

Super Hornet State Com Unit

Before the Oil Conservation Division

March 10, 2026

Case No. 25610

959.60 acres

All Sect. 2, E/2 Sect. 3, T24S, R26E, NMPM

Wolfcamp Formation

REBUTTAL EXHIBITS

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

**APPLICATIONS OF POWDERHORN OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 25610

POWDERHORN REBUTTAL EXHIBIT INDEX

| EXHIBIT | DESCRIPTION | PAGE No. |
|----------------|--|-----------------|
| | | |
| A | Land | 3 |
| A-20 | Self-Affirmed Statement of Travis Macha (Rebuttal) | 5 |
| A-21 | Powderhorn Prior Experience | 12 |
| A-22 | COP/Admiral Agreements | 14 |
| A-23 | COP JOA's | 31 |
| A-24 | COP AFE's | 56 |
| A-25 | Super Hornet Communitization Agreement Pre-Approval | 61 |
| | | |
| B | Geology | 62 |
| B-8 | Leonard Wood Resume | 64 |
| | | |
| C | Reservoir | 67 |
| C-7 | Wolfcamp A/B Sequencing | 69 |
| C-8 | Self-Affirmed Statement of James Brendan Tippen (Rebuttal) | 71 |
| | | |
| | | |

***Super Hornet State Com Unit
Case No. 25610
Land Exhibits - **REBUTTAL**
Exhibit A***

Self-Affirmed Statement of Travis Macha (Rebuttal)

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES

APPLICATION OF POWDERHORN
OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 25610

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA (REBUTTAL)

I, Travis Macha , being duly sworn on oath, state the following:

1. Capitalized terms used herein have the meanings assigned in my original testimony submitted to the NMOCD on March 4, 2026.

2. I have reviewed COP's exhibit packet dated March 4, 2026, as it pertains to Powderhorn's compulsory pooling of Case No. 25610 and would like to make the following clarifications and rebuttal.

3. **Well Proposals and Development Timeline:** COP exhibit A-6 identifies its sample well proposal letter dated February 12, 2026. COP did not send its proposal letter to Powderhorn until March 2, 2026, via email, and Powderhorn received via mail on March 3, 2026, as referenced on Powderhorn **Exhibit A-7**. COP spent the preceding 3-months matching Powderhorn's development plan proposing its own 1.5-mile development plan, filing its own applications, and proposed its own superseding JOA into the NE/4 of Section 3. Not until eight (8) days before the scheduled contested hearing did COP abruptly change its plans. For reference there were 215 days between Powderhorn's proposal and COP's current proposal plan.

4. **Co-Development.** COP testimony section 16 states it is unclear whether Powderhorn intends on drilling the Wolfcamp B wells as infill or initial. As per Powderhorn's application, the Wolfcamp B will be drilled timely as infill wells, not to be completed with the Wolfcamp A. Please

see Brendan Tippen's **Exhibit C-7** with reference to 1) historical offset operator co-development strategy and 2) lack of evidence co-development of the two zones is necessary.

5. **Experience.** As attached in **Exhibit A-21**, Powderhorn's team has maintained positions from staff level to executive positions at Tap Rock Resources, Colgate Energy, Concho Resources (COG), ConocoPhillips Company, Permian Resources Operating, Fleur de Lis Energy, Matador Resources, EOG Resources, Noble Energy, Bold Energy, Earthstone Operating, Piedra Resources, and Devon Energy. There were multiple opportunities for the companies' technical teams to confer, the most recent of which was scheduled for February 4, 2026, but cancelled by COP on February 2, 2026. Given this meeting never happened, we are unsure how COP is evaluating the experience of the Powderhorn Team.

6. **COP's Own Practices Regarding Operator Experience:** COP itself has demonstrated that it does not consider lack of New Mexico operating history to be a disqualifying factor. As depicted on **Exhibit A-13** of my original Exhibits and **Exhibit A-22** attached hereto, COP through two non-marketed transactions provided a 3rd Party operator ("Operator "A") with development agreements to develop the lands approximately 1-mile east of the Super Hornet Wells (the "Bat Bomb" and "War Pigeon" units). Prior to the granting of these agreements to Operator A, Operator A had never drilled or operated a well in the State of New Mexico.

7. In both the Bat Bomb and War Pigeon units, COP controlled the vast majority of the interest in each where only the Wolfcamp A is being developed independently and separately from the Wolfcamp B as further evidence COP has no real concern over any need to co-develop the zones together (attached **Exhibit A-23** confirms this having JOA's limited to the WCA bench).

8. Lastly as displayed on **Exhibit A-22**, it is made of public record COP entered into what appears to be 30% and 29% carries with Operator A as at minimum, partial consideration for the

transactions. COP has characterized Powderhorn's negotiations as conducted in bad faith, yet Powderhorn offered COP substantially similar carry terms to those COP accepted from Operator A just months prior.

9. COP's Exhibit A, Paragraph 20 notes Powderhorn's use of drilling contractors and consultants. **Exhibit A-24** is COP's AFE from "COG Operating, LLC", an unrelated COP entity, which COP shows that itself uses drilling contractors and consultants in its operations. COP's hypocritical statements are unfortunate and remain unclear to Powderhorn as to any real intent.

10. **Operational Readiness**: COP's Exhibit A, Paragraph 21, states that "Powderhorn is ill-prepared to operate this acreage" in part because "Marathon already has pre-approval from the State Land Office for a Wolfcamp Communitization Agreement." On February 4, 2026, Powderhorn received the same. See attached **Exhibit A-25**.

11. **Surface Disturbance**: COP Exhibit A Paragraph 22 discusses COP's planned surface use, while Paragraph 24 alleges that Powderhorn's proposed plan, "may require acquiring additional rights of way and building out pipelines for oil and gas takeaway, increasing surface disturbance and the overall surface impacts". Powderhorn has already staked the Super Hornet well pads and does not present the amount of surface disturbance as a substantial issue between either party. Powderhorn's position is that longer laterals generally decrease the amount of overall surface disturbance per completed foot.

12. **Take-Away Capacity/Capability**: COP's Exhibit A, Paragraph 24, states: "Powderhorn informed Marathon during recent negotiations that it would need to rely on Marathon's takeaway for oil and gas because it had not secured committed pipeline contracts for itself. This may require acquiring additional rights of way and building out pipelines for oil and gas take away, increasing surface disturbance and the overall surface impacts.". This characterization is inaccurate,

Powderhorn never made this statement. Powderhorn has been in active negotiations on oil and gas takeaway and has secured its water contract. Powderhorn does not anticipate any issues executing in a timely manner. COP's existing infrastructure is not close to surface location of either COP or Powderhorn's planned development.

13. **Response to Bad Faith Allegations / Negotiation Timeline:** COP's accusation of bad faith was not made in good faith. Below is an abbreviated summary of COP's accusation surrounding a potential trade proposal. Reference hereto is made **Exhibit A-15** of the original land Exhibits.

- a. A 3rd party sent a subject tract in Lea County to Powderhorn on December 19, 2025, and verbally agreed to work with Powderhorn. Powderhorn on January 12, 2026, subsequently sent the acreage to COP and asked if it was interested in acquiring it.
- b. Conoco formally proposed a trade including the Lea tracts in exchange for Super Hornet acreage on February 2, 2026.
- c. On February 6, 2026, while Powderhorn was conducting due diligence on the Lea County interest, its counterparty backed out of the transaction. Powderhorn notified COP that the Lea County interest was no longer transactable the same day. While unfortunate, it is not uncommon for deals to face these issues when multiple parties are involved.
- d. Of the 215 days from Powderhorn's proposal, this transaction was contemplated for approximately one week and it is Powderhorn's position that this failed transaction did not impact COP's ability to make a decision on a potential deal with Powderhorn.

- e. Powderhorn presented numerous transaction options to COP including additional lands for trade. Timely feedback was never provided.
- f. At no point did Powderhorn ever remove the opportunity to do a deal from the table or the option to execute a commercially standard Joint Operating Agreement.

14. COP notes in section 27 that “That revelation terminated our negotiations” however, COP continues to engage in discussions around the carry option starting the next Tuesday, February 10, 2026, where COP requested to coordinate on the dismissal of its present Bone Spring application at the time (Case No. 25972).

15. COP did not inform Powderhorn that it was no longer pursuing a mutual agreement until February 20, 2026. This was eight days after COP had sent Kaiser-Francis a 1-mile well proposal for the N/2 of Section 2 based on the 1976 JOA. COP did not send similar notice to Powderhorn until March 2, 2026, despite COP having been in active negotiations with Powderhorn, who is also a party to the same 1976 JOA. Prior to this proposal, COP had never mentioned the possibility of this plan or argument pertaining to the JOA despite being fully aware of Powderhorn’s expiration.

16. **Working Interest Support:** Powderhorn has reached voluntary commitment or agreement with five other parties in the Super Hornet unit since July 2025. No third party supports COP's position or has expressed a desire for COP to operate its proposed 1-mile development plan.

17. **COP's Proposed Resolution:** Despite Powderhorn holding an interest in every tract and the ability to form a single 959.60-acre standard spacing unit as proposed, MRO Exhibit A-8 offers a self-serving resolution that would require the NMOCD to deny both Powderhorn's Case No. 25610 and Avant's planned Bone Spring development in the S/2 of Section 2 and SE/4 of Section 3 (the "Casino Queen Unit"). This approach would force all three operators into half-section units, resulting in (1) future unnecessary pooling applications, (2) unnecessary expense and surface

disturbance from additional facility construction, (3) waste through unmitigated parent-child effects as addressed in the rebuttal testimony of Powderhorn reservoir engineer Brendan Tippen, and (4) destruction of correlative rights.

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

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



Travis Macha

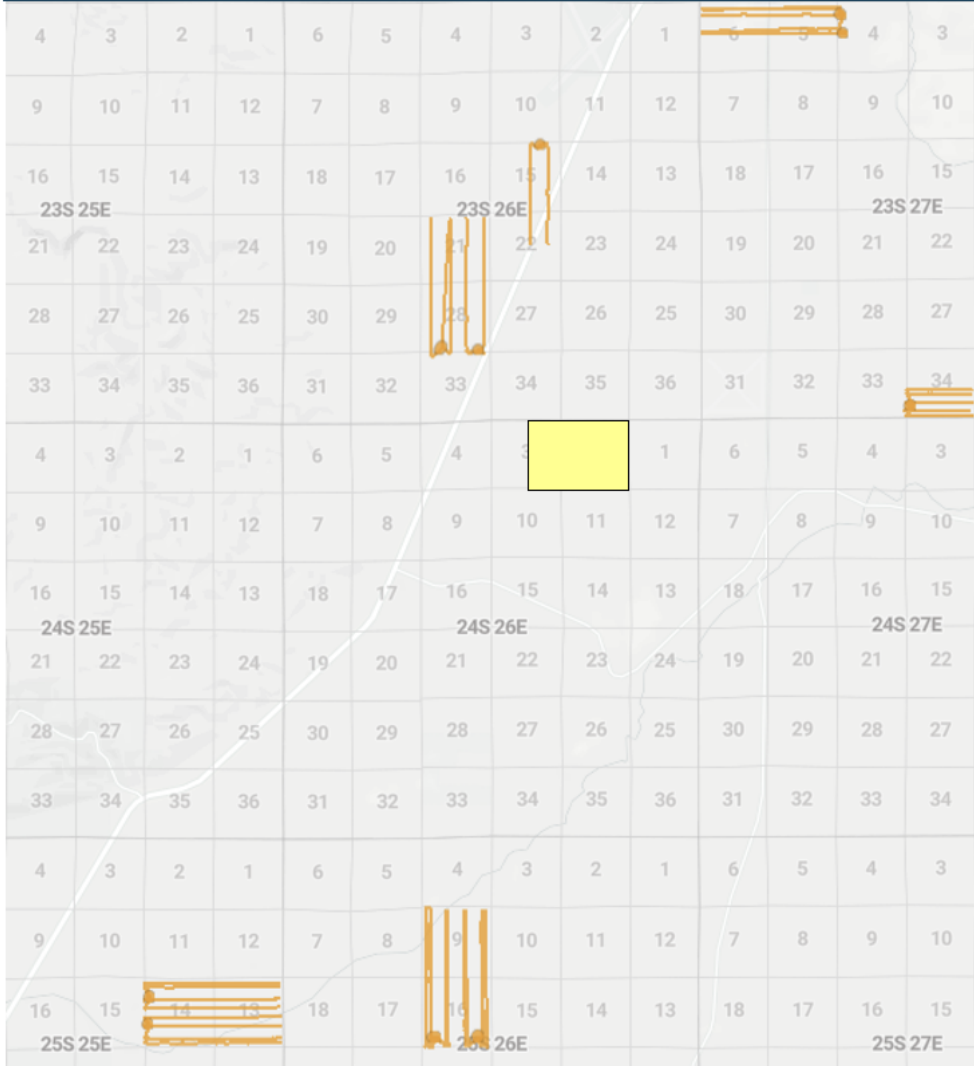
3/9/2026

Date

Powderhorn Prior Experience

Powderhorn Experience and Activity Level

Experience In Immediate Area



Previous Employers



Permian Experience

- Powderhorn Team unfortunately was not given opportunity to present to ConocoPhillips but has Extensive Experience in the Permian Basin, Specifically in the Northern Delaware
- Development at previous employers while employed
 - 1000+ Wells Drilled in Permian Basin
 - 700+ In NM
 - 250+ in Eddy County specially
 - 30+ wells within 10 miles of planed development
- Subsurface team of Petroleum Engineers and Geologist have drilled similar targets in immediate area in and will be utilizing experience for development here

COP/Admiral Agreements

MEMORANDUM OF DEVELOPMENT AGREEMENT

This Memorandum of Development Agreement (“**Memorandum**”) is between COG Operating LLC, Concho Oil & Gas LLC, and ConocoPhillips Company (collectively, “**ConocoPhillips**”) and Admiral Permian Energy LLC, Admiral Permian Operating LLC, Granite Ridge Holdings, LLC, and GREP V Holdings, LP (collectively, “**Admiral**”).

The parties desire to place third parties on notice that ConocoPhillips and Admiral executed a Development Agreement on August 1, 2025, under which Admiral may earn an assignment of an undivided 71% of ConocoPhillips’ right, title, and interest in the leases set out in Schedule A (Leases), to the extent those leases are attributable to the ownership of the wells drilled under the Development Agreement.

This Memorandum is executed by each party on the date stated in that party’s acknowledgement.

[Signature and Acknowledgement Pages follow]

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Eddy County, New Mexico ~ Cara Cooke, County Clerk
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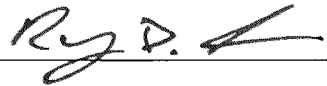


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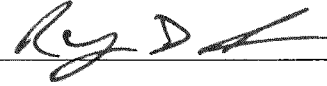
ConocoPhillips is executing this Memorandum on the date set out in its acknowledgment.

ConocoPhillips
COG Operating LLC

Concho Oil & Gas LLC

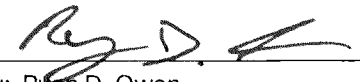


By: Ryan D. Owen
Its: Attorney-in-fact *for ACR*



By: Ryan D. Owen
Its: Attorney-in-fact *for ACR*

ConocoPhillips Company



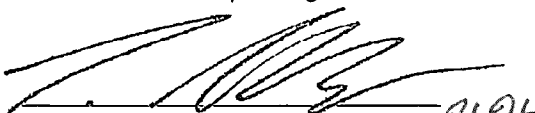
By: Ryan D. Owen
Its: Attorney-in-fact *for ACR*

Admiral is executing this Memorandum on the date set out in its acknowledgement.

Admiral

Admiral Permian Energy LLC

Admiral Permian Operating LLC



By: Travis Hutt
Its: Vice President – Land

By: Travis Hutt
Its: Vice President – Land

Granite Ridge Holdings, LLC

GREP V Holdings, LP

By: Tyler Farquharson
Its: President and CEO

By: Matt Miller
Its: President

Admiral is executing this Memorandum on the date set out in its acknowledgement.

