

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

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

CASE NO. 23387

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Mark Hajdik
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Christopher Cantin
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B-2	Regional Locator Map
B-3	Cross-Section Locator Map
B-4	Second Bone Spring Structure Map
B-5	Third Bone Spring Structure Map
B-6	Structural Cross-Section
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B-8	Gun Barrel Development Plan
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
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- C-3 Copies of Certified Mail Receipts and Returns
- C-4 Affidavit of Publication for February 14, 2023.

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23387	APPLICANT'S RESPONSE
Date	March 2, 2023
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 372165
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	None
Well Family	Wallaby
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code:	Old Millman Ranch Pool (Code 48035)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	322.73 acres
Building Blocks:	quarter-quarter
Orientation:	West/East
Description: TRS/County	Lot 1, NE/4 NW/4, and N/2 NE/4 (N/2 N/2 equivalent) of irregular Section 7 and the N/2 N/2 of Section 8, Township 20 South, Range 28 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Wallaby 7 Fed Com 121H (API # ---) SHL: 2011' FNL & 379' FWL (Lot 2), Section 7, T20S, R28E BHL: 993' FNL & 10' FEL (Unit A), Section 8, T20S, R28E Completion Target: Bone Spring (Approx. 7,135' TVD)
Well #2	Wallaby 7 Fed Com 131H (API # ---) SHL: 2012' FNL & 439' FWL (Lot 1), Section 7, T20S, R28E BHL: 992' FNL & 10' FEL (Unit A), Section 8, T20S, R28E Completion Target: Bone Spring (Approx. 8,259' TVD)

Horizontal Well First and Last Take Points <i>Received by OGD: 2/28/2023 9:19:29 AM</i>	Exhibit A-2	<i>Page 4 of 43</i>
Completion Target (Formation, TVD and MD)	Exhibit A-4	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000.00	
Production Supervision/Month \$	\$800.00	
Justification for Supervision Costs	Exhibit A	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit A-1	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-2	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-8	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit A-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-2	
Well Bore Location Map	Exhibit B-3	

Structure Contour Map, Subsea Depth	Exhibit B-4, Exhibit B-5	<i>Received by OCD: 2/28/2023 9:14:29 AM</i>	<i>Page 5 of 43</i>
Cross Section Location Map (including wells)	Exhibit B-6		
Cross Section (including Landing Zone)	Exhibit B-7		
Additional Information			
Special Provisions/Stipulations	N/A		
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.			
Printed Name (Attorney or Party Representative):	Dana S. Hardy		
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy		
Date:			2/28/2023

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

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

CASE NO. 23387

**SELF-AFFIRMED STATEMENT
OF MARK HAJDIK**

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

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

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

4. Permian Resources seeks an order pooling all uncommitted interests in the Bone Spring Formation underlying a 322.73-acre, more or less, standard horizontal spacing unit comprised of Lot 1, NE/4 NW/4, and N/2 NE/4 (N/2 N/2 equivalent) of irregular Section 7 and the N/2 N/2 of Section 8, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Wallaby 7 Fed Com 121H** and **Wallaby 7 Fed Com 131H** wells (“Wells”), which will be completed in the Old Millman Ranch Pool (Code 48035). The Wells will be horizontally drilled from a surface hole location in Lot 2 of Section 7 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8.

6. The completed intervals of the Wells will be orthodox.

**Permian Resources Operating, LLC
Case No. 23387
Exhibit A**

7. **Exhibit A-2** contains the C-102s for the Wells.

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Permian Resources seeks to pool highlighted in yellow. All of the parties are locatable in that Permian Resources believes it located valid addresses for them.

9. Permian Resources has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches using the IDIcore subscription service, to locate the interest owners it seeks to pool.

10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. In my opinion, Permian Resources made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.

12. Permian Resources requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Permian Resources and other operators in the vicinity.

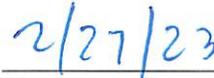
13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

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

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



Mark Hajdik



Date

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

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

CASE NO. 23387

APPLICATION

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC (“Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring Formation underlying a 322.73-acre, more or less, standard horizontal spacing unit comprised of Lot 1, NE/4 NW/4, and N/2 NE/4 (N/2 N/2 equivalent) of irregular Section 7 and the N/2 N/2 of Section 8, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of its application, Applicant states the following.

1. Applicant (OGRID No. 372165) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the **Wallaby 7 Fed Com 121H** and **Wallaby 7 Fed Com 131H** wells (“Wells”) to be horizontally drilled from a surface hole location in Lot 2 of Section 7 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8.
3. The completed intervals of the Wells will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

**Permian Resources Operating, LLC
Case No. 23387
Exhibit A-1**

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

WHEREFORE, Applicant requests this application be set for hearing on March 2, 2023, and that after notice and hearing, the Division enter an order:

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

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Counsel for Permian Resources Operating, LLC

Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring Formation underlying a 322.73-acre, more or less, standard horizontal spacing unit comprised of Lot 1, NE/4 NW/4, and N/2 NE/4 (N/2 N/2 equivalent) of irregular Section 7 and the N/2 N/2 of Section 8, Township 20 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the **Wallaby 7 Fed Com 121H** and **Wallaby 7 Fed Com 131H** wells (“Wells”), which will be drilled from a surface hole location in Lot 2 of Section 7 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 12 miles northeast of Carlsbad, New Mexico.

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code 48035		3 Pool Name Old Millman Ranch Pool	
4 Property Code		5 Property Name WALLABY 7 FED COM			6 Well Number 121H
7 OGRID No. 371449		8 Operator Name PERMIAN RESOURCES OPERATING, LLC			9 Elevation 3329.93'

10 Surface Location

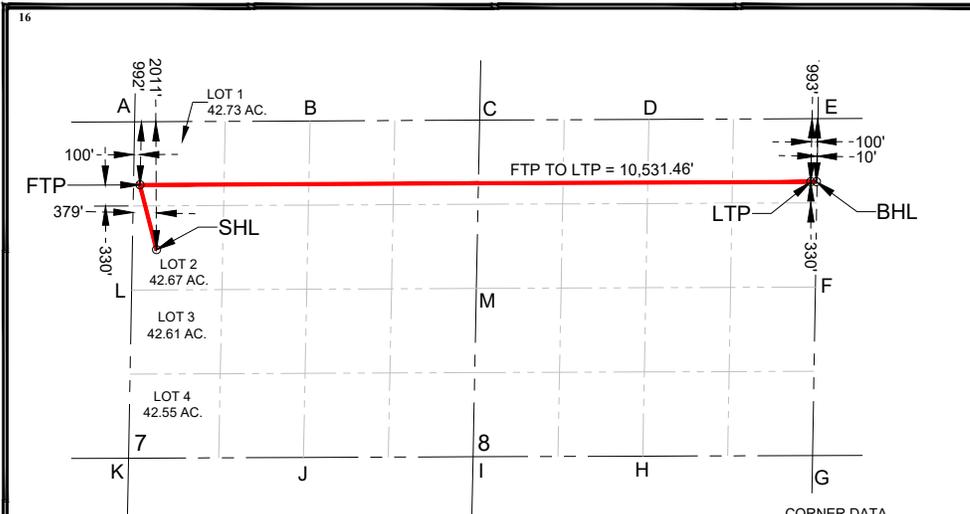
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
2	7	20-S	28-E		2011'	NORTH	379'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	8	20-S	28-E		993'	NORTH	10'	EAST	EDDY

