sent Chevron well proposals on October 2, 2023 and followed up with a proposed form of Joint Operating Agreement (“JOA”) for the North Bond Wells, a proposed form of JOA for the South Bond Wells, and communitization agreements in December 2023. USPS tracking shows that Chevron received those documents on December 5, 2023 (USPS CMRR No. 9589 0710 5270 0583 5199 27). See December 5, 2023 USPS Tracking Receipt, attached as **Exhibit A-1**.

¹ Because E.G.L. is an affiliate of PBEX, the entities are collectively referenced as “PBEX.”

4. On September 19, 2024, PBEX notified Chevron that it was rescinding its original proposals for the North Bond Wells and proposed new North Bond Wells. PBEX sent Chevron a new proposed form of JOA and communitization agreement, which Chevron received on September 23, 2024 (USPS CMRR No. 9589 0710 5270 1252 1187 86). *See September 23, 2024 USPS Tracking Receipt*, attached as **Exhibit A-2**.

5. During the following months, PBEX continued to provide Chevron with information regarding the Bond Wells. *See January 29, 2025 email correspondence*, attached as **Exhibit A-3**. In that correspondence, PBEX inquired whether Chevron was interested in signing the operating agreement for the Bond Wells, but Chevron failed to respond.

6. PBEX then filed its pooling applications for the Bond Wells on February 5, 2024 in Case Nos. 24185 and 24886. Chevron received notice of the applications and hearing but declined to enter an appearance in either case. PBEX's hearing exhibits, which are publicly available, identified Chevron as a pooled working interest owner and included Chevron's working interest in the Wells. Copies of the pertinent exhibits are attached as **Exhibit A-4**. The Division issued the Orders on February 19, 2025. Copies of the Orders are attached as **Exhibit A-5**.

7. Following issuance of the Orders, PBEX and Chevron continued to discuss the Bond Wells. On June 2, 2025, PBEX provided Chevron with information regarding its working interest and net royalty interest in the Bond Wells. *See June 2, 2025 email*, attached as **Exhibit A-6**.

8. On August 7, 2025, PBEX sent Chevron proposals for the Bond Wells under the terms of the Orders (the "Well Proposal"). The Well Proposal included Authorizations for Expenditures ("AFEs") for each well setting forth the estimated well costs for each of the Bond Wells, referenced the publicly filed Orders, and stated "Pursuant to said Orders, if you wish to participate in the operations described above, please indicate so in the space provided, and sign

and return the enclosed AFEs within 30 days of receipt of this correspondence.” *See* August 7, 2025 Well Proposal, attached as **Exhibit A-7**.

9. On August 12, 2025, Chevron acknowledged receipt of the Well Proposal and requested information regarding the Bond Wells, including confirmation of its working interest percentage. PBEX responded on August 14, 2025, informing Chevron that its percentage in the South Bond Wells looked correct but Chevron’s interest in the North Bond Wells could be slightly higher. In response, Chevron’s landman stated, “Thank you. *We just want to run our evaluation on the best information at hand so we can make a timely election.*” *See* August 12 and 14, 2025 email correspondence, attached as **Exhibit A-8** (emphasis added).

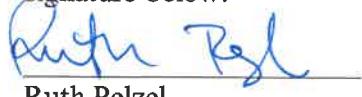
10. On August 19, 2025 – 18 days prior to the expiration of the election period – PBEX confirmed Chevron’s working interest in the Bond Wells. *See* August 19, 2025 email correspondence, attached as **Exhibit A-9**.

11. On August 27, 2025, Chevron sent PBEX a letter electing to participate in all of the Bond Wells proposed by PBEX under the Orders. Chevron’s election letter was unconditional and did not raise any concerns regarding the Well Proposal. *See* August 27, 2025 election letter, attached as **Exhibit A-10**.

12. While Chevron unconditionally elected to participate in the Bond Wells, was notified of the Orders, had the AFEs for each of the Bond Wells, and had information regarding its ownership interest, it failed to pay its share of the estimate well costs by the deadline set forth in Paragraph 25 of the Orders. Thus, as of September 26, 2025 (30 days after Chevron’s August 27, 2025 election to participate in the Bond Wells), Chevron was deemed a “Non-Consenting Pooled Working Interest” under the Orders.

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

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


Ruth Pelzel

1/23/26
Date

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For delivery information, visit our website at www.usps.com.

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<input type="checkbox"/> Return Receipt (hardcopy) \$ _____ <input type="checkbox"/> Return Receipt (electronic) \$ _____ <input type="checkbox"/> Certified Mail Restricted Delivery \$ _____ <input type="checkbox"/> Adult Signature Required \$ _____ <input type="checkbox"/> Adult Signature Restricted Delivery \$ _____	
Total Postage and Fees \$ 5.83	
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PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

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<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <p style="text-align: center;">Chevron U.S.A. Inc. 6301 Deauville Blvd Midland, TX 79706</p> <p style="text-align: center;">BOND</p> <p>2. Article Number (Transfer from service label)</p> <p style="text-align: center;">9589 0710 5270 0583 5199 27</p>		<p>A. Signature</p> <p><input checked="" type="checkbox"/> 6222 <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name)</p> <p>C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center;">12/5</p> <p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> </table> <p style="text-align: center;">Mail Restricted Delivery ①</p>		<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Collect on Delivery Restricted Delivery		<input type="checkbox"/> Insured Mail	
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<input type="checkbox"/> Insured Mail																	

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

Domestic Return Receipt

EXHIBIT A-1

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com.

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Certified Mail Fee
\$ **1252 1252 1187 86**

Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$ **1252 1252 1187 86**
 Return Receipt (electronic) \$ **1252 1252 1187 86**
 Certified Mail Restricted Delivery \$ **1252 1252 1187 86**
 Adult Signature Required \$ **1252 1252 1187 86**
 Adult Signature Restricted Delivery \$ **1252 1252 1187 86**

Postage
\$ **0710 0710 9589 9589**

Total Postage and Fees
\$ **0710 0710 9589 9589**

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City, State, ZIP+4
9589 0710 5270 1252 1187 86
Chevron USA

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

SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

Chevron USA Inc.
6301 Deauville Blvd
Midland, TX 79706
NEW N2 BOND

2. Article Number (Transfer from service label)

9589 0710 5270 1252 1187 86

PS Form 3811, July 2020 PSN 7530-02-000-9050

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *John M. Martin*
 Agent
 Addressee

B. Received by (Printed Name)

C. Date of Delivery

9/25/20D. Is delivery address different from item 1? Yes
If YES, enter delivery address below: No

3. Service Type

- Priority Mail Express®
- Registered Mail™
- Registered Mail Restricted Delivery
- Certified Mail®
- Certified Mail Restricted Delivery
- Collect on Delivery
- Collect on Delivery Restricted Delivery
- Insured Mail
- Insured Mail Restricted Delivery

Domestic Return Receipt

EXHIBIT A-2

Sent: Wednesday, January 29, 2025 2:33 PM
To: Sabrsula, Scott <ScottSabrsula@chevron.com>
Subject: [**EXTERNAL**] Re: Bond North

Be aware this external email contains an attachment and/or link.

Ensure the email and contents are expected. If there are concerns, please submit suspicious messages to the Cyber Intelligence Center using the Report Phishing button.

Hey Scott,

It does look like we might have some discrepancies here. Our notes show a E2 of 35 conveyance by Chevron to Mewbourne @ 1189/0198.

Let me look a little deeper into your sec 31 and 32 acreage and I'll try to get something back to you tomorrow/Friday!

thanks!

From: Sabrsula, Scott <ScottSabrsula@chevron.com>
Sent: Wednesday, January 29, 2025 11:04 AM
To: Ruth Pelzel <ruth@pbex.com>; Ashley Roush <aroush@pbex.com>
Subject: RE: Bond North

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

We may need to compare notes in case my records are not up to date.

I show Chevron with about 41.6% WI in this acreage from the following:

49.5% WI in NE4 Sec 35 from USA NMLC 029392B

57.082830% WI in the NW4 NW4, S2 NW4, and NE4 Section 31 from NMLG-7655

100% WI in the NW4 Section 32 from USA NM 18232

EXHIBIT A-3

Let me know if you have title information that I may be lacking, or if you'd like me to send anything.

Thank you,

Scott Sabrsula

Land Representative

Mid-Continent Business Unit

Chevron North America Exploration and Production Company

a Division of Chevron U.S.A. Inc.

1400 Smith Street

Houston, TX 77002

HOU140/45130

Cell: (281) 520-1114

scottssabrsula@chevron.com

From: Ruth Pelzel <ruth@pbex.com>
Sent: Wednesday, January 29, 2025 9:57 AM
To: Sabrsula, Scott <ScottSabrsula@chevron.com>; Ashley Roush <aroush@pbex.com>
Subject: [**EXTERNAL**] Re: Bond North

Be aware this external email contains an attachment and/or link.

Ensure the email and contents are expected. If there are concerns, please submit suspicious messages to the Cyber Intelligence Center using the Report Phishing button.

Hey Scott,

With the Vogel N wells (covering NE 35, N236 and N2 31 NW 32) current title shows Chevron with a 49.441964 WI in the NW of Sec 32.

This puts Chevron at an estimated 8.2387826% WI in the N Unit. We anticipate a spud date

sometime around Q3 2026.

We are on the docket for Bond wells on 2/13 and I did want to see if Chevron was interested in signing the OA or possible accepting the carry offer from last year on these? Please let me know if you have any additional questions !

thanks!

Ruth

From: Sabrsula, Scott <ScottSabrsula@chevron.com>
Sent: Wednesday, January 29, 2025 8:56 AM
To: Ashley Roush <aroush@pbex.com>
Cc: Ruth Pelzel <ruth@pbex.com>
Subject: RE: Bond North

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Are y'all showing our WI to be 12.5% in these Vogel North wells? In addition, do you have any estimates on spud, completions, and POP timing you can share?

Thank you,

Scott Sabrsula

Land Representative

Mid-Continent Business Unit

Chevron North America Exploration and Production Company

a Division of Chevron U.S.A. Inc.

1400 Smith Street

Houston, TX 77002

HOU140/45130

Cell: (281) 520-1114
scottssabrsula@chevron.com

BOND 33-34 FED COM 104H, 105H, 106H 207H, 209H, 211H

S2 Sec 33 and 34 18S-32E

Lea Co, New Mexico

BONE SPRING

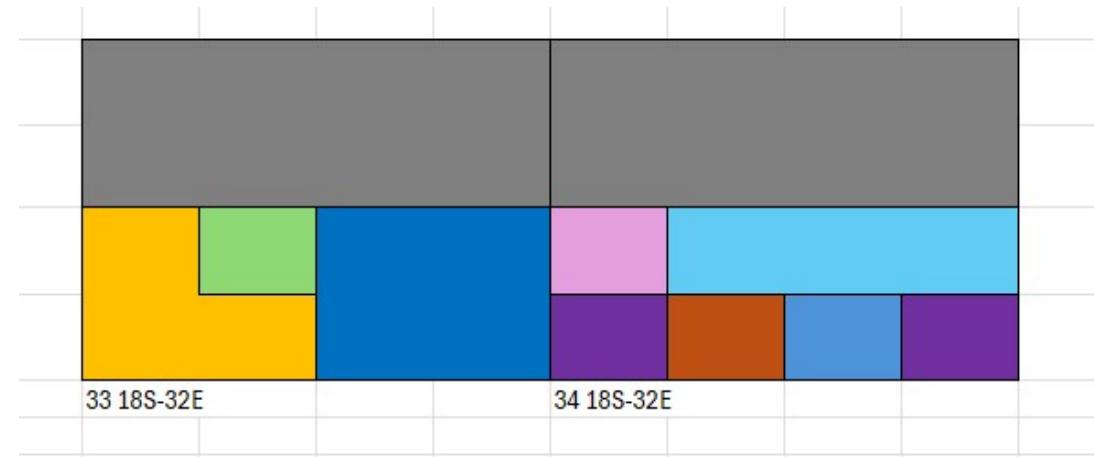


EXHIBIT A-4

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C-3

Submitted by: PBEX, LLC

Hearing Date: February 13, 2025

Case No. 24185

INTEREST BY TRACT			
T18S, R32E Section 34: SWSE (NM 556094)		T18S, R32E Section 34: NESW, N2SE (NM 18302)	
Magnum Hunter Production, Inc.	3.12500000%	Magnum Hunter Production, Inc.	3.12500000%
Centennial, a New Mexico General Partnership	0.00000000%	Centennial, a New Mexico General Partnership	3.12500000%
Norton, LLC	1.25000000%	Norton, LLC	1.25000000%
PBEX, LLC	20.79265625%	PBEX, LLC	17.90203125%
Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III	14.53125000%	Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III	14.53125000%
Carol Louise Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee	0.15625000%	Carol Louise Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee	0.15625000%
MRC Permian Company	0.03125000%	Martha L. Roberts Revocable Trust, dated 8/9/2011, Martha L. Roberts, Trustee	0.31250000%
Martha L. Roberts Revocable Trust, dated 8/9/2011, Martha L. Roberts, Trustee	0.31250000%	St. Edward Catholic School	0.03625000%
MRC Permian Company	0.18750000%	Prospector, LLC	0.31250000%
St. Edward Catholic School	0.03625000%	Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants	0.46875000%
Prospector, LLC	0.31250000%	Chevron U.S.A. Inc.	0.31250000%
Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants	0.46875000%	James S. Shortle, M. D.	0.23437500%
James S. Shortle, M. D.	0.23437500%	Schultz Properties, LLC	0.40000000%
Schultz Properties, LLC	0.40000000%	Robinson Resource Development Company, Inc.	0.56250000%
Robinson Resource Development Company, Inc.	0.56250000%	SherrFive L.P.	2.59765625%
SherrFive L.P.	2.59765625%	Westway Petro, a Texas Joint Venture	0.19531250%
MRC Permian Company	1.36718750%	MRC Permian Company	12.46250000%
Westway Petro, a Texas Joint Venture	0.19531250%	Chevron U.S.A. Inc.	42.01562500%
MRC Permian Company	10.87656250%		100.00000000%
Chevron U.S.A. Inc.	42.32812500%	T18S, R32E Section 33: NESW (NM 25877)	
Snow Oil & Gas, Inc.	0.23437500%	PBEX LLC	
	100.00000000%		
T18S, R32E Section 34: SESW (NM 67988)			
Double R Oil & Gas LLC	11.97000000%		87.50000000%
Judah Oil, LLC	49.74330000%	Mecca Exploration, LLC	12.50000000%
Levi Oil and Gas, LLC	38.28670000%		100.00000000%
	100.00000000%	T18S, R32E Section 33: SE (NM 24161)	
T18S, R32E Section 33: W2SW, SESW (NM 26690)		PBEX, LLC	
Chevron U.S.A. Inc.	100.00000000%		8.40083333%
		Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III	3.12500000%
		Carol Louise Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee	0.12500000%

T18S, R32E Section 34: NWSW (NM 96235)		
COG Operating LLC	95.00000000%	Ann C. Johnson Trust, dated 3/28/2004, Ann C. Johnson, Trustee 0.12500000%
Concho Oil and Gas LLC	5.00000000%	Martha L. Roberts Revocable Trust, dated 8/9/2011, Martha L. Roberts, Trustee 0.25000000%
	100.00000000%	St. Edward Catholic School 0.03750000%
T18S, R32E Section 34: SWSW, SESE		Prospector, LLC 0.25000000%
MRC Delaware Resources, LLC	88.00000000%	Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants 0.37500000%
MRC Spiral Resources, LLC	4.00000000%	Mecca Exploration LLC 0.71916667%
MRC Explorers Resources, LLC		James S. Shortle, M. D. 0.18750000%
	4.00000000%	MRC Permian Company 5.46875000%
Nadel & Gussman Capitan, LLC	4.00000000%	Read & Stevens, Inc. 0.39062500%
	100.00000000%	Bean Family Limited Company 0.39062500%
		MRC Permian Company 6.37500000%
		Chevron U.S.A. Inc. 73.78000000%
		100.00000000%

UNIT INTEREST	
Chevron U.S.A. Inc.	47.77703125
PBEX, LLC	12.82571614
Mecca Exploration LLC	0.96104167
Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III	4.4140625
Carol Louise Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee	0.0703125
Ann C. Johnson Trust, dated 3/28/2004, Ann C. Johnson, Trustee	0.03125
Martha L. Roberts Revocable Trust, dated 8/9/2011, Martha L. Roberts, Trustee	0.14062500
St. Edward Catholic School	0.01843750
Prospector, LLC	0.14062500
Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants	0.21093750
James S. Shortle, M. D.	0.10546875
MRC Permian Company	5.89101563
Read & Stevens, Inc.	0.09765625
Bean Family Limited Company	0.09765625
COG Operating LLC	5.93750000
Concho Oil and Gas LLC	0.31250000
MRC Delaware Resources, LLC	11.00000000
MRC Spiral Resources, LLC	0.50000000
MRC Explorers Resources, LLC	0.50000000
Nadel & Gussman Capitan, LLC	0.50000000
Double R Oil & Gas LLC	0.74812500
Judah Oil, LLC	3.10895625
Levi Oil and Gas, LLC	2.39291875
Magnum Hunter Production, Inc.	0.78125000
Norton, LLC	0.31250000
Schultz Properties, LLC	0.10000000
Robinson Resource Development Company, Inc.	0.14062500
SherrFive L.P.	0.64941406
Westway Petro, a Texas Joint Venture	0.23437500

100

PARTIES TO POOL
WI Owners
Ann C. Johnson Trust
Carol Louise Johnson Revocable Trust
Chevron USA Inc.
Double R Oil & Gas LLC
Judah Oil LLC
Levi Oil and Gas LLC
Magnum Hunter Production Inc.
Martha L. Roberts Revocable Trust
Mecca Exploration LLC
Milestone Resources LLC
MRC Delaware Resources
MRC Explorers Resources
MRC Permian Company
MRC Spiral Resources
Norton LLC
Read & Stevens Inc.
Robinson Resources Development Co
Schultz Properties LLC
SherrFive LP
Snow Oil & Gas
St. Edwards Catholic School
Vance, Hazel M. & Lloyd G. Wayne
*Milestone Resources LLC
West, Judith A.
Westway Petro
ORRI
Banschbach, Michael
Black River Enterprises
Carol Patterson Endson 1976 Irrev Trust Agreement
Chevron USA Inc.
Estate of James Curtis Johnson Jr.
Francis, Carlotta
James Adelson & Family 2015 Trusts
Kane Resources LLC
McKay Petroleum Corporation
MRC Permian Company
Perry Ann Patterson 1976 Irrev Trust Agreement
S&C Construction Inc.
Schultz Properties LLC
SherrFive LP
Shortle, James S., M.D.
Smith Family Trust
SNFLK Leasing LLC
Snow Oil & Gas Inc.
Spiral Inc.
Toles Company

Tricia Louise Patterson 1976 Irrev Trust Agreement
Vance, Hazel M. & Lloyd G. Wayne, JT
Warren E&P Inc.
Zunis Energy LLC
RT Owners
XTO Holdings LLC

*Successor of Interest to Schultz Properties, LLC

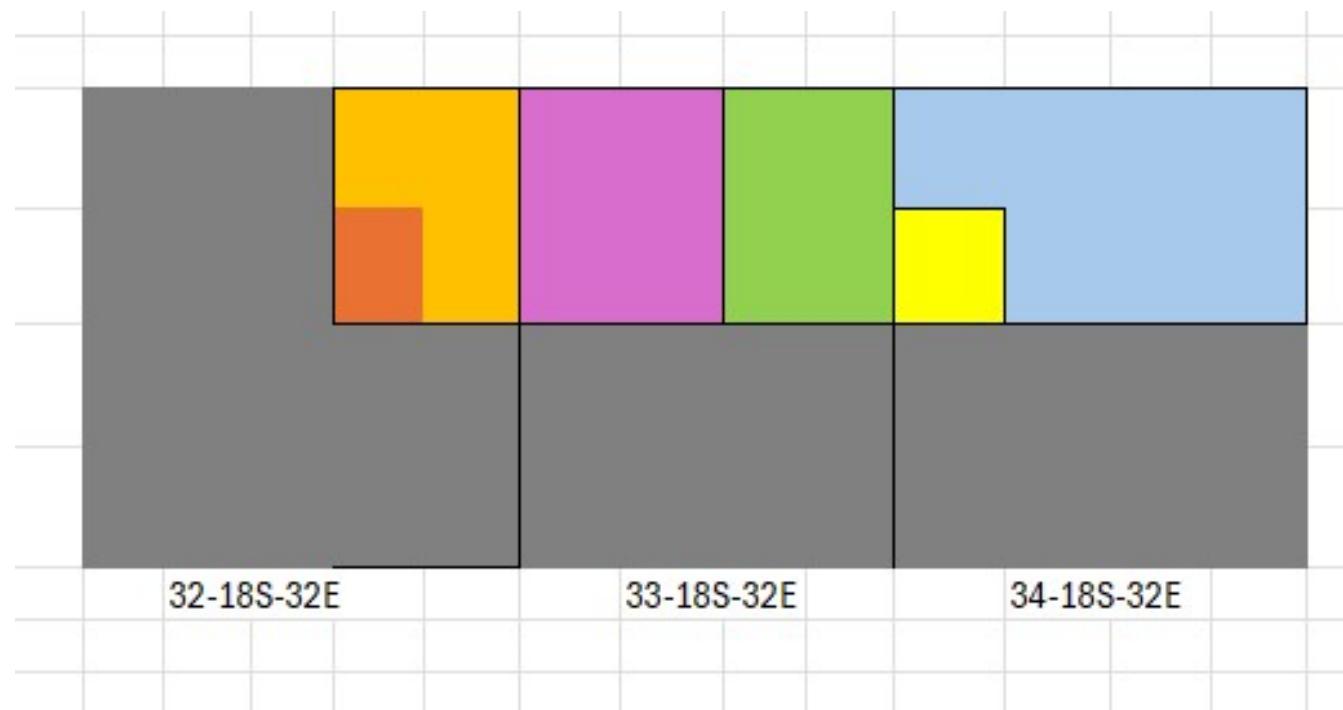
KEY: Parties highlighted yellow are being pooled.