Admiral

Admiral Permian Energy LLC

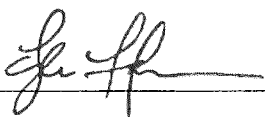
Admiral Permian Operating LLC

By: Travis Hunt
Its: Vice President – Land


By: Travis Hunt
Its: Vice President – Land

Granite Ridge Holdings, LLC

GREP V Holdings, LP



By: Tyler Farquharson
Its: President and CEO

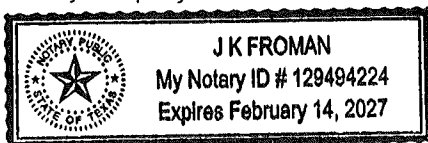


By: Matt Miller
Its: President

ACKNOWLEDGMENTS

State of Texas
County of Midland

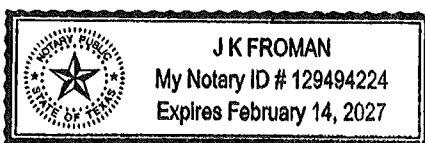
This instrument was acknowledged before me on August 1, 2025, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.



J K Froman
Notary Public

State of Texas
County of Midland

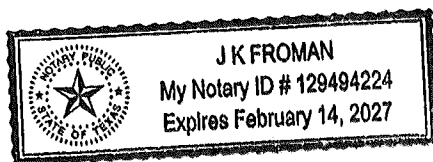
This instrument was acknowledged before me on August 1, 2025, by Ryan D. Owen, as Attorney-in-fact of Concho Oil & Gas LLC, a Delaware limited liability company, on behalf of said limited liability company.



J K Froman
Notary Public

State of Texas
County of Midland

This instrument was acknowledged before me on August 1, 2025, by Ryan D. Owen, as Attorney-in-fact of ConocoPhillips Company, a Delaware corporation, on behalf of said corporation.



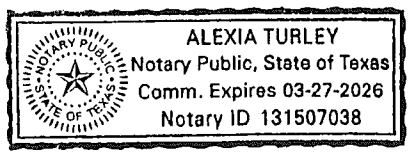
J K Froman
Notary Public

ACKNOWLEDGMENTS

State of Texas
County of Midland

This instrument was acknowledged before me on August 1, 2025, by Travis Hutt, as Vice President - Land of Admiral Permian Energy LLC, a Texas limited liability company, on behalf of said limited liability company.

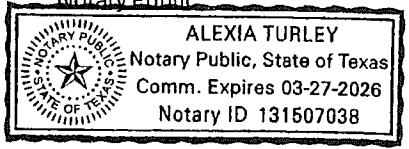
Alexia Turley
Notary Public



State of Texas
County of Midland

This instrument was acknowledged before me on August 1, 2025, by Travis Hutt, as Vice President - Land of Admiral Permian Operating LLC, a Texas limited liability company, on behalf of said limited liability company.

Alexia Turley
Notary Public



State of Texas
County of Dallas

This instrument was acknowledged before me on August 1, 2025, by Tyler Farquharson, as President and CEO of Granite Ridge Holdings, LLC, a Delaware limited liability company, on behalf of said limited liability company.

Notary Public

State of Texas
County of Dallas

This instrument was acknowledged before me on August 1, 2025, by Matt Miller, as President of GREP V Holdings, LP, a Delaware limited partnership, on behalf of said limited partnership.

Notary Public

ACKNOWLEDGMENTS

State of Texas
County of Midland

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Notary Public

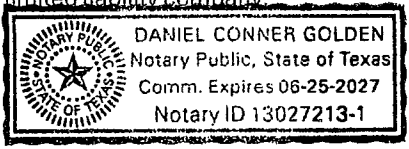
State of Texas
County of Midland

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Notary Public

State of Texas
County of Dallas

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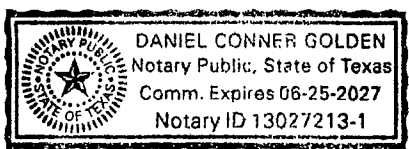


[Signature]

Notary Public

State of Texas
County of Dallas

This instrument was acknowledged before me on August 1, 2025, by Matt Miller, as President of GREP V Holdings, LP, a Delaware limited partnership, on behalf of said limited partnership.



[Signature]

Notary Public

SCHEDULE A

Memorandum of Development Agreement
 COG Operating LLC, et al. and Admiral Permian Energy LLC, et al.

LEASES

| Lease Number | Original Lessor | Original Lessee | Date | Book/Page | County | State | Legal Description |
|--------------|--|--------------------|----------|-----------|--------|------------|--|
| 692901000 | State of New Mexico Oil and Gas Lease VO-5755-1 | Marbob Energy Corp | 4/1/2000 | N/A | Eddy | New Mexico | Lots 1-4, E2W2, SE of Section 31, T23S-R27E, Eddy County, New Mexico |
| 693076000 | United States Department of the Interior Bureau of Land Management NMINM 137020 | CHASE GEORGE | 5/1/1964 | N/A | Eddy | New Mexico | Lot 4, SESW, S2SE of Section 30, T23S-R27E, Eddy County, New Mexico |
| 691589000 | United States Department of the Interior Bureau of Land Management NMINM 0275360 | T. A. FRASER | 6/1/1962 | N/A | Eddy | New Mexico | NESE of Section 30, T23S- R27E; NE of Section 31, T23S- R27E, Eddy County, New Mexico |

MEMORANDUM OF DEVELOPMENT AGREEMENT

This Memorandum of Development Agreement (“**Memorandum**”) is between COG Operating LLC, COG Production LLC, and Concho Oil & Gas LLC (collectively, “**ConocoPhillips**”) and Admiral Permian Energy LLC, Admiral Permian Operating LLC, Granite Ridge Holdings, LLC, and GREP V Holdings, LLC (collectively, “**Admiral**”).

The parties desire to place third parties on notice that ConocoPhillips and Admiral executed a Development Agreement on April 8, 2025, under which Admiral may earn an assignment of an **undivided 70%** of ConocoPhillips’ right, title, and interest in the leases set out in Schedule A (Leases), to the extent those leases are attributable to the ownership of the wells drilled under the Development Agreement.

This Memorandum is executed by each party on the date stated in that party’s acknowledgement.

[Signature and Acknowledgement Pages follow]

Reception: 2504600 Book: 1194 Page: 0443 Pages: 8
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Eddy County, New Mexico ~ Cara Cooke, County Clerk
eRecorded Document

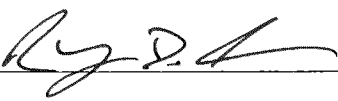


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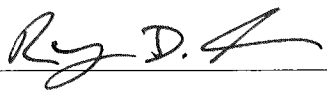
ConocoPhillips is executing this Memorandum on the date set out in its acknowledgment.

ConocoPhillips
COG Operating LLC

Concho Oil & Gas LLC



ACR

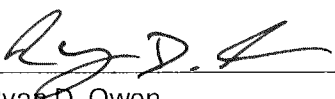


ACR

By: Ryan D. Owen
Its: Attorney-in-Fact

By: Ryan D. Owen
Its: Attorney-in-Fact

COG Production LLC



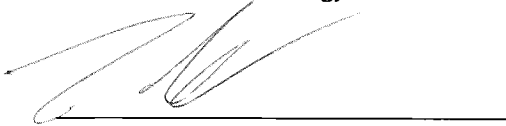
ACR

By: Ryan D. Owen
Its: Attorney-in-Fact

Admiral is executing this Memorandum on the date set out in its acknowledgement.

Admiral

Admiral Permian Energy LLC



— *THH*

By: Travis Hutt
Its: Vice President – Land

Admiral Permian Operating LLC



— *THH*

By: Travis Hutt
Its: Vice President – Land

Granite Ridge Holdings, LLC

By: Luke Brandenberg
Its: President and CEO

GREP V Holdings, LLC

By: Matt Miller
Its: President

Admiral is executing this Memorandum on the date set out in its acknowledgement.

Admiral

Admiral Permian Energy LLC

Admiral Permian Operating LLC

By: Travis Hunt
Its: Vice President – Land

By: Travis Hunt
Its: Vice President – Land

Granite Ridge Holdings, LLC

GREP V Holdings, LLC





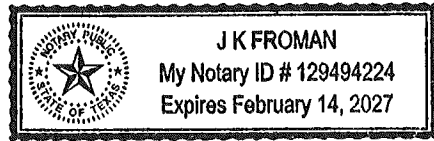
By: Luke Brandenburg
Its: President and CEO

By: Matt Miller
Its: President

ACKNOWLEDGMENTS

State of Texas
County of Midland

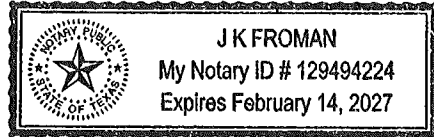
This instrument was acknowledged before me on April 8, 2025, by Ryan D. Owen, as Attorney-in-fact of COG Operating LLC, a Delaware limited liability company, on behalf of said limited liability company.



J K Froman
Notary Public

State of Texas
County of Midland

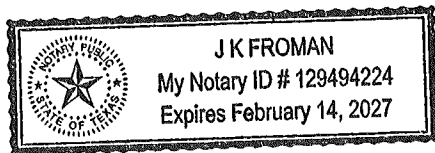
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J K Froman
Notary Public

State of Texas
County of Midland

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J K Froman
Notary Public

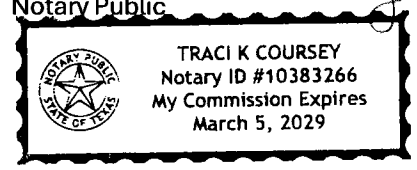
ACKNOWLEDGMENTS

State of Texas
County of Midland

This instrument was acknowledged before me on April 8, 2025, by Travis Hutt, as Vice President - Land of Admiral Permian Energy LLC, a Texas limited liability company, on behalf of said limited liability company.

Traci K Coursey

Notary Public

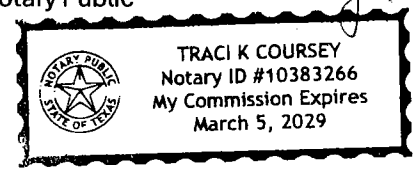


State of Texas
County of Midland

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Traci K Coursey

Notary Public



State of Texas
County of Dallas

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Notary Public

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County of Dallas

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Notary Public

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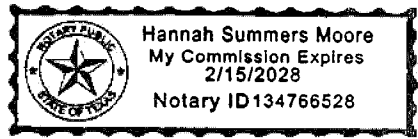
Notary Public

State of Texas
County of Dallas

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Hannah S Moore

Notary Public

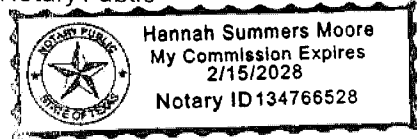


State of Texas
County of Dallas

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Hannah S Moore

Notary Public



SCHEDULE A

Memorandum of Development Agreement
 COG Operating LLC et al. and Admiral Permian Energy LLC et al.

LEASES

| Lease Number | Original Lessor | Original Lessee | Date | Book/Page | County | State | Legal Description |
|--------------|---|--------------------|-----------|-----------|--------|------------|--|
| 693404000 | State of New Mexico Oil and Gas Lease V0-06762-1 | Marbob Energy Corp | 12/1/2002 | N/A | Eddy | New Mexico | Township 24 South, Range 27 East, Section 6 - Lots 5, 6, 7, E2SW, S2NE, SENW, SE |
| 693809000 | State of New Mexico Oil and Gas Lease VB-1642-2 | Daniel E Gonzales | 4/1/2009 | N/A | Eddy | New Mexico | Township 24 South, Range 27 East, Section 5 - S2N2, S2 |
| 691140000 | United States Department of the Interior Bureau of Land Management NMM-134863 | COG Operating LLC | 10/1/2015 | N/A | Eddy | New Mexico | Township 24 South, Range 27 East, Section 5 - Lots 1, 2, 3, 4 |

COP JOA's

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**MODEL FORM RECORDING SUPPLEMENT TO
OPERATING AGREEMENT AND FINANCING STATEMENT**

STATE OF NEW MEXICO §

COUNTY OF EDDY §

THIS AGREEMENT, entered into by and between ADMIRAL PERMIAN OPERATING LLC, hereinafter referred to as “Operator,” and the signatory party or parties other than Operator, hereinafter referred to individually as “Non-Operator,” and collectively as “Non-Operators.”

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit “A” (said land, Leases and Interests, limited to specific wellbores, being hereinafter called the “Contract Area”), and in any instance in which the Leases or Interests of a party are not of record, the record owner and the party hereto that owns the interest or rights therein are reflected on Exhibit “A”;

WHEREAS, the parties hereto have executed an Operating Agreement dated August 1, 2025 (herein the “Operating Agreement”), covering the Contract Area for the purpose of exploring and developing such lands, Leases and Interests for Oil and Gas; and

WHEREAS, the parties hereto have executed this agreement for the purpose of imparting notice to all persons of the rights and obligations of the parties under the Operating Agreement and for the further purpose of perfecting those rights capable of perfection.

NOW, THEREFORE, in consideration of the mutual rights and obligations of the parties hereto, it is agreed as follows:

1. This agreement supplements the Operating Agreement, which Agreement in its entirety is incorporated herein by reference, and all terms used herein shall have the meaning ascribed to them in the Operating Agreement.

2. The parties do hereby agree that:

- A. The Oil and Gas Leases and/or Oil and Gas Interests of the parties comprising the Contract Area shall be subject to and burdened with the terms and provisions of this agreement and the Operating Agreement, and the parties do hereby commit such Leases and Interests to the performance thereof.
- B. The exploration and development of the Contract Area for Oil and Gas shall be governed by the terms and provisions of the Operating Agreement, as supplemented by this agreement.
- C. All costs and liabilities incurred in operations under this agreement and the Operating Agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties hereto, as provided in the Operating Agreement.
- D. Regardless of the record title ownership to the Oil and Gas Leases and/or Oil and Gas Interests identified on Exhibit “A,” all production of Oil and Gas from the Contract Area shall be owned by the parties as provided in the Operating Agreement; provided nothing contained in this agreement shall be deemed an assignment or cross-assignment of interests covered hereby.
- E. Each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area as provided in the Operating Agreement.
- F. An overriding royalty, production payment, net profits interest or other burden payable out of production hereafter created, assignments of production given as security for the payment of money and those overriding royalties, production payments and other burdens payable out of production heretofore created and defined as Subsequently Created Interests in the Operating Agreement shall be (i) borne solely by the party whose interest is burdened therewith, (ii) subject to suspension if a party is required to assign or relinquish to another party an interest which is subject to such burden, and (iii) subject to the lien and security interest hereinafter provided if the party subject to such burden fails to pay its share of expenses chargeable hereunder and under the Operating Agreement, all upon the terms and provisions and in the times and manner provided by the Operating Agreement.
- G. The Oil and Gas Leases and/or Oil and Gas Interests which are subject hereto may not be assigned or transferred except in accordance with those terms, provisions and restrictions in the Operating Agreement regulating such transfers.

This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, devisees, legal representatives, and assigns, and the terms hereof shall be deemed to run with the leases or interests included within the lease Contract Area.
- H. The parties shall have the right to acquire an interest in renewal, extension and replacement leases, leases proposed to be surrendered, wells proposed to be abandoned, and interests to be relinquished as a result of non-participation in subsequent operations, all in accordance with the terms and provisions of the Operating Agreement.
- I. The rights and obligations of the parties and the adjustment of interests among them in the event of a failure or loss of title, each party’s right to propose operations, obligations with respect to participation in operations on the Contract Area and the consequences of a failure to participate in operations, the rights and obligations of the parties regarding the marketing of production, and the rights and remedies of the parties for failure to comply with financial obligations shall be as provided in the Operating Agreement.
- J. Each party’s interest under this agreement and under the Operating Agreement shall be subject to relinquishment for its failure to participate in subsequent operations and each party’s share of production and costs shall be reallocated on the basis of such relinquishment, all upon the terms and provisions provided in the Operating Agreement.
- K. All other matters with respect to exploration and development of the Contract Area and the ownership and transfer of the Oil and Gas Leases and/or Oil and Gas Interest therein shall be governed by the terms and provisions of the Operating Agreement.

3. The parties hereby grant reciprocal liens and security interests as follows:

- A. Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this agreement and the Operating Agreement including but not limited to payment of expense, interest and fees, the proper disbursement of all monies paid under this agreement and the Operating Agreement, the assignment or relinquishment of interest in Oil and Gas Leases as required under this agreement and the Operating Agreement, and the proper performance of operations under this agreement and the Operating Agreement. Such lien and security interest granted by each party hereto shall include such party’s leasehold interests, working interests, operating rights, and royalty and overriding royalty interests in the Contract Area now owned or hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this agreement and the Operating Agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from the sale of production at the wellhead), contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.