12 Dedicated Acres 322.73	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



CORNER DATA

- A - FOUND IRON PIPE W/ BRASS CAP N:580307.10' E:574456.69'
- B - FOUND IRON PIPE W/ BRASS CAP N:580320.78' E:577210.36'
- C - FOUND IRON PIPE W/ BRASS CAP N:580334.86' E:579872.32'
- D - FOUND IRON PIPE W/ BRASS CAP N:580345.56' E:582529.47'
- E - FOUND IRON PIPE W/ BRASS CAP N:580356.62' E:585185.65'
- F - FOUND IRON PIPE W/ BRASS CAP N:577711.68' E:585143.38'
- G - FOUND IRON PIPE W/ BRASS CAP N:575063.99' E:585099.23'
- H - FOUND IRON PIPE W/ BRASS CAP N:575054.32' E:582433.73'
- I - CALCULATED CORNER N:575045.19' E:579769.23'
- J - FOUND IRON PIPE W/ BRASS CAP N:575033.74' E:577106.54'
- K - FOUND IRON PIPE W/ BRASS CAP N:575022.22' E:574360.42'
- L - FOUND BENT IRON PIPE W/BRASS CAP N:577664.17' E:574407.92'
- M - FOUND IRON PIPE W/ BRASS CAP N:577690.22' E:579821.24'

SURFACE HOLE LOCATION (SHL)
NEW MEXICO EAST - NAD 83
X=574798.69 LAT.= 32.58974644° N
Y=578297.56 LONG.= 104.22468873° W
NEW MEXICO EAST - NAD 27
X=533618.56 LAT.= 32.58962961° N
Y=578236.19 LONG.= -104.22418028° W
2011' FNL, 379' FWL - SECTION 7

FIRST TAKE POINT (FTP)
NEW MEXICO EAST - NAD 83
X=574538.42 LAT.= 32.59254704° N
Y=579316.16 LONG.= 104.22553044° W
NEW MEXICO EAST - NAD 27
X=533358.30 LAT.= 32.59243024° N
Y=579254.77 LONG.= -104.22502190° W
992' FNL, 100' FWL - SECTION 7

LAST TAKE POINT (LTP)
NEW MEXICO EAST - NAD 83
X=585069.77 LAT.= 32.59264390° N
Y=579363.76 LONG.= 104.19133517° W
NEW MEXICO EAST - NAD 27
X=543889.63 LAT.= 32.59252673° N
Y=579302.29 LONG.= -104.19082751° W
993' FNL, 100' FEL - SECTION 8

BOTTOM HOLE LOCATION (BHL)
NEW MEXICO EAST - NAD 83
X=585159.79 LAT.= 32.59264458° N
Y=579364.13 LONG.= 104.19104289° W
NEW MEXICO EAST - NAD 27
X=543979.64 LAT.= 32.59252741° N
Y=579302.65 LONG.= -104.19053524° W
993' FNL, 10' FEL - SECTION 8

17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature _____ Date _____

Printed Name _____

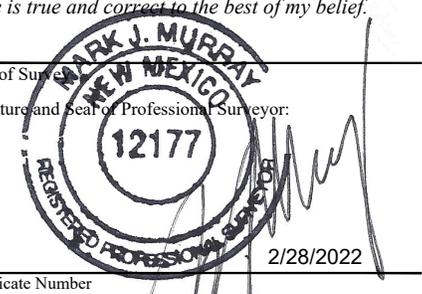
E-mail Address _____

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey _____

Signature and Seal of Professional Surveyor: _____



Certificate Number 2/28/2022

Permian Resources Operating, LLC
Case No. 23387
Exhibit A-2

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
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1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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4 Property Code		5 Property Name WALLABY 7 FED COM			6 Well Number 131H
7 OGRID No. 371449		8 Operator Name PERMIAN RESOURCES OPERATING, LLC			9 Elevation 3329.42'

10 Surface Location

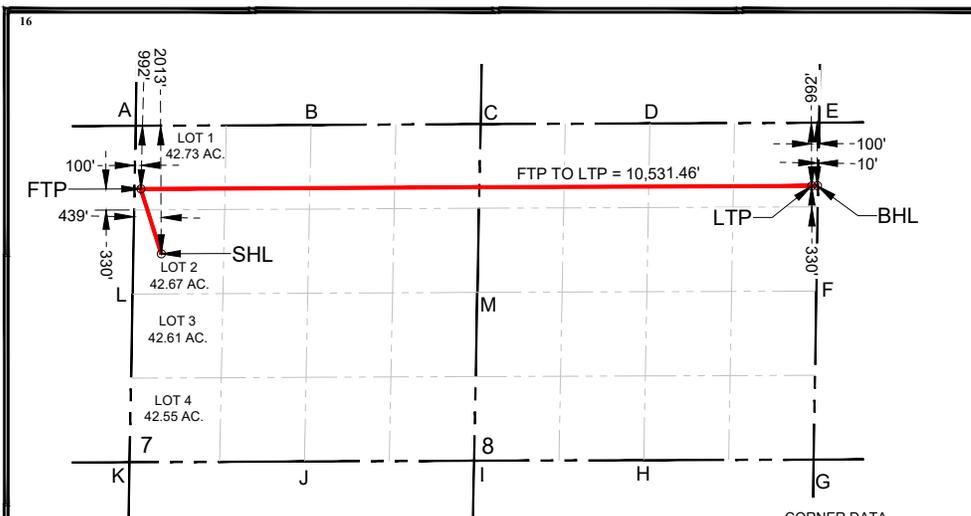
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	7	20-S	28-E		2013'	NORTH	439'	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	8	20-S	28-E		992'	NORTH	10'	EAST	EDDY

12 Dedicated Acres 322.73	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.



<p>SURFACE HOLE LOCATION (SHL) NEW MEXICO EAST - NAD 83 X=574858.68 LAT.= 32.58974327° N Y=578296.47 LONG.= 104.22449395° W NEW MEXICO EAST - NAD 27 X=533678.55 LAT.= 32.58962644° N Y=578235.09 LONG.= -104.22398551° W 2013' FNL, 439' FWL - SECTION 7</p>	<p>FIRST TAKE POINT (FTP) NEW MEXICO EAST - NAD 83 X=574538.42 LAT.= 32.59254704° N Y=579316.16 LONG.= 104.22553044° W NEW MEXICO EAST - NAD 27 X=533358.30 LAT.= 32.59243024° N Y=579254.77 LONG.= -104.22502190° W 992' FNL, 100' FWL - SECTION 7</p>
<p>LAST TAKE POINT (LTP) NEW MEXICO EAST - NAD 83 X=585069.77 LAT.= 32.59264390° N Y=579363.76 LONG.= 104.19133517° W NEW MEXICO EAST - NAD 27 X=543889.63 LAT.= 32.59252673° N Y=579302.29 LONG.= -104.19082751° W 992' FNL, 100' FEL - SECTION 8</p>	<p>BOTTOM HOLE LOCATION (BHL) NEW MEXICO EAST - NAD 83 X=585159.79 LAT.= 32.59264458° N Y=579364.13 LONG.= 104.19104289° W NEW MEXICO EAST - NAD 27 X=543979.64 LAT.= 32.59252741° N Y=579302.65 LONG.= -104.19053524° W 992' FNL, 10' FEL - SECTION 8</p>