BOND 32-34 FED COM 101H, 102H, 103H 201H, 203H, 205H

NE Sec 32, N2 Sec 33 and 34 18S-32E

Lea Co, New Mexico

BONE SPRING



INTEREST BY TRACT			
32: SWNE		34: SWNW	
BEXP II Omega, LLC	0.00272084	PBEX, LLC (WI)	
BEXP II Alpha, LLC	0.002022465	XTO Holdings, LLC (WI)	30.21003125%
Chevron USA, Inc.	0.98883929		3.12500000%
		Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III (WI)	30.31250000%
SITL Energy, LLC	0.00083705	Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee (WI)	0.25000000%
R.E.B. Resources, LLC	0.00083705		
PBEX LLC	0.004743305	PBEX LLC	0.25000000%
32: N2NE4, SE4NE4		Revocable Trust, dated 8/9/2011, Martha L. Roberts, Trustee (WI) Prospector, LLC (WI)	0.50000000%
BEXP II Omega, LLC	0.00272084	Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants (WI) PBEX LLC	0.50000000%
BEXP II Alpha, LLC	0.002022465		0.75000000%
Chevron USA, Inc.	0.49441964	James S. Shortle, M. D. (WI)	0.37500000%
Camterra Resources Partners, LTd	0.32961309		
Pride Energy Company	0.08240328	Osprey Oil and Gas IV LP	0.37500000%
Cullins Energy LP	0.08240328	Osprey Oil and Gas IV LP	4.53747000%
			4.35953000%

		Milestone Resources LLC	
SITL Energy, LLC	0.00083705	Robert Garcia (WI)	0.61875000%
R.E.B. Resources, LLC	0.00083705		0.19687500%
PBEX LLC	0.004743305	Southwest Petroleum Land Services, LLC (WI) Blackbird Royalty (WI)	0.02460938%
33: NW			0.02460938%
Chevron USA, Inc.	1	Rick Coll and Sharon Coll, h/w (WI)	0.04921875%
		Gary Rogers and Mary Rogers (WI)	0.04921875%
		LONG, LLC (WI)	0.04921875%
33: NE			1.07187500%
Chevron U.S.A. Inc. (WI)	73.7800000%	Robinson Resource Development	0.31250000%
PBEX, LLC (WI)	6.25000000%	SherrFive L.P. (WI)	4.78515625%
Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III (WI)	3.12500000%	MRC Permian Company (WI)	17.27343750%
Carol Louise Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee (WI)	0.12500000%	Milestone Resources LLC	0.04921875%
Ann C. Johnson Trust, dated 3/28/2004, Ann C. Johnson, Trustee (WI)	0.12500000%		100.00000000%
Martha L. Roberts Revocable Trust, dated 8/9/2011, Martha L. Roberts, Trustee (WI)	0.25000000%	34: NE, N2NW, SENW	
PBEX, LLC (WI)	0.22500000%	PBEX, LLC (WI)	30.21003125%
PBEX, LLC (WI)	0.26250000%	XTO Holdings, LLC (WI)	3.12500000%
St. Edward Catholic School (WI)	0.03750000%	Judy Reynolds West, as devisee under the Will of Sol West, III (WI)	30.31250000%
PBEX, LLC (WI)	0.22500000%	Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee (WI)	0.25000000%
Prospector, LLC (WI)	0.25000000%	PBEX LLC	
Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants (WI)	0.37500000%	Revocable Trust, dated 8/9/2011, Prospector, LLC (WI)	0.25000000%
PBEX, LLC (WI)	1.43833333%		0.50000000%
Centerpoint Resources, Inc. (WI)	0.71916667%		0.50000000%

James S. Shortle, M. D. (WI)		Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants (WI)	
MRC Permian Company (WI)	0.18750000%	PBEX LLC	0.75000000%
Read & Stevens, Inc. (WI)	5.46875000%	James S. Shortle, M. D. (WI)	0.37500000%
Bean Family Limited Company (WI)	0.39062500%	Ospery Oil and Gas IV, LLC	0.37500000%
MRC Permian Company (WI)	0.39062500%	Ospery Oil and Gas IV, LLC	4.53747000%
	6.37500000%	Milestone Resources, LLC	4.35953000%
		Robert Garcia (WI)	0.61875000%
		Southwest Petroleum Land Services, LLC (WI)	0.19687500%
			0.02460938%
		Blackbird Royalty (WI)	0.02460938%
		Rick Coll and Sharon Coll, h/w	0.04921875%
		Gary Rogers and Mary Rogers (WI)	0.04921875%
		LONG, LLC (WI)	1.07187500%
		Robinson Resource Development SherrFive L.P. (WI)	0.31250000%
			4.78515625%
		MRC Permian Company (WI)	17.27343750%
		Milestone Resources LLC	0.04921875%
			100.00000000%

UNIT INTEREST	
Chevron U.S.A. Inc. (WI)	0.47116491
PBEX, LLC (WI)	0.14109046
XTO Holdings, LLC (WI)	0.01250000
Judith A. West a/k/a Judy Reynolds West, as devisee under the Will of Sol West, III (WI)	0.12750000
Carol Louise Johnson Revocable Trust (2004), Carol Louise Johnson, Trustee (WI)	0.00125000
Ann C. Johnson Trust, dated 3/28/2004, Ann C. Johnson, Trustee (WI)	0.00025000
Martha L. Roberts Revocable Trust, dated 8/9/2011, Martha L. Roberts, Trustee (WI)	0.00250000
St. Edward Catholic School (WI)	0.00007500
Prospector, LLC (WI)	0.00250000
Hazel M. Vance and/or Lloyd G. Wayne, Joint Tenants (WI)	0.00375000
Mecca Exploration LLC	0.00143833
James S. Shortle, M. D. (WI)	0.00187500
MRC Permian Company (WI)	0.09278125
Read & Stevens, Inc. (WI)	0.00078125
Bean Family Limited Company (WI)	0.00078125

Osprey Oil and Gas IV LP	0.03558800
Robert Garcia (WI)	0.00078750
Southwest Petroleum Land Services, LLC (WI)	0.00009844
Blackbird Royalty (WI)	0.00009844
Rick Coll and Sharon Coll, h/w (WI)	0.00019688
Gary Rogers and Mary Rogers (WI)	0.00019688
LONG, LLC (WI)	0.00428750
Robinson Resource Development Company, Inc. (WI)	0.00125000
SherrFive L.P. (WI)	0.01914063
BEXP II Omega, LLC	0.00054416
BEXP II Alpha, LLC	0.00040450
SITL Energy, LLC	0.00016740
R.E.B. Resources, LLC	0.00016740
Camterra Resources Partners, LTd	0.04944196
Pride Energy Company	0.01236049
Cullins Engergy LP	0.01236049
Milestone Resources LLC	0.00267188

1.00000000

PARTIES TO POOL
WI Owners
Ann C. Johnson Trust
BEXP II Alpha LLC
BEXP II Omega LLC
Camterra Resources Partners Ltd
Carol Louise Johnson Revocable Trust
Chevron USA Inc.
Garcia, Robert
Milestone Resources LLC
MRC Permian Company
Osprey Oil and Gas IV, LLC
Pride Energy Company
Read & Stevens Inc.
Red Bird Ventures, Inc
Robinson Resources /Robinson Resources Development Co
Sherrfive, LP
Shortle, James S., M.D.
Southwest Petroleum Land Services, LLC
St. Edward Catholic School
Vance, Hazel M. and Lloyd G. Wayne, JT
West, Judith A.
Westway Petro
ORRI Owners
Ann C. Johnson Trust
BriLi, LLC
Campbell, Aimee Lane
Campbell, Mackinnon Dean
Chevron USA Inc.
Escondido Oil & Gas LLC
Foran Oil Company
Foran, Joseph Wm.
Francis, Carlotta
Hissom Oil Company
Hissom, R.J.
James Adelson & Family 2015 Trusts
Johnson, James Curtis aka Jimmy Johnson, Estate of
Lilley, Tom & Wife, Tashina Lilley
Palace Exploration Company
Red Bird Venture, Inc.
S&C Construction Inc.
Schultz Properties LLC
Sherrfive LP

Shortle, James S., M.D.
Smith Family Trust dtd 3/28/2001
SNFLK Leasing LLC
Snow Oil & Gas Inc.
St. Edward Catholic School
Vance, Hazel M. & Lloyd G. Wayne, JT
Wadi Petroleum Inc.
Warren E&P Inc.
West, Judith A.
XTO Holdings LLC
Zunis Energy LLC
Coffee, Ann Shirreff
Coldwell, Charles H., Estate of (Dec)
Davis, Betty T.
Elizabeth LaRoche Gann Trust
Fossum, Susan S.
Hannifin, Alan R.
Hannifin, Shawn P. & Frances A. Hannifin, JT
O'Malley, Stacy Anne
Ray Holifield Trust
Rimco Royalty Partners LP
Shirreff, James Davidson
Shockley, Houston Doan
Susan Marie Vest Trust
RT Owners
XTO Holdings LLC
BEXP II Omega LLC

KEY: Parties highlighted are being pooled

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
EGL RESOURCES, INC.**

**CASE NO. 24185
ORDER NO. R-23684**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 13, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. EGL Resources, Inc. (“Operator”) submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

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

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

CASE NO. 24185

ORDER NO. R-23684

Page 2 of 5

23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include

CASE NO. 24185

ORDER NO. R-23684

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

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
31. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

CASE NO. 24185
ORDER NO. R-23684

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**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
DIRECTOR (Acting)
GR/dm**

Date: 2/19/2025

**CASE NO. 24185
ORDER NO. R-23684**

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R-23684 EXHIBIT A

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

Case: 24185	APPLICANT'S RESPONSE
Date:	February 13, 2025
Applicant	E.G.L. Resources, Inc.
Designated Operator & OGRID (affiliation if applicable)	E.G.L. Resources, Inc. [192373]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF E.G.L. RESOURCES, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Snow Oil & Gas and Dan W. and Sandra Lynn Snow, Avant Operating, LLC, COG Operating LLC & Concho Oil & Gas LLC, and Coterra Energy, Inc., and subsidiaries including Cimarex Energy Co.
Well Family	Bond 33-34
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Lusk; Bone Spring North Pool (41450)
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40 acres
Orientation:	Laydown / West-East
Description: TRS/County	S/2 of Sections 33 and 34, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Yes; the completed intervals of the Bond 33-34 Fed Com 105H and Bond 33-34 Fed Com 209H wells are expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of that acreage into a standard horizontal well spacing unit.
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

R-23684 EXHIBIT A

Well #1	<u>Bond 33-34 Fed Com 104H</u> API No. 30-025-PENDING SHL: 1,348' FSL & 1,180' FEL (Unit I) of Section 32 BHL: 2,178' FSL & 10' FEL (Unit I) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Well #2	<u>Bond 33-34 Fed Com 105H</u> API No. 30-025-PENDING SHL: 1,308' FSL & 1,175' FEL (Unit P) of Section 32 BHL: 1,254' FSL & 10' FEL (Unit P) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard / Proximity well
Well #3	<u>Bond 33-34 Fed Com 106H</u> API No. 30-025-PENDING SHL: 1,269' FSL & 1,169' FEL (Unit P) of Section 32 BHL: 330' FSL & 10' FEL (Unit P) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Well #4	<u>Bond 33-34 Fed Com 207H</u> API No. 30-025-PENDING SHL: 1,368' FSL & 1,183' FEL (Unit I) of Section 32 BHL: 2,230' FSL & 10' FEL (Unit I) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Well #5	<u>Bond 33-34 Fed Com 209H</u> API No. 30-025-PENDING SHL: 1,328' FSL & 1,177' FEL (Unit I) of Section 32 BHL: 1,254' FSL & 10' FEL (Unit P) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard / Proximity well
Well #6	<u>Bond 33-34 Fed Com 211H</u> API No. 30-025-PENDING SHL: 1,288' FSL & 1,172' FEL (Unit P) of Section 32 BHL: 330' FSL & 10' FEL (Unit P) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-2
Completion Target (Formation, TVD and MD)	Exhibit C-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E

R-23684 EXHIBIT A

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	See Exhibit C-5
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3 & D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3 & D-4
Cross Section (including Landing Zone)	Exhibit D-3 & D-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	6-Feb-25

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
EGL RESOURCES, INC.**

**CASE NO. 24886
ORDER NO. R-23685**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on February 13, 2025, and after considering the testimony, evidence, and recommendation of the Hearing and Technical Examiners, issues the following Order.

FINDINGS OF FACT

1. EGL Resources, Inc. (“Operator”) submitted an application (“Application”) to compulsorily pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

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

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. If the Unit is a non-standard horizontal spacing unit which has not been approved under this Order, Operator shall obtain the OCD's approval for a non-standard horizontal spacing unit in accordance with 19.15.16.15(B)(5) NMAC.
20. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
21. This Order shall terminate automatically if the Operator fails to comply with the preceding paragraph unless the Operator requests an extension by notifying the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the extension is automatically granted up to one year. If a protest is received the extension is not granted and the Operator must set the case for a hearing.
22. Operator may propose reasonable deviations from the development plan via notice to the OCD and all parties that required notice of the original compulsory pooling application in accordance with 19.15.4.12.B and 19.15.4.12.C NMAC. Upon no objection after twenty (20) days the deviation is automatically granted. If a protest is received the deviation is not granted and the Operator must set the case for a hearing.

CASE NO. 24886

ORDER NO. R-23685

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23. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
24. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
25. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
26. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
27. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
28. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
29. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include

CASE NO. 24886

ORDER NO. R-23685

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

30. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
31. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
32. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to the preceding paragraph to each Pooled Working Interest that paid its share of the Estimated Well Costs.
33. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
34. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
35. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
36. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
37. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

CASE NO. 24886
ORDER NO. R-23685

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**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**GERASIMOS RAZATOS
DIRECTOR (Acting)
GR/dm**

Date: 2/19/2025

**CASE NO. 24886
ORDER NO. R-23685**

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R-23685 EXHIBIT A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 24886	APPLICANT'S RESPONSE
Date:	February 13, 2025
Applicant	BPEX, LLC
Designated Operator & OGRID (affiliation if applicable)	E.G.L. Resources, Inc. [192373]
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF PBEX, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	Snow Oil & Gas and Dan W. and Sandra Lynn Snow; Avant Operating, LLC; COG Operating LLC & Concho Oil & Gas LLC; and Coterra Energy, Inc., and subsidiaries including Cimarex Energy Co.
Well Family	Bond 32-34
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	N/A
Pool Name and Pool Code:	Lusk; Bone Spring North Pool (41450); BS1 of the N/2 of Section 34 is the QUERECHO PLAINS; UPPER BS [50600]; and BS2 and BS3 of the N/2 of Section 34 is the QUERECH PLAINS; LOWER BONE SPRING [50510]
Well Location Setback Rules:	Statewide Rules
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	800-acres
Building Blocks:	40 acres
Orientation:	Laydown / West-East
Description: TRS/County	NE/4 of Section 32, N/2 of Section 33, and N/2 of Section 34, Township 18 South, Range 32 East, NMPM, Lea County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in the application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes
Proximity Defining Well: if yes, description	Yes; the completed intervals of the Bond 32-34 Fed Com 102H and Bond 32-34 Fed Com 203H wells are expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of that acreage into a standard horizontal well spacing unit.
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

R-23685 EXHIBIT A

Well #1	<u>Bond 32-34 Fed Com 101H</u> API No. 30-025-PENDING SHL: 1,726' FNL & 2,445' FWL (Unit F) of Section 32 BHL: 330' FNL & 10' FEL (Unit A) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Well #2	<u>Bond 32-34 Fed Com 102H</u> API No. 30-025-PENDING SHL: 1,726' FNL & 2,365' FWL (Unit F) of Section 32 BHL: 1,254' FNL & 10' FEL (Unit A) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard / Proximity well
Well #3	<u>Bond 32-34 Fed Com 103H</u> API No. 30-025-PENDING SHL: 1,605' FSL & 1,218' FEL (Unit I) of Section 32 BHL: 2,178' FNL & 10' FEL (Unit H) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Well #4	<u>Bond 32-34 Fed Com 201H</u> API No. 30-025-PENDING SHL: 1,726' FNL & 2,425' FWL (Unit F) of Section 32 BHL: 330' FNL & 10' FEL (Unit A) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Well #5	<u>Bond 32-34 Fed Com 203H</u> API No. 30-025-PENDING SHL: 1,726' FNL & 2,345' FWL (Unit F) of Section 32 BHL: 1,254' FNL & 10' FEL (Unit A) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard / Proximity well
Well #6	<u>Bond 32-34 Fed Com 205H</u> API No. 30-025-PENDING SHL: 1,585' FSL & 1,215' FEL (Unit I) of Section 32 BHL: 2,200' FNL & 10' FEL (Unit H) of Section 34 Completion Target: Bone Spring formation Well Orientation: Laydown / West-East Completion Location expected to be: Standard
Horizontal Well First and Last Take Points	Exhibit C-3
Completion Target (Formation, TVD and MD)	Exhibit C-5
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E

R-23685 EXHIBIT A

Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-4
Tract List (including lease numbers and owners)	Exhibit C-4
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-4
Unlocatable Parties to be Pooled	See Exhibit C-6
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit C-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4
Chronology of Contact with Non-Joined Working Interests	Exhibit C-6
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	Exhibit C-5
Cost Estimate to Equip Well	Exhibit C-5
Cost Estimate for Production Facilities	Exhibit C-5
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-2
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3 & D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-3
Tracts	Exhibit C-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-3 & D-4
Cross Section (including Landing Zone)	Exhibit D-3 & D-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Paula M. Vance
Signed Name (Attorney or Party Representative):	
Date:	6-Feb-25

From: Ruth Pelzel <ruth@pbex.com>
Sent: Monday, June 2, 2025 10:27 AM
To: Sabrsula, Scott
Subject: Re: Dr. Vogel Inquiry

Hey Scott,

While we no longer show interest in the Vogel projects (with that depth severance in 32) we do show Chevron in the Bond projects:

N Bond:
Sec 33: NW4
100% WI .825 NRI

Sec 33 NE4 (contractual interests)
Chevron: .7378

DSU N Bond Project: .34756 WI

S Bond:
Sec. 33: S2SW, SESW
100% WI .825 NRI

Sec. 33: SE4 (contractual)
.7378 WI

Sec. 34: NESW, N2SE (contractual)
.42328125 WI

Sec 34: SWSE (Contractual)
.42328125 WI

S2 Unit Bond .47777031 WI

I am currently waiting on the finalized title opinion for our Bonds (it should be in next week). I can send you an update then and include the NRI's as well.

Thanks,
Ruth

EXHIBIT A-6



August 7, 2025

Chevron USA Inc.
6301 Deauville Blvd
Midland, TX 79706
Attn: Land Department

Re: **Bond 32-34 Fed Com 101H, 103H & Bond 33-34 Fed Com 104H, 106H**
Bond 32-34 Fed Com 201H, 205H & Bond 33-34 Fed Com 207H, 211H
Bond 32-34 Fed Com 301H & Bond 33-34 Fed Com 304H, 306H
 Sections 32, 33 & 34, T18S-R32E
 Lea County, New Mexico

Dear Sir or Madam:

PBEX Operations, LLC, on behalf of PBEX, LLC ("PBX"), hereby proposes under Compulsory Order Nos. R-23684 and R-23685, respectively, the drilling of the following wells located in Sections 32, 33 & 34 of T18S-R32E, Lea County, New Mexico. Please review the attached Authority for Expenditures ("AFE") with the gross estimated total cost to drill and complete each of the referenced wells.

PHASE 1

BOND 32-34 FED COM 201H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
 SHL- Sec. 32: 1726' FNL, 2465' FWL, or a legal location in Unit F
 FTP- Sec. 32: 330' FNL, 2540' FEL, or at a legal location in Unit B
 LTP- Sec. 34: 330' FNL, 100' FEL, or at a legal location in Unit A
 BHL- Sec. 34: 330' FNL, 10' FEL, or at a legal location in Unit A
 Formation - 2BS TVD – 9,320' MD – 23,320'

BOND 32-34 FED COM 205H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
 SHL- Sec. 32: 1726' FNL, 2445' FWL, or a legal location in Unit F
 FTP- Sec. 32: 2200' FNL, 2540' FEL, or at a legal location in Unit G
 LTP- Sec. 34: 2200' FNL, 100' FEL, or at a legal location in Unit H
 BHL- Sec. 34: 2200' FNL, 10' FEL, or at a legal location in Unit H
 Formation - 2BS TVD – 9,320' MD – 23,320'

BOND 32-34 FED COM 301H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
 SHL- Sec. 32: 1726' FNL, 2405' FWL, or a legal location in Unit F
 FTP- Sec. 32: 1640' FNL, 2540' FEL, or at a legal location in Unit G
 LTP- Sec. 34: 1640' FNL, 100' FEL, or at a legal location in Unit H
 BHL- Sec. 34: 1640' FNL, 10' FEL, or at a legal location in Unit H
 Formation - 3BS TVD – 10,150' MD – 24,150'

August 7, 2025
BOND – N2, S2 Well Proposals under CP Order

BOND 33-34 FED COM 207H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 2000' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 1630' FSL, 100' FWL, or at a legal location in Unit L
LTP- Sec. 34: 1630' FSL, 100' FEL, or at a legal location in Unit I
BHL- Sec. 34: 1630' FSL, 10' FEL, or at a legal location in Unit I
Formation - 2BS TVD – 9,320' MD – 20,680'

BOND 33-34 FED COM 211H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1980' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P
BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P
Formation - 2BS TVD – 9,320' MD – 20,680'

PHASE 2**BOND 32-34 FED COM 101H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1726' FNL, 2425' FWL, or a legal location in Unit F
FTP- Sec. 32: 660' FNL, 2540' FEL, or at a legal location in Unit B
LTP- Sec. 34: 660' FNL, 100' FEL, or at a legal location in Unit A
BHL- Sec. 34: 660' FNL, 10' FEL, or at a legal location in Unit A
Formation - 1BS TVD – 8'450 MD – 22,450'

BOND 32-34 FED COM 103H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1726' FNL, 2385' FWL, or a legal location in Unit F
FTP- Sec. 32: 2130' FNL, 2540' FEL, or at a legal location in Unit G
LTP- Sec. 34: 2130' FNL, 100' FEL, or at a legal location in Unit H
BHL- Sec. 34: 2130' FNL, 10' FEL, or at a legal location in Unit H
Formation - 1BS TVD – 8,450' MD – 22,450'

BOND 33-34 FED COM 104H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1680' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 1650' FSL, 100' FWL, or at a legal location in Unit L
LTP- Sec. 34: 1650' FSL, 100' FEL, or at a legal location in Unit I
BHL- Sec. 34: 1650' FSL, 10' FEL, or at a legal location in Unit I
Formation - 1BS TVD – 8,450' MD – 19,810'

BOND 33-34 FED COM 106H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1660' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P

August 7, 2025
BOND – N2, S2 Well Proposals under CP Order

BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P
Formation - 1BS TVD – 7,820' MD – 19,180'

BOND 33-34 FED COM 304H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E

SHL- Sec. 32: 1700' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 2230' FSL, 100' FWL, or at a legal location in Unit L
LTP- Sec. 34: 2230' FSL, 100' FEL, or at a legal location in Unit I
BHL- Sec. 34: 2230' FSL, 10' FEL, or at a legal location in Unit I
Formation - 3BS TVD – 10,150' MD – 21,510'

BOND 33-34 FED COM 306H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E

SHL- Sec. 32: 1640' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P
BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P
Formation - 3BS TVD – 10,150' MD – 21,510'

Pursuant to said Orders, if you wish to participate in the operations described above, please indicate so in the space provided, and sign and return the enclosed AFEs within 30 days of receipt of this correspondence.