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- B. Each party represents and warrants to the other parties hereto that, except for liens of record as of the effective date of the Operating Agreement or pre-existing unexpired operating agreements, the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement and the Operating Agreement by, through or under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement and the Operating Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted by the Operating Agreement and this instrument as to all obligations attributable to such interest under this agreement and the Operating Agreement whether or not such obligations arise before or after such interest is acquired.
- C. To the extent that the parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any party in the payment of its share of expenses, interest, or fees, or other financial obligations under this agreement or the Operating Agreement, upon the improper use of funds by a party, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by such party, plus interest, has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.
- D. If any party fails to pay its share of costs within one hundred-twenty (120) days after rendition of a statement therefor by Operator the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so paying its share of the unpaid amount shall be secured by the liens and security rights described in this paragraph 3 and in the Operating Agreement, and each paying party may independently pursue any remedy available under the Operating Agreement or otherwise.
- E. If any party does not perform all of its obligations under this agreement or the Operating Agreement, and the failure to perform subjects such party to foreclosure or execution proceedings pursuant to the provisions of this agreement or the Operating Agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisal of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshalling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted hereunder or under the Operating Agreement, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.
- F. The lien and security interest granted in this paragraph 3 supplements identical rights granted under the Operating Agreement.
- G. To the extent permitted by applicable law, Non-Operators agree that Operator may invoke or utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the payment to Operator of any sum due under this agreement and the Operating Agreement for services performed or materials supplied by Operator.
- H. The above described security will be financed at the wellhead of the well or wells located on the Contract Area and this Recording Supplement, or such other documents as may be necessary to provide notice of and perfect the liens and security interests granted pursuant to this agreement or the Operating Agreement, may be filed in the land or real property records in the County or Parish in which the Contract Area is located, and as a financing statement in all recording offices required under the Uniform Commercial Code or other applicable state statutes to perfect the above-described security interest, and any party hereto may file a continuation statement as necessary under the Uniform Commercial Code, or other state laws.
4. This agreement shall be effective as of the date of the Operating Agreement as above recited. Upon termination of this agreement and the Operating Agreement and the satisfaction of all obligations thereunder, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon the request of Operator, if Operator has complied with all of its financial obligations.
5. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. No sale, encumbrance, transfer or other disposition shall be made by any party of any interest in the Leases or Interests subject hereto except as expressly permitted under the Operating Agreement and, if permitted, shall be made expressly subject to this agreement and the Operating Agreement and without prejudice to the rights of the other parties. If the transfer is permitted, the assignee of an ownership interest in any Oil and Gas Lease shall be deemed a party to this agreement and the Operating Agreement as to the interest assigned from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after Operator has received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. Except as otherwise provided in this agreement and the Operating Agreement, any transfer by a party shall relieve the transferor from liability for the cost and expense of operations attributable to the transferred interest which are conducted after the expiration of the 30-day period above provided; provided that no assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party under this agreement or the Operating Agreement with respect to the interest transferred, including without limitation the obligation of a party to pay all costs and expenses attributable to an approved operation conducted under this agreement and the Operating Agreement in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. of the Operating Agreement and hereby shall continue to burden the interest transferred to secure payment of any such obligations. The transferee shall be jointly and severally liable with its transferor for payment of its share of all costs and expenses attributable to an approved operation conducted under the Operating Agreement in which its transferor had agreed to participate.
6. In the event of a conflict between the terms and provisions of this agreement and the terms and provisions of the Operating Agreement, then, as between the parties, the terms and provisions of the Operating Agreement shall control.
7. This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, an interest in the Contract Area. In the event that any provision herein is illegal or unenforceable, the remaining provisions shall not be affected, and shall be enforced as if the illegal or unenforceable provision did not appear herein.
8. Notwithstanding anything to the contrary in this agreement or the Operating Agreement, the liabilities of *Admiral Permian Operating LLC* and *Admiral Permian Energy LLC* for all matters arising under this agreement and the Operating Agreement are joint and several, and both are jointly and severally responsible and liable for their obligations arising under the Operating Agreement. Further, the lien and security interest granted herein by *Admiral Permian Energy LLC* as an owner of record in the Contract Area secures not only its obligations and liabilities under the Operating Agreement but also any and all obligations and liabilities of *Admiral Permian Operating LLC*, as Operator under the Operating Agreement.

[SIGNATURES AND ACKNOWLEDGEMENTS ON THE FOLLOWING PAGES]

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_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and, with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On A Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the 8th day of April , 2025 .

ATTEST OR WITNESS:

ADMIRAL PERMIAN OPERATING LLC

By [Signature]

Travis Hutt
Type or print name

TH

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____

NON-OPERATORS

Admiral Permian Energy LLC

By [Signature]

Travis Hutt
Type or print name

TH

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____

Granite Ridge Holdings, LLC

By _____

Tyler Farquharson
Type or print name

Title: President + CEO

Date _____

Tax ID or S.S. No. _____

GREP V Holdings, LP

By _____

Matt Miller
Type or print name

Title: President

Date _____

Tax ID or S.S. No. _____

COG Operating LLC

By _____

Ryan D. Owen
Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

AAPL - FORM 610RS - 1989

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On A Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the ___8th___ day of ___April___, ___2025___.

ATTEST OR WITNESS:

ADMIRAL PERMIAN OPERATING LLC

By _____

Travis Hutt
Type or print name

Title Vice President - Land

Date _____

Tax ID or S.S. No. _____

NON-OPERATORS

Admiral Permian Energy LLC

By _____

Type or print name

Title Vice President - Land

Date _____

Tax ID or S.S. No. _____

Granite Ridge Holdings, LLC

By _____

Tyler Farquharson
Type or print name

Title: President + CEO

Date 8-1-2025

Tax ID or S.S. No. _____

GREP Holdings, LP

By _____

Matt Miller
Type or print name

Title: President

Date 8-1-2025

Tax ID or S.S. No. _____

COG Operating LLC

By _____

Ryan D. Owen
Type or print name

Title Attorney-in-Fact _____

Date _____

Tax ID or S.S. No. _____

AAPL – FORM 610RS – 1989

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IN WITNESS WHEREOF, this agreement shall be effective as of the 1st day of August, 2025.

ATTEST OR WITNESS:

ADMIRAL PERMIAN OPERATING LLC

By _____
Travis Hutt
Type or print name

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____

NON-OPERATORS

Admiral Permian Energy LLC

By _____
Travis Hunt
Type or print name

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____

Granite Ridge Holdings, LLC

By _____
Tyler Farquharson
Type or print name

Title: President + CEO

Date _____

Tax ID or S.S. No. _____

GREP V Holdings, LLC

By _____
Matt Miller
Type or print name

Title: President

Date _____

Tax ID or S.S. No. _____

COG Operating LLC

By Ryan D. Owen
Ryan D. Owen
Type or print name

Title Attorney-in-Fact

Date July 31, 2025

Tax ID or S.S. No. _____

*per
RDO*

AAPL - FORM 610RS - 1989

Concho Oil & Gas LLC

By

Ryan D. Owen
Type or print name

*per
ACR*

Title Attorney-in-Fact

Date July 31, 2025

Tax ID or S.S. No. _____

ConocoPhillips Company

By

Ryan D. Owen
Type or print name

*per
ACR*

Title Attorney-in-Fact

Date July 31, 2025

Tax ID or S.S. No. _____

Devon Energy Production Company, LP

By

Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

Chief Capital (O&G) II LLC

By

Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

WR Non-Op, LLC

By

Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

AAPL – FORM 610RS – 1989

ACKNOWLEDGMENTS

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____
by _____ as _____ of _____

(Seal, if any)

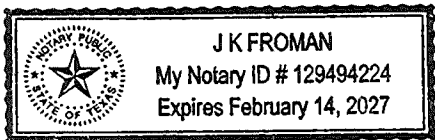
_____ Title (and Rank)

My commission expires: _____

County of Midland §

This instrument was acknowledged before me on July 31, 2025
by Ryan D. Owen as Attorney-in-Fact of COG Operating LLC, a Delaware limited liability corporation on behalf of said company.

(Seal, if any)



JK Froman

_____ Title (and Rank) Notary Public

My commission expires: 02/14/2027

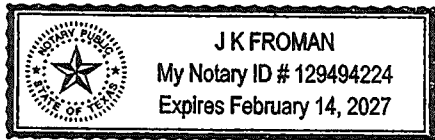
State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on July 31, 2025
by Ryan D. Owen as Attorney-in-Fact of Concho Oil & Gas LLC, a Texas limited liability corporation on behalf of said company.

(Seal, if any)



JK Froman

_____ Title (and Rank) Notary Public

My commission expires: 02/14/2025

AAPL – FORM 610RS – 1989

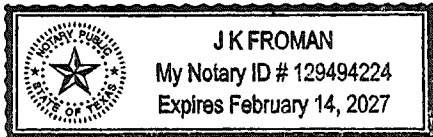
State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on July 31, 2025
by Ryan D. Owen as Attorney-in-Fact of ConocoPhillips Company, a Delaware limited liability corporation on behalf of said company.

(Seal, if any)



JK Froman
Title (and Rank) Notary Public
My commission expires: 02/14/2027

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____
by _____ as _____ of _____

(Seal, if any)

Title (and Rank) _____
My commission expires: _____

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____
by _____ as _____ of _____

(Seal, if any)

Title (and Rank) _____
My commission expires: _____

AAPL – FORM 610RS – 1989

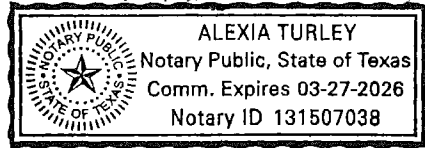
ACKNOWLEDGMENTS

Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Midland)

This instrument was acknowledged before me on August 1, 2025 by Travis Hutt, as Vice President – Land of Admiral Permian Energy LLC, a Texas limited liability company, on behalf of said limited liability company.

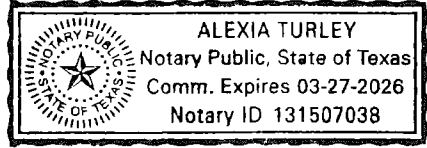


Alexia Turley
Title (and Rank) Notary, State of Texas
My commission expires: 3-27-2026

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Midland)

This instrument was acknowledged before me on August 1, 2025 by Travis Hutt, as Vice President – Land of Admiral Permian Operating LLC, a Texas limited liability company, on behalf of said limited liability company.



Alexia Turley
Title (and Rank) Notary, State of Texas
My commission expires: 3-27-2026

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Dallas)

This instrument was acknowledged before me on August 1, 2025, by Tyler Farquharson, as President and CEO of Granite Ridge Holdings LLC, a Delaware limited liability company, on behalf of said limited liability company.

Title (and Rank) _____
My commission expires: _____

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Dallas)

This instrument was acknowledged before me on August 1, 2025, by Matt Miller, as President of GREP V Holdings, LP, a Delaware limited liability company, on behalf of said limited liability company.

Title (and Rank) _____
My commission expires: _____

AAPL - FORM 610RS - 1989

ACKNOWLEDGMENTS

Note: The following forms of acknowledgment are the short forms approved by the Uniform Law on Notarial Acts. The validity and effect of these forms in any state will depend upon the statutes of that state.

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Midland)

This instrument was acknowledged before me on August 1, 2025 by Travis Hutt, as Vice President - Land of Admiral Permian Energy LLC, a Texas limited liability company, on behalf of said limited liability company.

Title (and Rank)
My commission expires:

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Midland)

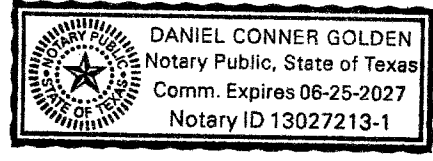
This instrument was acknowledged before me on August 1, 2025 by Travis Hutt, as Vice President - Land of Admiral Permian Operating LLC, a Texas limited liability company, on behalf of said limited liability company.

Title (and Rank)
My commission expires:

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Dallas)

This instrument was acknowledged before me on August 1, 2025, by Tyler Farquharson, as President and CEO of Granite Ridge Holdings LLC, a Delaware limited liability company, on behalf of said limited liability company.

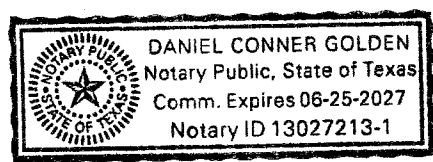


Signature: Tyler Farquharson
Title (and Rank): Notary Public
My commission expires: 6-25-2027

Acknowledgement in representative capacity:

State of Texas)
) ss.
County of Dallas)

This instrument was acknowledged before me on August 1, 2025, by Matt Miller, as President of GREP V Holdings, LP, a Delaware limited liability company, on behalf of said limited liability company.



Signature: Matt Miller
Title (and Rank): Notary Public
My commission expires: 6-25-2027

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EXHIBIT “A”

Contract Area

Attached to and made a part of the Bat Bomb Joint Operating Agreement, dated August 1, 2025, between Admiral Permian Operating LLC, as Operator, and COG Operating LLC, et al, as Non-Operator

1. **LANDS SUBJECT TO AGREEMENT:**

T23S, R27E, Sections 30 (S2) and 31 (ALL), Eddy County, New Mexico

2. **RESTRICTIONS AS TO DEPTHS, WELLS, AND FORMATIONS:**

Wolfcamp XY & A Interval defined as the stratigraphic equivalent of all subsurface depths covering the interval from 8,746 feet to 9,070 feet below the surface, as found in the well log of the Flyswatter State 3H (API 30-015-42764) located in Township 23 South, Range 27 East, Section 31, N.M.P.M., Eddy County, New Mexico. Less and Except the wellbore of TLC State Com 1 (API 30-015-33560)

3. **ADDRESSES OF THE PARTIES:**

Admiral Permian Operating LLC

200 N. Loraine, Suite 800
Midland, Texas 79701
Attn: Hunter Hall
hhall@admiralpermian.com

Admiral Permian Energy LLC

200 N. Loraine, Suite 800
Midland, Texas 79701
Attn: Hunter Hall
hhall@admiralpermian.com

Granite Ridge Holdings, LLC

5217 McKinney Avenue, Suite 400
Dallas, Texas 75205
Attn: Adam Griffin
Adam@grey-rock.com

GREP V Holdings, LLC

5217 McKinney Avenue, Suite 400
Dallas, Texas 75205
Attn: Adam Griffin
Adam@grey-rock.com

COG Operating LLC

600 W. Illinois Avenue
Midland, Texas 79701
Attn: Ryan D. Owen / Shelley Klingler
Shelley.C.Klingler@conocophillips.com

Concho Oil & Gas LLC

600 W. Illinois Avenue
Midland, Texas 79701
Attn: Ryan D. Owen / Shelley Klingler
Shelley.C.Klingler@conocophillips.com

ConocoPhillips Company

600 W. Illinois Avenue
Midland, Texas 79701
Attn: Ryan D. Owen / Shelley Klingler
Shelley.C.Klingler@conocophillips.com

AAPL – FORM 610RS – 1989

Chief Capital (O&G) II LLC
8111 Westchester Drive, Suite 900
Dallas, Texas 75225
Attn: Bryce Whitmire
bWhitmire@chief.energy

WR Non-Op, LLC
200 N. Loraine, Suite 1260
Midland, Texas 79701
Attn : Walker Netherton
wnetherton@waterlooresources.com

Devon Energy Production Company, LP
333 W. Sheridan Ave
Oklahoma City, Oklahoma 73102
Attn: DBBU Land Manager

4. **OIL AND GAS LEASES AND/OR INTERESTS SUBJECT TO THIS AGREEMENT:**

Lessor: The United States of America
Current Lessee: ConocoPhillips Company
Serial Number: NMNM 0275360
Lease Date: 6/1/1962
Description of Land Committed: NESE of Section 30, T23S-R27E; NE of Section 31, T23S-R27E, Eddy County, New Mexico
Number of Acres: 200 Acres

Lessor: The United States of America
Current Lessee: ConocoPhillips Company
Serial Number: NMNM 137020
Lease Date: 5/1/1964
Description of Land Committed: Lot 4, SESW, S2SE of Section 30, T23S-R27E, Eddy County, New Mexico
Number of Acres: 158.25 Acres

Lessor: State of New Mexico
Current Lessee: COG Operating LLC/Concho Oil & Gas LLC
Serial Number: V0-5755-1
Lease Date: 4/1/2000
Description of Land Committed: Lots 1-4, E2W2, SE of Section 31, T23S-R27E, Eddy County, New Mexico
Number of Acres: 470.40 Acres

Lessor: State of New Mexico
Current Lessee: Devon Energy Production Company, LP
Serial Number: VB-1864
Lease Date: 6/1/2010
Description of Land Committed: Lot 3, NESW, NWSE of Section 30, T23S-R27E, Eddy County, New Mexico
Number of Acres: 118.35 Acres

5. **BURDENS ON PRODUCTION:**

Burdens of record in the real property records of Eddy County, New Mexico, as of the date of this agreement.