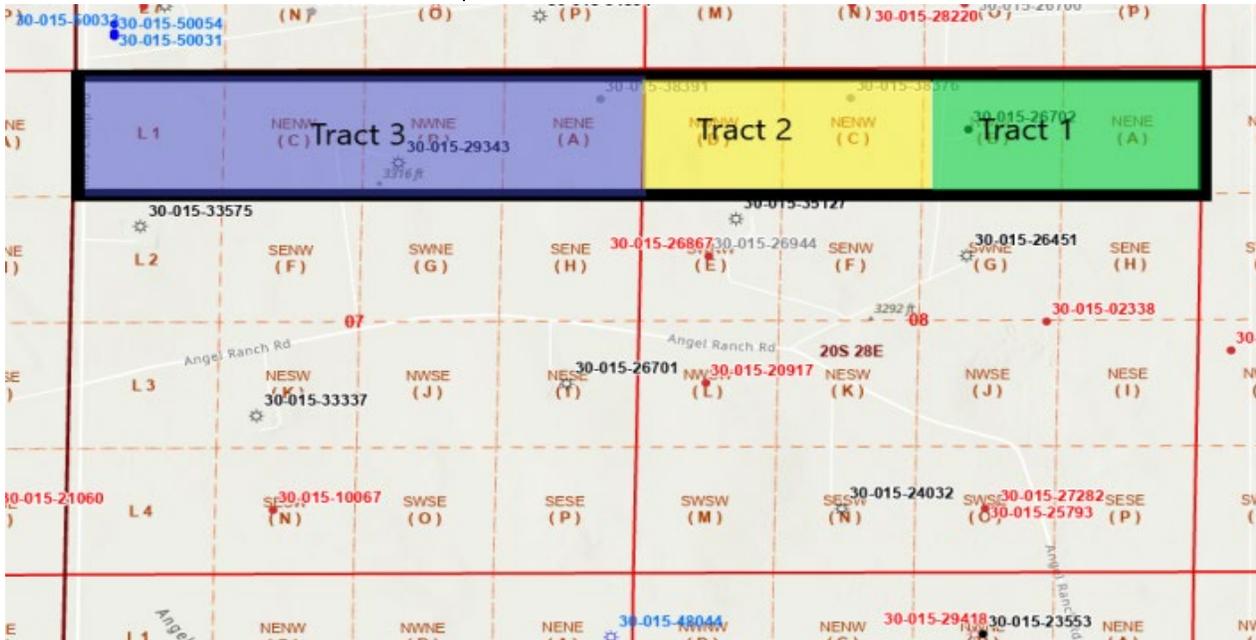
17 OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

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

18 SURVEYOR CERTIFICATION
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date of Survey _____
Signature and Seal of Professional Surveyor: 
Certificate Number 2/28/2022

Wallaby Bone Spring (N/2N/2) 23387				
WI OWNER	TRACT	NET	WI	FORCE POOL INTEREST
Permian Resources Operating	1, 2, 3	312.64	97.70%	Operator
Quatro Resources, LLC	1, 2	4.75	1.48%	Yes
A & S Operating, Inc.	1, 2	2.61	0.82%	Yes
320.00				



LESSEE OF RECORD	FORCE POOL
Mewbourne Oil Company	Yes
EOG Resources Inc	Yes

OVERRIDING ROYALTY INTERESTS
A & S Operating Inc.
Colgate Royalties, LP
Colgate Production, LLC, a Texas limited liability company

Permian Resources Operating, LLC
 Case No. 23387
 Exhibit A-3



August 8, 2022

Via Certified Mail

A & S Operating INC
PO Box 702468
Tulsa, OK 74170

RE: Wallaby 7 Fed Com – Well Proposals
Section 7: All, Section 8: All, T20S-R28E, Bone Spring and Wolfcamp Formations
Eddy County, New Mexico

To Whom It May Concern:

Colgate Operating, LLC, as operator for Colgate Production, LLC (“Colgate”), hereby proposes the drilling and completion of the following six (6) wells, the Wallaby 7 Fed Com 123H, 124H, 133H, 134H, 202H, & 203H at the following approximate locations within Township 20 South, Range 28 East:

1. Wallaby 7 Fed Com 121H

SHL: At a legal location in Lot 3 of Section 7
BHL: 10' FEL & 1654' FSL of Section 8
FTP: 100' FWL & 1651' FSL of Section 7
LTP: 100' FEL & 1654' FSL of Section 8
TVD: 7,135'
TMD: Approximately 17,420'
Proration Unit: N2N2 of Sections 7 and 8
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

2. Wallaby 7 Fed Com 122H

SHL: At a legal location in Lot 3 of Section 7
BHL: 10' FEL & 330' FSL of Section 8
FTP: 100' FWL & 330' FSL of Section 7
LTP: 100' FEL & 330' FSL of Section 8
TVD: 7,135'
TMD: Approximately 17,420'
Proration Unit: S2N2 of Sections 7 and 8
Targeted Interval: 2nd Bone Spring
Total Cost: See attached AFE

300 N. Marienfeld St., Suite 1000, Midland, Texas 79701
P: (432) 695-4222 | F: (432) 695-4063
www.ColgateEnergy.com

Permian Resources Operating, LLC
Case No. 23387
Exhibit A-4

Wallaby 7 Fed Com Well Proposal

3. Wallaby 7 Fed Com 131H

SHL: At a legal location in Lot 3 of Section 7
BHL: 10' FEL & 1,654' FSL of Section 8
FTP: 100' FWL & 1,651' FSL of Section 7
LTP: 100' FEL & 1,654' FSL of Section 8
TVD: 8,259'
TMD: Approximately 18,544'
Proration Unit: N2N2 of Sections 7 and 8
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

4. Wallaby 7 Fed Com 132H

SHL: At a legal location in Lot 3 of Section 7
BHL: 10' FEL & 330' FSL of Section 8
FTP: 100' FWL & 330' FSL of Section 7
LTP: 100' FEL & 330' FSL of Section 8
TVD: 8,309'
TMD: Approximately 18,594'
Proration Unit: S2N2 of Sections 7 and 8
Targeted Interval: 3rd Bone Spring
Total Cost: See attached AFE

5. Wallaby 7 Fed Com 201H

SHL: At a legal location in the SE/4 of Section 7
BHL: 10' FEL & 2,318' FSL of Section 8
FTP: 100' FWL & 2,312' FSL of Section 7
LTP: 100' FEL & 2,312' FSL of Section 8
TVD: 8,619'
TMD: Approximately 18,924'
Targeted Interval: Wolfcamp XY
Total Cost: See attached AFE

The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Colgate is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$8,000/\$800 drilling and producing rates
- Colgate Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells in the space provided below. Please sign and return one copy of this letter, a signed copy of the proposed AFE, a signed copy of the insurance declaration and your geologic well requirements.

In the interest of time, should we not reach an agreement within thirty (30) days of the date of your receipt of this letter, Colgate will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a spacing unit for the proposed well. If you do not wish to participate, Colgate would be interested in acquiring your interest in the subject lands which is subject to further negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.257.3886 or by email at mhajdik@colgateenergy.com.