Should you have any questions or want to discuss any details, please contact me at 432.894.4625 or ruth@pbex.com.

Sincerely,

PBEX, LLC

//Ruth Pelzel//

Ruth Pelzel
Senior Landman

RP:bh
Enc

August 7, 2025
BOND – N2, S2 Well Proposals under CP Order

WELL NAME	Elect TO PARTICIPATE for proportionate share of costs	Elect <u>NOT</u> TO PARTICIPATE for proportionate share of costs
Bond 32-34 Fed Com 201H		
Bond 32-34 Fed Com 205H		
Bond 32-34 Fed Com 301H		
Bond 33-34 Fed Com 207H		
Bond 33-34 Fed Com 211H		
Bond 32-34 Fed Com 101H		
Bond 32-34 Fed Com 103H		
Bond 33-34 Fed Com 104H		
Bond 33-34 Fed Com 106H		
Bond 33-34 Fed Com 304H		
Bond 33-34 Fed Com 306H		

Company: _____

Signed: _____

Name: _____

Title: _____

Date: _____

PBEX OPERATIONS LLC
AUTHORIZATION FOR EXPENDITURE
223 W. Wall St Suite 900
Midland, TX 79701

WELL NAME	Bond 32-34 Fed Com 201H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 32 33 & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32: 1726 FNL, 2465 FWL (or Unit F)	FORMATION	2BSS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION	34: 330 FNL, 10 FEL (or Unit A)	COUNTY	LEA	DEPTH (TVD/TMD)	9,320' TVD/ 23,320' MD

PROJECT DESCRIPTION Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE		COST ESTIMATE			
IDC	ICC	TDC	TCC			DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX		PREFIX	600						
300	500	400							
				WELL INTANGIBLE COSTS					
9201	9301			SURVEY/PERMITS/DAMAGES		\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD		\$76,875.00			\$76,875.00
9203				RIG MOVE		\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE					\$0.00
9205	9305			DRILLING - DAYWORK		\$750,000.00			\$750,000.00
9306				COMPLETION/WORKOVER RIG					\$0.00
9307				COIL TUBING/SNUBBING UNIT			\$300,000.00		\$300,000.00
9308				SLICKLINE/SWABMING					\$0.00
9209	9309			BITS		\$120,000.00			\$120,000.00
9210	9310			DIRECTIONAL SERVICES		\$232,000.00			\$232,000.00
9211	9311			CASING CREW		\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL		\$95,000.00	\$300,000.00		\$395,000.00
9213	9313			FUEL & POWER		\$120,000.00	\$650,000.00		\$770,000.00
9214				DIESEL - BASE FOR MUD		\$110,000.00			\$110,000.00
9215	9315			MUD LOGGING & GEOLOGIST					\$0.00
9216	9316			DISPOSAL RESTORATION & BACKFILL		\$90,000.00			\$90,000.00
9217	9317			TRUCKING		\$40,000.00	\$60,000.00		\$100,000.00
9318				TESTING					\$0.00
9219	9319			CEMENTING		\$200,000.00			\$200,000.00
9220	9320			PERFORATING			\$245,000.00		\$245,000.00
9321				CASED HOLE LOGS					\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE		\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS					\$0.00
9324				FORMATION STIMULATION			\$1,600,000.00		\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION			\$85,000.00		\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES		\$122,000.00	\$100,000.00		\$222,000.00
9227	9327			OTHER LABOR		\$25,000.00			\$25,000.00
9228	9328			OVERHEAD					\$0.00
9229	9329			WATER - FRESH		\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS		\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS					\$0.00
9232	9332			COMMUNICATIONS		\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING		\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN					\$0.00
9235	9335			FISHING TOOLS & SERVICES					\$0.00
9236	9336			INSPECTIONS		\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES					\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD					\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE					\$0.00
9240				MULTISHOT & GYRO					\$0.00
9241				RE-ENTRY SERVICES					\$0.00
9242	9342			CAMPS & TRAILERS		\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S		\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY					\$0.00
9245	9345			INSURANCE			\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS		\$97,672.00			\$97,672.00
9247	9347			OUTSIDE OPERATED					\$0.00
9248	9348			SAND			\$525,000.00		\$525,000.00
9249	9349			SAND LOGISTICS			\$525,000.00		\$525,000.00
9250	9350			VACUUM TRUCK					\$0.00
9251	9351			WATER - BRINE					\$0.00
9350				FACILITY TRUCKING				\$100,000.00	\$100,000.00
				FACILITY VACUUM TRUCK					\$0.00
9361				FACILITY CONSULTING SER./SUPERVISION				\$100,000.00	\$100,000.00
9424				FACILITY CONTRACT LABOR / SER.				\$300,000.00	\$300,000.00
9356				FACILITY SURFACE RENTAL					\$0.00
				SIM-OPS					\$0.00
				TOTAL WELL INTANGIBLE COSTS		\$2,603,547.00	\$5,807,000.00	\$500,000.00	\$8,910,547.00
				WELL TANGIBLE COSTS					
9401				CASING - CONDUCTOR		\$40,000.00			\$40,000.00
9402				CASING - SURFACE		\$76,453.00			\$76,453.00
9403				CASING - SALT STRING		\$0.00			\$0.00
9404				CASING - INTERMEDIATE		\$300,000.00			\$300,000.00
9405				CASING - PRODUCTION / LINER		\$650,000.00			\$650,000.00
9406				SUBSURFACE EQUIPMENT					\$0.00
9407				PRODUCTION TUBING			\$150,000.00		\$150,000.00
9408				SUBSURFACE PUMPING EQUIPMENT					\$0.00
9409				WELLHEAD EQUIPMENT		\$80,000.00			\$80,000.00
9410				FLOWLINES				\$150,000.00	\$150,000.00
9411				SURFACE PUMPING EQUIPMENT					\$0.00
9412				LINER HANGER & ASSOC EQUIP					\$0.00
9413				VALVES & FITTINGS			\$200,000.00		\$200,000.00
9414				INSTURMENTATION & ELECTRICAL				\$200,000.00	\$200,000.00
9415				RODS					\$0.00
9416				TRUCKING					\$0.00
9417				RE-ENTRY EQUIPMENT					\$0.00
9418				PRODUCTION EQUIPMENT				\$300,000.00	\$300,000.00
9419				MISCELLANEOUS					\$0.00
9420				OUTSIDE OPERATED					\$0.00
9421				TANGIBLE EQUIP-ACQUISITIONS					\$0.00
				TOTAL TANGIBLE COSTS		\$1,146,453.00	\$150,000.00	\$850,000.00	\$2,146,453.00
						DRILLING	COMPLETIONS	FACILITIES	TOTAL
				TOTAL ESTIMATED WELL COST		\$3,750,000.00	\$5,957,000.00	\$1,350,000.00	\$11,057,000.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701								
WELL NAME	Bond 32-34 Fed Com 205H	AFE TYPE	Development	AFE NUMBER				
LATERAL LOCATION	Section 32, 33, & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER				
SURFACE LOCATION	32-1726 FNL 2445 FNL (or Unit F)	FORMATION	2BSS	DRILLING DAYS	25			
BOTTOM-HOLE LOCATION	34-2200 FNL 10 FEL (or Unit H)	COUNTY	LEA	DEPTH (TVD/DTMD)	9,320' TVD/23,320' MD			
STATE	NM							
PROJECT DESCRIPTION Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral								
ACCT. CODE				DESCRIPTION OF EXPENDITURE				
IDC PREFIX 300	ICC PREFIX 500	TDC 400	TCC 600	COST ESTIMATE				
WELL INTANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL	
9201 9301	SURVEY/PERMITS/DAMAGES			\$25,000.00			\$25,000.00	
9202 9302	LOCATION & ROAD			\$76,875.00			\$76,875.00	
9203	RIG MOVE			\$100,000.00			\$100,000.00	
9204	DRILLING - FOOTAGE						\$0.00	
9205 9305	DRILLING - DAYWORK			\$750,000.00			\$750,000.00	
9306	COMPLETION/WORKOVER RIG						\$0.00	
9307	COIL TUBING/SNUBBING UNIT						\$300,000.00	
9308	SLICKLINE/SWABMING						\$10,000.00	
9209 9309	BITS			\$120,000.00			\$120,000.00	
9210 9310	DIRECTIONAL SERVICES			\$232,000.00			\$232,000.00	
9211 9311	CASING CREW			\$40,000.00			\$40,000.00	
9212 9312	TOOL & EQUIPMENT RENTAL			\$95,000.00	\$300,000.00		\$395,000.00	
9213 9313	FUEL & POWER			\$120,000.00	\$50,000.00		\$770,000.00	
9214	DIESEL - BASE FOR MUD			\$110,000.00			\$110,000.00	
9215 9315	MUD LOGGING & GEOLOGIST						\$0.00	
9216 9316	DISPOSAL, RESTORATION & BACKFILL			\$80,000.00			\$80,000.00	
9217 9317	TRUCKING			\$40,000.00	\$60,000.00		\$100,000.00	
9318	TESTING						\$0.00	
9219 9319	CEMENTING			\$200,000.00			\$200,000.00	
9220 9320	PERFORATING						\$245,000.00	
9321	CASED HOLE LOGS						\$0.00	
9222 9322	DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$75,000.00		\$115,000.00	
9223 9323	SCIENCE & DIAGNOSTICS						\$0.00	
9324	FORMATION STIMULATION						\$1,600,000.00	
9225 9325	CONSULTING SERVICES/SUPERVISION			\$122,000.00	\$100,000.00		\$222,000.00	
9226 9326	CONTRACT LABOR / SERVICES			\$25,000.00			\$25,000.00	
9227 9327	OTHER LABOR						\$0.00	
9228 9328	OVERHEAD						\$0.00	
9229 9329	WATER - FRESH			\$50,000.00	\$700,000.00		\$750,000.00	
9230 9330	FLUIDS & CHEMICALS			\$150,000.00	\$575,000.00		\$725,000.00	
9231 9331	CORING & ANALYSIS						\$0.00	
9232 9332	COMMUNICATIONS			\$10,000.00	\$10,000.00		\$20,000.00	
9233 9333	BOP TESTING			\$28,000.00	\$10,000.00		\$38,000.00	
9234 9334	CO2/NITROGEN						\$0.00	
9235 9335	FISHING TOOLS & SERVICES						\$0.00	
9236 9336	INSPECTIONS			\$20,000.00			\$20,000.00	
9237	WIRELINE SERVICES						\$0.00	
9238 9338	ENGINEERING & GEOLOGY - FIELD						\$0.00	
9239 9339	ENGINEERING & GEOLOGY - OFFICE						\$0.00	
9240	MULTISHOT & GYRO						\$0.00	
9241	RE-ENTRY SERVICES						\$0.00	
9242 9342	CAMPS & TRAILERS			\$52,000.00	\$40,000.00		\$92,000.00	
9243 9343	SAFETY EQUIPMENT & H2S			\$10,000.00	\$6,000.00		\$15,000.00	
9244	CONTINGENCY						\$0.00	
9245 9345	INSURANCE						\$2,000.00	
9246 9346	MISCELLANEOUS			\$97,672.00			\$97,672.00	
9247 9347	OUTSIDE OPERATED						\$0.00	
9248 9348	SAND						\$525,000.00	
9249 9349	SAND LOGISTICS						\$525,000.00	
9250 9350	VACUUM TRUCK						\$0.00	
9251 9351	WATER - BRINE						\$0.00	
9360	FACILITY TRUCKING						\$100,000.00	
	FACILITY VACUUM TRUCK						\$0.00	
9361	FACILITY CONSULTING SER/SUPERVISION						\$100,000.00	
9424	FACILITY CONTRACT LABOR / SER.						\$300,000.00	
9356	FACILITY SURFACE RENTAL						\$0.00	
	SIM-OPS						\$0.00	
	TOTAL WELL INTANGIBLE COSTS				\$2,603,547.00	\$5,807,000.00	\$500,000.00	\$8,910,547.00
	WELL TANGIBLE COSTS							
9401	CASING - CONDUCTOR			\$40,000.00			\$40,000.00	
9402	CASING - SURFACE			\$76,453.00			\$76,453.00	
9403	CASING - SALT STRING			\$0.00			\$0.00	
9404	CASING - INTERMEDIATE			\$300,000.00			\$300,000.00	
9405	CASING - PRODUCTION / LINER			\$650,000.00			\$650,000.00	
9406	SUBSURFACE EQUIPMENT						\$0.00	
9407	PRODUCTION TUBING						\$150,000.00	
9408	SUBSURFACE PUMPING EQUIPMENT						\$0.00	
9409	WELLHEAD EQUIPMENT			\$80,000.00			\$80,000.00	
9410	FLOWLINES						\$150,000.00	
9411	SURFACE PUMPING EQUIPMENT						\$0.00	
9412	LINER HANGER & ASSOC EQUIP						\$0.00	
9413	VALVES & FITTINGS						\$200,000.00	
9414	INSTRUMENTATION & ELECTRICAL						\$200,000.00	
9415	RODS						\$4,00	
9416	TRUCKING						\$0.00	
9417	RE-ENTRY EQUIPMENT						\$0.00	
9418	PRODUCTION EQUIPMENT						\$300,000.00	
9419	MISCELLANEOUS						\$0.00	
9420	OUTSIDE OPERATED						\$0.00	
9421	TANGIBLE EQUIP-ACQUISITIONS						\$0.00	
	TOTAL TANGIBLE COSTS				\$1,146,453.00	\$150,000.00	\$850,000.00	\$2,146,453.00
					DRILLING	COMPLETIONS	FACILITIES	TOTAL
	TOTAL ESTIMATED WELL COST				\$3,750,000.00	\$5,957,000.00	\$1,350,000.00	\$11,057,000.00

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

NAME _____
TITLE _____

The costs of this AEE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 1 Midland, TX 79701										
WELL NAME	Bond 33-34 Fed Com 211H		AFE TYPE	Development	AFE NUMBER					
LATENT LOCATION	Section 33, & 34 of 185 32E		FIELD	Northem Delaware	PROPERTY NUMBER					
SURFACE LOCATION	32: 1980 FSL, 1165 FEL (or Unit I)		FORMATION	3B65	DRILLING DAYS	35				
BOTTOM-HOLE LOCATION	34: 330 FSL, 10 FEL (or Unit P)		COUNTY	LEA	DEPTH (TVD/TMD)	9,320' TVD/ 20680' MD				
STATE										
PROJECT DESCRIPTION Drilling, Completion & Facilities costs for PBEX 2 mile lateral										
ACCT. CODE				DESCRIPTION OF EXPENDITURE			COST ESTIMATE			
IDC	ICC	TDC	TCC	DESCRIPTION OF EXPENDITURE			DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX 300	PREFIX 500	PREFIX 400	600	WELL INTANGIBLE COSTS						
9201	9301			SURVEY/PERMITS/DAMAGES			\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD			\$76,875.00			\$76,875.00
9203				RIG MOVE			\$75,000.00			\$75,000.00
9204				DRILLING - FOOTAGE						\$0.00
9205	9305			DRILLING - DAYWORK			\$500,000.00			\$500,000.00
9306				COMPLETION/WORKOVER RIG						\$0.00
9307				COIL TUBING/SNUBBING UNIT				\$250,000.00		\$250,000.00
9308				SLICKLINE/SWABMING						\$0.00
9209	9309			BITS			\$50,000.00			\$50,000.00
9210	9310			DIRECTIONAL SERVICES			\$250,000.00			\$250,000.00
9211	9311			CASING CREW			\$50,000.00			\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL			\$95,000.00	\$275,000.00		\$370,000.00
9213	9313			FUEL & POWER			\$200,000.00	\$525,000.00		\$725,000.00
9214				DIESEL - BASE FOR MUD			\$125,000.00			\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST						\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL			\$100,000.00			\$100,000.00
9217	9317			TRUCKING			\$40,000.00	\$50,000.00		\$90,000.00
9318				TESTING						\$0.00
9219	9319			CEMENTING			\$200,000.00			\$200,000.00
9220	9320			PERFORATING				\$200,000.00		\$200,000.00
9321				CASED HOLE LOGS						\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$60,000.00		\$100,000.00
9223	9323			SCIENCE & DIAGNOSTICS						\$0.00
9324				FORMATION STIMULATION				\$1,100,000.00		\$1,100,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION				\$75,000.00		\$75,000.00
9226	9326			CONTRACT LABOR / SERVICES			\$100,000.00	\$90,000.00		\$190,000.00
9227	9327			OTHER LABOR			\$20,000.00			\$20,000.00
9228	9328			OVERHEAD						\$0.00
9229	9329			WATER - FRESH			\$100,000.00	\$500,000.00		\$600,000.00
9230	9330			FLUIDS & CHEMICALS			\$200,000.00	\$375,000.00		\$575,000.00
9231	9331			CORING & ANALYSIS						\$0.00
9232	9332			COMMUNICATIONS			\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING			\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN						\$0.00
9235	9335			FISHING TOOLS & SERVICES						\$0.00
9236	9336			INSPECTIONS			\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES						\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD						\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE						\$0.00
9240				MULTISHOT & GYRO						\$0.00
9241				RE-ENTRY SERVICES						\$0.00
9242	9342			CAMPS & TRAILERS			\$30,000.00	\$40,000.00		\$70,000.00
9243	9343			SAFETY EQUIPMENT & H2S			\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY						\$0.00
9245	9345			INSURANCE				\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS			\$120,000.00			\$120,000.00
9247	9347			OUTSIDE OPERATED						\$0.00
9248	9348			SAND				\$400,000.00		\$400,000.00
9249	9349			SAND LOGISTICS				\$400,000.00		\$400,000.00
9250	9350			VACUUM TRUCK						\$0.00
9251	9351			WATER - BRINE						\$0.00
9260				FACILITY TRUCKING						\$0.00
				FACILITY VACUUM TRUCK						\$0.00
9361				FACILITY CONSULTING SER/SUPERVISION						\$100,000.00
9424				FACILITY CONTRACT LABOR / SER.						\$100,000.00
9356				FACILITY SURFACE RENTAL						\$0.00
				SIM-OPS						\$0.00
				TOTAL WELL INTANGIBLE COSTS			\$2,464,875.00	\$4,367,000.00	\$200,000.00	\$7,031,875.00
				WELL TANGIBLE COSTS						
9401				CASING - CONDUCTOR			\$40,000.00			\$40,000.00
9402				CASING - SURFACE			\$78,453.00			\$78,453.00
9403				CASING - SALT STRING			\$0.00			\$0.00
9404				CASING - INTERMEDIATE			\$300,000.00			\$300,000.00
9405				CASING - PRODUCTION / LINER			\$650,000.00			\$650,000.00
9406				SUBSURFACE EQUIPMENT						\$0.00
9407				PRODUCTION TUBING				\$150,000.00		\$150,000.00
9408				SUBSURFACE PUMPING EQUIPMENT						\$0.00
9409				WELLHEAD EQUIPMENT			\$100,000.00			\$100,000.00
9410				FLOWLINES						\$150,000.00
9411				SURFACE PUMPING EQUIPMENT						\$0.00
9412				LINER HANGER & ASSOC EQUIP						\$0.00
9413				VALVES & FITTINGS				\$200,000.00		\$200,000.00
9414				INSTRUMENTATION & ELECTRICAL						\$200,000.00
9415				RODS						\$0.00
9416				TRUCKING						\$0.00
9417				RE-ENTRY EQUIPMENT						\$0.00
9418				PRODUCTION EQUIPMENT						\$400,000.00
9419				MISCELLANEOUS						\$0.00
9420				OUTSIDE OPERATED						\$0.00
9421				TANGIBLE EQUIP-ACQUISITIONS						\$0.00
				TOTAL TANGIBLE COSTS			\$1,166,453.00	\$150,000.00	\$950,000.00	\$2,266,453.00
							DRILLING	COMPLETIONS	FACILITIES	TOTAL
				TOTAL ESTIMATED WELL COST			\$3,631,328.00	\$4,517,000.00	\$1,150,000.00	\$9,298,328.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____

OPERATOR APPROVAL: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

TITLE: _____

PBEX OPERATIONS LLC
AUTHORIZATION FOR EXPENDITURE
223 W. Wall St Suite 900
Midland, TX 79701

WELL NAME	Bond 30-34 Fed Com 101H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 33, 33, & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32-1728 FNL & 2425 FWL (or Unit F)	FORMATION	1BSS	DRILLING DAYS	24
BOTTOM-HOLE LOCATION	34-660 FNL & 10 FEL (or Unit A)	COUNTY	LEA	DEPTH (TV/DIMD)	8,450' TVD/ 22,450' MD
				STATE	NM