[End of Exhibit "A"]

AAPL – FORM 610RS – 1989

EXHIBIT “H”

Attached to and made a part of that certain War Pigeon Wolfcamp Operating Agreement dated April 8, 2025, by and between ADMIRAL PERMIAN OPERATING LLC, as Operator, and COG Operating LLC, et al, as Non-Operator

**MODEL FORM RECORDING SUPPLEMENT TO
OPERATING AGREEMENT AND FINANCING STATEMENT**

STATE OF NEW MEXICO §

COUNTY OF EDDY §

THIS AGREEMENT, entered into by and between ADMIRAL PERMIAN OPERATING LLC, hereinafter referred to as “Operator,” and the signatory party or parties other than Operator, hereinafter referred to individually as “Non-Operator,” and collectively as “Non-Operators.”

WHEREAS, the parties to this agreement are owners of Oil and Gas Leases and/or Oil and Gas Interests in the land identified in Exhibit “A” (said land, Leases and Interests, limited to specific wellbores, being hereinafter called the “Contract Area”), and in any instance in which the Leases or Interests of a party are not of record, the record owner and the party hereto that owns the interest or rights therein are reflected on Exhibit “A”;

WHEREAS, the parties hereto have executed an Operating Agreement dated April 8, 2025 (herein the “Operating Agreement”), covering the Contract Area for the purpose of exploring and developing such lands, Leases and Interests for Oil and Gas; and

WHEREAS, the parties hereto have executed this agreement for the purpose of imparting notice to all persons of the rights and obligations of the parties under the Operating Agreement and for the further purpose of perfecting those rights capable of perfection.

NOW, THEREFORE, in consideration of the mutual rights and obligations of the parties hereto, it is agreed as follows:

1. This agreement supplements the Operating Agreement, which Agreement in its entirety is incorporated herein by reference, and all terms used herein shall have the meaning ascribed to them in the Operating Agreement.

2. The parties do hereby agree that:

- A. The Oil and Gas Leases and/or Oil and Gas Interests of the parties comprising the Contract Area shall be subject to and burdened with the terms and provisions of this agreement and the Operating Agreement, and the parties do hereby commit such Leases and Interests to the performance thereof.
 - B. The exploration and development of the Contract Area for Oil and Gas shall be governed by the terms and provisions of the Operating Agreement, as supplemented by this agreement.
 - C. All costs and liabilities incurred in operations under this agreement and the Operating Agreement shall be borne and paid, and all equipment and materials acquired in operations on the Contract Area shall be owned, by the parties hereto, as provided in the Operating Agreement.
 - D. Regardless of the record title ownership to the Oil and Gas Leases and/or Oil and Gas Interests identified on Exhibit “A,” all production of Oil and Gas from the Contract Area shall be owned by the parties as provided in the Operating Agreement; provided nothing contained in this agreement shall be deemed an assignment or cross-assignment of interests covered hereby.
 - E. Each party shall pay or deliver, or cause to be paid or delivered, all burdens on its share of the production from the Contract Area as provided in the Operating Agreement.
 - F. An overriding royalty, production payment, net profits interest or other burden payable out of production hereafter created, assignments of production given as security for the payment of money and those overriding royalties, production payments and other burdens payable out of production heretofore created and defined as Subsequently Created Interests in the Operating Agreement shall be (i) borne solely by the party whose interest is burdened therewith, (ii) subject to suspension if a party is required to assign or relinquish to another party an interest which is subject to such burden, and (iii) subject to the lien and security interest hereinafter provided if the party subject to such burden fails to pay its share of expenses chargeable hereunder and under the Operating Agreement, all upon the terms and provisions and in the times and manner provided by the Operating Agreement.
 - G. The Oil and Gas Leases and/or Oil and Gas Interests which are subject hereto may not be assigned or transferred except in accordance with those terms, provisions and restrictions in the Operating Agreement regulating such transfers.
- This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, devisees, legal representatives, and assigns, and the terms hereof shall be deemed to run with the leases or interests included within the lease Contract Area.
- H. The parties shall have the right to acquire an interest in renewal, extension and replacement leases, leases proposed to be surrendered, wells proposed to be abandoned, and interests to be relinquished as a result of non-participation in subsequent operations, all in accordance with the terms and provisions of the Operating Agreement.
 - I. The rights and obligations of the parties and the adjustment of interests among them in the event of a failure or loss of title, each party’s right to propose operations, obligations with respect to participation in operations on the Contract Area and the consequences of a failure to participate in operations, the rights and obligations of the parties regarding the marketing of production, and the rights and remedies of the parties for failure to comply with financial obligations shall be as provided in the Operating Agreement.
 - J. Each party’s interest under this agreement and under the Operating Agreement shall be subject to relinquishment for its failure to participate in subsequent operations and each party’s share of production and costs shall be reallocated on the basis of such relinquishment, all upon the terms and provisions provided in the Operating Agreement.
 - K. All other matters with respect to exploration and development of the Contract Area and the ownership and transfer of the Oil and Gas Leases and/or Oil and Gas Interest therein shall be governed by the terms and provisions of the Operating Agreement.

3. The parties hereby grant reciprocal liens and security interests as follows:

- A. Each party grants to the other parties hereto a lien upon any interest it now owns or hereafter acquires in Oil and Gas Leases and Oil and Gas Interests in the Contract Area, and a security interest and/or purchase money security interest in any interest it now owns or hereafter acquires in the personal property and fixtures on or used or obtained for use in connection therewith, to secure performance of all of its obligations under this agreement and the Operating Agreement including but not limited to payment of expense, interest and fees, the proper disbursement of all monies paid under this agreement and the Operating Agreement, the assignment or relinquishment of interest in Oil and Gas Leases as required under this agreement and the Operating Agreement, and the proper performance of operations under this agreement and the Operating Agreement. Such lien and security interest granted by each party hereto shall include such party’s leasehold interests, working interests, operating rights, and royalty and overriding royalty interests in the Contract Area now owned or



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- hereafter acquired and in lands pooled or unitized therewith or otherwise becoming subject to this agreement and the Operating Agreement, the Oil and Gas when extracted therefrom and equipment situated thereon or used or obtained for use in connection therewith (including, without limitation, all wells, tools, and tubular goods), and accounts (including, without limitation, accounts arising from the sale of production at the wellhead), contract rights, inventory and general intangibles relating thereto or arising therefrom, and all proceeds and products of the foregoing.
- B. Each party represents and warrants to the other parties hereto that, except for liens of record as of the effective date of the Operating Agreement or pre-existing unexpired operating agreements, the lien and security interest granted by such party to the other parties shall be a first and prior lien, and each party hereby agrees to maintain the priority of said lien and security interest against all persons acquiring an interest in Oil and Gas Leases and Interests covered by this agreement and the Operating Agreement by, through or under such party. All parties acquiring an interest in Oil and Gas Leases and Oil and Gas Interests covered by this agreement and the Operating Agreement, whether by assignment, merger, mortgage, operation of law, or otherwise, shall be deemed to have taken subject to the lien and security interest granted by the Operating Agreement and this instrument as to all obligations attributable to such interest under this agreement and the Operating Agreement whether or not such obligations arise before or after such interest is acquired.
- C. To the extent that the parties have a security interest under the Uniform Commercial Code of the state in which the Contract Area is situated, they shall be entitled to exercise the rights and remedies of a secured party under the Code. The bringing of a suit and the obtaining of judgment by a party for the secured indebtedness shall not be deemed an election of remedies or otherwise affect the lien rights or security interest as security for the payment thereof. In addition, upon default by any party in the payment of its share of expenses, interest, or fees, or other financial obligations under this agreement or the Operating Agreement, upon the improper use of funds by a party, the other parties shall have the right, without prejudice to other rights or remedies, to collect from the purchaser the proceeds from the sale of such defaulting party's share of Oil and Gas until the amount owed by such party, plus interest, has been received, and shall have the right to offset the amount owed against the proceeds from the sale of such defaulting party's share of Oil and Gas. All purchasers of production may rely on a notification of default from the non-defaulting party or parties stating the amount due as a result of the default, and all parties waive any recourse available against purchasers for releasing production proceeds as provided in this paragraph.
- D. If any party fails to pay its share of costs within one hundred-twenty (120) days after rendition of a statement therefor by Operator the non-defaulting parties, including Operator, shall, upon request by Operator, pay the unpaid amount in the proportion that the interest of each such party bears to the interest of all such parties. The amount paid by each party so paying its share of the unpaid amount shall be secured by the liens and security rights described in this paragraph 3 and in the Operating Agreement, and each paying party may independently pursue any remedy available under the Operating Agreement or otherwise.
- E. If any party does not perform all of its obligations under this agreement or the Operating Agreement, and the failure to perform subjects such party to foreclosure or execution proceedings pursuant to the provisions of this agreement or the Operating Agreement, to the extent allowed by governing law, the defaulting party waives any available right of redemption from and after the date of judgment, any required valuation or appraisal of the mortgaged or secured property prior to sale, any available right to stay execution or to require a marshalling of assets and any required bond in the event a receiver is appointed. In addition, to the extent permitted by applicable law, each party hereby grants to the other parties a power of sale as to any property that is subject to the lien and security rights granted hereunder or under the Operating Agreement, such power to be exercised in the manner provided by applicable law or otherwise in a commercially reasonable manner and upon reasonable notice.
- F. The lien and security interest granted in this paragraph 3 supplements identical rights granted under the Operating Agreement.
- G. To the extent permitted by applicable law, Non-Operators agree that Operator may invoke or utilize the mechanics' or materialmen's lien law of the state in which the Contract Area is situated in order to secure the payment to Operator of any sum due under this agreement and the Operating Agreement for services performed or materials supplied by Operator.
- H. The above described security will be financed at the wellhead of the well or wells located on the Contract Area and this Recording Supplement, or such other documents as may be necessary to provide notice of and perfect the liens and security interests granted pursuant to this agreement or the Operating Agreement, may be filed in the land or real property records in the County or Parish in which the Contract Area is located, and as a financing statement in all recording offices required under the Uniform Commercial Code or other applicable state statutes to perfect the above-described security interest, and any party hereto may file a continuation statement as necessary under the Uniform Commercial Code, or other state laws.
4. This agreement shall be effective as of the date of the Operating Agreement as above recited. Upon termination of this agreement and the Operating Agreement and the satisfaction of all obligations thereunder, Operator is authorized to file of record in all necessary recording offices a notice of termination, and each party hereto agrees to execute such a notice of termination as to Operator's interest, upon the request of Operator, if Operator has complied with all of its financial obligations.
5. This agreement and the Operating Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, devisees, legal representatives, successors and assigns. No sale, encumbrance, transfer or other disposition shall be made by any party of any interest in the Leases or Interests subject hereto except as expressly permitted under the Operating Agreement and, if permitted, shall be made expressly subject to this agreement and the Operating Agreement and without prejudice to the rights of the other parties. If the transfer is permitted, the assignee of an ownership interest in any Oil and Gas Lease shall be deemed a party to this agreement and the Operating Agreement as to the interest assigned from and after the effective date of the transfer of ownership; provided, however, that the other parties shall not be required to recognize any such sale, encumbrance, transfer or other disposition for any purpose hereunder until thirty (30) days after Operator has received a copy of the instrument of transfer or other satisfactory evidence thereof in writing from the transferor or transferee. Except as otherwise provided in this agreement and the Operating Agreement, any transfer by a party shall relieve the transferor from liability for the cost and expense of operations attributable to the transferred interest which are conducted after the expiration of the 30-day period above provided; provided that no assignment or other disposition of interest by a party shall relieve such party of obligations previously incurred by such party under this agreement or the Operating Agreement with respect to the interest transferred, including without limitation the obligation of a party to pay all costs and expenses attributable to an approved operation conducted under this agreement and the Operating Agreement in which such party has agreed to participate prior to making such assignment, and the lien and security interest granted by Article VII.B. of the Operating Agreement and hereby shall continue to burden the interest transferred to secure payment of any such obligations. The transferee shall be jointly and severally liable with its transferor for payment of its share of all costs and expenses attributable to an approved operation conducted under the Operating Agreement in which its transferor had agreed to participate.
6. In the event of a conflict between the terms and provisions of this agreement and the terms and provisions of the Operating Agreement, then, as between the parties, the terms and provisions of the Operating Agreement shall control.
7. This agreement shall be binding upon each Non-Operator when this agreement or a counterpart thereof has been executed by such Non-Operator and Operator notwithstanding that this agreement is not then or thereafter executed by all of the parties to which it is tendered or which are listed on Exhibit "A" as owning an interest in the Contract Area or which own, in fact, an interest in the Contract Area. In the event that any provision herein is illegal or unenforceable, the remaining provisions shall not be affected, and shall be enforced as if the illegal or unenforceable provision did not appear herein.
8. Notwithstanding anything to the contrary in this agreement or the Operating Agreement, the liabilities of *Admiral Permian Operating LLC* and *Admiral Permian Energy LLC* for all matters arising under this agreement and the Operating Agreement are joint and several, and both are jointly and severally responsible and liable for their obligations arising under the Operating Agreement. Further, the lien and security interest granted herein by *Admiral Permian Energy LLC* as an owner of record in the Contract Area secures not only its obligations and liabilities under the Operating Agreement but also any and all obligations and liabilities of *Admiral Permian Operating LLC*, as Operator under the Operating Agreement.

[SIGNATURES AND ACKNOWLEDGEMENTS ON THE FOLLOWING PAGES]

AAPL - FORM 610RS - 1989

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and with the exception(s) listed below, is identical to the AAPL Form 610RS 1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On A Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the 8th day of April , 2025.

ATTEST OR WITNESS:

ADMIRAL PERMIAN OPERATING LLC

By [Signature]
 Travis Hutt
Type or print name

Title Vice President - Land

Date 4/8/25

Tax ID or S.S. No. _____

[Handwritten initials]

NON-OPERATORS

Admiral Permian Energy LLC

By [Signature]
 Travis Hutt
Type or print name

Title Vice President - Land

Date 4/8/25

Tax ID or S.S. No. _____

[Handwritten initials]

Granite Ridge Holdings, LLC

By _____
Luke Brandenberg
Type or print name

Title: President + CEO

Date _____

Tax ID or S.S. No. _____

GREP V Holdings, LLC

By _____
Matt Miller
Type or print name

Title: President

Date _____

Tax ID or S.S. No. _____

COG Operating LLC

By _____
Ryan Owen
Type or print name

Title Attorney-in-Fact _____

Date _____

Tax ID or S.S. No. _____

AAPL – FORM 610RS – 1989

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and with the exception(s) listed below, is identical to the AAPL Form 610RS-1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On A Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the 8th day of April, 2025

ATTEST OR WITNESS:

ADMIRAL PERMIAN OPERATING LLC

By _____

Travis Hutt
Type or print name

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____

NON-OPERATORS

Admiral Permian Energy LLC

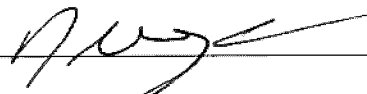
By _____

Type or print name

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____



Granite Ridge Holdings, LLC

By 

Luke Brandenburg
Type or print name

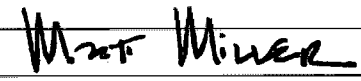
Title: President + CEO

Date 4/8/25

Tax ID or S.S. No. _____



GREP V Holdings, LLC

By 

Matt Miller
Type or print name

Title: President

Date 4/8/25

Tax ID or S.S. No. _____

By _____

Ryan Owen
Type or print name

Title Attorney-in-Fact _____

Date _____

Tax ID or S.S. No. _____

AAPL – FORM 610RS – 1989

_____, who has prepared and circulated this form for execution, represents and warrants that the form was printed from and with the exception(s) listed below, is identical to the AAPL Form 610RS 1989 Model Form Recording Supplement to Operating Agreement and Financing Statement, as published in computerized form by Forms On A Disk, Inc. No changes, alterations, or modifications, other than those made by strikethrough and/or insertion and that are clearly recognizable as changes in Articles _____, have been made to the form.

IN WITNESS WHEREOF, this agreement shall be effective as of the 8th day of April, 2025.