Wallaby 7 Fed Com Well Proposal

Respectfully,

A handwritten signature in blue ink, appearing to read "Mark Hajdik".

Mark Hajdik
Senior Staff Landman
Enclosures

Wallaby 7 Fed Com Well Proposal

Well Elections: <i>(Please indicate your responses in the spaces below)</i>		
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate
Wallaby 7 Fed Com 121H		
Wallaby 7 Fed Com 122H		
Wallaby 7 Fed Com 131H		
Wallaby 7 Fed Com 132H		
Wallaby 7 Fed Com 201H		

Company Name (If Applicable):

By: _____

Printed Name: _____

Date: _____

Wallaby 7 Fed Com Well Proposal

Participate / Rejection Declaration

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

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

Agreed this _____ day of _____, 2022 by:

Company Name (If Applicable):

Signature

Printed Name

Title

Colgate Energy

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

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	8/8/2022	AFE NO.:	
WELL NAME:	Wallaby 7 Fed Com 121H	FIELD:	BONE SPRING
LOCATION:	Section 7, Block T20S-R28E	MD/TVD:	17420' MD / 7135'
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	TVD 10,000
Colgate WI:		DRILLING DAYS:	14.7
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	18.6
REMARKS:	Drill a horizontal BS well and complete. AFE includes drilling, completions, flowback and Initial AL install cost		

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land/ Legal/ Regulatory	\$ 42,500	\$ -	\$ -	\$ 42,500
2 Location, Surveys & Damages	205,693	13,000	25,000	243,693
4 Freight/ Transportation	34,270	30,250	-	64,520
5 Rental - Surface Equipment	70,439	153,700	13,060	237,199
6 Rental - Downhole Equipment	145,281	26,250	-	171,531
7 Rental - Living Quarters	29,096	43,450	-	72,546
10 Directional Drilling, Surveys	260,791	-	-	260,791
11 Drilling	429,783	-	-	429,783
12 Drill Bits	82,680	-	-	82,680
13 Fuel & Power	101,959	290,000	-	391,959
14 Cementing & Float Equip	149,460	-	-	149,460
15 Completion Unit, Swab, CTU	-	-	24,000	24,000
16 Perforating, Wireline, Slickline	-	282,875	28,000	310,875
17 High Pressure Pump Truck	-	46,000	18,000	64,000
18 Completion Unit, Swab, CTU	-	75,950	-	75,950
20 Mud Circulation System	61,035	-	-	61,035
21 Mud Logging	10,635	-	-	10,635
22 Logging/ Formation Evaluation	4,332	6,000	-	10,332
23 Mud & Chemicals	208,376	285,841	-	494,217
24 Water	31,270	437,000	-	468,270
25 Stimulation	-	483,149	-	483,149
26 Stimulation Flowback & Disp	-	102,125	-	102,125
28 Mud/ Wastewater Disposal	138,945	44,000	-	182,945
30 Rig Supervision/ Engineering	65,342	102,075	4,800	172,217
32 Drlg & Completion Overhead	5,625	-	-	5,625
34 Vacuum Truck	-	-	2,000	2,000
35 Labor	103,986	50,000	20,000	173,986
54 Proppant	-	880,000	-	880,000
95 Insurance	9,249	-	-	9,249
97 Contingency	-	14,494	-	14,494
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,190,747	3,366,160	134,860	5,691,767

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 16,846	\$ -	\$ -	\$ 16,846
61 Intermediate Casing	122,317	-	-	122,317
62 Drilling Liner	-	-	-	-
63 Production Casing	434,049	-	-	434,049
64 Production Liner	-	-	-	-
65 Tubing	-	-	85,500	85,500
66 Wellhead	46,640	-	40,200	86,840
67 Packers, Liner Hangers	10,600	-	7,500	18,100
68 Tanks	-	-	-	-
69 Production Vessels	-	-	84,000	84,000
70 Flow Lines	-	-	94,800	94,800
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	23,000	23,000
73 Compressor	-	-	42,500	42,500
74 Installation Costs	-	-	34,000	34,000
75 Surface Pumps	-	-	20,000	20,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	26,000	26,000
78 Gas Conditioning/ Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	15,400	15,400
80 Gathering/ Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	40,000	40,000
82 Tank/ Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical/ Grounding	-	-	-	-
85 Communications/ SCADA	-	-	15,000	15,000
86 Instrumentation/ Safety	-	-	-	-
TOTAL TANGIBLES >	630,451	0	527,900	1,158,351
TOTAL COSTS >	2,821,198	3,366,160	662,760	6,850,118

PREPARED BY Colgate Energy:

Drilling Engineer:	SS/RM/PS
Completions Engineer:	BA/ML
Production Engineer:	Levi Harris

Colgate Energy APPROVAL:

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

NON OPERATING PARTNER APPROVAL:

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

The costs on this AFE are estimates only and may not be construed as ceilings on any specific item or the total cost of the project. Tubing installation approved under the AFE may be delayed up to a year after the well has been completed. In executing this AFE, the Participant agrees to pay its non-proportionate share of actual costs incurred (including, but not limited to, local, state, and federal regulatory, backhaul and well costs) under the terms of the applicable joint operating agreement, regulatory order or other agreement covering this well. Participants shall be covered by and billed non-proportionately for Operator's well.

Colgate Energy

300 N. Marienfeld St., Ste. 1000 Midland, TX 79701

Phone (432) 695-4222 • Fax (432) 695-4063

ESTIMATE OF COSTS AND AUTHORIZATION FOR EXPENDITURE

DATE:	8/8/2022	AFE NO.:	0
WELL NAME:	Wallaby 7 Fed Com 131H	FIELD:	BONE SPRING
LOCATION:	Section 7, Block T205-R28E	MD/TVD:	18544' MD / 8259' TVD
COUNTY/STATE:	Eddy County, New Mexico	LATERAL LENGTH:	10,000
Colgate WI:		DRILLING DAYS:	20.8
GEOLOGIC TARGET:	TBSG	COMPLETION DAYS:	19

REMARKS: Drill a horizontal 3rd BS well and complete. AFE includes drilling, completions, flowback and Initial AL install cost

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory	\$ 42,500	\$ -	\$ -	\$ 42,500
2 Location, Surveys & Damages	207,601	13,000	25,000	245,601
4 Freight / Transportation	34,270	30,250	-	64,520
5 Rental - Surface Equipment	93,261	153,700	13,060	260,021
6 Rental - Downhole Equipment	145,281	26,250	-	171,531
7 Rental - Living Quarters	35,718	43,450	-	79,168
10 Directional Drilling, Surveys	320,308	-	-	320,308
11 Drilling	566,837	-	-	566,837
12 Drill Bits	72,080	-	-	72,080
13 Fuel & Power	142,742	300,000	-	442,742
14 Cementing & Float Equip	149,460	-	-	149,460
15 Completion Unit, Swab, CTU	-	-	24,000	24,000
16 Perforating, Wireline, Slickline	-	292,525	28,000	320,525
17 High Pressure Pump Truck	-	46,000	18,000	64,000
18 Completion Unit, Swab, CTU	-	75,950	-	75,950
20 Mud Circulation System	78,903	-	-	78,903
21 Mud Logging	16,131	-	-	16,131
22 Logging / Formation Evaluation	7,419	6,000	-	13,419
23 Mud & Chemicals	260,800	316,753	-	577,553
24 Water	312,270	487,976	-	519,246
25 Stimulation	-	562,286	-	562,286
26 Stimulation Flowback & Disp	-	102,125	-	102,125
28 Mud / Wastewater Disposal	138,945	44,000	-	182,945
30 Rig Supervision / Engineering	92,293	102,075	4,800	199,168
32 Drig & Completion Overhead	7,875	-	-	7,875
34 Vacuum Truck	-	-	2,000	2,000
35 Labor	103,986	50,000	20,000	173,986
54 Proppant	-	1,029,600	-	1,029,600
95 Insurance	10,094	-	-	10,094
97 Contingency	-	16,869	-	16,869
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	2,557,775	3,698,808	134,860	6,391,443

TANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
60 Surface Casing	\$ 16,846	\$ -	\$ -	\$ 16,846
61 Intermediate Casing	122,317	-	-	122,317
62 Drilling Liner	-	-	-	-
63 Production Casing	473,298	-	-	473,298
64 Production Liner	-	-	-	-
65 Tubing	-	-	85,500	85,500
66 Wellhead	46,640	-	40,200	86,840
67 Packers, Liner Hangers	10,600	-	7,500	18,100
68 Tanks	-	-	-	-
69 Production Vessels	-	-	84,000	84,000
70 Flow Lines	-	-	94,800	94,800
71 Rod string	-	-	-	-
72 Artificial Lift Equipment	-	-	23,000	23,000
73 Compressor	-	-	42,500	42,500
74 Installation Costs	-	-	34,000	34,000
75 Surface Pumps	-	-	20,000	20,000
76 Downhole Pumps	-	-	-	-
77 Measurement & Meter Installation	-	-	26,000	26,000
78 Gas Conditioning / Dehydration	-	-	-	-
79 Interconnecting Facility Piping	-	-	15,400	15,400
80 Gathering / Bulk Lines	-	-	-	-
81 Valves, Dumps, Controllers	-	-	40,000	40,000
82 Tank / Facility Containment	-	-	-	-
83 Flare Stack	-	-	-	-
84 Electrical / Grounding	-	-	-	-
85 Communications / SCADA	-	-	15,000	15,000
86 Instrumentation / Safety	-	-	-	-
TOTAL TANGIBLES >	669,700	0	527,900	1,197,600
TOTAL COSTS >	3,227,475	3,698,808	662,760	7,589,043

\$ \$ \$

PREPARED BY Colgate Energy:

Drilling Engineer: SS/RM/PS
 Completions Engineer: BA/ML
 Production Engineer: Levi Harris

Colgate Energy APPROVAL:

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

NON OPERATING PARTNER APPROVAL:

Company Name: _____ Working Interest (%): _____ Tax ID: _____
 Signed by: _____ Date: _____
 Title: _____ Approval: Yes No (mark one)

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

Wallaby Communication Timeline

August 8, 2022 – Initial proposals sent for the Wallaby Wells

August 2022-Present 2023 – Exchanged a number of emails with the principals of the two entities. Answered their basic questions and they have expressed an interest in receiving an offer, but have debated whether they want to participate or sell all or a portion of their interest. The two WI parties have not determined if they want to fully divest or participate.

**Permian Resources Operating, LLC
Case No. 23387
Exhibit A-5**

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

APPLICATION OF PERMIAN RESOURCES CORP
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

CASE NO. 23387

**SELF-AFFIRMED STATEMENT
OF CHRISTOPHER CANTIN**

1. I am a geologist at Permian Resources Corp (“PR”) and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have not previously testified before the New Mexico Oil Conservation Division (“Division”). I have a Masters degree from The University of Texas Permian Basin and have worked in the petroleum industry for approximately 10 years. A copy of my resume is attached as **Exhibit B-1**

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

3. **Exhibit B-2** is a regional locator map that identifies the Wallaby project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of these applications.

4. **Exhibit B-3** is a cross section location map for the proposed horizontal spacing unit (“Unit”) within the Bone Spring formation. The approximate wellbore path for the proposed Wallaby 7 Fed Com 121H, and Wallaby 7 Fed Com 131H wells (“Wells”) are represented by dashed lines. Existing producing wells in the targeted interval are represented by solid lines. This map identifies the cross-section running from A-A’ with the cross-section well names and a black line in proximity to the proposed wells.

**Permian Resources Corp
Case No. 23387
Exhibit B**

5. **Exhibit B-4** is a Second Bone Spring (SBSG) Structure map on the base of the Second Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore path for the Wallaby 7 Fed Com 121H proposed Well with an orange dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-5** is a Third Bone Spring (TBSG) Structure map on the top of the Third Bone Spring formation in TVD subsea with a contour interval of 50 ft. The map identifies the approximate wellbore path for the Wallaby 7 Fed Com 131H proposed Well with a red dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed well. The data points are indicated by red triangles. The map demonstrates the formation is gently dipping to the east-southeast in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

7. **Exhibit B-6** identifies three wells penetrating the targeted interval I used to construct a structural cross-section from A to A'. The structural cross section from west to east shows the regional dip to the East-Southeast for the Bone Spring Wells. I used these well logs because they penetrate the targeted interval, are of good quality, and are representative of the geology in the area. The target zones for the proposed Wells are the Bone Spring formation, which is consistent across the units. The approximate well-path for the proposed Wells is indicated by dashed lines to be drilled from west to east across the units.

8. **Exhibit B-7** is a stratigraphic cross-section from A to A' using the representative wells identified on **Exhibit B-6**. It contains gamma ray, resistivity, and porosity logs. The cross

section is oriented from west to east and is hung on the top of the Wolfcamp formation. The proposed landing zone for the Wells is labeled on the exhibit. The approximate well-path for the proposed well is indicated by dashed lines to be drilled from west to east across the units. This cross-section demonstrates the target interval is continuous across the Unit.

9. **Exhibit B-8** is a gun barrel diagram that shows the Wallaby 7 Fed Com 121H and Wallaby 7 Fed Com 131H wells in the Bone Spring formation.

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

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

12. In my opinion, the granting of PR's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

14. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 13 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.



Christopher Cantin

02/24/2023
Date

Christopher Cantin

Exhibit B-1

PROFFESIONAL SUMMARY

Accomplished Petroleum Geologist with 10+ years of industry experience. Adept in operations, development, and exploration of oil and gas assets with a focus in the Delaware Basin.

EDUCATION

University of Texas of the Permian Basin, Odessa, TX.

MS, Petroleum Geology
Degree Completed: December 2015
GPA: 3.86

Angelo State University, San Angelo, TX.

Major in Geology (Completed 60+ hours)
Dates attended: (August 2008-May 2010)

Midwestern State University, Wichita Falls, TX.

BS, Geology
Degree Completed: June 2013
GPA (Geological): 3.4

EXPERIENCE

Colgate Energy/ Permian Resources Midland, TX**Position:** Geologist (April 2016 – Present)

- Current Project Geologist over Lea and Eddy County assets in the Northern Delaware Basin responsible for all geological technical work-ups, pre-spud meetings, and completions reviews.
- Presents asset level reviews to Executive Team each quarter for my designated areas of responsibility.
- Supports regulatory team for geological assignments during the pooling and permitting process.
- Implemented four \$1MM+ pilot hole programs that helped the company by delineating primary and upside target zones.
- Responsible for planning, coordinating, and monitoring all geological related operations.
- Directed geosteering operations on 2-5 continuous riglines.
- Planned and developed 100+ wells between the Southern Delaware Basin in Texas and the Northern Delaware Basin in Eddy and Lea County.