PROJECT DESCRIPTION Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE		COST ESTIMATE			
IDC 300	ICC 500	TDC 400	TCC 800	WELL INTANGIBLE COSTS		DRILLING	COMPLETIONS	FACILITIES	TOTAL
9201	9301			SURVEY/PERMITS/DAMAGES		\$25,000.00			\$25,000.00
9202	9302			LOCATION & ROAD		\$76,875.00			\$76,875.00
9203				RIG MOVE		\$100,000.00			\$100,000.00
9204				DRILLING - FOOTAGE					\$0.00
9205	9305			DRILLING - DAYWORK		\$633,000.00			\$633,000.00
9306				COMPLETION/WORKOVER RIG					\$0.00
9307				COIL TUBING/SNUBBING UNIT			\$300,000.00		\$300,000.00
9308				SLICKLINE/SWABBING					\$0.00
9209	9309			BITS		\$100,000.00			\$100,000.00
9210	9310			DIRECTIONAL SERVICES		\$230,000.00			\$230,000.00
9211	9311			CASING CREW		\$40,000.00			\$40,000.00
9212	9312			TOOL & EQUIPMENT RENTAL		\$105,000.00	\$300,000.00		\$405,000.00
9213	9313			FUEL & POWER		\$130,000.00	\$650,000.00		\$780,000.00
9214				DIESEL - BASE FOR MUD		\$70,000.00			\$70,000.00
9215	9315			MUD LOGGING & GEOLOGIST					\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL		\$90,000.00			\$90,000.00
9217	9317			TRUCKING		\$40,000.00	\$60,000.00		\$100,000.00
9218				TESTING					\$0.00
9219	9319			CEMENTING		\$190,000.00			\$190,000.00
9220	9320			PERFORATING			\$245,000.00		\$245,000.00
9221				CASED HOLE LOGS					\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE		\$40,000.00	\$75,000.00		\$115,000.00
9223	9323			SCIENCE & DIAGNOSTICS					\$0.00
9224				FORMATION STIMULATION					\$1,600,000.00
9225	9325			CONSULTING SERVICES/SUPERVISION					\$85,000.00
9226	9326			CONTRACT LABOR / SERVICES		\$92,000.00	\$100,000.00		\$192,000.00
9227	9327			OTHER LABOR		\$25,000.00			\$25,000.00
9228	9328			OVERHEAD					\$0.00
9229	9329			WATER - FRESH		\$50,000.00	\$700,000.00		\$750,000.00
9230	9330			FLUIDS & CHEMICALS		\$150,000.00	\$575,000.00		\$725,000.00
9231	9331			CORING & ANALYSIS					\$0.00
9232	9332			COMMUNICATIONS		\$10,000.00	\$10,000.00		\$20,000.00
9233	9333			BOP TESTING		\$28,000.00	\$10,000.00		\$38,000.00
9234	9334			CO2/NITROGEN					\$0.00
9235	9335			FISHING TOOLS & SERVICES					\$0.00
9236	9336			INSPECTIONS		\$20,000.00			\$20,000.00
9237				WIRELINE SERVICES					\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD					\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE					\$0.00
9240				MULTISHOT & GYRO					\$0.00
9241				RE-ENTRY SERVICES					\$0.00
9242	9342			CAMPS & TRAILERS		\$52,000.00	\$40,000.00		\$92,000.00
9243	9343			SAFETY EQUIPMENT & H2S		\$10,000.00	\$5,000.00		\$15,000.00
9244				CONTINGENCY					\$0.00
9245	9345			INSURANCE			\$2,000.00		\$2,000.00
9246	9346			MISCELLANEOUS		\$149,801.87			\$149,801.87
9247	9347			OUTSIDE OPERATED					\$0.00
9248	9348			SAND					\$0.00
9249	9349			SAND LOGISTICS					\$25,000.00
9250	9350			VACUUM TRUCK					\$25,000.00
9251	9351			WATER - BRINE					\$25,000.00
9260				FACILITY TRUCKING					\$0.00
				FACILITY VACUUM TRUCK					\$0.00
9361				FACILITY CONSULTING SER/SUPERVISION					\$100,000.00
9424				FACILITY CONTRACT LABOR / SER.					\$300,000.00
9356				FACILITY SURFACE RENTAL					\$0.00
				SIM-OPS					\$0.00
				TOTAL WELL INTANGIBLE COSTS		\$2,456,676.67	\$5,807,000.00	\$500,000.00	\$8,763,678.67

WELL TANGIBLE COSTS									
9401				CASING - CONDUCTOR		\$40,000.00			\$40,000.00
9402				CASING - SURFACE		\$76,453.13			\$76,453.13
9403				CASING - SALT STRING		\$0.00			\$0.00
9404				CASING - INTERMEDIATE		\$303,870.00			\$303,870.00
9405				CASING - PRODUCTION / LINER		\$643,000.00			\$643,000.00
9406				SUBSURFACE EQUIPMENT					\$0.00
9407				PRODUCTION TUBING					\$150,000.00
9408				SUBSURFACE PUMPING EQUIPMENT					\$0.00
9409				WELLHEAD EQUIPMENT		\$80,000.00			\$80,000.00
9410				FLOWLINES					\$150,000.00
9411				SURFACE PUMPING EQUIPMENT					\$0.00
9412				LINER HANGER & ASSOC EQUIP					\$0.00
9413				VALVES & FITTINGS					\$200,000.00
9414				INSTRUMENTATION & ELECTRICAL					\$200,000.00
9415				RODS					\$0.00
9416				TRUCKING					\$0.00
9417				RE-ENTRY EQUIPMENT					\$10,000.00
9418				PRODUCTION EQUIPMENT					\$300,000.00
9419				MISCELLANEOUS					\$0.00
9420				OUTSIDE OPERATED					\$0.00
9421				TANGIBLE EQUIP-ACQUISITIONS					\$0.00
				TOTAL TANGIBLE COSTS		\$1,143,323.13	\$150,000.00	\$850,000.00	\$2,143,323.13
							DRILLING	COMPLETIONS	FACILITIES
									TOTAL
				TOTAL ESTIMATED WELL COST		\$3,800,000.00	\$5,957,000.00	\$1,350,000.00	\$10,907,000.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ **DATE:** _____

PARTNER COMPANY NAME: _____ **DATE:** _____

PARTNER APPROVAL: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701							
WELL NAME	Bond 32-34 Fed Com 103H		AFE TYPE	Development	AFE NUMBER		
LATERAL LOCATION	Section 32, 33, & 34 of 16S 32E		FIELD	Northern Delaware	PROPERTY NUMBER		
SURFACE LOCATION	32: 1726 FNL & 2385 FVL (or Unit F)		FORMATION	188S	DRILLING DAYS	24	
BOTTOM-HOLE LOCATION	34: 2130 FNL & 10 FEL (or Unit H)		COUNTY	LEA	DEPTH (TV/DITMD)	8,450' TVD/ 22,450' MD	
STATE					NM		
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral					
ACCT. CODE				DESCRIPTION OF EXPENDITURE			
IDC PREFIX 300	ICC PREFIX 400	TDC 600	TCC	COST ESTIMATE			
WELL INTANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL
9201	9301	SURVEY/PERMITS/DAMAGES		\$25,000.00			\$25,000.00
9202	9302	LOCATION & ROAD		\$76,875.00			\$76,875.00
9203		RIG MOVE		\$100,000.00			\$100,000.00
9204		DRILLING - FOOTAGE					\$0.00
9205	9305	DRILLING - DAYWORK		\$633,000.00			\$633,000.00
9306		COMPLETION/WORKOVER RIG					\$0.00
9307		COIL TUBING/SNUBBING UNIT					\$300,000.00
9308		SLICKLINE/SWABMING					\$0.00
9209	9309	BITS		\$100,000.00			\$100,000.00
9210	9310	DIRECTIONAL SERVICES		\$230,000.00			\$230,000.00
9211	9311	CASING CREW		\$40,000.00			\$40,000.00
9212	9312	TOOL & EQUIPMENT RENTAL		\$105,000.00	\$300,000.00		\$405,000.00
9213	9313	FUEL & POWER		\$130,000.00	\$650,000.00		\$780,000.00
9214		DIESEL - BASE FOR MUD		\$70,000.00			\$70,000.00
9215	9315	MUD LOGGING & GEOLOGIST					\$0.00
9216	9316	DISPOSAL RESTORATION & BACKFILL		\$90,000.00			\$90,000.00
9217	9317	TRUCKING		\$40,000.00	\$60,000.00		\$100,000.00
9318		TESTING					\$0.00
9219	9319	CEMENTING		\$190,000.00			\$190,000.00
9220	9320	PERFORATING					\$245,000.00
9321		CASED HOLE LOGS					\$0.00
9222	9322	DOWNHOLE TOOLS & SERVICE		\$40,000.00	\$75,000.00		\$115,000.00
9223	9323	SCIENCE & DIAGNOSTICS					\$0.00
9224		FORMATION STIMULATION					\$1,600,000.00
9225	9325	CONSULTING SERVICES/SUPERVISION		\$1,600,000.00			\$1,600,000.00
9226	9326	CONTRACT LABOR / SERVICES		\$92,000.00	\$100,000.00		\$192,000.00
9227	9327	OTHER LABOR		\$25,000.00			\$25,000.00
9228	9328	OVERHEAD					\$0.00
9229	9329	WATER - FRESH		\$40,000.00	\$700,000.00		\$750,000.00
9230	9330	FLUIDS & CHEMICALS		\$150,000.00	\$575,000.00		\$725,000.00
9231	9331	CORING & ANALYSIS					\$0.00
9232	9332	COMMUNICATIONS		\$10,000.00	\$10,000.00		\$20,000.00
9233	9333	BCP TESTING		\$28,000.00	\$10,000.00		\$38,000.00
9234	9334	CO2/NITROGEN					\$0.00
9235	9335	FISHING TOOLS & SERVICES					\$0.00
9236	9336	INSPECTIONS		\$20,000.00			\$20,000.00
9237		WIRELINE SERVICES					\$0.00
9238	9338	ENGINEERING & GEOLOGY - FIELD					\$0.00
9239	9339	ENGINEERING & GEOLOGY - OFFICE					\$0.00
9240		MULTISHOT & GYRO					\$0.00
9241		RE-ENTRY SERVICES					\$0.00
9242	9342	CAMPS & TRAILERS		\$52,000.00	\$40,000.00		\$92,000.00
9243	9343	SAFETY EQUIPMENT & H2S		\$10,000.00	\$5,000.00		\$15,000.00
9244		CONTINGENCY					\$0.00
9245	9345	INSURANCE					\$2,000.00
9246	9346	MISCELLANEOUS		\$149,801.87			\$149,801.87
9247	9347	OUTSIDE OPERATED					\$0.00
9248	9348	SAND					\$525,000.00
9249	9349	SAND LOGISTICS					\$525,000.00
9250	9350	VACUUM TRUCK					\$0.00
9251	9351	WATER - BRINE					\$0.00
9360		FACILITY TRUCKING					\$100,000.00
9361		FACILITY VACUUM TRUCK					\$0.00
9424		FACILITY CONSULTING SER /SUPERVISION					\$100,000.00
9556		FACILITY CONTRACT LABOR / SER.					\$300,000.00
		FACILITY SURFACE RENTAL					\$0.00
		SIM-OPS					\$0.00
		TOTAL WELL INTANGIBLE COSTS		\$2,456,676.87	\$5,807,000.00	\$500,000.00	\$8,763,878.87
WELL TANGIBLE COSTS							
9401	CASING - CONDUCTOR			\$40,000.00			\$40,000.00
9402	CASING - SURFACE			\$76,453.13			\$76,453.13
9403	CASING - SALT STRING			\$0.00			\$0.00
9404	CASING - INTERMEDIATE			\$303,870.00			\$303,870.00
9405	CASING - PRODUCTION / LINER			\$643,000.00			\$643,000.00
9406	SUBSURFACE EQUIPMENT						\$0.00
9407	PRODUCTION TUBING						\$150,000.00
9408	SUBSURFACE PUMPING EQUIPMENT						\$0.00
9409	WELLHEAD EQUIPMENT			\$80,000.00			\$80,000.00
9410	FLOWLINES						\$150,000.00
9411	SURFACE PUMPING EQUIPMENT						\$0.00
9412	LINER HANGER & ASSOC EQUIP						\$0.00
9413	VALVES & FITTINGS						\$200,000.00
9414	INSTRUMENTATION & ELECTRICAL						\$200,000.00
9415	RODS						\$0.00
9416	TRUCKING						\$0.00
9417	RE-ENTRY EQUIPMENT						\$0.00
9418	PRODUCTION EQUIPMENT						\$300,000.00
9419	MISCELLANEOUS						\$0.00
9420	OUTSIDE OPERATED						\$0.00
9421	TANGIBLE EQUIP-ACQUISITIONS						\$0.00
		TOTAL TANGIBLE COSTS		\$1,143,323.13	\$150,000.00	\$850,000.00	\$2,143,323.13
TOTAL ESTIMATED WELL COST				DRILLING	COMPLETIONS	FACILITIES	TOTAL
		TOTAL ESTIMATED WELL COST		\$3,800,000.00	\$5,857,000.00	\$1,350,000.00	\$10,907,000.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ **DATE:** _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 1 Midland, TX 79701										
WELL NAME	Bond 33-34 Fed Com 106H		AFE TYPE	Development		AFE NUMBER				
LATERAL LOCATION	Section 33, & 34 of 185 32E		FIELD	Northern Delaware		PROPERTY NUMBER				
SURFACE LOCATION	32- 1660 FSL, 1165 FEL (or Unit I)		FORMATION	18SS		DRILLING DAYS				
BOTTOM-HOLE LOCATION	34- 330 FSL, 10 FEL (or Unit P)		COUNTY	LEA		DEPTH (TVD/TMD)				
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2 mile lateral									
ACCT. CODE				DESCRIPTION OF EXPENDITURE			COST ESTIMATE			
IDC	ICC	TDC	TCC	DESCRIPTION OF EXPENDITURE			DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFX	500	PREFIX	600	WELL INTANGIBLE COSTS						
9201	9301	SURVEY/PERMITS/DAMAGES					\$25,000.00			\$25,000.00
9202	9302	LOCATION & ROAD					\$76,875.00			\$76,875.00
9203		RIG MOVE					\$75,000.00			\$75,000.00
9204		DRILLING - FOOTAGE								\$0.00
9205	9305	DRILLING - DAYWORK					\$500,000.00			\$500,000.00
9306		COMPLETION/WORKOVER RIG								\$0.00
9307		COIL TUBING/SNUBBING UNIT						\$250,000.00		\$250,000.00
9308		SLICKLINE/SWABMING								\$0.00
9209	9309	BITS					\$50,000.00			\$50,000.00
9210	9310	DIRECTIONAL SERVICES					\$250,000.00			\$250,000.00
9211	9311	CASING CREW					\$50,000.00			\$50,000.00
9212	9312	TOOL & EQUIPMENT RENTAL					\$95,000.00	\$275,000.00		\$370,000.00
9213	9313	FUEL & POWER					\$200,000.00	\$525,000.00		\$725,000.00
9214		DIESEL - BASE FOR MUD					\$125,000.00			\$125,000.00
9215	9315	MUD LOGGING & GEOLOGIST								\$0.00
9216	9316	DISPOSAL, RESTORATION & BACKFILL					\$100,000.00			\$100,000.00
9217	9317	TRUCKING					\$40,000.00	\$50,000.00		\$90,000.00
9318		TESTING								\$0.00
9219	9319	CEMENTING					\$200,000.00			\$200,000.00
9220	9320	PERFORATING						\$200,000.00		\$200,000.00
9321		CASED HOLE LOGS								\$0.00
9222	9322	DOWNHOLE TOOLS & SERVICE					\$40,000.00	\$60,000.00		\$100,000.00
9223	9323	SCIENCE & DIAGNOSTICS								\$0.00
9324		FORMATION STIMULATION								\$1,100,000.00
9225	9325	CONSULTING SERVICES/SUPERVISION						\$75,000.00		\$75,000.00
9226	9326	CONTRACT LABOR / SERVICES					\$100,000.00	\$90,000.00		\$190,000.00
9227	9327	OTHER LABOR					\$20,000.00			\$20,000.00
9228	9328	OVER-HEAD								\$0.00
9229	9329	WATER - FRESH					\$100,000.00	\$500,000.00		\$600,000.00
9230	9330	FLUIDS & CHEMICALS					\$200,000.00	\$375,000.00		\$575,000.00
9231	9331	CORING & ANALYSIS								\$0.00
9232	9332	COMMUNICATIONS					\$10,000.00	\$10,000.00		\$20,000.00
9233	9333	BOP TESTING					\$28,000.00	\$10,000.00		\$38,000.00
9234	9334	CO2/NITROGEN								\$0.00
9235	9335	FISHING TOOLS & SERVICES								\$0.00
9236	9336	INSPECTIONS					\$20,000.00			\$20,000.00
9237		WIRELINE SERVICES								\$0.00
9238	9338	ENGINEERING & GEOLOGY - FIELD								\$0.00
9239	9339	ENGINEERING & GEOLOGY - OFFICE								\$0.00
9240		MULTISHOT & GYRO								\$0.00
9241		RE-ENTRY SERVICES								\$0.00
9242	9342	CAMPS & TRAILERS					\$30,000.00	\$40,000.00		\$70,000.00
9243	9343	SAFETY EQUIPMENT & H2S					\$10,000.00	\$5,000.00		\$15,000.00
9244		CONTINGENCY								\$0.00
9245	9345	INSURANCE						\$2,000.00		\$2,000.00
9246	9346	MISCELLANEOUS					\$120,000.00			\$120,000.00
9247	9347	OUTSIDE OPERATED								\$0.00
9248	9348	SAND						\$400,000.00		\$400,000.00
9249	9349	SAND LOGISTICS						\$400,000.00		\$400,000.00
9250	9350	VACUUM TRUCK								\$0.00
9251	9351	WATER - BRINE								\$0.00
9260	9360	FACILITY TRUCKING								\$0.00
		FACILITY VACUUM TRUCK								\$0.00
9381		FACILITY CONSULTING SER./SUPERVISION							\$100,000.00	\$100,000.00
9424		FACILITY CONTRACT LABOR / SER.							\$100,000.00	\$100,000.00
9356		FACILITY SURFACE RENTAL								\$0.00
		SIM-OPS								\$0.00
		TOTAL WELL INTANGIBLE COSTS					\$2,464,875.00	\$4,367,000.00	\$200,000.00	\$7,031,875.00
WELL TANGIBLE COSTS										
9401		CASING - CONDUCTOR					\$40,000.00			\$40,000.00
9402		CASING - SURFACE					\$76,453.00			\$76,453.00
9403		CASING - SALT STRING					\$0.00			\$0.00
9404		CASING - INTERMEDIATE					\$300,000.00			\$300,000.00
9405		CASING - PRODUCTION / LINER					\$650,000.00			\$650,000.00
9406		SUBSURFACE EQUIPMENT								\$0.00
9407		PRODUCTION TUBING						\$150,000.00		\$150,000.00
9408		SUBSURFACE PUMPING EQUIPMENT								\$0.00
9409		WELLHEAD EQUIPMENT					\$100,000.00			\$100,000.00
9410		FLOWLINES							\$150,000.00	\$150,000.00
9411		SURFACE PUMPING EQUIPMENT								\$0.00
9412		LINER HANGER & ASSOC EQUIP								\$0.00
9413		VALVES & FITTINGS							\$200,000.00	\$200,000.00
9414		INSTRUMENTATION & ELECTRICAL							\$200,000.00	\$200,000.00
9415		RODS								\$0.00
9416		TRUCKING								\$0.00
9417		RE-ENTRY EQUIPMENT								\$0.00
9418		PRODUCTION EQUIPMENT							\$400,000.00	\$400,000.00
9419		MISCELLANEOUS								\$0.00
9420		OUTSIDE OPERATED								\$0.00
9421		TANGIBLE EQUIP-ACQUISITIONS								\$0.00
		TOTAL TANGIBLE COSTS					\$1,166,453.00	\$150,000.00	\$950,000.00	\$2,266,453.00
TOTAL ESTIMATED WELL COST							DRILLING	COMPLETIONS	FACILITIES	TOTAL
		TOTAL ESTIMATED WELL COST					\$3,631,328.00	\$4,517,000.00	\$1,150,000.00	\$9,298,328.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 7 Midland, TX 79701							
WELL NAME		Bard 33-34 Fed Com 304H		AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION		32-1790 FSL, 1165 FEL (or Unit I)		FORMATION	38SS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION		34-2230 FSL, 10 FEL (or Unit I)		COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 21510' MD
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral					
IDC PREFIX 300	ICC PREFIX 400	TDC 600	ACCT. CODE DESCRIPTION OF EXPENDITURE	COST ESTIMATE			
				DRILLING	COMPLETIONS	FACILITIES	TOTAL
WELL INTANGIBLE COSTS							
9201	9301		SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302		LOCATION & ROAD	\$76,875.00			\$76,875.00
9203			RIG MOVE	\$75,000.00			\$75,000.00
9204			DRILLING - FOOTAGE				\$0.00
9205	9305		DRILLING - DAYWORK	\$500,000.00			\$500,000.00
9306			COMPLETION/WORKOVER RIG				\$0.00
9307			COIL TUBING/SNUBBING UNIT		\$250,000.00		\$250,000.00
9308			SLICKLINE/SWABBING				\$0.00
9209	9309		BITS	\$50,000.00			\$50,000.00
9210	9310		DIRECTIONAL SERVICES	\$250,000.00			\$250,000.00
9211	9311		CASING CREW	\$50,000.00			\$50,000.00
9212	9312		TOOL & EQUIPMENT RENTAL	\$95,000.00	\$275,000.00		\$370,000.00
9213	9313		FUEL & POWER	\$200,000.00	\$525,000.00		\$725,000.00
9214			DIESEL - BASE FOR MUD	\$125,000.00			\$125,000.00
9215	8315		MUD LOGGING & GEOLOGIST				\$0.00
9216	9316		DISPOSAL, RESTORATION & BACKFILL	\$100,000.00			\$100,000.00
9217	9317		TRUCKING	\$40,000.00	\$50,000.00		\$90,000.00
9318			TESTING				\$0.00
9219	9319		CEMENTING	\$200,000.00			\$200,000.00
9220	9320		PERFORATING		\$200,000.00		\$200,000.00
9321			CASED HOLE LOGS				\$0.00
9222	9322		DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$60,000.00		\$100,000.00
9223	9323		SCIENCE & DIAGNOSTICS				\$0.00
9324			FORMATION STIMULATION		\$1,100,000.00		\$1,100,000.00
9225	9325		CONSULTING SERVICES/SUPERVISION		\$75,000.00		\$75,000.00
9226	9326		CONTRACT LABOR / SERVICES	\$100,000.00	\$90,000.00		\$190,000.00
9227	9327		OTHER LABOR	\$20,000.00			\$20,000.00
9228	9328		OVERHEAD				\$0.00
9229	9329		WATER - FRESH	\$100,000.00	\$500,000.00		\$600,000.00
9230	9330		FLUIDS & CHEMICALS	\$200,000.00	\$375,000.00		\$575,000.00
9231	9331		CORING & ANALYSIS				\$0.00
9232	9332		COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333		BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334		CO2/NITROGEN				\$0.00
9235	9335		FISHING TOOLS & SERVICES				\$0.00
9236	9336		INSPECTIONS		\$20,000.00		\$20,000.00
9237			WIRELINE SERVICES				\$0.00
9238	9338		ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339		ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240			MULTISHOT & GYRO				\$0.00
9241			RE-ENTRY SERVICES				\$0.00
9242	9342		CAMPS & TRAILERS	\$30,000.00	\$40,000.00		\$70,000.00
9243	9343		SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244			CONTINGENCY				\$0.00
9245	9345		INSURANCE		\$2,000.00		\$2,000.00
9246	9346		MISCELLANEOUS	\$120,000.00			\$120,000.00
9247	9347		OUTSIDE OPERATED				\$0.00
9248	9348		SAND		\$400,000.00		\$400,000.00
9249	9349		SAND LOGISTICS		\$400,000.00		\$400,000.00
9250	9350		VACUUM TRUCK				\$0.00
9251	9351		WATER - BRINE				\$0.00
9260			FACILITY TRUCKING				\$0.00
			FACILITY VACUUM TRUCK				\$0.00
9361			FACILITY CONSULTING SER/SUPERVISION			\$100,000.00	\$100,000.00
9424			FACILITY CONTRACT LABOR / SER.			\$100,000.00	\$100,000.00
9356			FACILITY SURFACE RENTAL				\$0.00
			SIM-OPS				\$0.00
			TOTAL WELL INTANGIBLE COSTS	\$2,464,875.00	\$4,367,000.00	\$200,000.00	\$7,031,875.00
WELL TANGIBLE COSTS							
9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
9402			CASING - SURFACE	\$76,453.00			\$76,453.00
9403			CASING - SALT STRING	\$0.00			\$0.00
9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
9406			SUBSURFACE EQUIPMENT				\$0.00
9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
9409			WELLHEAD EQUIPMENT	\$100,000.00			\$100,000.00
9410			FLOWLINES			\$150,000.00	\$150,000.00
9411			SURFACE PUMPING EQUIPMENT				\$0.00
9412			LINER HANGER & ASSOC EQUIP				\$0.00
9413			VALVES & FITTINGS			\$200,000.00	\$200,000.00
9414			INSTRUMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
9415			RODS				\$0.00
9416			TRUCKING				\$0.00
9417			RE-ENTRY EQUIPMENT				\$0.00
9418			PRODUCTION EQUIPMENT			\$400,000.00	\$400,000.00
9419			MISCELLANEOUS				\$0.00
9420			OUTSIDE OPERATED				\$0.00
9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
			TOTAL TANGIBLE COSTS	\$1,168,453.00	\$150,000.00	\$950,000.00	\$2,266,453.00
				DRILLING	COMPLETIONS	FACILITIES	TOTAL
			TOTAL ESTIMATED WELL COST	\$3,631,328.00	\$4,517,000.00	\$1,150,000.00	\$9,298,328.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 1 Midland, TX 79701						
WELL NAME	Bond 33-34 Fed Com 308H	AFE TYPE	Development	AFE NUMBER		
LATERAL LOCATION	Section 33, & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER		
SURFACE LOCATION	32-1640 FSL, 1165 FFL (Dr Unit 1)	FORMATION	MISS	DRILLING DAYS	25	
BOTTOM-HOLE LOCATION	34-330 FSL, 10 FFL (or Unit P)	COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 21510' MD	
STATE	NM					
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral				
ACCT. CODE			DESCRIPTION OF EXPENDITURE		COST ESTIMATE	
IDC	ICC	TDC	TCC		DRILLING	COMPLETIONS
PREFIX	PREFIX			WELL INTANGIBLE COSTS	FACILITIES	TOTAL
300	500	400	600			
9201	9301			SURVEY/PERMITS/DAMAGES	\$25,000.00	\$25,000.00
9202	9302			LOCATION & ROAD	\$76,875.00	\$76,875.00
9203				RIG MOVE	\$75,000.00	\$75,000.00
9204				DRILLING - FOOTAGE		\$0.00
9205	9305			DRILLING - DAYWORK	\$500,000.00	\$500,000.00
9306				COMPLETION/WORKOVER RIG		\$0.00
9307				COIL TUBING/SNUBBING UNIT	\$250,000.00	\$250,000.00
9308				SLICKLINE/SWABBING		\$0.00
9209	9309			BITS	\$50,000.00	\$50,000.00
9210	9310			DIRECTIONAL SERVICES	\$250,000.00	\$250,000.00
9211	9311			CASING CREW	\$50,000.00	\$50,000.00
9212	9312			TOOL & EQUIPMENT RENTAL	\$95,000.00	\$275,000.00
9213	9313			FUEL & POWER	\$200,000.00	\$525,000.00
9214				DIESEL - BASE FOR MUD	\$125,000.00	\$125,000.00
9215	9315			MUD LOGGING & GEOLOGIST		\$0.00
9216	9316			DISPOSAL, RESTORATION & BACKFILL	\$100,000.00	\$100,000.00
9217	9317			TRUCKING	\$40,000.00	\$50,000.00
9318				TESTING		\$0.00
9219	9319			CEMENTING	\$200,000.00	\$200,000.00
9220	9320			PERFORATING	\$200,000.00	\$200,000.00
9321				CASED HOLE LOGS		\$0.00
9222	9322			DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$60,000.00
9223	9323			SCIENCE & DIAGNOSTICS		\$0.00
9324				FORMATION STIMULATION		\$0.00
9225	9325			CONSULTING SERVICES/SUPERVISION		\$1,100,000.00
9226	9326			CONTRACT LABOR / SERVICES	\$100,000.00	\$75,000.00
9227	9327			OTHER LABOR	\$20,000.00	\$20,000.00
9228	9328			OVERHEAD		\$0.00
9229	9329			WATER - FRESH	\$100,000.00	\$500,000.00
9230	9330			FLUIDS & CHEMICALS	\$200,000.00	\$375,000.00
9231	9331			CORING & ANALYSIS		\$0.00
9232	9332			COMMUNICATIONS	\$10,000.00	\$10,000.00
9233	9333			BOP TESTING	\$28,000.00	\$10,000.00
9234	9334			CO2/NITROGEN		\$0.00
9235	9335			FISHING TOOLS & SERVICES		\$0.00
9236	9336			INSPECTIONS	\$20,000.00	\$20,000.00
9237				WIRELINE SERVICES		\$0.00
9238	9338			ENGINEERING & GEOLOGY - FIELD		\$0.00
9239	9339			ENGINEERING & GEOLOGY - OFFICE		\$0.00
9240				MULTISHOT & GYRO		\$0.00
9241				RE-ENTRY SERVICES		\$0.00
9242	9342			CAMPS & TRAILERS	\$30,000.00	\$40,000.00
9243	9343			SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00
9244				CONTINGENCY		\$0.00
9245	9345			INSURANCE		\$2,000.00
9246	9346			MISCELLANEOUS	\$120,000.00	\$120,000.00
9247	9347			OUTSIDE OPERATED		\$0.00
9248	9348			SAND	\$400,000.00	\$400,000.00
9249	9349			SAND LOGISTICS		\$400,000.00
9250	9350			VACUUM TRUCK		\$0.00
9251	9351			WATER - BRINE		\$0.00
9256	9360			FACILITY TRUCKING		\$0.00
				FACILITY VACUUM TRUCK		\$0.00
9361				FACILITY CONSULTING SER/SUPERVISION		\$100,000.00
9424				FACILITY CONTRACT LABOR / SER.		\$100,000.00
9366				FACILITY SURFACE RENTAL		\$0.00
				SIM-OPS		\$0.00
				TOTAL WELL INTANGIBLE COSTS	\$2,464,875.00	\$4,367,000.00
					\$200,000.00	\$7,031,875.00
				WELL TANGIBLE COSTS		
9401				CASING - CONDUCTOR	\$40,000.00	
9402				CASING - SURFACE	\$76,453.00	
9403				CASING - SALT STRING	\$0.00	
9404				CASING - INTERMEDIATE	\$300,000.00	
9405				CASING - PRODUCTION / LINER	\$650,000.00	
9406				SUBSURFACE EQUIPMENT		\$0.00
9407				PRODUCTION TUBING		\$150,000.00
9408				SUBSURFACE PUMPING EQUIPMENT		
9409				WELLHEAD EQUIPMENT	\$100,000.00	
9410				FLOWLINES		\$150,000.00
9411				SURFACE PUMPING EQUIPMENT		\$0.00
9412				LINER HANGER & ASSOC EQUIP		\$0.00
9413				VALVES & FITTINGS	\$200,000.00	
9414				INSTRUMENTATION & ELECTRICAL	\$200,000.00	
9415				RODS		\$0.00
9416				TRUCKING		\$0.00
9417				RE-ENTRY EQUIPMENT		\$0.00
9418				PRODUCTION EQUIPMENT		\$400,000.00
9419				MISCELLANEOUS		\$0.00
9420				OUTSIDE OPERATED		\$0.00
9421				TANGIBLE EQUIP-ACQUISITIONS		\$0.00
				TOTAL TANGIBLE COSTS	\$1,166,453.00	\$150,000.00
					\$950,000.00	\$2,266,453.00
				DRILLING	COMPLETIONS	FACILITIES
						TOTAL
				\$3,631,328.00	\$4,517,000.00	\$1,150,000.00
						\$9,298,328.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: _____ DATE: _____