ATTEST OR WITNESS:

ADMIRAL PERMIAN OPERATING LLC

By _____

Travis Hutt
Type or print name

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____

NON-OPERATORS

Admiral Permian Energy LLC

By _____

Type or print name

Title Vice President – Land

Date _____

Tax ID or S.S. No. _____

Granite Ridge Holdings, LLC

By _____

Luke Brandenburg
Type or print name

Title: President + CEO

Date _____

Tax ID or S.S. No. _____

GREP V Holdings, LLC

By _____

Matt Miller
Type or print name

Title: President

Date _____

Tax ID or S.S. No. _____

COG Operating LLC

By _____

Ryan Owen Ryan D. Owen **ACK**
Type or print name

Title Attorney-in-Fact _____

Date April 8, 2025

Tax ID or S.S. No. _____

AAPL – FORM 610RS – 1989

Concho Oil & Gas LLC

By  **ACR**

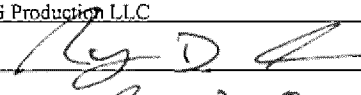
~~Ryan Owen~~ Ryan D. Owen
Type or print name

Title Attorney-in-Fact

Date April 8, 2025

Tax ID or S.S. No. _____

COG Production LLC

By  **ACR**

~~Ryan Owen~~ Ryan D. Owen
Type or print name

Title Attorney-in-Fact

Date April 8, 2025

Tax ID or S.S. No. _____

Marshall and Winston, Inc.

By _____

Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

MRC Permian Company

By _____

Type or print name

Title Attorney-in-Fact

Date _____

Tax ID or S.S. No. _____

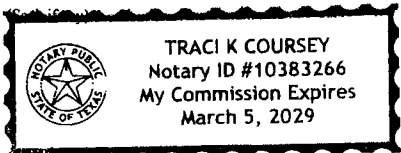
AAPL - FORM 610RS - 1989

State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on April 8, 2025
by Travis Hutt as VP Land of
Admiral Permian Energy LLC



Traci K Coursey

Title (and Rank) _____

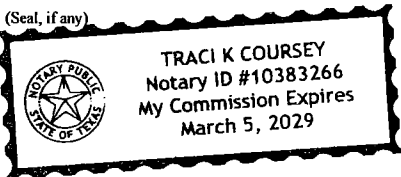
My commission expires: 3-5-29

State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on April 8, 2025
by Travis Hutt as VP Land of
Admiral Permian Operating LLC



Traci K Coursey

Title (and Rank) _____

My commission expires: 3-5-29

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____
by _____ as _____ of

(Seal, if any)

Title (and Rank) _____

My commission expires: _____

AAPL – FORM 610RS – 1989

State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on _____
by Ryan D. Owen as Attorney-in-Fact of COG Production LLC, a Texas limited liability corporation on behalf of said company.

(Seal, if any) _____
Title (and Rank) _____
My commission expires: _____

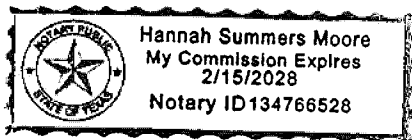
State of Texas §

§ ss.

County of Dallas §

This instrument was acknowledged before me on April 8, 2025
by Luke Brandenberg as President + CEO of
Granite Ridge Holdings, LLC

(Seal, if any) _____
Hannah S Moore
Title (and Rank) Notary
My commission expires: 2/15/2028



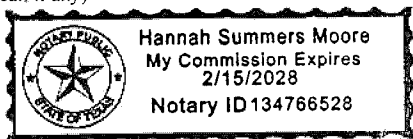
State of Texas §

§ ss.

County of Dallas §

This instrument was acknowledged before me on April 8, 2025
by Matt Miller as President of
GAEP V Holdings, LLC

(Seal, if any) _____
Hannah S Moore
Title (and Rank) Notary
My commission expires: 2/15/2028



AAPL – FORM 610RS – 1989

ACKNOWLEDGMENTS

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____
by _____ as _____ of _____

(Seal, if any)

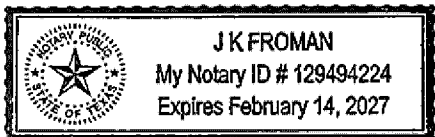
_____ Title (and Rank)

My commission expires: _____

County of Midland §

This instrument was acknowledged before me on April 8, 2025
by Ryan D. Owen as Attorney-in-Fact of COG Operating LLC, a Delaware limited liability corporation on behalf of said company.

(Seal, if any)



J K Froman

_____ Title (and Rank) Notary Public

My commission expires: 02/14/2027

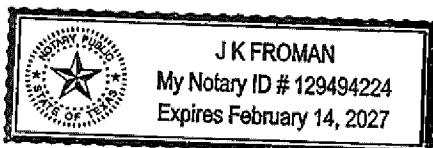
State of Texas §

§ ss.

County of Midland §

This instrument was acknowledged before me on April 8, 2025
by Ryan D. Owen as Attorney-in-Fact of Concho Oil & Gas LLC, a Texas limited liability corporation on behalf of said company.

(Seal, if any)



J K Froman

_____ Title (and Rank) Notary Public

My commission expires: 02/14/2027

AAPL – FORM 610RS – 1989

State of Texas §

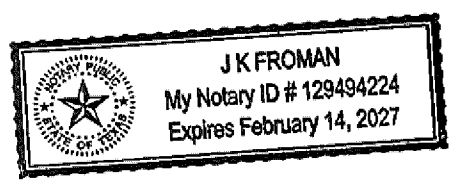
§ ss.

County of Midland §

This instrument was acknowledged before me on April 8, 2025

by Ryan D. Owen as Attorney-in-Fact of COG Production LLC, a Texas limited liability corporation on behalf of said company.

(Seal, if any)



J K Froman

Title (and Rank) Notary Public

My commission expires: 02/14/2027

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____

by _____ as _____ of _____

(Seal, if any)

Title (and Rank) _____

My commission expires: _____

State of _____ §

§ ss.

County of _____ §

This instrument was acknowledged before me on _____

by _____ as _____ of _____

(Seal, if any)

Title (and Rank) _____

My commission expires: _____

AAPL – FORM 610RS – 1989

EXHIBIT “A”

Contract Area

Attached to and made a part of the War Pigeon Wolfcamp Joint Operating Agreement, dated April 8, 2025, between Admiral Permian Operating LLC, as Operator, and COG Operating LLC, et al, as Non-Operator

1. **LANDS SUBJECT TO AGREEMENT:**

T24S, R27E, Sections 5 (ALL) and 6 (ALL), Eddy County, New Mexico

2. **RESTRICTIONS AS TO DEPTHS, WELLS, AND FORMATIONS:**

Wolfcamp XY & A Interval defined as the stratigraphic equivalent of all subsurface depths covering the interval from 8,746 feet to 9,070 feet below the surface, as found in the well log of the Flyswatter State 3H (API 30-015-42764) located in Township 23 South, Range 27 East, Section 31, N.M.P.M., Eddy County, New Mexico. Less and Except the wellbores of Black River State 4H (API 30-015-42458) and Almostgon State 1 (API 30-015-35705)

3. **ADDRESSES OF THE PARTIES:**

Admiral Permian Operating LLC
200 N. Loraine, Suite 800
Midland, Texas 79701
Attn: Hunter Hall

Admiral Permian Energy LLC
200 N. Loraine, Suite 800
Midland, Texas 79701
Attn: Hunter Hall

Granite Ridge Holdings, LLC
5217 McKinney Avenue, Suite 400
Dallas, Texas 75205
Attn: Adam Griffin

GREP V Permian, LLC
5217 McKinney Avenue, Suite 400
Dallas, Texas 75205
Attn: Adam Griffin

GREP V Permian, LLC
5217 McKinney Avenue, Suite 400
Dallas, Texas 75205
Attn: Adam Griffin

COG Operating LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: Ryan Owen / Shelley Klingler

Concho Oil & Gas LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: Ryan Owen / Shelley Klingler

COG Production LLC
600 W. Illinois Avenue
Midland, Texas 79701
Attn: Ryan Owen / Shelley Klingler

AAPL – FORM 610RS – 1989

Marshall and Winston, Inc.

6 Desta Dr # 3100,
Midland, TX 79705

MRC Permian Company

One Lincoln Centre
5400 LBJ Freeway
Suite 1500
Dallas, Texas 75240
Hanna.rhoades@matadorresources.com

4. **OIL AND GAS LEASES AND/OR INTERESTS SUBJECT TO THIS AGREEMENT:**

Lessor: State of New Mexico
Current Lessee: Concho Oil & Gas LLC / COG Operating LLC
Serial Number: V0-6762-1
Lease Date: 12/1/2002
Description of Land Committed: Lots 5, 6, 7, SENW, S2NE, E2SW, SE of Section 6, T24S-R27E
Number of Acres: 470.61 Acres

Lessor: State of New Mexico
Current Lessee: Concho Oil & Gas LLC / COG Operating LLC
Serial Number: VB-1642-2
Lease Date: 4/1/2009
Description of Land Committed: S2N2, S2 of Section 5, T24S-R27E
Number of Acres: 480 Acres

Lessor: United States of America
Current Lessee: COG Operating LLC
Serial Number: NMNM-134863
Lease Date: 10/1/2015
Description of Land Committed: Lots 1-4 of Section 5, T24S-R27E
Number of Acres: 161.98 Acres

Lessor: United States of America
Current Lessee: MRC Permian Company
Serial Number: NMNM-106696545
Lease Date: 04/01/2025
Description of Land Committed: Lots 1-4 of Section 6, T24S-R27E
Number of Acres: 158.25 Acres

5. **BURDENS ON PRODUCTION:**

Burdens of record in the real property records of Eddy County, New Mexico, as of the date of this agreement.

[End of Exhibit "A"]

COP AFE's

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

| | |
|--|-----------------------------------|
| Well Name Campna Fed Com 701H | Prospect HELLFIRE 2428 |
| SHL 440' FNL 1322 FNL SECTION 2-24S-26E | State & County Eddy NM |
| BHL 200' FWL & 660' FNL SECTION 2-24S-26E | Objective D&C |
| Formation WCA | Depth 8800' |
| Legal N2-2-24S-26E | MD 13780' |
| AFE Numbers TBD | |

| Cost Description | Code | PreSpud (PS) | Pre-Set Casing(PC) | Drilling (DR) | Completions (C) | Tank Btty Constrctn(TB) | Pmpq Equip (PEQ) | Revision | Total |
|--|------|--------------|--------------------|-----------------|-----------------|-------------------------|------------------|----------|-----------------|
| Intangible Costs | | | | | | | | | |
| D-Bit and Mill | M620 | | | \$ 82,025.00 | | | | \$ - | \$ 82,025.00 |
| D-Lost in Hole (DBR DP WBM) | M690 | | | \$ - | | | | \$ - | \$ - |
| D-Fuel & Lubricant | M710 | | | \$ 62,974.80 | | | | \$ - | \$ 62,974.80 |
| D-Water | M720 | | | \$ 64,235.35 | | | | \$ - | \$ 64,235.35 |
| D-Mud & Chemicals | M741 | | | \$ 174,338.40 | | | | \$ - | \$ 174,338.40 |
| D-Drilling Overhead | O110 | | | \$ 25,585.00 | | | | \$ - | \$ 25,585.00 |
| D-Daywork Contract | O120 | | | \$ 44,030.00 | | | | \$ - | \$ 44,030.00 |
| D-Field Office and Trailer | O320 | | | \$ 26,180.00 | | | | \$ - | \$ 26,180.00 |
| D-Permit, Fee and License | O400 | | | \$ 36,125.00 | | | | \$ - | \$ 36,125.00 |
| D-Environmental, Health and Safety Service | S160 | | | \$ 107,058.35 | | | | \$ - | \$ 107,058.35 |
| D-Drilling Rig | S210 | | | \$ 558,845.25 | | | | \$ - | \$ 558,845.25 |
| D-Drilling Rig Mob/Demob | S211 | | | \$ 231,200.00 | | | | \$ - | \$ 231,200.00 |
| D-Pipe, Tubing, Casing Running and Handling | S220 | | | \$ 38,250.00 | | | | \$ - | \$ 38,250.00 |
| D-Directional Drilling, MWD/LWD, Motor | S230 | | | \$ 177,437.50 | | | | \$ - | \$ 177,437.50 |
| D-Solid Control | S250 | | | \$ 38,318.00 | | | | \$ - | \$ 38,318.00 |
| D-Mud Logging, GeoSteering, PVT | S272 | | | \$ 28,050.00 | | | | \$ - | \$ 28,050.00 |
| D-Cementing Service | S281 | | | \$ 131,529.00 | | | | \$ - | \$ 131,529.00 |
| D-Cementing & Casing Eqpt and Accessories | S283 | | | \$ 59,500.00 | | | | \$ - | \$ 59,500.00 |
| D-Other Specialized Service | S470 | | | \$ 54,400.00 | | | | \$ - | \$ 54,400.00 |
| D-Site Preparation and Road Work | S511 | | | \$ 197,200.00 | | | | \$ - | \$ 197,200.00 |
| D-Land Freight | S710 | | | \$ 61,176.20 | | | | \$ - | \$ 61,176.20 |
| D-Downhole Drilling Tools and Eqpt Rental | S820 | | | \$ 53,550.00 | | | | \$ - | \$ 53,550.00 |
| D-Surface Drilling Tools and Eqpt Rental | S830 | | | \$ 68,782.00 | | | | \$ - | \$ 68,782.00 |
| D-Wellhead and Tree Rental Services | S860 | | | \$ 17,000.00 | | | | \$ - | \$ 17,000.00 |
| C-Completions Fluids & Other Chemicals | 304 | | | \$ 24,427.71 | | | | \$ - | \$ 24,427.71 |
| C-Lctn/Pits/Roads | 305 | | | \$ 7,270.15 | | | | \$ - | \$ 7,270.15 |
| C-DST & Production Testing | 306 | | | \$ 8,724.18 | | | | \$ - | \$ 8,724.18 |
| C-Frac Equipment | 307 | | | \$ 657,803.30 | | | | \$ - | \$ 657,803.30 |
| C-Frac Chemicals | 308 | | | \$ 182,626.20 | | | | \$ - | \$ 182,626.20 |
| C-Frac Proppant | 309 | | | \$ 524,614.13 | | | | \$ - | \$ 524,614.13 |
| C-Land Based Transport | 310 | | | \$ 26,172.55 | | | | \$ - | \$ 26,172.55 |
| C-Fuel Delivery & Services | 311 | | | \$ 167,504.29 | | | | \$ - | \$ 167,504.29 |
| C-Water | 312 | | | \$ 236,716.13 | | | | \$ - | \$ 236,716.13 |
| C-Drilling / Compl Surface Equip Rental w/ Oper | 315 | | | \$ 151,219.15 | | | | \$ - | \$ 151,219.15 |
| C-Drilling / Compl Surface Equip Rental w/o Oper | 325 | | | \$ 151,219.15 | | | | \$ - | \$ 151,219.15 |
| C-Bits & Mills | 326 | | | \$ 2,326.45 | | | | \$ - | \$ 2,326.45 |
| C-Wellhead & Tree Service (Labor Only) | 327 | | | \$ 8,724.18 | | | | \$ - | \$ 8,724.18 |
| C-Cooled Tubing Services | 329 | | | \$ 99,455.67 | | | | \$ - | \$ 99,455.67 |
| C-Perf/Wireline Svc | 331 | | | \$ 168,667.51 | | | | \$ - | \$ 168,667.51 |
| C-Fishing, Milling Services | 337 | | | \$ 33,151.89 | | | | \$ - | \$ 33,151.89 |
| C-Other Miscellaneous Services & Consumables | 339 | | | \$ 14,540.30 | | | | \$ - | \$ 14,540.30 |
| C-Pump / Kill Truck | 343 | | | \$ 12,795.47 | | | | \$ - | \$ 12,795.47 |
| C-Wellsite Contract Labor & Supervisor | 345 | | | \$ 66,303.78 | | | | \$ - | \$ 66,303.78 |
| C-Permits, Fees, Surface Damages | 346 | | | \$ 2,908.06 | | | | \$ - | \$ 2,908.06 |
| C-Company and Consultant Supervision | 347 | | | \$ 12,795.47 | | | | \$ - | \$ 12,795.47 |
| TB-Damages/Right of Way | 351 | | | \$ - | | \$ 1,229.41 | | \$ - | \$ 1,229.41 |
| TB-Location/Pits/Roads | 353 | | | \$ - | | \$ 40,570.69 | | \$ - | \$ 40,570.69 |
| TB-Contract Labor | 356 | | | \$ - | | \$ 223,753.52 | | \$ - | \$ 223,753.52 |
| PEQ-Contract Labor | 374 | | | \$ - | | \$ - | \$ 65,716.86 | \$ - | \$ 65,716.86 |
| PEQ-Water Disposal | 387 | | | \$ - | | \$ - | \$ 303,805.81 | \$ - | \$ 303,805.81 |
| PEQ-HRZ Well Offset Frac | 391 | | | \$ - | | \$ - | \$ 31,242.44 | \$ - | \$ 31,242.44 |
| Total Intangible Costs | | \$ - | \$ - | \$ 2,337,789.85 | \$ 2,559,965.73 | \$ 265,553.63 | \$ 400,765.12 | \$ - | \$ 5,564,074.33 |