True Oil Company Midland, TX**Position:** Geo-Analyst / Staff Geologist (April 2014-March 2016)

- Promoted to Staff Geologist from my starting position of Geo-analyst
- Supported operations with drilling prognoses for a multi-well drilling program in the Midland Basin.
- Identified hydrocarbon pay in the Midland Basin's Clearfork down to the Atoka's Bend formation to aid in identifying perforation placement.
- Part of evaluation team that analyzed 50+ projects ranging from \$100 MM – \$1.2 B in 9 different basins across the lower 48.
- Prepared geological reviews for quarterly investor presentation.
- Built and Managed 8 Petra databases.
- Troubleshoot, updated, and repaired mapping software (Petra).

S.B. Street Operating Graham, TX**Position:** Geo-tech (July 2012-August 2013)

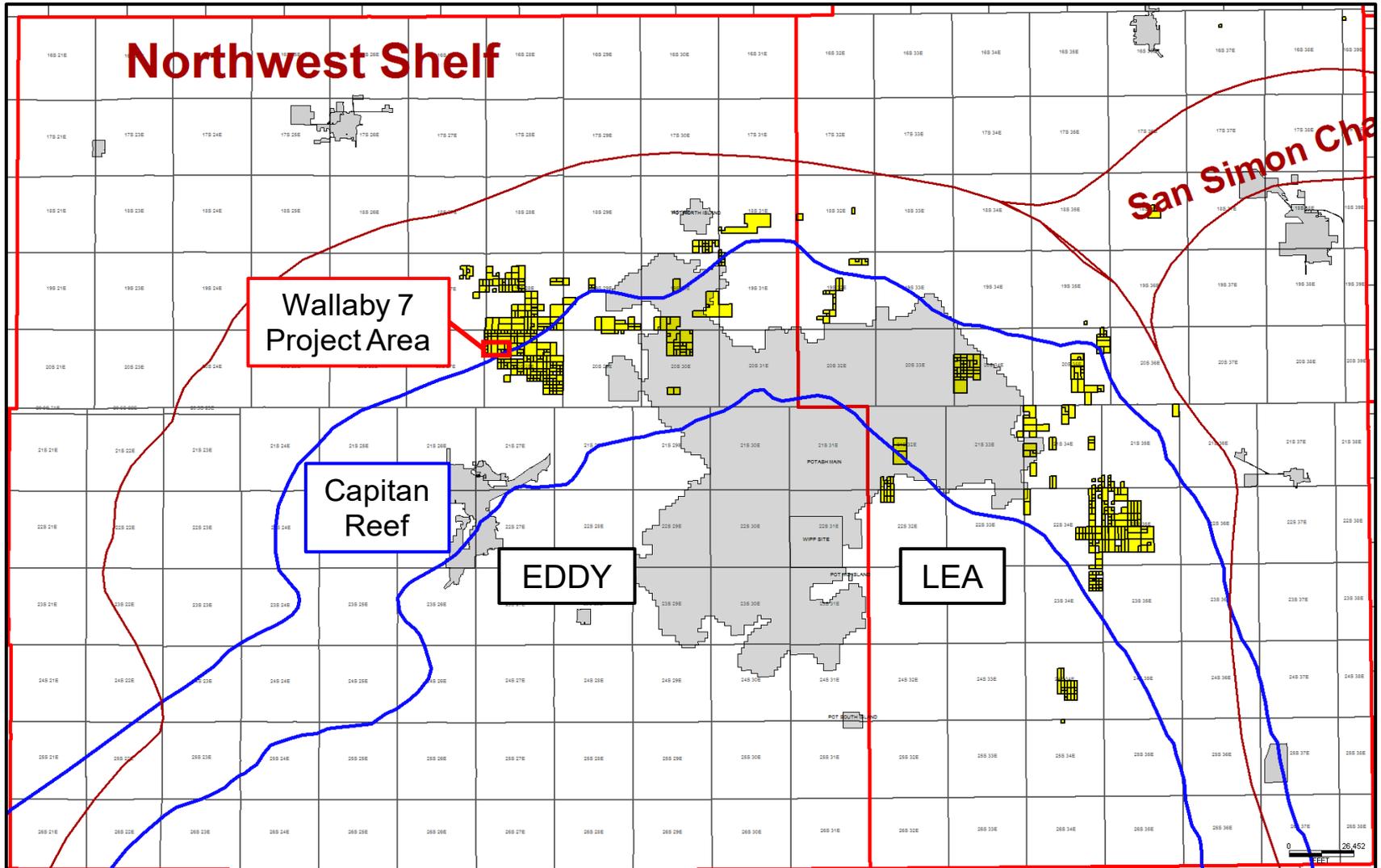
- Labeled and organize digital well log files for geologists.
- Analyzed DST data.
- Worked extensively with PI/Dwight's PLUS.
- Constructed isopach and subsea contour maps.
- Generated production maps.
- Interpreted well logs.
- Mapped wells that met company criteria onto county production maps.
- Created structural, stratigraphic, and regional cross sections.
 - Formations include: Palo Pinto Lime, Strawn Sands, Caddo Lime, Ellenberger