PARTNER APPROVAL: _____ DATE: _____

TITLE: _____

From: Sabrsula, Scott <ScottSabrsula@chevron.com>
Sent: Thursday, August 14, 2025 12:15 PM
To: Ruth Pelzel
Cc: Sharry, Meriele
Subject: RE: Bond Inquiry

Follow Up Flag: Flag for follow up
Flag Status: Flagged

Thank you. We just want to run our evaluation on the best information at hand so we can make a timely election. I appreciate your help!

Scott Sabrsula
Land Representative
S&TB Land
Chevron North America Exploration and Production Company
a Division of Chevron U.S.A. Inc.
1400 Smith Street
Houston, TX 77002
Cell: (281) 520-1114
scottSabrsula@chevron.com

From: Ruth Pelzel <ruth@pbex.com>
Sent: Thursday, August 14, 2025 11:47 AM
To: Sabrsula, Scott <ScottSabrsula@chevron.com>
Cc: Comiskey, Cody <cody.comiskey@chevron.com>; Sharry, Meriele <merielemsharry@chevron.com>
Subject: [**EXTERNAL**] Re: Bond Inquiry

Hey Scott,

Making my way through the emails after being out of the office! We are still waiting on the official DOTO on these wells. The S2 Bond numbers look to be the same currently, however, N2 looks a little different than what we initially pooled (numbers below are lower, I suspect the updated title came in after we went to pooling which accounts for a smaller number). Let me take a deeper dive to figure out where the discrepancy is here. Our attorney said they'd have the DOTO in by 8/25 but I've been around long enough to know better than to believe that whole heartedly. I'll try and get something to you quickly in the meantime!

From: Sabrsula, Scott <ScottSabrsula@chevron.com>
Sent: Thursday, August 14, 2025 9:35 AM
To: Ruth Pelzel <ruth@pbex.com>
Cc: Comiskey, Cody <cody.comiskey@chevron.com>; Sharry, Meriele <merielemsharry@chevron.com>
Subject: RE: Bond Inquiry

Ruth,

I wanted to check in on the below inquiry, including estimated NRI. Regarding estimated WI, back in June you had sent the following figures, but I wanted to see if the updated title you were waiting on changed anything and wanted to confirm these figures align with the dedicated acreage that was pooled by the recent orders:

N Bond:
Sec 33: NW4
100% WI .825 NRI

Sec 33 NE4 (contractual interests)
Chevron: .7378

DSU N Bond Project: .34756 WI

S Bond:
Sec. 33: S2SW, SESW
100% WI .825 NRI

Sec. 33: SE4 (contractual)
.7378 WI

Sec. 34: NESW, N2SE (contractual)
.42328125 WI

Sec 34: SWSE (Contractual)
.42328125 WI

S2 Unit Bond .47777031 WI

Scott Sabrsula
Land Representative
S&TB Land
Chevron North America Exploration and Production Company
a Division of Chevron U.S.A. Inc.
1400 Smith Street
Houston, TX 77002
Cell: (281) 520-1114
scott.sabrsula@chevron.com

From: Sabrsula, Scott
Sent: Tuesday, August 12, 2025 7:10 AM
To: Ruth Pelzel <ruth@pbex.com>
Cc: Comiskey, Cody <cody.comiskey@chevron.com>; Sharry, Merieleem <merieleemsharry@chevron.com>
Subject: Bond Inquiry

Ruth,

I received the subject well package. To assist with our timely evaluation could you please provide the following information?:

Estimated spud, completions, and production timing

Current estimate of Chevron's WI and NRI

SHL and BTL for each proposed well in the AFE package

Gunbarrel of the proposed AFE package

Type log used (just an API would suffice) for your targets and correlations

PDF of proposed JOA

Any information you can provide would be greatly appreciated.

Thank you,

Scott Sabrsula

Land Representative

S&TB Land

Chevron North America Exploration and Production Company

a Division of Chevron U.S.A. Inc.

1400 Smith Street

Houston, TX 77002

Cell: (281) 520-1114

scott.sabrsula@chevron.com

From: [Sabrsula, Scott](#)
To: [Ruth Pelzel](#)
Subject: RE: Bond proposals
Date: Tuesday, August 19, 2025 1:59:48 PM
Attachments: [image002.png](#)
[image003.png](#)

Thank you, Ruth!

Scott Sabrsula
Land Representative
S&TB Land
Chevron North America Exploration and Production Company
a Division of Chevron U.S.A. Inc.
1400 Smith Street
Houston, TX 77002
Cell: (281) 520-1114
scottsabrsula@chevron.com

From: Ruth Pelzel <ruth@pbex.com>
Sent: Tuesday, August 19, 2025 2:57 PM
To: Sabrsula, Scott <ScottSabrsula@chevron.com>
Subject: [**EXTERNAL**] Re: Bond proposals

Be aware this external email contains an attachment and/or link.
Ensure the email and contents are expected. If there are concerns, please submit suspicious messages to the
Cyber Intelligence Center using the Report Phishing button.

Hey Scott,

Still waiting on the opinion but the attorney did send me the spreadsheet on the numbers for Bond as we wait for the finished opinion.

N2 WI in Bond:
34.756 WI
28.5109 NRI

S2 WI in Bond:
55.71355469 WI
45.94123535% NRI

Thanks,

Ruth



Ruth Pelzel

Sr Landman

223 West Wall Street, Suite 900

Midland, TX 79701

Email: Ruth@pbex.com

Cell: 432-894-4625

Office: 432-204-2711

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August 7, 2025

Chevron USA Inc.
6301 Deauville Blvd
Midland, TX 79706
Attn: Land Department

Re: **Bond 32-34 Fed Com 101H, 103H & Bond 33-34 Fed Com 104H, 106H**
Bond 32-34 Fed Com 201H, 205H & Bond 33-34 Fed Com 207H, 211H
Bond 32-34 Fed Com 301H & Bond 33-34 Fed Com 304H, 306H
Sections 32, 33 & 34, T18S-R32E
Lea County, New Mexico

Dear Sir or Madam:

PBEX Operations, LLC, on behalf of PBEX, LLC ("PBX"), hereby proposes under Compulsory Order Nos. R-23684 and R-23685, respectively, the drilling of the following wells located in Sections 32, 33 & 34 of T18S-R32E, Lea County, New Mexico. Please review the attached Authority for Expenditures ("AFE") with the gross estimated total cost to drill and complete each of the referenced wells.

PHASE 1

BOND 32-34 FED COM 201H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1726' FNL, 2465' FWL, or a legal location in Unit F
FTP- Sec. 32: 330' FNL, 2540' FEL, or at a legal location in Unit B
LTP- Sec. 34: 330' FNL, 100' FEL, or at a legal location in Unit A
BHL- Sec. 34: 330' FNL, 10' FEL, or at a legal location in Unit A
Formation - 2BS TVD - 9,320' MD - 23,320'

BOND 32-34 FED COM 205H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1726' FNL, 2445' FWL, or a legal location in Unit F
FTP- Sec. 32: 2200' FNL, 2540' FEL, or at a legal location in Unit G
LTP- Sec. 34: 2200' FNL, 100' FEL, or at a legal location in Unit H
BHL- Sec. 34: 2200' FNL, 10' FEL, or at a legal location in Unit H
Formation - 2BS TVD - 9,320' MD - 23,320'

BOND 32-34 FED COM 301H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1726' FNL, 2405' FWL, or a legal location in Unit F
FTP- Sec. 32: 1640' FNL, 2540' FEL, or at a legal location in Unit G
LTP- Sec. 34: 1640' FNL, 100' FEL, or at a legal location in Unit H
BHL- Sec. 34: 1640' FNL, 10' FEL, or at a legal location in Unit H
Formation - 3BS TVD - 10,150' MD - 24,150'

August 7, 2025
BOND – N2, S2 Well Proposals under CP Order

BOND 33-34 FED COM 207H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 2000' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 1630' FSL, 100' FWL, or at a legal location in Unit L
LTP- Sec. 34: 1630' FSL, 100' FEL, or at a legal location in Unit I
BHL- Sec. 34: 1630' FSL, 10' FEL, or at a legal location in Unit I
Formation - 2BS TVD – 9,320' MD – 20,680'

BOND 33-34 FED COM 211H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1980' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P
BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P
Formation - 2BS TVD – 9,320' MD – 20,680'

PHASE 2**BOND 32-34 FED COM 101H**

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1726' FNL, 2425' FWL, or a legal location in Unit F
FTP- Sec. 32: 660' FNL, 2540' FEL, or at a legal location in Unit B
LTP- Sec. 34: 660' FNL, 100' FEL, or at a legal location in Unit A
BHL- Sec. 34: 660' FNL, 10' FEL, or at a legal location in Unit A
Formation - 1BS TVD – 8'450 MD – 22,450'

BOND 32-34 FED COM 103H

NE4 Sec. 32, N2 Sec. 33, & N2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1726' FNL, 2385' FWL, or a legal location in Unit F
FTP- Sec. 32: 2130' FNL, 2540' FEL, or at a legal location in Unit G
LTP- Sec. 34: 2130' FNL, 100' FEL, or at a legal location in Unit H
BHL- Sec. 34: 2130' FNL, 10' FEL, or at a legal location in Unit H
Formation - 1BS TVD – 8,450' MD – 22,450'

BOND 33-34 FED COM 104H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1680' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 1650' FSL, 100' FWL, or at a legal location in Unit L
LTP- Sec. 34: 1650' FSL, 100' FEL, or at a legal location in Unit I
BHL- Sec. 34: 1650' FSL, 10' FEL, or at a legal location in Unit I
Formation - 1BS TVD – 8,450' MD – 19,810'

BOND 33-34 FED COM 106H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E
SHL- Sec. 32: 1660' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P

August 7, 2025
BOND – N2, S2 Well Proposals under CP Order

BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P
Formation - 1BS TVD – 7,820' MD – 19,180'

BOND 33-34 FED COM 304H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E

SHL- Sec. 32: 1700' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 2230' FSL, 100' FWL, or at a legal location in Unit L
LTP- Sec. 34: 2230' FSL, 100' FEL, or at a legal location in Unit I
BHL- Sec. 34: 2230' FSL, 10' FEL, or at a legal location in Unit I
Formation - 3BS TVD – 10,150' MD – 21,510'

BOND 33-34 FED COM 306H

S2 Sec. 33 & S2 Sec. 34, T18S-R32E

SHL- Sec. 32: 1640' FSL, 1165' FEL, or a legal location in Unit I
FTP- Sec. 33: 330' FSL, 100' FWL, or at a legal location in Unit M
LTP- Sec. 34: 330' FSL, 100' FEL, or at a legal location in Unit P
BHL- Sec. 34: 330' FSL, 10' FEL, or at a legal location in Unit P
Formation - 3BS TVD – 10,150' MD – 21,510'

Pursuant to said Orders, if you wish to participate in the operations described above, please indicate so in the space provided, and sign and return the enclosed AFEs within 30 days of receipt of this correspondence.

Should you have any questions or want to discuss any details, please contact me at 432.894.4625 or ruth@pbex.com.