| Cost Description | Code | PreSpud (PS) | Pre-Set Casing(PC) | Drilling (DR) | Completions (C) | Tank Btty Constrctn(TB) | Pmpq Equip (PEQ) | Revision | Total |
|--|------|--------------|--------------------|---------------|-----------------|-------------------------|------------------|----------|-----------------|
| Tangible Costs | | | | | | | | | |
| PEQ-Flowback Crews & Equip | 392 | | | | | | \$ 182,068.02 | \$ - | \$ 182,068.02 |
| D-Surface Casing | M521 | | | \$ 23,800.00 | | | | \$ - | \$ 23,800.00 |
| D-Intermed Csg | M523 | | | \$ 264,160.00 | | | | \$ - | \$ 264,160.00 |
| D-Production Casing/Liner | M531 | | | \$ 325,550.00 | | | | \$ - | \$ 325,550.00 |
| D-Wellhead Equip, X-Mas Tree and Associated Eq | E100 | | | \$ 36,550.00 | | | | \$ - | \$ 36,550.00 |
| D-Telecommunication Equipment | E900 | | | \$ 23,800.00 | | | | \$ - | \$ 23,800.00 |
| D-Conductor | M510 | | | \$ 27,200.00 | | | | \$ - | \$ 27,200.00 |
| C-Tubing | 504 | | | \$ 55,253.15 | | | | \$ - | \$ 55,253.15 |
| C-Wellhead Equip | 505 | | | \$ 34,896.73 | | | | \$ - | \$ 34,896.73 |
| TB-Tanks | 510 | | | | | \$ 72,535.48 | | \$ - | \$ 72,535.48 |
| TB-Flowlines/Pipelines | 511 | | | | | \$ 31,964.79 | | \$ - | \$ 31,964.79 |
| TB-Hr Trtr/Septtr | 512 | | | | | \$ 229,900.60 | | \$ - | \$ 229,900.60 |
| TB-Electrical System/Equipment | 513 | | | | | \$ 141,382.72 | | \$ - | \$ 141,382.72 |
| C-Pckrs/Anchors/Hrs | 514 | | | \$ 68,630.23 | | | | \$ - | \$ 68,630.23 |
| TB-Couplings/Fittings/Valves | 515 | | | | | \$ 240,965.33 | | \$ - | \$ 240,965.33 |
| TB-Pumps-Surface | 521 | | | | | \$ 31,964.79 | | \$ - | \$ 31,964.79 |
| TB-Instrumentation/SCADA/POC | 522 | | | | | \$ 24,588.30 | | \$ - | \$ 24,588.30 |
| TB-Miscellaneous | 523 | | | | | \$ 24,588.30 | | \$ - | \$ 24,588.30 |
| TB-Meters/Lacts | 525 | | | | | \$ 31,964.79 | | \$ - | \$ 31,964.79 |
| TB-Flares/Combusters/Emission | 526 | | | | | \$ 39,341.28 | | \$ - | \$ 39,341.28 |
| C-Gas Lift/Compression | 527 | | | \$ 26,754.16 | | | | \$ - | \$ 26,754.16 |
| PEQ-Wellhead Equipment | 531 | | | | | | \$ 65,716.86 | \$ - | \$ 65,716.86 |
| Total Tangible Costs | | \$ - | \$ - | \$ 691,050.00 | \$ 185,534.27 | \$ 869,196.37 | \$ 247,784.88 | \$ - | \$ 1,993,565.52 |

Total Gross Cost \$ - \$ - \$ 3,028,839.85 \$ 2,745,500.00 \$ 1,134,750.00 \$ 648,550.00 \$ - \$ 7,557,639.85

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:

 % Working Interest

COG Operating LLC

By: _____

Company: _____

By: _____

Printed Name: _____

Title: _____

Date: _____

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

| | | | |
|-------------|--|----------------|---------------|
| Well Name | Campana Fed Com 702H | Prospect | HELLFIRE 2426 |
| | SHL 440' FEL 1362' FNL SECTION 2-24S-26E | State & County | Eddy NM |
| | BHL 200' FWL & 2180' FNL SECTION 2-24S-26E | Objective | D&C |
| Formation | WCA | Depth | 8800' |
| Legal | N2 2-24S-26E | MD | 13780' |
| AFE Numbers | TSD | | |

| Cost Description | Code | PreSpud (PS) | Pre-Set Casing(PC) | Drilling (DR) | Completions (C) | Tank Btty Constrctn(TB) | Pmpq Equip (PEQ) | Revision | Total |
|--|------|--------------|--------------------|-----------------|-----------------|-------------------------|------------------|----------|-----------------|
| Intangible Costs | | | | | | | | | |
| D-Bit and Mill | M620 | | | \$ 82,025.00 | | | | \$ - | \$ 82,025.00 |
| D-Lost in Hole (DBR DP WBM) | M690 | | | \$ - | | | | \$ - | \$ - |
| D-Fuel & Lubricant | M710 | | | \$ 62,974.80 | | | | \$ - | \$ 62,974.80 |
| D-Water | M720 | | | \$ 64,235.35 | | | | \$ - | \$ 64,235.35 |
| D-Mud & Chemicals | M741 | | | \$ 174,338.40 | | | | \$ - | \$ 174,338.40 |
| D-Drilling Overhead | O110 | | | \$ 25,585.00 | | | | \$ - | \$ 25,585.00 |
| D-Daywork Contract | O120 | | | \$ 44,030.00 | | | | \$ - | \$ 44,030.00 |
| D-Field Office and Trailer | O320 | | | \$ 26,180.00 | | | | \$ - | \$ 26,180.00 |
| D-Permit, Fee and License | O400 | | | \$ 36,125.00 | | | | \$ - | \$ 36,125.00 |
| D-Environmental, Health and Safety Service | S160 | | | \$ 107,058.35 | | | | \$ - | \$ 107,058.35 |
| D-Drilling Rig | S210 | | | \$ 558,845.25 | | | | \$ - | \$ 558,845.25 |
| D-Drilling Rig Mob/Demob | S211 | | | \$ 231,200.00 | | | | \$ - | \$ 231,200.00 |
| D-Pipe, Tubing, Casing Running and Handling | S220 | | | \$ 38,250.00 | | | | \$ - | \$ 38,250.00 |
| D-Directional Drilling, MWD/LWD, Motor | S230 | | | \$ 177,437.50 | | | | \$ - | \$ 177,437.50 |
| D-Solid Control | S250 | | | \$ 38,318.00 | | | | \$ - | \$ 38,318.00 |
| D-Mud Logging, GeoSteering, PVT | S272 | | | \$ 28,050.00 | | | | \$ - | \$ 28,050.00 |
| D-Cementing Service | S281 | | | \$ 131,529.00 | | | | \$ - | \$ 131,529.00 |
| D-Cementing & Casing Eqpt and Accessories | S283 | | | \$ 59,500.00 | | | | \$ - | \$ 59,500.00 |
| D-Other Specialized Service | S470 | | | \$ 54,400.00 | | | | \$ - | \$ 54,400.00 |
| D-Site Preparation and Road Work | S511 | | | \$ 197,200.00 | | | | \$ - | \$ 197,200.00 |
| D-Land Freight | S710 | | | \$ 61,176.20 | | | | \$ - | \$ 61,176.20 |
| D-Downhole Drilling Tools and Eqpt Rental | S820 | | | \$ 53,550.00 | | | | \$ - | \$ 53,550.00 |
| D-Surface Drilling Tools and Eqpt Rental | S830 | | | \$ 68,782.00 | | | | \$ - | \$ 68,782.00 |
| D-Wellhead and Tree Rental Services | S860 | | | \$ 17,000.00 | | | | \$ - | \$ 17,000.00 |
| C-Completions Fluids & Other Chemicals | 304 | | | \$ - | \$ 24,427.71 | | | \$ - | \$ 24,427.71 |
| C-Lctn/Pits/Roads | 305 | | | \$ - | \$ 7,270.15 | | | \$ - | \$ 7,270.15 |
| C-DST & Production Testing | 306 | | | \$ - | \$ 8,724.18 | | | \$ - | \$ 8,724.18 |
| C-Frac Equipment | 307 | | | \$ - | \$ 657,803.30 | | | \$ - | \$ 657,803.30 |
| C-Frac Chemicals | 308 | | | \$ - | \$ 182,626.20 | | | \$ - | \$ 182,626.20 |
| C-Frac Proppant | 309 | | | \$ - | \$ 524,614.13 | | | \$ - | \$ 524,614.13 |
| C-Land Based Transport | 310 | | | \$ - | \$ 26,172.55 | | | \$ - | \$ 26,172.55 |
| C-Fuel Delivery & Services | 311 | | | \$ - | \$ 167,504.29 | | | \$ - | \$ 167,504.29 |
| C-Water | 312 | | | \$ - | \$ 236,716.13 | | | \$ - | \$ 236,716.13 |
| C-Drilling / Compl Surface Equip Rental w/ Oper | 315 | | | \$ - | \$ 151,219.15 | | | \$ - | \$ 151,219.15 |
| C-Drilling / Compl Surface Equip Rental w/o Oper | 325 | | | \$ - | \$ 151,219.15 | | | \$ - | \$ 151,219.15 |
| C-Bits & Mills | 326 | | | \$ - | \$ 2,326.45 | | | \$ - | \$ 2,326.45 |
| C-Wellhead & Tree Service (Labor Only) | 327 | | | \$ - | \$ 8,724.18 | | | \$ - | \$ 8,724.18 |
| C-Cooled Tubing Services | 328 | | | \$ - | \$ 99,455.67 | | | \$ - | \$ 99,455.67 |
| C-Perf/Wireline Svc | 331 | | | \$ - | \$ 168,667.51 | | | \$ - | \$ 168,667.51 |
| C-Fishing, Milling Services | 337 | | | \$ - | \$ 33,151.89 | | | \$ - | \$ 33,151.89 |
| C-Other Miscellaneous Services & Consumables | 339 | | | \$ - | \$ 14,540.30 | | | \$ - | \$ 14,540.30 |
| C-Pump / Kill Truck | 343 | | | \$ - | \$ 12,795.47 | | | \$ - | \$ 12,795.47 |
| C-Wellsite Contract Labor & Supervisor | 345 | | | \$ - | \$ 66,303.78 | | | \$ - | \$ 66,303.78 |
| C-Permits, Fees, Surface Damages | 346 | | | \$ - | \$ 2,908.06 | | | \$ - | \$ 2,908.06 |
| C-Company and Consultant Supervision | 347 | | | \$ - | \$ 12,795.47 | | | \$ - | \$ 12,795.47 |
| TB-Damages/Right of Way | 351 | | | \$ - | \$ - | \$ 1,229.41 | | \$ - | \$ 1,229.41 |
| TB-Location/Pits/Roads | 353 | | | \$ - | \$ - | \$ 40,570.69 | | \$ - | \$ 40,570.69 |
| TB-Contract Labor | 356 | | | \$ - | \$ - | \$ 223,753.52 | | \$ - | \$ 223,753.52 |
| PEQ-Contract Labor | 374 | | | \$ - | \$ - | \$ - | \$ 65,716.86 | \$ - | \$ 65,716.86 |
| PEQ-Water Disposal | 387 | | | \$ - | \$ - | \$ - | \$ 303,805.81 | \$ - | \$ 303,805.81 |
| PEQ-HRZ Well Offset Frac | 391 | | | \$ - | \$ - | \$ - | \$ 31,242.44 | \$ - | \$ 31,242.44 |
| Total Intangible Costs | | \$ - | \$ - | \$ 2,337,789.85 | \$ 2,559,965.73 | \$ 265,553.63 | \$ 400,765.12 | \$ - | \$ 5,664,074.33 |
| Tangible Costs | | | | | | | | | |
| PEQ-Flowback Crews & Equip | 392 | | | \$ - | \$ - | \$ - | \$ 182,068.02 | \$ - | \$ 182,068.02 |
| D-Surface Casing | M521 | | | \$ 23,800.00 | | | | \$ - | \$ 23,800.00 |
| D-Intermed Csg | M623 | | | \$ 254,150.00 | | | | \$ - | \$ 254,150.00 |
| D-Production Casing/Liner | M531 | | | \$ 325,550.00 | | | | \$ - | \$ 325,550.00 |
| D-Wellhead Equip, X-Mas Tree and Associated Eq | E100 | | | \$ 36,550.00 | | | | \$ - | \$ 36,550.00 |
| D-Telecommunication Equipment | E600 | | | \$ 23,800.00 | | | | \$ - | \$ 23,800.00 |
| D-Conductor | M510 | | | \$ 27,200.00 | | | | \$ - | \$ 27,200.00 |
| C-Tubing | 504 | | | \$ - | \$ 55,253.15 | | | \$ - | \$ 55,253.15 |
| C-Wellhead Equip | 505 | | | \$ - | \$ 34,896.73 | | | \$ - | \$ 34,896.73 |
| TB-Tanks | 510 | | | \$ - | \$ - | \$ 72,535.48 | | \$ - | \$ 72,535.48 |
| TB-Flowlines/Pipelines | 511 | | | \$ - | \$ - | \$ 31,964.79 | | \$ - | \$ 31,964.79 |
| TB-Hir Ttr/Seprtr | 512 | | | \$ - | \$ - | \$ 229,900.60 | | \$ - | \$ 229,900.60 |
| TB-Electrical System/Equipment | 513 | | | \$ - | \$ - | \$ 141,382.72 | | \$ - | \$ 141,382.72 |
| C-Pckrs/Anchors/Hars | 514 | | | \$ - | \$ 68,630.23 | | | \$ - | \$ 68,630.23 |
| TB-Couplings/Fittings/Valves | 515 | | | \$ - | \$ 240,965.33 | | | \$ - | \$ 240,965.33 |
| TB-Pumps-Surface | 521 | | | \$ - | \$ 31,964.79 | | | \$ - | \$ 31,964.79 |
| TB-Instrumentation/SCADA/POC | 522 | | | \$ - | \$ 24,588.30 | | | \$ - | \$ 24,588.30 |
| TB-Miscellaneous | 523 | | | \$ - | \$ 24,588.30 | | | \$ - | \$ 24,588.30 |
| TB-Meters/Lacts | 525 | | | \$ - | \$ 31,964.79 | | | \$ - | \$ 31,964.79 |
| TB-Flares/Combusters/Emission | 526 | | | \$ - | \$ 39,341.28 | | | \$ - | \$ 39,341.28 |
| C-Gas Lift/Compression | 527 | | | \$ - | \$ 26,754.16 | | | \$ - | \$ 26,754.16 |
| PEQ-Wellhead Equipment | 531 | | | \$ - | \$ - | \$ - | \$ 65,716.86 | \$ - | \$ 65,716.86 |
| Total Tangible Costs | | \$ - | \$ - | \$ 691,050.00 | \$ 185,534.27 | \$ 869,196.37 | \$ 247,784.88 | \$ - | \$ 1,993,565.52 |
| Total Gross Cost | | \$ - | \$ - | \$ 3,028,839.85 | \$ 2,745,500.00 | \$ 1,134,750.00 | \$ 648,550.00 | \$ - | \$ 7,557,639.85 |

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:
 % Working Interest

COG Operating LLC

By: _____

Company:
 By: _____

Printed Name:
 Title:
 Date: _____

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

Well Name Campana Fed Com 901H
 SHL 440' FEL 1302' FNL SECTION 2-24S-26E
 BHL 200' FWL & 380' FNL SECTION 2-24S-26E
 Formation WCC
 Legal N2 2-24S-26E AND NE 3-24S-26E
 AFE Numbers TBD