**Permian Resources
Corp Case No. 23387
Exhibit B-1**



Regional Locator Map Wallaby 7 Fed Com

Permian Resources Corp
Case No. 23387
Exhibit B-2

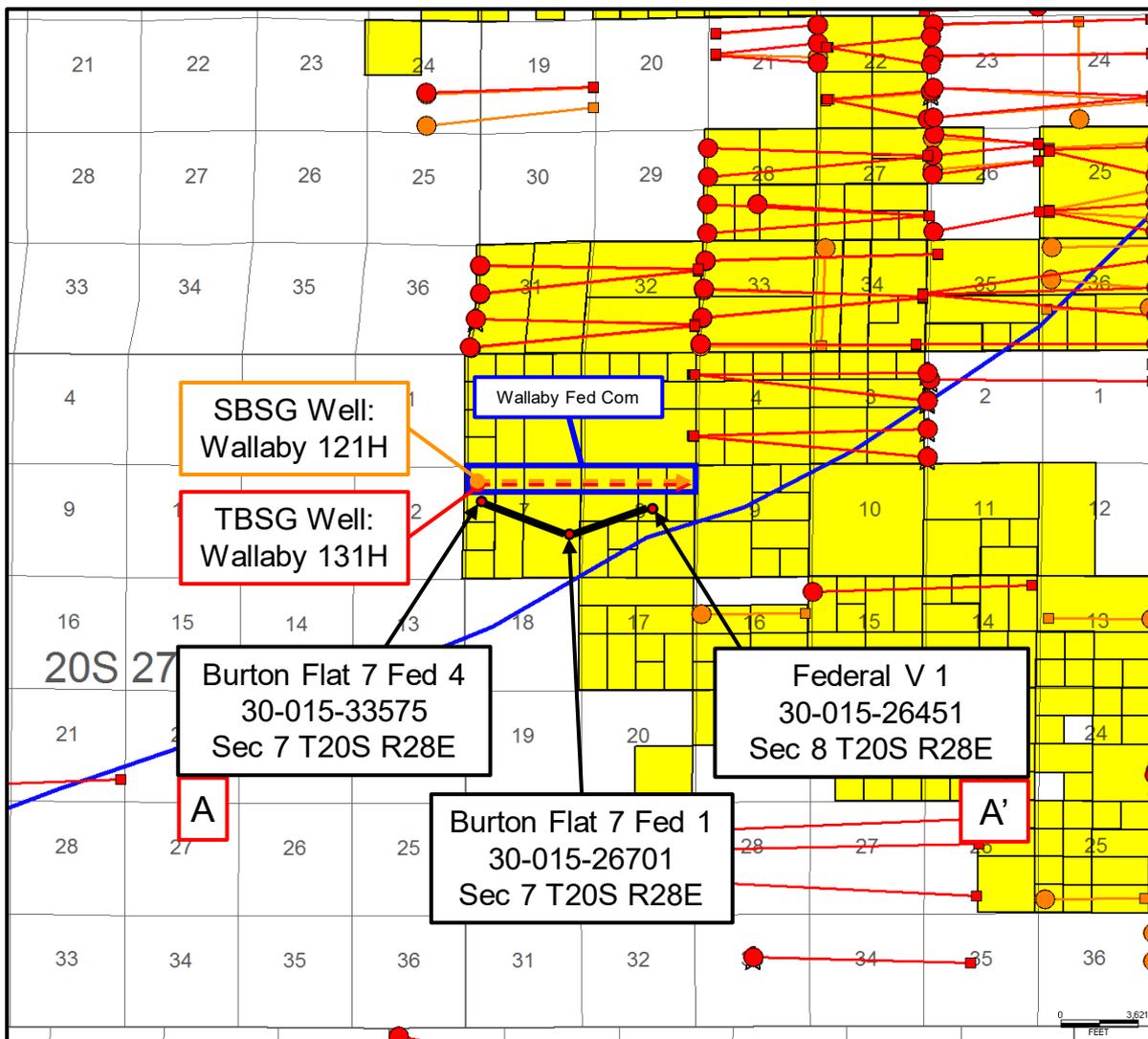


Permian Resources



Cross-Section Locator Map

Wallaby 7 Fed Com 121H, 131H



SBSG Well:
Wallaby 121H

TBSG Well:
Wallaby 131H

Burton Flat 7 Fed 4
30-015-33575
Sec 7 T20S R28E

Federal V 1
30-015-26451
Sec 8 T20S R28E

Burton Flat 7 Fed 1
30-015-26701
Sec 7 T20S R28E

Proposed Wells