Sincerely,

PBEX, LLC

//Ruth Pelzel//

Ruth Pelzel
Senior Landman

RP:bh
Enc

August 7, 2025
 BOND – N2, S2 Well Proposals under CP Order

WELL NAME	Elect TO PARTICIPATE for proportionate share of costs	Elect <u>NOT</u> TO PARTICIPATE for proportionate share of costs
Bond 32-34 Fed Com 201H	X	
Bond 32-34 Fed Com 205H	X	
Bond 32-34 Fed Com 301H	X	
Bond 33-34 Fed Com 207H	X	
Bond 33-34 Fed Com 211H	X	
Bond 32-34 Fed Com 101H	X	
Bond 32-34 Fed Com 103H	X	
Bond 33-34 Fed Com 104H	X	
Bond 33-34 Fed Com 106H	X	
Bond 33-34 Fed Com 304H	X	
Bond 33-34 Fed Com 306H	X	

Company: Chevron USA

Signed: Andrew M. Armpriester

Name: Andrew M. Armpriester

Title: General Manager, North America NOJV and Royalty

Date: 08/26/2025

PBEX OPERATIONS LLC
AUTHORIZATION FOR EXPENDITURE
223 W. Wall St Suite 900
Midland, TX 79701

WELL NAME	Bond 32-34 Fed Com 201H	AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	Section 32 33 & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32: 1726 FNL, 2465 FWL (or Unit F)	FORMATION	2BSS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION	34: 330 FNL, 10 FEL (or Unit A)	COUNTY	LEA	DEPTH (TVD/TMD)	9,320' TVD/ 23,320' MD

PROJECT DESCRIPTION Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral

ACCT. CODE				DESCRIPTION OF EXPENDITURE		COST ESTIMATE			
IDC	ICC	TDC	TCC			DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFIX	500	PREFIX	600	WELL INTANGIBLE COSTS					
9201	9301	SURVEY/PERMITS/DAMAGES			\$25 000.00				\$25 000.00
9202	9302	LOCATION & ROAD			\$76 875.00				\$76 875.00
9203		RIG MOVE			\$100 000.00				\$100 000.00
9204		DRILLING - FOOTAGE							\$0.00
9205	9305	DRILLING - DAYWORK			\$750 000.00				\$750 000.00
9306		COMPLETION/WORKOVER RIG							\$0.00
9307		COIL TUBING/SNUBBING UNIT				\$300 000.00			\$300 000.00
9308		SLICKLINE/SWABMING							\$0.00
9209	9309	BITS			\$120 000.00				\$120 000.00
9210	9310	DIRECTIONAL SERVICES			\$232 000.00				\$232 000.00
9211	9311	CASING CREW			\$40 000.00				\$40 000.00
9212	9312	TOOL & EQUIPMENT RENTAL			\$95 000.00	\$300 000.00			\$395 000.00
9213	9313	FUEL & POWER			\$120 000.00	\$650 000.00			\$770 000.00
9214		DIESEL - BASE FOR MUD			\$110 000.00				\$110 000.00
9215	9315	MUD LOGGING & GEOLOGIST							\$0.00
9216	9316	DISPOSAL RESTORATION & BACKFILL			\$90 000.00				\$90 000.00
9217	9317	TRUCKING			\$40 000.00	\$60 000.00			\$100 000.00
9318		TESTING							\$0.00
9219	9319	CEMENTING			\$200 000.00				\$200 000.00
9220	9320	PERFORATING				\$245 000.00			\$245 000.00
9321		CASED HOLE LOGS							\$0.00
9222	9322	DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$75,000.00			\$115,000.00
9223	9323	SCIENCE & DIAGNOSTICS							\$0.00
9324		FORMATION STIMULATION				\$1,600,000.00			\$1,600,000.00
9225	9325	CONSULTING SERVICES/SUPERVISION				\$85,000.00			\$85,000.00
9226	9326	CONTRACT LABOR / SERVICES			\$122,000.00	\$100,000.00			\$222,000.00
9227	9327	OTHER LABOR			\$25,000.00				\$25,000.00
9228	9328	OVERHEAD							\$0.00
9229	9329	WATER - FRESH			\$50,000.00	\$700,000.00			\$750,000.00
9230	9330	FLUIDS & CHEMICALS			\$150,000.00	\$575,000.00			\$725,000.00
9231	9331	CORING & ANALYSIS							\$0.00
9232	9332	COMMUNICATIONS			\$10,000.00	\$10,000.00			\$20,000.00
9233	9333	BOP TESTING			\$28,000.00	\$10,000.00			\$38,000.00
9234	9334	CO2/NITROGEN							\$0.00
9235	9335	FISHING TOOLS & SERVICES							\$0.00
9236	9336	INSPECTIONS			\$20,000.00				\$20,000.00
9237		WIRELINE SERVICES							\$0.00
9238	9338	ENGINEERING & GEOLOGY - FIELD							\$0.00
9239	9339	ENGINEERING & GEOLOGY - OFFICE							\$0.00
9240		MULTISHOT & GYRO							\$0.00
9241		RE-ENTRY SERVICES							\$0.00
9242	9342	CAMPS & TRAILERS			\$52,000.00	\$40,000.00			\$92,000.00
9243	9343	SAFETY EQUIPMENT & H2S			\$10,000.00	\$5,000.00			\$15,000.00
9244		CONTINGENCY							\$0.00
9245	9345	INSURANCE				\$2,000.00			\$2,000.00
9246	9346	MISCELLANEOUS			\$97,672.00				\$97,672.00
9247	9347	OUTSIDE OPERATED							\$0.00
9248	9348	SAND				\$525,000.00			\$525,000.00
9249	9349	SAND LOGISTICS				\$525,000.00			\$525,000.00
9250	9350	VACUUM TRUCK							\$0.00
9251	9351	WATER - BRINE							\$0.00
9350		FACILITY TRUCKING					\$100,000.00		\$100,000.00
		FACILITY VACUUM TRUCK							\$0.00
9361		FACILITY CONSULTING SER./SUPERVISION					\$100,000.00		\$100,000.00
9424		FACILITY CONTRACT LABOR / SER.					\$300,000.00		\$300,000.00
9356		FACILITY SURFACE RENTAL							\$0.00
		SIM-OPS							\$0.00
		TOTAL WELL INTANGIBLE COSTS			\$2,603,547.00	\$5,807,000.00	\$500,000.00		\$8,910,547.00
		WELL TANGIBLE COSTS							
9401		CASING - CONDUCTOR			\$40 000.00				\$40 000.00
9402		CASING - SURFACE			\$76,453.00				\$76,453.00
9403		CASING - SALT STRING			\$0.00				\$0.00
9404		CASING - INTERMEDIATE			\$300,000.00				\$300,000.00
9405		CASING - PRODUCTION / LINER			\$650,000.00				\$650,000.00
9406		SUBSURFACE EQUIPMENT							\$0.00
9407		PRODUCTION TUBING				\$150,000.00			\$150,000.00
9408		SUBSURFACE PUMPING EQUIPMENT							\$0.00
9409		WELLHEAD EQUIPMENT			\$80,000.00				\$80,000.00
9410		FLOWLINES					\$150,000.00		\$150,000.00
9411		SURFACE PUMPING EQUIPMENT							\$0.00
9412		LINER HANGER & ASSOC EQUIP							\$0.00
9413		VALVES & FITTINGS				\$200,000.00			\$200,000.00
9414		INSTURMENTATION & ELECTRICAL					\$200,000.00		\$200,000.00
9415		RODS							\$0.00
9416		TRUCKING							\$0.00
9417		RE-ENTRY EQUIPMENT							\$0.00
9418		PRODUCTION EQUIPMENT					\$300,000.00		\$300,000.00
9419		MISCELLANEOUS							\$0.00
9420		OUTSIDE OPERATED							\$0.00
9421		TANGIBLE EQUIP-ACQUISITIONS							\$0.00
		TOTAL TANGIBLE COSTS			\$1,146,453.00	\$150,000.00	\$850,000.00		\$2,146,453.00
					DRILLING	COMPLETIONS	FACILITIES	TOTAL	
		TOTAL ESTIMATED WELL COST			\$3,750,000.00	\$5,957,000.00	\$1,350,000.00		\$11,057,000.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025

PARTNER APPROVAL: Andrew M. Armpriester DATE: _____

TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701							
WELL NAME	Bond 32-34 Fed Com 205H	AFE TYPE	Development	AFE NUMBER			
LATERAL LOCATION	Section 32, 33, & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER			
SURFACE LOCATION	32: 1726 FNL 2445 FNL (or Unit F)	FORMATION	2BSS	DRILLING DAYS	25		
BOTTOM-HOLE LOCATION	34: 2200 FNL 10 FEL (or Unit H)	COUNTY	LEA	DEPTH (TVD/DTMD)	9,320' TVD/23,320' MD		
STATE	NM						
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral						
ACCT. CODE				DESCRIPTION OF EXPENDITURE			
IDC PREFIX 300	ICC PREFIX 500	TDC 400	TCC 600	COST ESTIMATE			
WELL INTANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL
9201 9301	SURVEY/PERMITS/DAMAGES			\$25,000.00			\$25,000.00
9202 9302	LOCATION & ROAD			\$76,875.00			\$76,875.00
9203	RIG MOVE			\$100,000.00			\$100,000.00
9204	DRILLING - FOOTAGE						\$0.00
9205 9305	DRILLING - DAYWORK			\$750,000.00			\$750,000.00
9306	COMPLETION/WORKOVER RIG						\$0.00
9307	COIL TUBING/SNUBBING UNIT						\$300,000.00
9308	SLICKLINE/SWABBING						\$120,000.00
9209 9309	BITS			\$120,000.00			\$232,000.00
9210 9310	DIRECTIONAL SERVICES			\$232,000.00			\$40,000.00
9211 9311	CASING CREW			\$40,000.00			\$395,000.00
9212 9312	TOOL & EQUIPMENT RENTAL			\$95,000.00	\$300,000.00	\$770,000.00	\$110,000.00
9213 9313	FUEL & POWER			\$110,000.00	\$50,000.00		\$0.00
9214	DIESEL - BASE FOR MUD						\$90,000.00
9215 9315	MUD LOGGING & GEOLOGIST						\$10,000.00
9216 9316	DISPOSAL, RESTORATION & BACKFILL						\$10,000.00
9217 9317	TRUCKING			\$40,000.00	\$60,000.00		\$0.00
9318	TESTING						\$200,000.00
9219 9319	CEMENTING			\$200,000.00			\$245,000.00
9220	PERFORATING						\$0.00
9321	CASED HOLE LOGS						\$115,000.00
9222 9322	DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$75,000.00		\$0.00
9223 9323	SCIENCE & DIAGNOSTICS						\$1,600,000.00
9324	FORMATION STIMULATION						\$85,000.00
9225 9325	CONSULTING SERVICES/SUPERVISION			\$122,000.00	\$100,000.00		\$222,000.00
9226 9326	CONTRACT LABOR / SERVICES			\$25,000.00			\$25,000.00
9227 9327	OTHER LABOR						\$0.00
9228 9328	OVERHEAD						\$0.00
9229 9329	WATER - FRESH			\$50,000.00	\$700,000.00		\$750,000.00
9230 9330	FLUIDS & CHEMICALS			\$150,000.00	\$575,000.00		\$725,000.00
9231 9331	CORING & ANALYSIS						\$0.00
9232 9332	COMMUNICATIONS			\$10,000.00	\$10,000.00		\$20,000.00
9233 9333	BOP TESTING			\$28,000.00	\$10,000.00		\$38,000.00
9234 9334	CO2/NITROGEN						\$0.00
9235 9335	FISHING TOOLS & SERVICES						\$0.00
9236 9336	INSPECTIONS			\$20,000.00			\$20,000.00
9237	WIRELINE SERVICES						\$0.00
9238 9338	ENGINEERING & GEOLOGY - FIELD						\$0.00
9239 9339	ENGINEERING & GEOLOGY - OFFICE						\$0.00
9240	MULTISHOT & GYRO						\$0.00
9241	RE-ENTRY SERVICES						\$0.00
9242 9342	CAMPS & TRAILERS			\$52,000.00	\$40,000.00		\$92,000.00
9243 9343	SAFETY EQUIPMENT & H2S			\$10,000.00	\$6,000.00		\$15,000.00
9244	CONTINGENCY						\$0.00
9245 9345	INSURANCE				\$2,000.00		\$2,000.00
9246 9346	MISCELLANEOUS			\$97,672.00			\$97,672.00
9247 9347	OUTSIDE OPERATED						\$0.00
9248 9348	SAND				\$525,000.00		\$525,000.00
9249 9349	SAND LOGISTICS				\$525,000.00		\$525,000.00
9250 9350	VACUUM TRUCK						\$0.00
9251 9351	WATER - BRINE						\$0.00
9360	FACILITY TRUCKING					\$100,000.00	\$100,000.00
	FACILITY VACUUM TRUCK						\$0.00
9361	FACILITY CONSULTING SER/SUPERVISION					\$100,000.00	\$100,000.00
9424	FACILITY CONTRACT LABOR / SER.					\$300,000.00	\$300,000.00
9356	FACILITY SURFACE RENTAL						\$0.00
	SIM-OPS						\$0.00
	TOTAL WELL INTANGIBLE COSTS			\$2,603,547.00	\$5,807,000.00	\$500,000.00	\$8,910,547.00
WELL TANGIBLE COSTS							
9401	CASING - CONDUCTOR			\$40,000.00			\$40,000.00
9402	CASING - SURFACE			\$76,453.00			\$76,453.00
9403	CASING - SALT STRING			\$0.00			\$0.00
9404	CASING - INTERMEDIATE			\$300,000.00			\$300,000.00
9405	CASING - PRODUCTION / LINER			\$650,000.00			\$650,000.00
9406	SUBSURFACE EQUIPMENT						\$0.00
9407	PRODUCTION TUBING				\$150,000.00		\$150,000.00
9408	SUBSURFACE PUMPING EQUIPMENT						\$0.00
9409	WELLHEAD EQUIPMENT			\$80,000.00			\$80,000.00
9410	FLOWLINES					\$150,000.00	\$150,000.00
9411	SURFACE PUMPING EQUIPMENT						\$0.00
9412	LINER HANGER & ASSOC EQUIP						\$0.00
9413	VALVES & FITTINGS				\$200,000.00		\$200,000.00
9414	INSTRUMENTATION & ELECTRICAL				\$200,000.00		\$200,000.00
9415	RODS						\$4,00
9416	TRUCKING						\$0.00
9417	RE-ENTRY EQUIPMENT						\$0.00
9418	PRODUCTION EQUIPMENT				\$300,000.00		\$300,000.00
9419	MISCELLANEOUS						\$0.00
9420	OUTSIDE OPERATED						\$0.00
9421	TANGIBLE EQUIP-ACQUISITIONS						\$0.00
	TOTAL TANGIBLE COSTS			\$1,146,453.00	\$150,000.00	\$850,000.00	\$2,146,453.00
	TOTAL ESTIMATED WELL COST			\$3,750,000.00	\$5,957,000.00	\$1,350,000.00	\$11,057,000.00

PREPARED BY: Alex Bourland & Aaron Cattle DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025PARTNER APPROVAL: Andrew M. ArmpriesterTITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701								
WELL NAME	Bond 32-34 Fed Com 301H	AFE TYPE	Development	AFE NUMBER				
LATERAL LOCATION	Section 32, 33, & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER				
SURFACE LOCATION	32-1726 FNL 2405 FWL (or Unit F)	FORMATION	3BSS	DRILLING DAYS	25			
	34-1640 FNL 10 FEL (or Unit H)	COUNTY	LEA	DEPTH (TVD/DTMD)	10150' TVD/ 24150' MD			
PROJECT DESCRIPTION								
Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral								
ACCT. CODE		DESCRIPTION OF EXPENDITURE			COST ESTIMATE			
IDC PREFIX 360	ICC 500	TDC PREFIX 400	TCC 600					
WELL INTANGIBLE COSTS								
9201	9301	SURVEY/PERMITS/DAMAGES			DRILLING	COMPLETIONS	TOTAL	
9202	9302	LOCATION & ROAD			\$25,000.00		\$25,000.00	
9203		RIG MOVE			\$76,875.00		\$76,875.00	
9204		DRILLING - FOOTAGE			\$100,000.00		\$100,000.00	
9205	9305	DRILLING - DAYWORK			\$750,000.00		\$750,000.00	
9306		COMPLETION/WORKOVER RIG					\$0.00	
9307		COIL TUBING/SNUBBING UNIT			\$300,000.00		\$300,000.00	
9308		SLICKLINE/SWABMING					\$0.00	
9209	9309	BITS			\$120,000.00		\$120,000.00	
9210	9310	DIRECTIONAL SERVICES			\$232,000.00		\$232,000.00	
9211	9311	CASING CREW			\$40,000.00		\$40,000.00	
9212	9312	TOOL & EQUIPMENT RENTAL			\$95,000.00	\$300,000.00	\$395,000.00	
9213	9313	FUEL & POWER			\$120,000.00	\$650,000.00	\$770,000.00	
9214		DIESEL - BASE FOR MUD			\$110,000.00		\$110,000.00	
9215	9315	MUD LOGGING & GEOLOGIST					\$0.00	
9216	9316	DISPOSAL, RESTORATION & BACKFILL					\$0.00	
9217	9317	TRUCKING			\$80,000.00		\$80,000.00	
9318		TESTING			\$40,000.00	\$60,000.00	\$100,000.00	
9219	9319	CEMENTING			\$200,000.00		\$200,000.00	
9220	9320	PERFORATING				\$245,000.00	\$245,000.00	
9321		CASED HOLE LOGS					\$0.00	
9222	9322	DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$75,000.00	\$115,000.00	
9223	9323	SCIENCE & DIAGNOSTICS					\$0.00	
9324		FORMATION STIMULATION					\$1,600,000.00	
9225	9325	CONSULTING SERVICES/SUPERVISION			\$122,000.00	\$100,000.00	\$222,000.00	
9226	9326	CONTRACT LABOR / SERVICES			\$25,000.00		\$25,000.00	
9227	9327	OTHER LABOR					\$0.00	
9228	9328	OVERHEAD					\$0.00	
9229	9329	WATER - FRESH			\$50,000.00	\$700,000.00	\$750,000.00	
9230	9330	FLUIDS & CHEMICALS			\$150,000.00	\$575,000.00	\$725,000.00	
9231	9331	CORING & ANALYSIS					\$0.00	
9232	9332	COMMUNICATIONS			\$10,000.00	\$10,000.00	\$20,000.00	
9233	9333	BOP TESTING			\$28,000.00	\$10,000.00	\$38,000.00	
9234	9334	CO2/NITROGEN					\$0.00	
9235	9335	FISHING TOOLS & SERVICES					\$0.00	
9236	9336	INSPECTIONS			\$20,000.00		\$20,000.00	
9237		WIRELINE SERVICES					\$0.00	
9238	9338	ENGINEERING & GEOLOGY - FIELD					\$0.00	
9239	9339	ENGINEERING & GEOLOGY - OFFICE					\$0.00	
9240		MULTISHOT & GYRO					\$0.00	
9241		RE-ENTRY SERVICES					\$0.00	
9242	9342	CAMPS & TRAILERS			\$52,000.00	\$40,000.00	\$92,000.00	
9243	9343	SAFETY EQUIPMENT & H2S			\$10,000.00	\$5,000.00	\$15,000.00	
9244		CONTINGENCY					\$0.00	
9245	9345	INSURANCE					\$2,000.00	
9246	9346	MISCELLANEOUS			\$87,672.00		\$97,672.00	
9247	9347	OUTSIDE OPERATED					\$0.00	
9248	9348	SAND				\$525,000.00	\$525,000.00	
9249	9349	SAND LOGISTICS				\$525,000.00	\$525,000.00	
9250	9350	VACUUM TRUCK					\$0.00	
9251	9351	WATER - BRINE					\$0.00	
9380		FACILITY TRUCKING					\$100,000.00	
		FACILITY VACUUM TRUCK					\$0.00	
9361		FACILITY CONSULTING SER/SUPERVISION					\$100,000.00	
9424		FACILITY CONTRACT LABOR / SER.					\$300,000.00	
9356		FACILITY SURFACE RENTAL					\$0.00	
		SIM-OPS					\$0.00	
		TOTAL WELL INTANGIBLE COSTS			\$2,603,547.00	\$5,807,000.00	\$500,000.00	\$8,910,547.00
WELL TANGIBLE COSTS								
9401	CASING - CONDUCTOR			\$40,000.00			\$40,000.00	
9402	CASING - SURFACE			\$76,453.00			\$76,453.00	
9403	CASING - SALT STRING			\$0.00			\$0.00	
9404	CASING - INTERMEDIATE			\$300,000.00			\$300,000.00	
9405	CASING - PRODUCTION / LINER			\$650,000.00			\$650,000.00	
9406	SUBSURFACE EQUIPMENT						\$0.00	
9407	PRODUCTION TUBING				\$150,000.00		\$150,000.00	
9408	SUBSURFACE PUMPING EQUIPMENT						\$0.00	
9409	WELLHEAD EQUIPMENT			\$80,000.00			\$80,000.00	
9410	FLOWLINES					\$150,000.00	\$150,000.00	
9411	SURFACE PUMPING EQUIPMENT						\$0.00	
9412	LINER HANGER & ASSOC EQUIP						\$0.00	
9413	VALVES & FITTINGS				\$200,000.00		\$200,000.00	
9414	INSTRUMENTATION & ELECTRICAL				\$200,000.00		\$200,000.00	
9415	RODS						\$0.00	
9416	TRUCKING						\$0.00	
9417	RE-ENTRY EQUIPMENT						\$0.00	
9418	PRODUCTION EQUIPMENT					\$300,000.00	\$300,000.00	
9419	MISCELLANEOUS						\$0.00	
9420	OUTSIDE OPERATED						\$0.00	
9421	TANGIBLE EQUIP-ACQUISITIONS						\$0.00	
		TOTAL TANGIBLE COSTS			\$1,146,453.00	\$150,000.00	\$650,000.00	\$2,146,453.00
				DRILLING	COMPLETIONS	FACILITIES	TOTAL	
				\$3,750,000.00	\$5,957,000.00	\$1,350,000.00	\$11,057,000.00	

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024
 OPERATOR APPROVAL: _____ DATE: _____
 OPERATOR APPROVAL: _____ DATE: _____
 PARTNER COMPANY NAME: Chevron DATE: 08/26/2025
 PARTNER APPROVAL: Andrew M. Armstrong
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: **Chevron USA** DATE: **08/26/2025**