Prospect HELLFIRE 2426
 State & County Eddy NM
 Objective D&C
 Depth 9400'
 MD 14380'

| Cost Description | Code | PreSpud (PS) | Pre-Set Casing(PC) | Drilling (DR) | Completions (C) | Tank Btty Constrctn(TB) | Pmpq Equip (PEQ) | Revision | Total |
|--|------|--------------|--------------------|-----------------|-----------------|-------------------------|------------------|----------|-----------------|
| Intangible Costs | | | | | | | | | |
| D-Bit and Mill | M620 | | | \$ 111,006.82 | | | | \$ - | \$ 111,006.82 |
| D-Lost in Hole (DBR DP WBM) | M690 | | | \$ - | | | | \$ - | \$ - |
| D-Fuel & Lubricant | M710 | | | \$ 62,974.80 | | | | \$ - | \$ 62,974.80 |
| D-Water | M720 | | | \$ 104,350.51 | | | | \$ - | \$ 104,350.51 |
| D-Mud & Chemicals | M741 | | | \$ 358,585.63 | | | | \$ - | \$ 358,585.63 |
| D-Drilling Overhead | O110 | | | \$ 25,585.00 | | | | \$ - | \$ 25,585.00 |
| D-Daywork Contract | O120 | | | \$ 44,030.00 | | | | \$ - | \$ 44,030.00 |
| D-Field Office and Trailer | O320 | | | \$ 26,180.00 | | | | \$ - | \$ 26,180.00 |
| D-Permit, Fee and License | O400 | | | \$ 36,125.00 | | | | \$ - | \$ 36,125.00 |
| D-Environmental, Health and Safety Service | S160 | | | \$ 166,833.63 | | | | \$ - | \$ 166,833.63 |
| D-Drilling Rig | S210 | | | \$ 558,845.25 | | | | \$ - | \$ 558,845.25 |
| D-Drilling Rig Mob/Demob | S211 | | | \$ 231,200.00 | | | | \$ - | \$ 231,200.00 |
| D-Pipe, Tubing, Casing Running and Handling | S220 | | | \$ 38,250.00 | | | | \$ - | \$ 38,250.00 |
| D-Directional Drilling, MWD/LWD, Motor | S230 | | | \$ 196,327.42 | | | | \$ - | \$ 196,327.42 |
| D-Solid Control | S250 | | | \$ 38,318.00 | | | | \$ - | \$ 38,318.00 |
| D-Mud Logging, GeoSteering, PVT | S272 | | | \$ 28,050.00 | | | | \$ - | \$ 28,050.00 |
| D-Cementing Service | S281 | | | \$ 171,452.91 | | | | \$ - | \$ 171,452.91 |
| D-Cementing & Casing Eqpt and Accessories | S283 | | | \$ 59,500.00 | | | | \$ - | \$ 59,500.00 |
| D-Other Specialized Service | S470 | | | \$ 54,400.00 | | | | \$ - | \$ 54,400.00 |
| D-Site Preparation and Road Work | S511 | | | \$ 197,200.00 | | | | \$ - | \$ 197,200.00 |
| D-Land Freight | S710 | | | \$ 78,176.20 | | | | \$ - | \$ 78,176.20 |
| D-Downhole Drilling Tools and Equipmt Rental | S820 | | | \$ 53,550.00 | | | | \$ - | \$ 53,550.00 |
| D-Surface Drilling Tools and Equipmt Rental | S830 | | | \$ 68,782.00 | | | | \$ - | \$ 68,782.00 |
| D-Wellhead and Tree Rental Services | S860 | | | \$ 17,000.00 | | | | \$ - | \$ 17,000.00 |
| C-Completions Fluids & Other Chemicals | 304 | | | | \$ 24,427.71 | | | \$ - | \$ 24,427.71 |
| C-Lctrn/Pits/Roads | 305 | | | | \$ 7,270.15 | | | \$ - | \$ 7,270.15 |
| C-DST & Production Testing | 306 | | | | \$ 8,724.18 | | | \$ - | \$ 8,724.18 |
| C-Frac Equipment | 307 | | | | \$ 657,803.30 | | | \$ - | \$ 657,803.30 |
| C-Frac Chemicals | 308 | | | | \$ 182,626.20 | | | \$ - | \$ 182,626.20 |
| C-Frac Proppant | 309 | | | | \$ 524,614.13 | | | \$ - | \$ 524,614.13 |
| C-Land Based Transport | 310 | | | | \$ 26,172.55 | | | \$ - | \$ 26,172.55 |
| C-Fuel Delivery & Services | 311 | | | | \$ 167,504.29 | | | \$ - | \$ 167,504.29 |
| C-Water | 312 | | | | \$ 236,716.13 | | | \$ - | \$ 236,716.13 |
| C-Drilling / Compl Surface Equip Rental w/ Oper | 315 | | | | \$ 151,219.15 | | | \$ - | \$ 151,219.15 |
| C-Drilling / Compl Surface Equip Rental w/o Oper | 325 | | | | \$ 151,219.15 | | | \$ - | \$ 151,219.15 |
| C-Bits & Mills | 326 | | | | \$ 2,326.45 | | | \$ - | \$ 2,326.45 |
| C-Wellhead & Tree Service (Labor Only) | 327 | | | | \$ 8,724.18 | | | \$ - | \$ 8,724.18 |
| C-Cooled Tubing Services | 329 | | | | \$ 99,455.67 | | | \$ - | \$ 99,455.67 |
| C-Perf/Wireline Svc | 331 | | | | \$ 168,667.51 | | | \$ - | \$ 168,667.51 |
| C-Fishing, Milling Services | 337 | | | | \$ 33,151.89 | | | \$ - | \$ 33,151.89 |
| C-Other Miscellaneous Services & Consumables | 339 | | | | \$ 14,540.30 | | | \$ - | \$ 14,540.30 |
| C-Pump / Kill Truck | 343 | | | | \$ 12,795.47 | | | \$ - | \$ 12,795.47 |
| C-Wellsite Contract Labor & Supervisor | 345 | | | | \$ 66,303.78 | | | \$ - | \$ 66,303.78 |
| C-Permits, Fees, Surface Damages | 346 | | | | \$ 2,908.06 | | | \$ - | \$ 2,908.06 |
| C-Company and Consultant Supervision | 347 | | | | \$ 12,795.47 | | | \$ - | \$ 12,795.47 |
| TB-Damages/Right of Way | 351 | | | | \$ 1,229.41 | | | \$ - | \$ 1,229.41 |
| TB-Location/Pits/Roads | 353 | | | | \$ 40,570.69 | | | \$ - | \$ 40,570.69 |
| TB-Contract Labor | 356 | | | | \$ 223,753.52 | | | \$ - | \$ 223,753.52 |
| PEQ-Contract Labor | 374 | | | | | \$ 65,716.86 | | \$ - | \$ 65,716.86 |
| PEQ-Water Disposal | 387 | | | | | \$ 303,805.81 | | \$ - | \$ 303,805.81 |
| PEQ-HRZ Well Offset Frac | 391 | | | | | \$ 31,242.44 | | \$ - | \$ 31,242.44 |
| Total Intangible Costs | | \$ - | \$ - | \$ 2,726,723.16 | \$ 2,559,965.73 | \$ 265,553.63 | \$ 400,765.12 | \$ - | \$ 5,953,007.64 |
| Tangible Costs | | | | | | | | | |
| PEQ-Flowback Crews & Equip | 392 | | | | | | \$ 182,068.02 | \$ - | \$ 182,068.02 |
| D-Surface Casing | M521 | | | \$ 23,800.00 | | | | \$ - | \$ 23,800.00 |
| D-Intermed Csg | M523 | | | \$ 289,000.00 | | | | \$ - | \$ 289,000.00 |
| D-Production Casing/Liner | M531 | | | \$ 406,300.00 | | | | \$ - | \$ 406,300.00 |
| D-Wellhead Equip, X-Mas Tree and Associated Eq | E100 | | | \$ 36,550.00 | | | | \$ - | \$ 36,550.00 |
| D-Telecommunication Equipment | E600 | | | \$ 23,800.00 | | | | \$ - | \$ 23,800.00 |
| D-Conductor | M510 | | | \$ 27,200.00 | | | | \$ - | \$ 27,200.00 |
| C-Tubing | 504 | | | \$ 55,253.15 | | | | \$ - | \$ 55,253.15 |
| C-Wellhead Equip | 505 | | | \$ 34,896.73 | | | | \$ - | \$ 34,896.73 |
| TB-Tanks | 510 | | | | \$ 72,535.48 | | | \$ - | \$ 72,535.48 |
| TB-Flowlines/Pipelines | 511 | | | | \$ 31,964.79 | | | \$ - | \$ 31,964.79 |
| TB-Htr Trtr/Septr | 512 | | | | \$ 229,900.60 | | | \$ - | \$ 229,900.60 |
| TB-Electrical System/Equipment | 513 | | | | \$ 141,382.72 | | | \$ - | \$ 141,382.72 |
| C-Pokers/Anchors/Htrs | 514 | | | \$ 68,630.23 | | | | \$ - | \$ 68,630.23 |
| TB-Couplings/Fittings/Valves | 515 | | | | \$ 240,965.33 | | | \$ - | \$ 240,965.33 |
| TB-Pumps-Surface | 521 | | | | \$ 31,964.79 | | | \$ - | \$ 31,964.79 |
| TB-Instrumentation/SCADA/POC | 522 | | | | \$ 24,588.30 | | | \$ - | \$ 24,588.30 |
| TB-Miscellaneous | 523 | | | | \$ 24,588.30 | | | \$ - | \$ 24,588.30 |
| TB-Meters/Lacts | 525 | | | | \$ 31,964.79 | | | \$ - | \$ 31,964.79 |
| TB-Flares/Combusters/Emission | 526 | | | | \$ 39,341.28 | | | \$ - | \$ 39,341.28 |
| C-Gas Lift/Compression | 527 | | | \$ 26,754.16 | | | | \$ - | \$ 26,754.16 |
| PEQ-Wellhead Equipment | 531 | | | | | \$ 65,716.86 | | \$ - | \$ 65,716.86 |
| Total Tangible Costs | | \$ - | \$ - | \$ 806,650.00 | \$ 185,534.27 | \$ 869,196.37 | \$ 247,784.88 | \$ - | \$ 2,109,165.52 |
| Total Gross Cost | | \$ - | \$ - | \$ 3,533,373.16 | \$ 2,745,500.00 | \$ 1,134,750.00 | \$ 648,550.00 | \$ - | \$ 8,062,173.16 |

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:
 % Working Interest

COG Operating LLC

By: _____

Company:
 By: _____

Printed Name:
 Title:
 Date: _____

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

COG OPERATING LLC
AUTHORITY FOR EXPENDITURE
Drill & Complete

| | | | |
|-------------|--|----------------|---------------|
| Well Name | Campana Fed Com 902H | Prospect | HELLFIRE 2426 |
| SHL | 440' FEL 1342' FNL SECTION 2-24S-26E | State & County | Eddy NM |
| BHL | 200' FWL & 1700' FNL SECTION 2-24S-26E | Objective | D&C |
| Formation | WCC | Depth | 9400' |
| Legal | N2 2-24S-26E AND NE 3-24S-26E | MD | 14380' |
| AFE Numbers | TBD | | |

| Cost Description | Code | PreSpud (PS) | Pre-Set Casing(PC) | Drilling (DR) | Completions (C) | Tank Btty Constrctn(TB) | Pmpq Equip (PEQ) | Revision | Total |
|--|------|--------------|--------------------|-----------------|-----------------|-------------------------|------------------|----------|-----------------|
| Intangible Costs | | | | | | | | | |
| D-Bit and Mill | M620 | | | \$ 111,006.82 | | | | \$ - | \$ 111,006.82 |
| D-Lost in Hole (DBR DP WBM) | M690 | | | \$ - | | | | \$ - | \$ - |
| D-Fuel & Lubricant | M710 | | | \$ 62,974.80 | | | | \$ - | \$ 62,974.80 |
| D-Water | M720 | | | \$ 104,350.51 | | | | \$ - | \$ 104,350.51 |
| D-Mud & Chemicals | M741 | | | \$ 358,585.63 | | | | \$ - | \$ 358,585.63 |
| D-Drilling Overhead | O110 | | | \$ 25,585.00 | | | | \$ - | \$ 25,585.00 |
| D-Daywork Contract | O120 | | | \$ 44,030.00 | | | | \$ - | \$ 44,030.00 |
| D-Field Office and Trailer | O320 | | | \$ 26,180.00 | | | | \$ - | \$ 26,180.00 |
| D-Permit, Fee and License | O400 | | | \$ 36,125.00 | | | | \$ - | \$ 36,125.00 |
| D-Environmental, Health and Safety Service | S160 | | | \$ 166,833.63 | | | | \$ - | \$ 166,833.63 |
| D-Drilling Rig | S210 | | | \$ 558,845.25 | | | | \$ - | \$ 558,845.25 |
| D-Drilling Rig Mob/Demob | S211 | | | \$ 231,200.00 | | | | \$ - | \$ 231,200.00 |
| D-Pipe, Tubing, Casing Running and Handling | S220 | | | \$ 38,250.00 | | | | \$ - | \$ 38,250.00 |
| D-Directional Drilling, MWD/LWD, Motor | S230 | | | \$ 196,327.42 | | | | \$ - | \$ 196,327.42 |
| D-Solid Control | S250 | | | \$ 38,318.00 | | | | \$ - | \$ 38,318.00 |
| D-Mud Logging, GeoSteering, PVT | S272 | | | \$ 28,050.00 | | | | \$ - | \$ 28,050.00 |
| D-Cementing Service | S281 | | | \$ 171,452.91 | | | | \$ - | \$ 171,452.91 |
| D-Cementing & Casing Eqpt and Accessories | S283 | | | \$ 59,500.00 | | | | \$ - | \$ 59,500.00 |
| D-Other Specialized Service | S470 | | | \$ 54,400.00 | | | | \$ - | \$ 54,400.00 |
| D-Site Preparation and Road Work | S511 | | | \$ 197,200.00 | | | | \$ - | \$ 197,200.00 |
| D-Land Freight | S710 | | | \$ 78,176.20 | | | | \$ - | \$ 78,176.20 |
| D-Downhole Drilling Tools and Eqpt Rental | S820 | | | \$ 53,550.00 | | | | \$ - | \$ 53,550.00 |
| D-Surface Drilling Tools and Eqpt Rental | S830 | | | \$ 68,782.00 | | | | \$ - | \$ 68,782.00 |
| D-Wellhead and Tree Rental Services | S860 | | | \$ 17,000.00 | | | | \$ - | \$ 17,000.00 |
| C-Completions Fluids & Other Chemicals | 304 | | | \$ 24,427.71 | | | | \$ - | \$ 24,427.71 |
| C-LcIn/Pits/Roads | 305 | | | \$ 7,270.15 | | | | \$ - | \$ 7,270.15 |
| C-DST & Production Testing | 306 | | | \$ 8,724.18 | | | | \$ - | \$ 8,724.18 |
| C-Frac Equipment | 307 | | | \$ 657,803.30 | | | | \$ - | \$ 657,803.30 |
| C-Frac Chemicals | 308 | | | \$ 182,626.20 | | | | \$ - | \$ 182,626.20 |
| C-Frac Proppant | 309 | | | \$ 524,614.13 | | | | \$ - | \$ 524,614.13 |
| C-Land Based Transport | 310 | | | \$ 26,172.55 | | | | \$ - | \$ 26,172.55 |
| C-Fuel Delivery & Services | 311 | | | \$ 167,504.29 | | | | \$ - | \$ 167,504.29 |
| C-Water | 312 | | | \$ 236,716.13 | | | | \$ - | \$ 236,716.13 |
| C-Drilling / Compl Surface Equip Rental w/ Oper | 315 | | | \$ 151,219.15 | | | | \$ - | \$ 151,219.15 |
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| PEQ-HRZ Well Offset Frac | 391 | | | \$ - | \$ - | \$ 31,242.44 | | \$ - | \$ 31,242.44 |
| Total Intangible Costs | | \$ - | \$ - | \$ 2,726,723.16 | \$ 2,559,965.73 | \$ 265,553.63 | \$ 400,765.12 | \$ - | \$ 5,953,007.64 |
| Tangible Costs | | | | | | | | | |
| PEQ-Flowback Crews & Equip | 392 | | | | | | \$ 182,068.02 | \$ - | \$ 182,068.02 |
| D-Surface Casing | M521 | | | \$ 23,800.00 | | | | \$ - | \$ 23,800.00 |
| D-Intermed Csg | M523 | | | \$ 289,000.00 | | | | \$ - | \$ 289,000.00 |
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| C-Tubing | 504 | | | \$ 55,253.15 | | | | \$ - | \$ 55,253.15 |
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| TB-Flowlines/Pipelines | 511 | | | | | \$ 31,964.79 | | \$ - | \$ 31,964.79 |
| TB-Htr Trn/Seprtr | 512 | | | | | \$ 229,900.60 | | \$ - | \$ 229,900.60 |
| TB-Electrical System/Equipment | 513 | | | | | \$ 141,382.72 | | \$ - | \$ 141,382.72 |
| C-Pkrs/Anchors/Hrgs | 514 | | | \$ 68,630.23 | | | | \$ - | \$ 68,630.23 |
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| TB-Miscellaneous | 523 | | | \$ 24,588.30 | | | | \$ - | \$ 24,588.30 |
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| TB-Flares/Combusters/Emission | 526 | | | \$ 39,341.28 | | | | \$ - | \$ 39,341.28 |
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| Total Gross Cost | | \$ - | \$ - | \$ 3,533,373.16 | \$ 2,745,500.00 | \$ 1,134,750.00 | \$ 648,550.00 | \$ - | \$ 8,022,173.16 |

Note: The above costs are estimates only. Actual costs will be billed as incurred.