PARTNER APPROVAL: Andrew M. Armpriester

TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 1 Midland, TX 79701						
WELL NAME	Bond 33-34 Fed Corn 211H		AFE TYPE	Development	AFE NUMBER	
LATENT LOCATION	Section 33, & 34 of 185 32E		FIELD	Northem Delaware	PROPERTY NUMBER	
SURFACE LOCATION	32: 1980 FSL, 1165 FEL (or Unit I)		FORMATION	3B65	DRILLING DAYS	35
BOTTOM-HOLE LOCATION	34: 330 FSL, 10 FEL (or Unit P)		COUNTY	LEA	DEPTH (TVD/TMD)	9,320' TVD/ 20680' MD
STATE						
PROJECT DESCRIPTION Drilling, Completion & Facilities costs for PBEX 2 mile lateral						
ACCT. CODE				DESCRIPTION OF EXPENDITURE		
IDC	ICC	TDC	TCC	COST ESTIMATE		
PREFIX 300	PREFIX 500	PREFIX 400	600	DRILLING	COMPLETIONS	FACILITIES
				TOTAL		
WELL INTANGIBLE COSTS						
9201	9301	SURVEY/PERMITS/DAMAGES		\$25,000.00		\$25,000.00
9202	9302	LOCATION & ROAD		\$76,875.00		\$76,875.00
9203		RIG MOVE		\$75,000.00		\$75,000.00
9204		DRILLING - FOOTAGE				\$0.00
9205	9305	DRILLING - DAYWORK		\$500,000.00		\$500,000.00
9306		COMPLETION/WORKOVER RIG				\$0.00
9307		COIL TUBING/SNUBBING UNIT			\$250,000.00	\$250,000.00
9308		SLICKLINE/SWABMING				\$0.00
9209	9309	BITS		\$50,000.00		\$50,000.00
9210	9310	DIRECTIONAL SERVICES		\$250,000.00		\$250,000.00
9211	9311	CASING CREW		\$50,000.00		\$50,000.00
9212	9312	TOOL & EQUIPMENT RENTAL		\$95,000.00	\$275,000.00	\$370,000.00
9213	9313	FUEL & POWER		\$200,000.00	\$525,000.00	\$725,000.00
9214		DIESEL - BASE FOR MUD		\$125,000.00		\$125,000.00
9215	9315	MUD LOGGING & GEOLOGIST				\$0.00
9216	9316	DISPOSAL, RESTORATION & BACKFILL		\$100,000.00		\$100,000.00
9217	9317	TRUCKING		\$40,000.00	\$50,000.00	\$90,000.00
9318		TESTING				\$0.00
9219	9319	CEMENTING		\$200,000.00		\$200,000.00
9220	9320	PERFORATING			\$200,000.00	\$200,000.00
9221		CASED HOLE LOGS				\$0.00
9222	9322	DOWNHOLE TOOLS & SERVICE		\$40,000.00	\$60,000.00	\$100,000.00
9223	9323	SCIENCE & DIAGNOSTICS				\$0.00
9224		FORMATION STIMULATION			\$1,100,000.00	\$1,100,000.00
9225	9325	CONSULTING SERVICES/SUPERVISION			\$75,000.00	\$75,000.00
9226	9326	CONTRACT LABOR / SERVICES		\$100,000.00	\$90,000.00	\$190,000.00
9227	9327	OTHER LABOR		\$20,000.00		\$20,000.00
9228	9328	OVERHEAD				\$0.00
9229	9329	WATER - FRESH		\$100,000.00	\$500,000.00	\$600,000.00
9230	9330	FLUIDS & CHEMICALS		\$200,000.00	\$375,000.00	\$575,000.00
9231	9331	CORING & ANALYSIS				\$0.00
9232	9332	COMMUNICATIONS		\$10,000.00	\$10,000.00	\$20,000.00
9233	9333	BOP TESTING		\$28,000.00	\$10,000.00	\$38,000.00
9234	9334	CO2/NITROGEN				\$0.00
9235	9335	FISHING TOOLS & SERVICES				\$0.00
9236	9336	INSPECTIONS		\$20,000.00		\$20,000.00
9237		WIRELINE SERVICES				\$0.00
9238	9338	ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339	ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240		MULTISHOT & GYRO				\$0.00
9241		RE-ENTRY SERVICES				\$0.00
9242	9342	CAMPS & TRAILERS		\$30,000.00	\$40,000.00	\$70,000.00
9243	9343	SAFETY EQUIPMENT & H2S		\$10,000.00	\$5,000.00	\$15,000.00
9244		CONTINGENCY				\$0.00
9245	9345	INSURANCE			\$2,000.00	\$2,000.00
9246	9346	MISCELLANEOUS		\$120,000.00		\$120,000.00
9247	9347	OUTSIDE OPERATED				\$0.00
9248	9348	SAND			\$400,000.00	\$400,000.00
9249	9349	SAND LOGISTICS			\$400,000.00	\$400,000.00
9250	9350	VACUUM TRUCK				\$0.00
9251	9351	WATER - BRINE				\$0.00
9260		FACILITY TRUCKING				\$0.00
		FACILITY VACUUM TRUCK				\$0.00
9361		FACILITY CONSULTING SER/SUPERVISION				\$100,000.00
9424		FACILITY CONTRACT LABOR / SER.				\$100,000.00
9356		FACILITY SURFACE RENTAL				\$0.00
		SIM-OPS				\$0.00
		TOTAL WELL INTANGIBLE COSTS		\$2,464,875.00	\$4,367,000.00	\$200,000.00
		WELL TANGIBLE COSTS				\$7,031,875.00
9401		CASING - CONDUCTOR		\$40,000.00		\$40,000.00
9402		CASING - SURFACE		\$78,453.00		\$78,453.00
9403		CASING - SALT STRING		\$0.00		\$0.00
9404		CASING - INTERMEDIATE		\$300,000.00		\$300,000.00
9405		CASING - PRODUCTION / LINER		\$650,000.00		\$650,000.00
9406		SUBSURFACE EQUIPMENT				\$0.00
9407		PRODUCTION TUBING			\$150,000.00	\$150,000.00
9408		SUBSURFACE PUMPING EQUIPMENT				\$0.00
9409		WELLHEAD EQUIPMENT		\$100,000.00		\$100,000.00
9410		FLOWLINES			\$150,000.00	\$150,000.00
9411		SURFACE PUMPING EQUIPMENT				\$0.00
9412		LINER HANGER & ASSOC EQUIP				\$0.00
9413		VALVES & FITTINGS			\$200,000.00	\$200,000.00
9414		INSTRUMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00
9415		RODS				\$0.00
9416		TRUCKING				\$0.00
9417		RE-ENTRY EQUIPMENT				\$0.00
9418		PRODUCTION EQUIPMENT			\$400,000.00	\$400,000.00
9419		MISCELLANEOUS				\$0.00
9420		OUTSIDE OPERATED				\$0.00
9421		TANGIBLE EQUIP-ACQUISITIONS				\$0.00
		TOTAL TANGIBLE COSTS		\$1,166,453.00	\$150,000.00	\$950,000.00
					DRILLING	COMPLETIONS
					FACILITIES	TOTAL
		TOTAL ESTIMATED WELL COST		\$3,631,328.00	\$4,517,000.00	\$1,150,000.00
						\$9,298,328.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025

PARTNER APPROVAL: Andrew M. Armpriester

TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701							
WELL NAME	Bond 32-34 Fed Com 10TH Section 32, 33, & 34 of 18S 32E			AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION	32: 1726 FNL & 2425 FNL (or Unit F)			FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION	34: 680 FNL & 10 FEL (or Unit A)			FORMATION	16SS	DRILLING DAYS	24
BOTTOM-HOLE LOCATION				COUNTY	LEA	DEPTH (TV'D/TMD)	8,450' TVD/ 22,450' MD
STATE				NM			
PROJECT DESCRIPTION Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral							
ACCT. CODE				DESCRIPTION OF EXPENDITURE			
IDC 300	ICC 500	TDC 400	TCC 600	COST ESTIMATE			
WELL INTANGIBLE COSTS				DRILLING	COMPLETIONS	FACILITIES	TOTAL
9201	9301	SURVEY/PERMITS/DAMAGES		\$25 000.00			\$25 000.00
9202	9302	LOCATION & ROAD		\$76 875.00			\$76 875.00
9203		RIG MOVE		\$100 000.00			\$100 000.00
9204		DRILLING - FOOTAGE					\$0.00
9205	9305	DRILLING - DAYWORK		\$633 000.00			\$633 000.00
9306		COMPLETION/WORKOVER RIG					\$0.00
9307		COIL TUBING/SNUBBING UNIT					\$300 000.00
9308		SLICKLINE/SWABMING					\$0.00
9209	9309	BITS		\$100 000.00			\$100 000.00
9210	9310	DIRECTIONAL SERVICES		\$230 000.00			\$230 000.00
9211	9311	CASING CREW		\$40 000.00			\$40 000.00
9212	9312	TOOL & EQUIPMENT RENTAL		\$105 000.00	\$300 000.00		\$405 000.00
9213	9313	FUEL & POWER		\$130 000.00	\$650 000.00		\$780 000.00
9214		DIESEL - BASE FOR MUD		\$70 000.00			\$70 000.00
9215	9315	MUD LOGGING & GEOLOGIST					\$0.00
9216	9316	DISPOSAL RESTORATION & BACKFILL		\$90 000.00			\$90 000.00
9217	9317	TRUCKING		\$40 000.00	\$60 000.00		\$100 000.00
9318		TESTING					\$0.00
9219	9319	CEMENTING		\$190 000.00			\$190 000.00
9220	9320	PERFORATING					\$245 000.00
9321		CASED HOLE LOGS					\$0.00
9222	9322	DOWNHOLE TOOLS & SERVICE		\$40 000.00	575 000.00		\$115 000.00
9223	9323	SCIENCE & DIAGNOSTICS					\$0.00
9324		FORMATION STIMULATION					\$1,600 000.00
9225	9325	CONSULTING SERVICES/SUPERVISION					\$85 000.00
9226	9326	CONTRACT LABOR / SERVICES		\$92 000.00	\$100 000.00		\$192 000.00
9227	9327	OTHER LABOR		\$25 000.00			\$25 000.00
9228		OVERHEAD					\$0.00
9229	9329	WATER - FRESH		\$50 000.00	\$700 000.00		\$750 000.00
9230	9330	FLUIDS & CHEMICALS		\$150 000.00	\$75 000.00		\$725 000.00
9231	9331	CORING & ANALYSIS					\$0.00
9232	9332	COMMUNICATIONS		\$10 000.00	\$10 000.00		\$20 000.00
9233	9333	BOP TESTING		\$28 000.00	\$10 000.00		\$38 000.00
9234	9334	CO2NITROGEN					\$0.00
9235	9335	FISHING TOOLS & SERVICES					\$0.00
9236	9336	INSPECTIONS					\$20 000.00
9237		WIRELINE SERVICES					\$0.00
9238	9338	ENGINEERING & GEOLOGY - FIELD					\$0.00
9239	9339	ENGINEERING & GEOLOGY - OFFICE					\$0.00
9240		MULTISHOT & GYRO					\$0.00
9241		RE-ENTRY SERVICES					\$0.00
9242	9342	CAMPS & TRAILERS		\$52 000.00	\$40 000.00		\$92 000.00
9243	9343	SAFETY EQUIPMENT & H2S		\$10 000.00	\$5 000.00		\$15 000.00
9244		CONTINGENCY					\$0.00
9245	9345	INSURANCE					\$2 000.00
9246	9346	MISCELLANEOUS		\$149 801.87			\$149 801.87
9247	9347	OUTSIDE OPERATED					\$0.00
9248	9348	SAND					\$525 000.00
9249	9349	SAND LOGISTICS					\$525 000.00
9250	9350	VACUUM TRUCK					\$0.00
9251		WATER - BRINE					\$0.00
9360		FACILITY TRUCKING					\$100 000.00
		FACILITY VACUUM TRUCK					\$0.00
9361		FACILITY CONSULTING SER/SUPERVISION					\$100 000.00
9424		FACILITY CONTRACT LABOR / SER.					\$300 000.00
9356		FACILITY SURFACE RENTAL					\$0.00
		SIM-CPS					\$0.00
		TOTAL WELL INTANGIBLE COSTS		\$2,456,676.87	\$5,807,000.00	\$500,000.00	\$8,763,676.87
		WELL TANGIBLE COSTS					
9401		CASING - CONDUCTOR		\$40 000.00			\$40 000.00
9402		CASING - SURFACE		\$76 453.13			\$76 453.13
9403		CASING - SALT STRING		\$0.00			\$0.00
9404		CASING - INTERMEDIATE		\$303 870.00			\$303 870.00
9405		CASING - PRODUCTION / LINER		\$643 000.00			\$643 000.00
9406		SUBSURFACE EQUIPMENT					\$0.00
9407		PRODUCTION TUBING					\$150 000.00
9408		SUBSURFACE PUMPING EQUIPMENT					\$0.00
9409		WELLHEAD EQUIPMENT		\$80 000.00			\$80 000.00
9410		FLOWLINES					\$150 000.00
9411		SURFACE PUMPING EQUIPMENT					\$0.00
9412		Liner Hanger & Assoc Equip					\$0.00
9413		VALVES & FITTINGS					\$200 000.00
9414		INSTRUMENTATION & ELECTRICAL					\$200 000.00
9415		RODS					\$0.00
9416		TRUCKING					\$0.00
9417		RE-ENTRY EQUIPMENT					\$0.00
9418		PRODUCTION EQUIPMENT					\$300 000.00
9419		MISCELLANEOUS					\$0.00
9420		OUTSIDE OPERATED					\$0.00
9421		TANGIBLE EQUIP-ACQUISITIONS					\$0.00
		TOTAL TANGIBLE COSTS		\$1,143,323.13	\$150,000.00	\$850,000.00	\$2,143,323.13
		DRILLING COMPLETIONS FACILITIES TOTAL					
		TOTAL ESTIMATED WELL COST		\$3,800,000.00	\$5,957,000.00	\$1,350,000.00	\$10,907,000.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024
 OPERATOR APPROVAL: _____ DATE: _____
 OPERATOR APPROVAL: _____ DATE: _____
 PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025
 PARTNER APPROVAL: Andrew M. Armpriester
 TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportional share of the actual costs.

PBEX OPERATIONS LLC AUTHORIZATION FOR EXPENDITURE 223 W. Wall St Suite 900 Midland, TX 79701												
WELL NAME		BOND 32-34 Fed Com 103H		AFE TYPE	Development	AFE NUMBER						
LATERAL LOCATION		Section 32, 33, & 34 of 16S 32E		FIELD	Northern Delaware <th>PROPERTY NUMBER</th> <td data-cs="3" data-kind="parent"></td> <td data-kind="ghost"></td> <td data-kind="ghost"></td>	PROPERTY NUMBER						
SURFACE LOCATION		32-1726 FNL & 2385 FVL (or Unit F)		FORMATION	188S	DRILLING DAYS	24					
BOTTOM-HOLE LOCATION		34-2130 FNL & 10 FEL (or Unit H)		COUNTY	LEA	DEPTH (TVD/DTMD)	8,450' TVD/ 22,450' MD					
STATE				STATE	NM							
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2.5-mile lateral										
ACCT. CODE				DESCRIPTION OF EXPENDITURE			COST ESTIMATE					
IDC 300	ICC 500	TDC 400	TCC 600	WELL INTANGIBLE COSTS			DRILLING	COMPLETIONS	FACILITIES	TOTAL		
9201	9301			SURVEY/PERMITS/DAMAGES		\$25,000.00				\$25,000.00		
9202	9302			LOCATION & ROAD		\$76,875.00				\$76,875.00		
9203				RIG MOVE		\$100,000.00				\$100,000.00		
9204				DRILLING - FOOTAGE						\$0.00		
9205	9305			DRILLING - DAYWORK		\$633,000.00				\$633,000.00		
9306				COMPLETION/WORKOVER RIG						\$0.00		
9307				COIL TUBING/SNUBBING UNIT						\$300,000.00		
9308				SLICKLINE/SWABMING						\$0.00		
9209	9309			BITS		\$100,000.00				\$100,000.00		
9210	9310			DIRECTIONAL SERVICES		\$230,000.00				\$230,000.00		
9211	9311			CASING CREW		\$40,000.00				\$40,000.00		
9212	9312			TOOL & EQUIPMENT RENTAL		\$105,000.00				\$405,000.00		
9213	9313			FUEL & POWER		\$130,000.00				\$780,000.00		
9214				DIESEL - BASE FOR MUD		\$70,000.00				\$70,000.00		
9215	9315			MUD LOGGING & GEOLOGIST						\$0.00		
9216	9316			DISPOSAL RESTORATION & BACKFILL		\$90,000.00				\$90,000.00		
9217	9317			TRUCKING		\$40,000.00		\$60,000.00		\$100,000.00		
9318				TESTING						\$0.00		
9219	9319			CEMENTING		\$190,000.00				\$190,000.00		
9220	9320			PERFORATING						\$245,000.00		
9321				CASED HOLE LOGS						\$0.00		
9222	9322			DOWNHOLE TOOLS & SERVICE		\$40,000.00				\$115,000.00		
9223	9323			SCIENCE & DIAGNOSTICS						\$0.00		
9224				FORMATION STIMULATION						\$1,600,000.00		
9225	9325			CONSULTING SERVICES/SUPERVISION						\$85,000.00		
9226	9326			CONTRACT LABOR / SERVICES		\$92,000.00				\$192,000.00		
9227	9327			OTHER LABOR		\$25,000.00				\$25,000.00		
9228	9328			OVERHEAD						\$0.00		
9229	9329			WATER - FRESH		\$40,000.00				\$750,000.00		
9230	9330			FLUIDS & CHEMICALS		\$150,000.00				\$725,000.00		
9231	9331			CORING & ANALYSIS						\$0.00		
9232	9332			COMMUNICATIONS		\$10,000.00				\$20,000.00		
9233	9333			BCP TESTING		\$28,000.00				\$38,000.00		
9234	9334			CO2/NITROGEN						\$0.00		
9235	9335			FISHING TOOLS & SERVICES						\$0.00		
9236	9336			INSPECTIONS		\$20,000.00				\$20,000.00		
9237				WIRELINE SERVICES						\$0.00		
9238	9338			ENGINEERING & GEOLOGY - FIELD						\$0.00		
9239	9339			ENGINEERING & GEOLOGY - OFFICE						\$0.00		
9240				MULTISHOT & GYRO						\$0.00		
9241				RE-ENTRY SERVICES						\$0.00		
9242	9342			CAMPS & TRAILERS		\$52,000.00				\$92,000.00		
9243	9343			SAFETY EQUIPMENT & H2S		\$10,000.00				\$15,000.00		
9244				CONTINGENCY						\$0.00		
9245	9345			INSURANCE						\$2,000.00		
9246	9346			MISCELLANEOUS		\$149,801.87				\$149,801.87		
9247	9347			OUTSIDE OPERATED						\$0.00		
9248	9348			SAND						\$525,000.00		
9249	9349			SAND LOGISTICS						\$525,000.00		
9250	9350			VACUUM TRUCK						\$0.00		
9251	9351			WATER - BRINE						\$0.00		
9360				FACILITY TRUCKING						\$100,000.00		
				FACILITY VACUUM TRUCK						\$0.00		
9361				FACILITY CONSULTING SER /SUPERVISION						\$100,000.00		
9424				FACILITY CONTRACT LABOR / SER.						\$300,000.00		
9956				FACILITY SURFACE RENTAL						\$0.00		
				SIM-OPS						\$0.00		
				TOTAL WELL INTANGIBLE COSTS		\$2,456,676.87				\$8,763,878.87		
WELL TANGIBLE COSTS												
9401				CASING - CONDUCTOR		\$40,000.00				\$40,000.00		
9402				CASING - SURFACE		\$76,453.13				\$76,453.13		
9403				CASING - SALT STRING		\$0.00				\$0.00		
9404				CASING - INTERMEDIATE		\$303,870.00				\$303,870.00		
9405				CASING - PRODUCTION / LINER		\$643,000.00				\$643,000.00		
9406				SUBSURFACE EQUIPMENT						\$0.00		
9407				PRODUCTION TUBING						\$150,000.00		
9408				SUBSURFACE PUMPING EQUIPMENT						\$0.00		
9409				WELLHEAD EQUIPMENT		\$80,000.00				\$80,000.00		
9410				FLOWLINES						\$150,000.00		
9411				SURFACE PUMPING EQUIPMENT						\$0.00		
9412				LINER HANGER & ASSOC EQUIP						\$0.00		
9413				VALVES & FITTINGS						\$200,000.00		
9414				INSTRUMENTATION & ELECTRICAL						\$200,000.00		
9415				RODS						\$0.00		
9416				TRUCKING						\$0.00		
9417				RE-ENTRY EQUIPMENT						\$0.00		
9418				PRODUCTION EQUIPMENT						\$300,000.00		
9419				MISCELLANEOUS						\$0.00		
9420				OUTSIDE OPERATED						\$0.00		
9421				TANGIBLE EQUIP-ACQUISITIONS						\$0.00		
				TOTAL TANGIBLE COSTS		\$1,143,323.13				\$2,143,323.13		
TOTAL ESTIMATED WELL COST												
							DRILLING	COMPLETIONS	FACILITIES	TOTAL		
								\$3,800,000.00	\$5,857,000.00	\$1,350,000.00	\$10,907,000.00	

PREPARED BY:	Alex Bourland & Aaron Cattley	DATE:	9/17/2024
OPERATOR APPROVAL:		DATE:	
OPERATOR APPROVAL:		DATE:	
PARTNER COMPANY NAME:	Chevron USA	DATE:	08/26/2025
PARTNER APPROVAL:	Andrew M. Armpriester	DATE:	
TITLE:	General Manager, North America Non-Operated Joint Venture and Royalty	DATE:	

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.

PREPARED BY: Alex Bourdelle & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL _____ DATE _____

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PARTNER COMPANY NAME: CHREVCO USA DATE: 06/26/2020

Andrew M. Armistrester
Counsel to the North American, North Central, and Western Districts

Figure 11.175: A 3D visualization of the 1000th point cloud in the sequence.