COG Operating LLC

By: _____

Date Prepared: _____

We approve:
% Working Interest

COG Operating LLC

By: _____

Company:
By: _____

Printed Name:
Title:
Date: _____

This AFE is only an estimate. By signing you agree to pay your share of the actual costs incurred.

Super Hornet Communitization Agreement Pre-Approval



Fw: Super Hornet CA Pre-Approval

From Mason Maxwell <mmaxwell@powderhornep.com>
Date Fri 3/6/2026 9:27 AM
To Travis Macha <TMacha@powderhornep.com>

Mason Maxwell | 325-514-0211

From: OGMD Coms <ogmdcoms@nmslo.gov>
Sent: Wednesday, February 4, 2026 2:55 PM
To: Mason Maxwell <mmaxwell@powderhornep.com>
Subject: RE: Super Hornet CA Pre-Approval

Good afternoon Mason,
I have completed my initial review of the following Communitization Agreement(s) :

- Super Hornet State Com #402H

Upon review, I do not see any issues for concern. **This email will serve as your pre-authorization notice. Please submit a copy of this email with the Communitization Agreement submissions.** Pre-authorization by the NMSLO should not be construed as endorsement of, or preference of, one operator's development over another's, unless specifically stated.
Please let me know if you have any questions.

Regards,



Joseph Thompson

Senior Petroleum Specialist
Petroleum Engineer
Oil, Gas and Minerals Division
505.827.5750
New Mexico State Land Office
310 Old Santa Fe Trail
P.O. Box 1148

Santa Fe, NM 87504-1148

jthompson@nmslo.gov
nmstatelands.org

-
-
.....

***Super Hornet State Com Unit
Case Nos. 25610
Geology Exhibits - **REBUTTAL**
Exhibit B***

Leonard Wood Resume

Leonard W. “Lenny” Wood

Midland TX 79707 | 432.288.5202 | lwood@powderhornep.com

Profile

Petroleum geologist with more than 24 years of experience primarily working in the greater Permian Basin and East Texas, successfully managing multi-rig drilling and development programs across multiple assets and plays.

- Brings extensive working knowledge of both conventional and unconventional reservoirs.
- Proven leader and mentor of multidisciplinary teams.
- Combines technical expertise with business savvy to optimize production growth and ROI.
- Effective communicator and presenter to employees, leadership, and board members.
- Driven by a deep sense of honesty and integrity.

Professional Experience

Powderhorn Energy Partners, LLC, Midland, TX **Jan 2025 – Present**

Vice President, Exploration and Development

Powderhorn Energy is a private oil and gas company backed by Pearl Energy Investments focused on the Delaware Basin in West Texas and Southeast New Mexico. Currently I work as the sole geologist mapping and evaluating all prospects and deals. Will oversee all aspects of geologic development once we begin drilling and development including mud logging and geo-steering.

Ramhead Resources LLC, Midland, TX **2024 – 2025**

President/Founder

Ramhead Resources is a private oil and gas company focused on prospect generation and geologic consulting, primarily in the Greater Permian Basin region of west Texas and southeast New Mexico. Services include prospect screening, geologic mapping and prospect generation, petrophysical log analysis, project and asset management, and reserve evaluation. Provided consulting services for several clients in the Permian Basin, the Eagle Ford play in South Texas, the Texas Panhandle, southern Arkansas, and Mississippi.

Earthstone Energy, Midland, TX **2017 – 2023**

Earthstone, a publicly traded exploration and production company that expanded its position into the Permian Basin with the acquisition of Bold Energy III in 2017, was acquired by Permian Resources in November 2023.

Vice President, Exploration Development | 2018 – 2023

Led exploration and development for up to six rigs, managing a team of five geologists; co-managed a 20-person office.

- Part of leadership team that expanded barrel equivalents (BOE) from 10,000 to 130,000, grew net acreage from 30,000 to 240,000, and added approximately 900 potential drilling locations.
- Evaluated dozens of potential acquisitions, reviewing geological assets and production base, resulting in the acquisition of seven, value creating acquisitions.
 - Accelerated performance of acquired entities, optimizing well spacing and development timing to maximize well-level rate of return and ROI.

Exploration Manager | 2017 – 2018

Managed geology team to continue development of Bold assets plus legacy non-operating acreage.

Bold Energy III, Midland, TX **2013 – 2017**

Startup operation that acquired 20,000+ net acres of leasehold rights, sold to Earthstone Energy in 2017.

Exploration Manager / Partner

Member of founding management team with \$275 million equity commitment from EnCap Investments to pursue Permian assets.

- Led all geologic / exploration efforts for group that assembled 20,000+ net acres of leasehold drilling rights in the Wolfcamp Shale Play in the Midland Basin.
- Successfully drilled 32 horizontal wells in Reagan, Upton, and Midland Counties, producing ~ 5,000 BOE per day.

EOG Resources, Midland, TX. **2005 – 2013****Exploration Manager | 2011 – 2013**

Led all Permian exploration efforts and oversaw successful horizontal development programs in the Wolfcamp Shale Play in the southern Midland Basin and the Leonard (Avalon) Shale Play in southeast New Mexico. Managed geologic staff of 22, which included geologists, geophysicists, and support personnel.

Senior Geologist / Geologic Advisor | 2005 – 2010

Worked on numerous exploration and development plays, including the Atoka/Morrow, Strawn, Devonian, Mississippian, Barnett, Woodford, Yeso, Bone Spring, Leonard (Avalon) Shale, and Wolfcamp.

Encana Oil & Gas (USA) Inc, Dallas, TX **2004 – 2005****Geoscientist, East Texas Team**

Managed development program in Robertson and Leon Counties, supervising five drilling rigs in the Bossier Sand and Cotton Valley Lime Plays after Tom Brown was acquired by Encana.

Tom Brown, Midland, TX **2003 – 2004****Geoscientist, New Mexico Team**

Led exploration and exploitation in Eddy County, New Mexico, overseeing development of operated and non-operated properties, generated prospects, and evaluated acreage for lease sales after Matador was acquired by Tom Brown.

Matador Petroleum Corporation, Dallas, TX **2002 – 2003****Geologist, New Mexico Team**

Led development and extension of the Monument-Skaggs NW Field area, Lea County, NM, selecting new development locations, recommending recompletions, and overseeing med logging, open hold logging, and conventional coring for more than 30 wells.

Education & Certifications**Texas Tech University**

Master of Science, Geoscience, 2001

Midwestern State University

Bachelor of Science, Geology, 1999

AAPG Certified Petroleum Geologist, 2016

Affiliations & Service

Member of AAPG, WTGS, and PBS-SEPM

WTGS Fall Symposium Technical Chair, 2017

General Chairman - Southwest Section AAPG Annual Meeting, 2009

WTGS Secretary, 2007 - 2008

Additional

Expert Witness. Testified in a contested hearing before New Mexico Oil Conservation Division

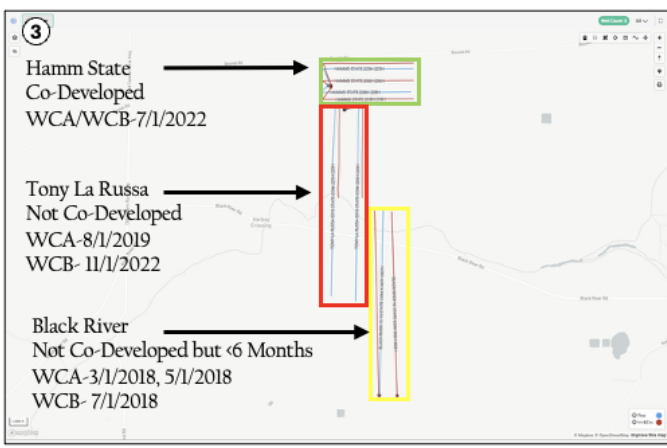
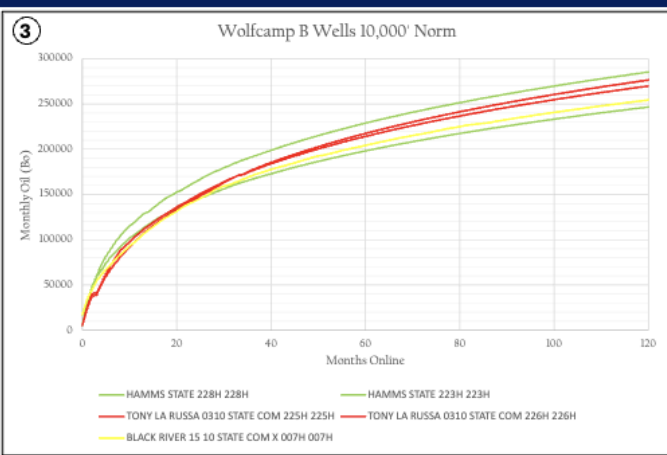
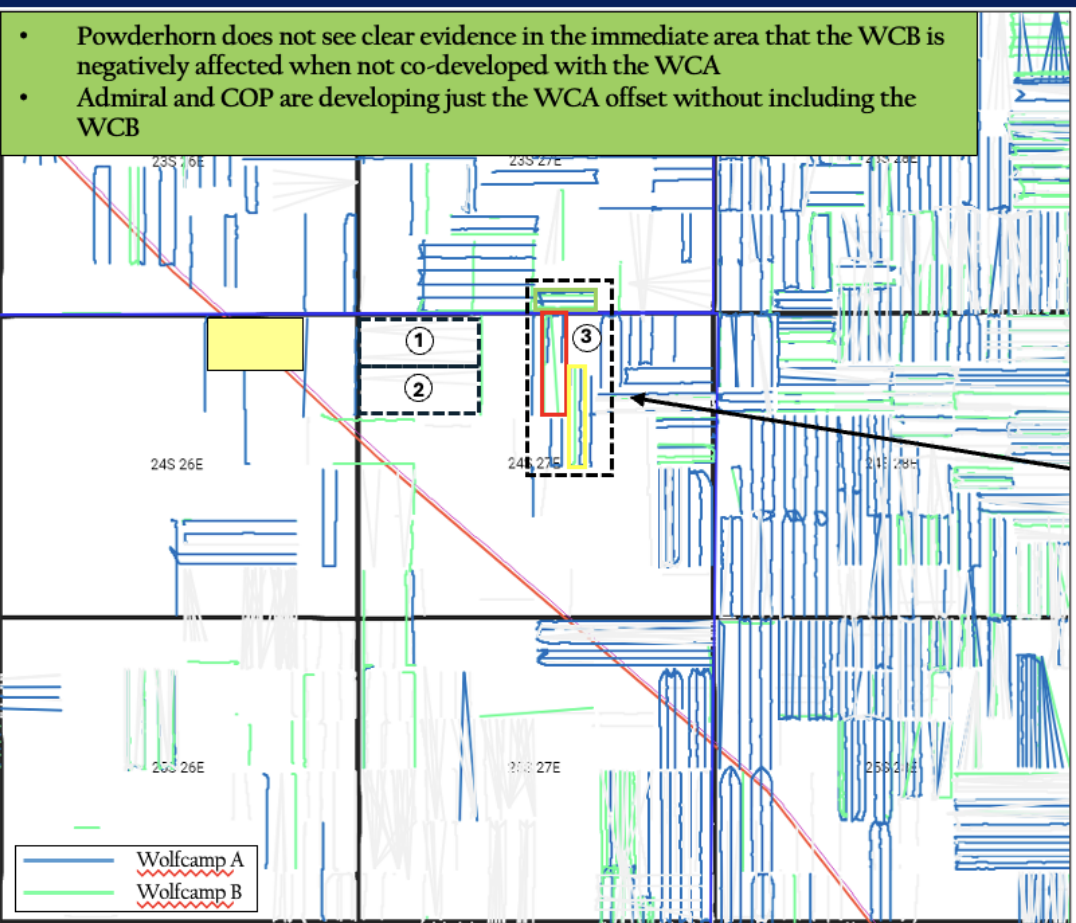
Proficient in geologic software programs, including Petra and Kingdom

Eagle Scout, Boy Scouts of America

***Super Hornet State Com Unit
Case Nos. 25610
Reservoir Exhibits - **REBUTTAL**
Exhibit C***

Wolfcamp A/B Sequencing

WCA/WCB-Sequencing



- ① War Pigeon Fed Com Unit- Drilled 11/2025
 - Farmout from COP
 - Targeting WCA Only
- ② COP's Atreides 8 WXY Fed- Permitted 12/2025
 - Only pooled the WCA
 - Two permits in the WCA

- ③ Localized study Area of WCA and WCB development focusing on sequencing
 - 3 Nearby Pads
 - 1 Co-developed
 - 1 Developed the WCB within 4 months of WCA
 - 1 Not Co Developed

Self-Affirmed Statement of James Brendan Tippen (Rebuttal)

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

**APPLICATIONS OF POWDERHORN OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NOS. 25610

SELF-AFFIRMED STATEMENT OF JAMES BRENDAN TIPPEN (REBUTTAL)

I, James Brendan Tippen, being duly sworn on oath, state the following:

1. I am over the age of 18 and have personal knowledge of the matters stated herein.
2. I am employed as a petroleum engineer for Powderhorn Energy Partners ("Powderhorn") and its subsidiaries, including but not limited to Powderhorn Operating, LLC ("Powderhorn Operating"). My work includes the Permian Basin and Eddy County, and I am familiar with the subject applications.
3. COP's section 5 states that COP has determined the *"best way to develop the Wolfcamp in this acreage and has determined that drilling the Wolfcamp B or C after first completing wells in the upper Wolfcamp Sand or A interval introduces parent-child degradation that impacts production and performance in subsequent infill Wolfcamp B or C wells."* COP provides no evidence to support this claim. Based off an internal study in the immediate area (**Exhibit C-7**), we (Powderhorn) do not see clear evidence for degradation in WCB wells drilled after WCA compared to those co-developed. Lastly, within 2 miles of the unit, a peer operator has just drilled the WCA offset without the WCB and COP has also recently pooled and permitted only the WCA.
4. COP's Exhibit C Paragraph 8 states: *"It is not clear based on its application whether or when Powderhorn intends to develop the Wolfcamp B/C interval. If it decides to come back to drill and complete additional zones in the Wolfcamp, these future wells **will experience degradation** as a result of Powderhorn's asynchronous development, reducing total ultimate recovery. In my opinion, that will result in waste and impair Marathon's correlative rights."* Without further

support and based on our own study (**Powderhorn Exhibit C-7**), we believe this definitive claim is not substantiated.

5. COP's Exhibit C Paragraph 9 states , "*drilling all four wells in both target zones at one time allows Marathon to capitalize on cost-saving efficiencies through economies of scale that will be forfeited developing this acreage in a piecemeal fashion, as Powderhorn proposes to do*" Powderhorn believes drilling 4 initial wells, and 4 subsequent wells in a ~960 acre unit (8 wells total) will increase cost savings compared to drilling 4 wells in a ~320 acre unit (4 wells total).

6. COP's Exhibit C Paragraph 11 states that "*Powderhorn has not drilled a horizontal well in New Mexico yet, so has no track record, and has not identified a drilling contractor so we have no basis to assess their experience or ability*" Our team has significant and adequate experience operating in the Permian, and specifically Delaware Basin, to prudently operate the lands covered by Powderhorn's application. We had a technical meeting scheduled between Powderhorn and COP on February 4, 2026, that was cancelled by COP. We do not know where their assumption about our technical abilities are coming from, since our technical teams have not met or had any discussions, despite Powderhorn preparing for and offering the opportunity.

7. COP's Exhibit C Paragraph 12 states that Powderhorn "has not yet identified a reliable, tested outside drilling contractor". Powderhorn is uncertain what the basis is for this assertion. We have been talking and exploring options with drilling contractors since May of 2025. As it relates to this unit, we have been working with a contractor that has drilled wells in the last year within two miles of the unit. It is common practice in our industry for operators to utilize contractors in drilling and completions, including COP.

[s] James Brendan Tippen
James Brendan Tippen
Reservoir Engineer
Powderhorn Operating, LLC

March 9, 2026
Date