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 1 Midland, TX 79701										
WELL NAME		Bond 33-34 Fed Com 106H	AFE TYPE	Development	AFE NUMBER					
LATERAL LOCATION		Section 33, & 34 of 185 32E	FIELD	Northern Delaware	PROPERTY NUMBER					
SURFACE LOCATION		32- 1660 FSL, 1165 FEL (or Unit I)	FORMATION	185S	DRILLING DAYS	25				
BOTTOM-HOLE LOCATION		34- 330 FSL, 10 FEL (or Unit P)	COUNTY	LEA	DEPTH (TVD/TMD)	7820 TVD / 19180 MD				
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral								
ACCT. CODE				DESCRIPTION OF EXPENDITURE			COST ESTIMATE			
IDC	ICC	TDC	TCC	DESCRIPTION OF EXPENDITURE			DRILLING	COMPLETIONS	FACILITIES	TOTAL
PREFX	300	PREFIX	600	WELL INTANGIBLE COSTS						
9201	9301	SURVEY/PERMITS/DAMAGES			\$25,000.00					\$25,000.00
9202	9302	LOCATION & ROAD			\$76,875.00					\$76,875.00
9203		RIG MOVE			\$75,000.00					\$75,000.00
9204		DRILLING - FOOTAGE								\$0.00
9205	9305	DRILLING - DAYWORK			\$500,000.00					\$500,000.00
9306		COMPLETION/WORKOVER RIG								\$0.00
9307		COIL TUBING/SNUBBING UNIT								\$250,000.00
9308		SLICKLINE/SWABMING								\$0.00
9209	9309	BITS			\$50,000.00					\$50,000.00
9210	9310	DIRECTIONAL SERVICES			\$250,000.00					\$250,000.00
9211	9311	CASING CREW			\$50,000.00					\$50,000.00
9212	9312	TOOL & EQUIPMENT RENTAL			\$95,000.00					\$370,000.00
9213	9313	FUEL & POWER			\$200,000.00					\$725,000.00
9214		DIESEL - BASE FOR MUD			\$125,000.00					\$125,000.00
9215	9315	MUD LOGGING & GEOLOGIST								\$0.00
9216	9316	DISPOSAL, RESTORATION & BACKFILL			\$100,000.00					\$100,000.00
9217	9317	TRUCKING			\$40,000.00					\$90,000.00
9318		TESTING								\$0.00
9219	9319	CEMENTING			\$200,000.00					\$200,000.00
9220	9320	PERFORATING								\$200,000.00
9321		CASED HOLE LOGS								\$0.00
9222	9322	DOWNHOLE TOOLS & SERVICE			\$40,000.00					\$100,000.00
9223	9323	SCIENCE & DIAGNOSTICS								\$0.00
9324		FORMATION STIMULATION								\$1,100,000.00
9225	9325	CONSULTING SERVICES/SUPERVISION								\$75,000.00
9226	9326	CONTRACT LABOR / SERVICES			\$100,000.00					\$190,000.00
9227	9327	OTHER LABOR			\$20,000.00					\$20,000.00
9228	9328	OVER-HEAD								\$0.00
9229	9329	WATER - FRESH			\$100,000.00					\$600,000.00
9230	9330	FLUIDS & CHEMICALS			\$200,000.00					\$575,000.00
9231	9331	CORING & ANALYSIS								\$0.00
9232	9332	COMMUNICATIONS			\$10,000.00					\$20,000.00
9233	9333	BOP TESTING			\$28,000.00					\$38,000.00
9234	9334	CO2/NITROGEN								\$0.00
9235	9335	FISHING TOOLS & SERVICES								\$0.00
9236	9336	INSPECTIONS			\$20,000.00					\$20,000.00
9237		WIRELINE SERVICES								\$0.00
9238	9338	ENGINEERING & GEOLOGY - FIELD								\$0.00
9239	9339	ENGINEERING & GEOLOGY - OFFICE								\$0.00
9240		MULTISHOT & GYRO								\$0.00
9241		RE-ENTRY SERVICES								\$0.00
9242	9342	CAMPS & TRAILERS			\$30,000.00					\$70,000.00
9243	9343	SAFETY EQUIPMENT & H2S			\$10,000.00					\$15,000.00
9244		CONTINGENCY								\$0.00
9245	9345	INSURANCE								\$2,000.00
9246	9346	MISCELLANEOUS			\$120,000.00					\$120,000.00
9247	9347	OUTSIDE OPERATED								\$0.00
9248	9348	SAND			\$400,000.00					\$400,000.00
9249	9349	SAND LOGISTICS			\$400,000.00					\$400,000.00
9250	9350	VACUUM TRUCK								\$0.00
9251	9351	WATER - BRINE								\$0.00
9260		FACILITY TRUCKING								\$0.00
		FACILITY VACUUM TRUCK								\$0.00
9381		FACILITY CONSULTING SER./SUPERVISION								\$100,000.00
9424		FACILITY CONTRACT LABOR / SER.								\$100,000.00
9356		FACILITY SURFACE RENTAL								\$0.00
		SIM-OPS								\$0.00
		TOTAL WELL INTANGIBLE COSTS			\$2,464,875.00					\$200,000.00
		WELL TANGIBLE COSTS								\$7,031,875.00
9401		CASING - CONDUCTOR			\$40,000.00					\$40,000.00
9402		CASING - SURFACE			\$76,453.00					\$76,453.00
9403		CASING - SALT STRING			\$0.00					\$0.00
9404		CASING - INTERMEDIATE			\$300,000.00					\$300,000.00
9405		CASING - PRODUCTION / LINER			\$650,000.00					\$650,000.00
9406		SUBSURFACE EQUIPMENT								\$0.00
9407		PRODUCTION TUBING								\$150,000.00
9408		SUBSURFACE PUMPING EQUIPMENT								\$0.00
9409		WELLHEAD EQUIPMENT			\$100,000.00					\$100,000.00
9410		FLOWLINES								\$150,000.00
9411		SURFACE PUMPING EQUIPMENT								\$0.00
9412		LINER HANGER & ASSOC EQUIP								\$0.00
9413		VALVES & FITTINGS								\$200,000.00
9414		INSTRUMENTATION & ELECTRICAL								\$200,000.00
9415		RODS								\$0.00
9416		TRUCKING								\$0.00
9417		RE-ENTRY EQUIPMENT								\$0.00
9418		PRODUCTION EQUIPMENT								\$400,000.00
9419		MISCELLANEOUS								\$0.00
9420		OUTSIDE OPERATED								\$0.00
9421		TANGIBLE EQUIP-ACQUISITIONS								\$0.00
		TOTAL TANGIBLE COSTS			\$1,166,453.00					\$2,266,453.00
					DRILLING	COMPLETIONS	FACILITIES	TOTAL		
		TOTAL ESTIMATED WELL COST								\$9,298,328.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____

OPERATOR APPROVAL: _____

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025PARTNER APPROVAL: Andrew M. ArmpriesterTITLE: General Manager, North America Non-Operated Joint Venture and Royalty

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 7 Midland, TX 79701							
WELL NAME		Bard 33-34 Fed Com 304H		AFE TYPE	Development	AFE NUMBER	
LATERAL LOCATION		Section 33, & 34 of 18S 32E		FIELD	Northern Delaware	PROPERTY NUMBER	
SURFACE LOCATION		32-1790 FSL, 1165 FEL (or Unit I)		FORMATION	38SS	DRILLING DAYS	25
BOTTOM-HOLE LOCATION		34-2230 FSL, 10 FEL (or Unit I)		COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 21510' MD
PROJECT DESCRIPTION		Drilling, Completion & Facilities costs for PBEX 2 mile lateral					
IDC PREFIX 300	ICC PREFIX 400	TDC 600	DESCRIPTION OF EXPENDITURE		COST ESTIMATE		
			ACCT. CODE	DESCRIPTION OF EXPENDITURE	DRILLING	COMPLETIONS	FACILITIES
WELL INTANGIBLE COSTS							
9201	9301		SURVEY/PERMITS/DAMAGES	\$25,000.00			\$25,000.00
9202	9302		LOCATION & ROAD	\$76,875.00			\$76,875.00
9203			RIG MOVE	\$75,000.00			\$75,000.00
9204			DRILLING - FOOTAGE				\$0.00
9205	9305		DRILLING - DAYWORK	\$500,000.00			\$500,000.00
9306			COMPLETION/WORKOVER RIG				\$0.00
9307			COIL TUBING/SNUBBING UNIT		\$250,000.00		\$250,000.00
9308			SLICKLINE/SWABBING				\$0.00
9209	9309		BITS	\$50,000.00			\$50,000.00
9210	9310		DIRECTIONAL SERVICES	\$250,000.00			\$250,000.00
9211	9311		CASING CREW	\$50,000.00			\$50,000.00
9212	9312		TOOL & EQUIPMENT RENTAL	\$95,000.00	\$275,000.00		\$370,000.00
9213	9313		FUEL & POWER	\$200,000.00	\$525,000.00		\$725,000.00
9214			DIESEL - BASE FOR MUD	\$125,000.00			\$125,000.00
9215	8315		MUD LOGGING & GEOLOGIST				\$0.00
9216	9316		DISPOSAL, RESTORATION & BACKFILL	\$100,000.00			\$100,000.00
9217	9317		TRUCKING	\$40,000.00	\$50,000.00		\$90,000.00
9318			TESTING				\$0.00
9219	9319		CEMENTING	\$200,000.00			\$200,000.00
9220	9320		PERFORATING		\$200,000.00		\$200,000.00
9321			CASED HOLE LOGS				\$0.00
9222	9322		DOWNHOLE TOOLS & SERVICE	\$40,000.00	\$60,000.00		\$100,000.00
9223	9323		SCIENCE & DIAGNOSTICS				\$0.00
9324			FORMATION STIMULATION		\$1,100,000.00		\$1,100,000.00
9225	9325		CONSULTING SERVICES/SUPERVISION		\$75,000.00		\$75,000.00
9226	9326		CONTRACT LABOR / SERVICES	\$100,000.00	\$90,000.00		\$190,000.00
9227	9327		OTHER LABOR	\$20,000.00			\$20,000.00
9228	9328		OVERHEAD				\$0.00
9229	9329		WATER - FRESH	\$100,000.00	\$500,000.00		\$600,000.00
9230	9330		FLUIDS & CHEMICALS	\$200,000.00	\$375,000.00		\$575,000.00
9231	9331		CORING & ANALYSIS				\$0.00
9232	9332		COMMUNICATIONS	\$10,000.00	\$10,000.00		\$20,000.00
9233	9333		BOP TESTING	\$28,000.00	\$10,000.00		\$38,000.00
9234	9334		CO2/NITROGEN				\$0.00
9235	9335		FISHING TOOLS & SERVICES				\$0.00
9236	9336		INSPECTIONS		\$20,000.00		\$20,000.00
9237			WIRELINE SERVICES				\$0.00
9238	9338		ENGINEERING & GEOLOGY - FIELD				\$0.00
9239	9339		ENGINEERING & GEOLOGY - OFFICE				\$0.00
9240			MULTISHOT & GYRO				\$0.00
9241			RE-ENTRY SERVICES				\$0.00
9242	9342		CAMPS & TRAILERS	\$30,000.00	\$40,000.00		\$70,000.00
9243	9343		SAFETY EQUIPMENT & H2S	\$10,000.00	\$5,000.00		\$15,000.00
9244			CONTINGENCY				\$0.00
9245	9345		INSURANCE		\$2,000.00		\$2,000.00
9246	9346		MISCELLANEOUS	\$120,000.00			\$120,000.00
9247	9347		OUTSIDE OPERATED				\$0.00
9248	9348		SAND		\$400,000.00		\$400,000.00
9249	9349		SAND LOGISTICS		\$400,000.00		\$400,000.00
9250	9350		VACUUM TRUCK				\$0.00
9251	9351		WATER - BRINE				\$0.00
9260			FACILITY TRUCKING				\$0.00
			FACILITY VACUUM TRUCK				\$0.00
9361			FACILITY CONSULTING SER/SUPERVISION			\$100,000.00	\$100,000.00
9424			FACILITY CONTRACT LABOR / SER.			\$100,000.00	\$100,000.00
9356			FACILITY SURFACE RENTAL				\$0.00
			SIM-OPS				\$0.00
			TOTAL WELL INTANGIBLE COSTS	\$2,464,875.00	\$4,367,000.00	\$200,000.00	\$7,031,875.00
WELL TANGIBLE COSTS							
9401			CASING - CONDUCTOR	\$40,000.00			\$40,000.00
9402			CASING - SURFACE	\$76,453.00			\$76,453.00
9403			CASING - SALT STRING	\$0.00			\$0.00
9404			CASING - INTERMEDIATE	\$300,000.00			\$300,000.00
9405			CASING - PRODUCTION / LINER	\$650,000.00			\$650,000.00
9406			SUBSURFACE EQUIPMENT				\$0.00
9407			PRODUCTION TUBING		\$150,000.00		\$150,000.00
9408			SUBSURFACE PUMPING EQUIPMENT				\$0.00
9409			WELLHEAD EQUIPMENT	\$100,000.00			\$100,000.00
9410			FLOWLINES			\$150,000.00	\$150,000.00
9411			SURFACE PUMPING EQUIPMENT				\$0.00
9412			LINER HANGER & ASSOC EQUIP				\$0.00
9413			VALVES & FITTINGS		\$200,000.00		\$200,000.00
9414			INSTRUMENTATION & ELECTRICAL		\$200,000.00		\$200,000.00
9415			RODS				\$0.00
9416			TRUCKING				\$0.00
9417			RE-ENTRANCE EQUIPMENT				\$0.00
9418			PRODUCTION EQUIPMENT		\$400,000.00		\$400,000.00
9419			MISCELLANEOUS				\$0.00
9420			OUTSIDE OPERATED				\$0.00
9421			TANGIBLE EQUIP-ACQUISITIONS				\$0.00
			TOTAL TANGIBLE COSTS	\$1,168,453.00	\$150,000.00	\$950,000.00	\$2,266,453.00
				DRILLING	COMPLETIONS	FACILITIES	TOTAL
			TOTAL ESTIMATED WELL COST	\$3,631,328.00	\$4,517,000.00	\$1,150,000.00	\$9,298,328.00

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025PARTNER APPROVAL: Andrew M. Armpriester DATE: _____TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

PBEX LLC AUTHORIZATION FOR EXPENDITURE 223 W Wall St. 1 Midland, TX 79701								
WELL NAME	Bond 33-34 Fed Com 308H	AFE TYPE	Development	AFE NUMBER				
LANDER LOCATION	Section 33, & 34 of 18S 32E	FIELD	Northern Delaware	PROPERTY NUMBER				
SURFACE LOCATION	32-1640 FSL, 1165 FFL (Dr Unit I)	FORMATION	MISS	DRILLING DAYS	25			
BOTTOM-HOLE LOCATION	34-330 FSL, 10 FEL (or Unit P)	COUNTY	LEA	DEPTH (TVD/TMD)	10150' TVD/ 21510' MD			
STATE	NM							
PROJECT DESCRIPTION	Drilling, Completion & Facilities costs for PBEX 2 mile lateral							
ACCT. CODE	DESCRIPTION OF EXPENDITURE			COST ESTIMATE				
IDC	ICC	TDC	TCC	DRILLING	COMPLETIONS	FACILITIES		
PREFIX	PREFIX					TOTAL		
300	500	400	600					
WELL INTANGIBLE COSTS								
9201	9301	SURVEY/PERMITS/DAMAGES			\$25,000.00	\$25,000.00		
9202	9302	LOCATION & ROAD			\$76,875.00	\$76,875.00		
9203		RIG MOVE			\$75,000.00	\$75,000.00		
9204		DRILLING - FOOTAGE			\$0.00	\$0.00		
9205	9305	DRILLING - DAYWORK			\$500,000.00	\$500,000.00		
9306		COMPLETION/WORKOVER RIG			\$0.00	\$0.00		
9307		COIL TUBING/SNUBBING UNIT			\$250,000.00	\$250,000.00		
9308		SLICKLINE/SWABBING			\$0.00	\$0.00		
9209	9309	BITS			\$50,000.00	\$50,000.00		
9210	9310	DIRECTIONAL SERVICES			\$250,000.00	\$250,000.00		
9211	9311	CASING CREW			\$50,000.00	\$50,000.00		
9212	9312	TOOL & EQUIPMENT RENTAL			\$95,000.00	\$275,000.00		
9213	9313	FUEL & POWER			\$200,000.00	\$525,000.00		
9214		DIESEL - BASE FOR MUD			\$125,000.00	\$125,000.00		
9215	9315	MUD LOGGING & GEOLOGIST			\$0.00	\$0.00		
9216	9316	DISPOSAL, RESTORATION & BACKFILL			\$100,000.00	\$100,000.00		
9217	9317	TRUCKING			\$40,000.00	\$50,000.00		
9318		TESTING			\$0.00	\$0.00		
9219	9319	CEMENTING			\$200,000.00	\$200,000.00		
9220	9320	PERFORATING			\$200,000.00	\$200,000.00		
9321		CASED HOLE LOGS			\$0.00	\$0.00		
9222	9322	DOWNHOLE TOOLS & SERVICE			\$40,000.00	\$60,000.00		
9223	9323	SCIENCE & DIAGNOSTICS			\$1,100,000.00	\$1,100,000.00		
9324		FORMATION STIMULATION			\$75,000.00	\$75,000.00		
9225	9325	CONSULTING SERVICES/SUPERVISION			\$100,000.00	\$190,000.00		
9226	9326	CONTRACT LABOR / SERVICES			\$90,000.00	\$90,000.00		
9227	9327	OTHER LABOR			\$20,000.00	\$20,000.00		
9228	9328	OVERHEAD			\$0.00	\$0.00		
9229	9329	WATER - FRESH			\$100,000.00	\$500,000.00		
9230	9330	FLUIDS & CHEMICALS			\$200,000.00	\$575,000.00		
9231	9331	CORING & ANALYSIS			\$10,000.00	\$10,000.00		
9232	9332	COMMUNICATIONS			\$10,000.00	\$20,000.00		
9233	9333	BOP TESTING			\$28,000.00	\$38,000.00		
9234	9334	CO2/NITROGEN			\$0.00	\$0.00		
9235	9335	FISHING TOOLS & SERVICES			\$0.00	\$0.00		
9236	9336	INSPECTIONS			\$20,000.00	\$20,000.00		
9237		WIRELINE SERVICES			\$0.00	\$0.00		
9238		ENGINEERING & GEOLOGY - FIELD			\$0.00	\$0.00		
9239	9339	ENGINEERING & GEOLOGY - OFFICE			\$0.00	\$0.00		
9240		MULTISHOT & GYRO			\$0.00	\$0.00		
9241		RE-ENTRY SERVICES			\$0.00	\$0.00		
9242	9342	CAMPS & TRAILERS			\$30,000.00	\$70,000.00		
9243	9343	SAFETY EQUIPMENT & H2S			\$10,000.00	\$15,000.00		
9244		CONTINGENCY			\$0.00	\$0.00		
9245	9345	INSURANCE			\$2,000.00	\$2,000.00		
9246	9346	MISCELLANEOUS			\$120,000.00	\$120,000.00		
9247	9347	OUTSIDE OPERATED			\$0.00	\$0.00		
9248	9348	SAND			\$400,000.00	\$400,000.00		
9249	9349	SAND LOGISTICS			\$400,000.00	\$400,000.00		
9250	9350	VACUUM TRUCK			\$0.00	\$0.00		
9251	9351	WATER - BRINE			\$0.00	\$0.00		
9256	9360	FACILITY TRUCKING			\$0.00	\$0.00		
9361		FACILITY VACUUM TRUCK			\$0.00	\$0.00		
9424		FACILITY CONSULTING SER/SUPERVISION			\$100,000.00	\$100,000.00		
9424		FACILITY CONTRACT LABOR / SER.			\$100,000.00	\$100,000.00		
9366		FACILITY SURFACE RENTAL			\$0.00	\$0.00		
		SIM-OPS			\$0.00	\$0.00		
		TOTAL WELL INTANGIBLE COSTS			\$2,464,875.00	\$4,367,000.00		
					\$200,000.00	\$7,031,875.00		
WELL TANGIBLE COSTS								
9401		CASING - CONDUCTOR			\$40,000.00	\$40,000.00		
9402		CASING - SURFACE			\$76,453.00	\$76,453.00		
9403		CASING - SALT STRING			\$0.00	\$0.00		
9404		CASING - INTERMEDIATE			\$300,000.00	\$300,000.00		
9405		CASING - PRODUCTION / LINER			\$650,000.00	\$650,000.00		
9406		SUBSURFACE EQUIPMENT			\$0.00	\$0.00		
9407		PRODUCTION TUBING			\$150,000.00	\$150,000.00		
9408		SUBSURFACE PUMPING EQUIPMENT			\$100,000.00	\$100,000.00		
9410		FLOWLINES			\$150,000.00	\$150,000.00		
9411		SURFACE PUMPING EQUIPMENT			\$0.00	\$0.00		
9412		LINER HANGER & ASSOC EQUIP			\$200,000.00	\$200,000.00		
9413		VALVES & FITTINGS			\$200,000.00	\$200,000.00		
9414		INSTRUMENTATION & ELECTRICAL			\$200,000.00	\$200,000.00		
9415		RODS			\$0.00	\$0.00		
9416		TRUCKING			\$0.00	\$0.00		
9417		RE-ENTRY EQUIPMENT			\$0.00	\$0.00		
9418		PRODUCTION EQUIPMENT			\$400,000.00	\$400,000.00		
9419		MISCELLANEOUS			\$0.00	\$0.00		
9420		OUTSIDE OPERATED			\$0.00	\$0.00		
9421		TANGIBLE EQUIP-ACQUISITIONS			\$0.00	\$0.00		
		TOTAL TANGIBLE COSTS			\$1,166,453.00	\$150,000.00		
					\$950,000.00	\$2,266,453.00		
		TOTAL ESTIMATED WELL COST			\$3,631,328.00	\$4,517,000.00		
					\$1,150,000.00	\$9,298,328.00		

PREPARED BY: Alex Bourland & Aaron Cattley DATE: 9/17/2024

OPERATOR APPROVAL: _____ DATE: _____

OPERATOR APPROVAL: _____ DATE: _____

PARTNER COMPANY NAME: Chevron USA DATE: 08/26/2025

PARTNER APPROVAL: Andrew M. Armpriester DATE: _____

TITLE: General Manager, North America Non-Operated Joint Venture and Royalty

The costs of this AFE are estimates only. Participants in this project agree to pay their proportionate share of the actual costs.