Producing Wells



Permian Resources

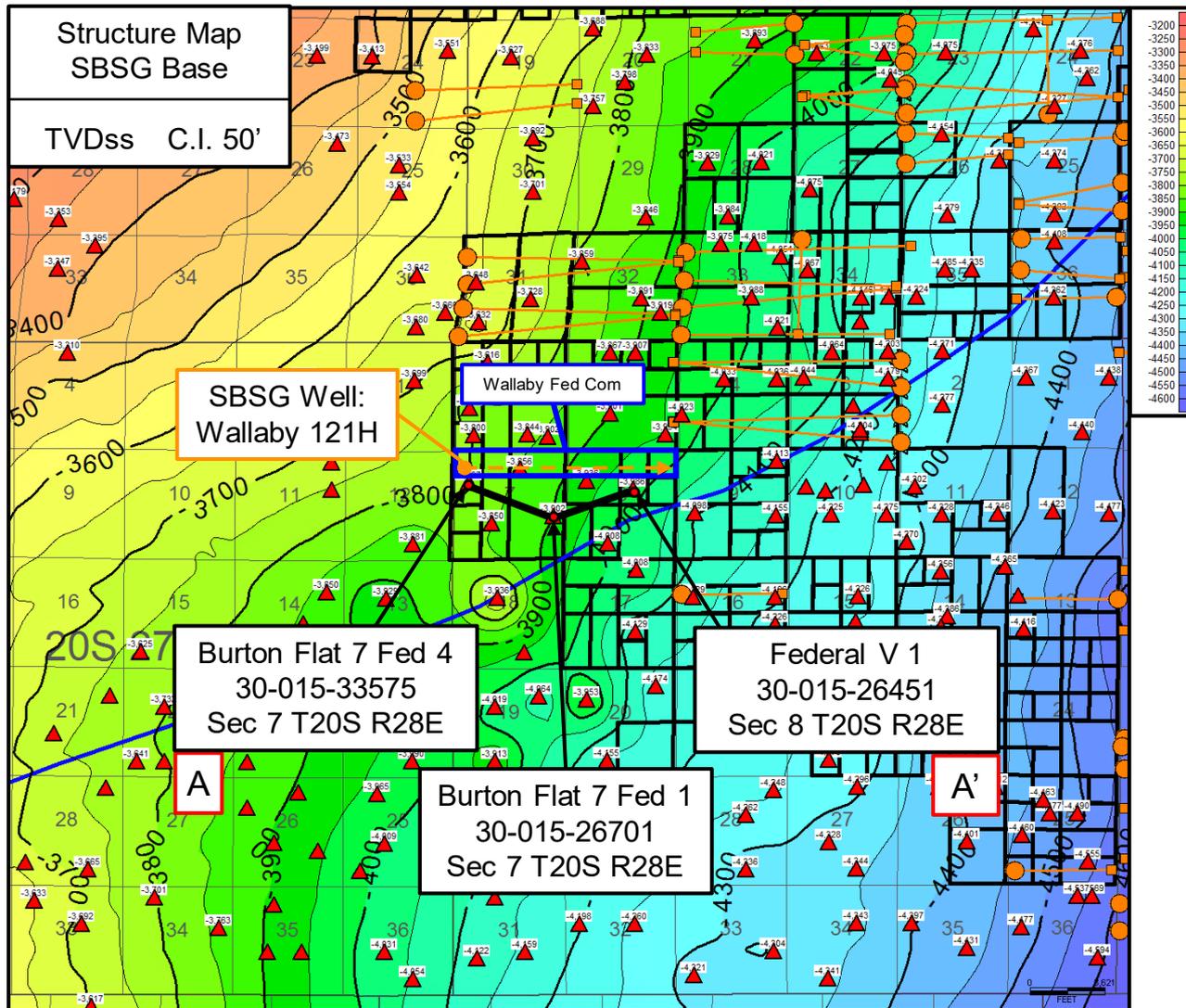




Second Bone Spring – Structure Map

Wallaby 7 Fed Com 121H

Case No. 23387
Exhibit B-4



Permian Resources

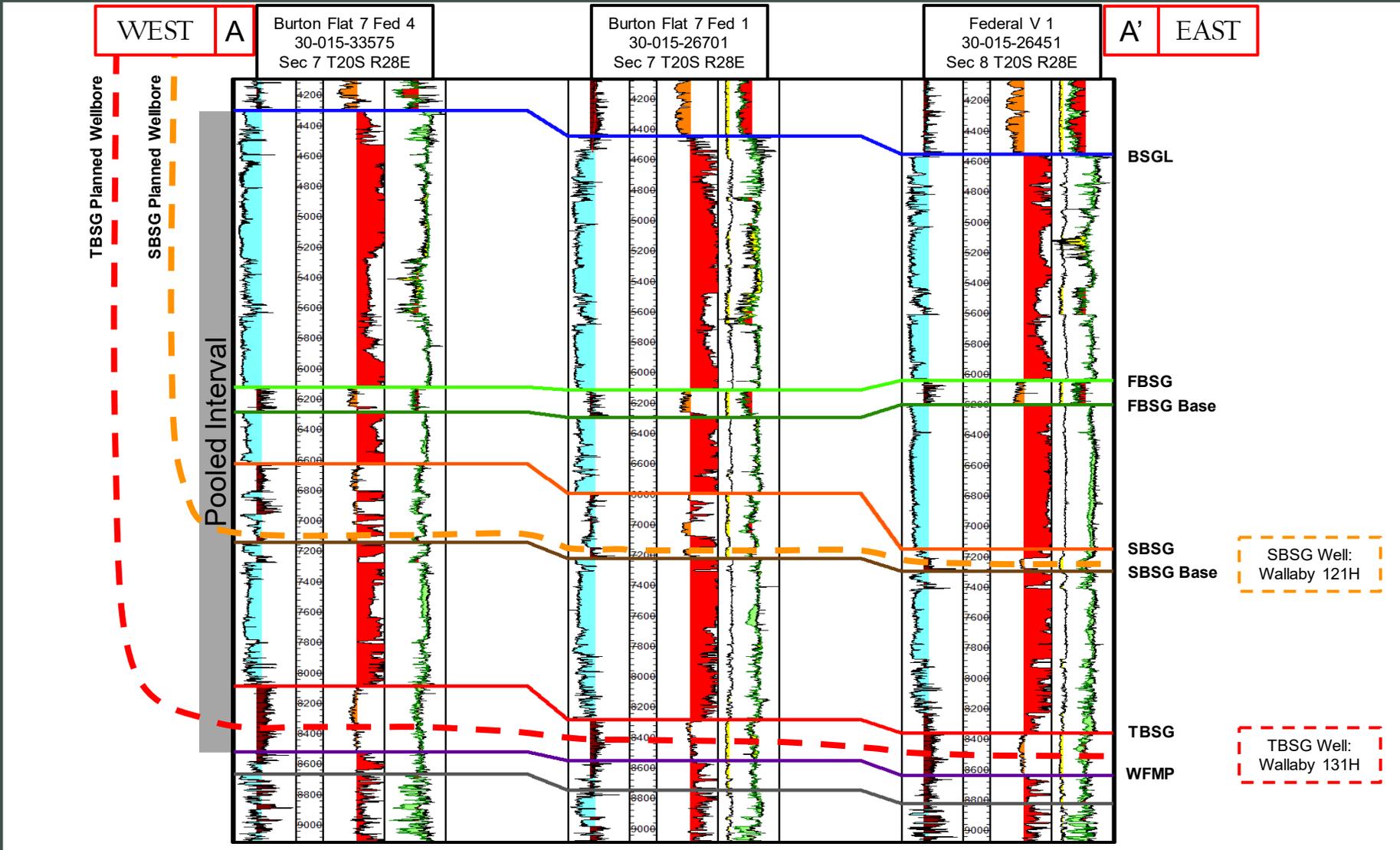


- Control Point
TVDss
▲
- Proposed Wells
SBSG
SHL ——— BHL
- Producing Wells
SBSG
BHL ——— SHL



Structural Cross-Section A-A'

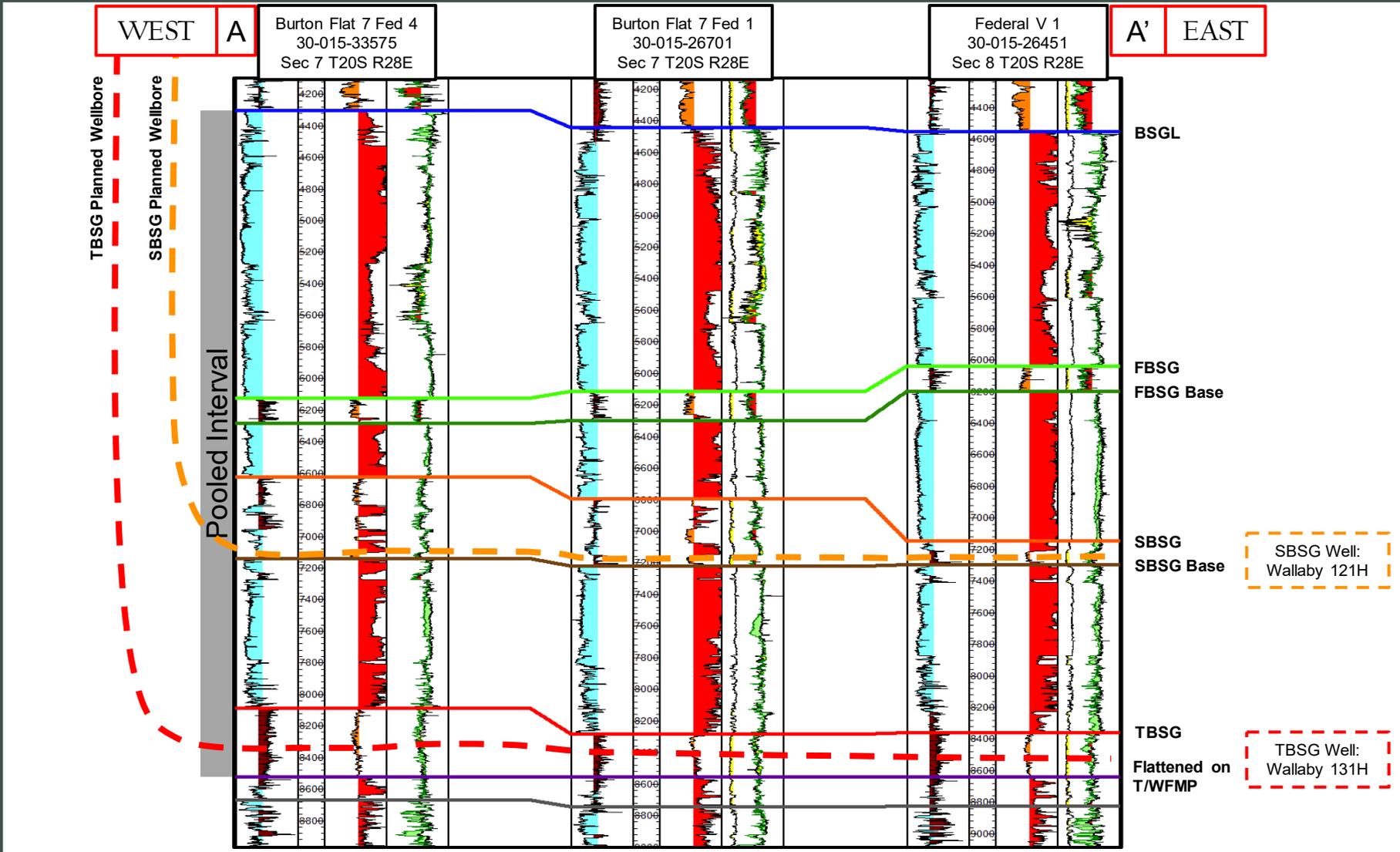
Wallaby 7 Fed Com 121H, 131H





Stratigraphic Cross-Section A-A'

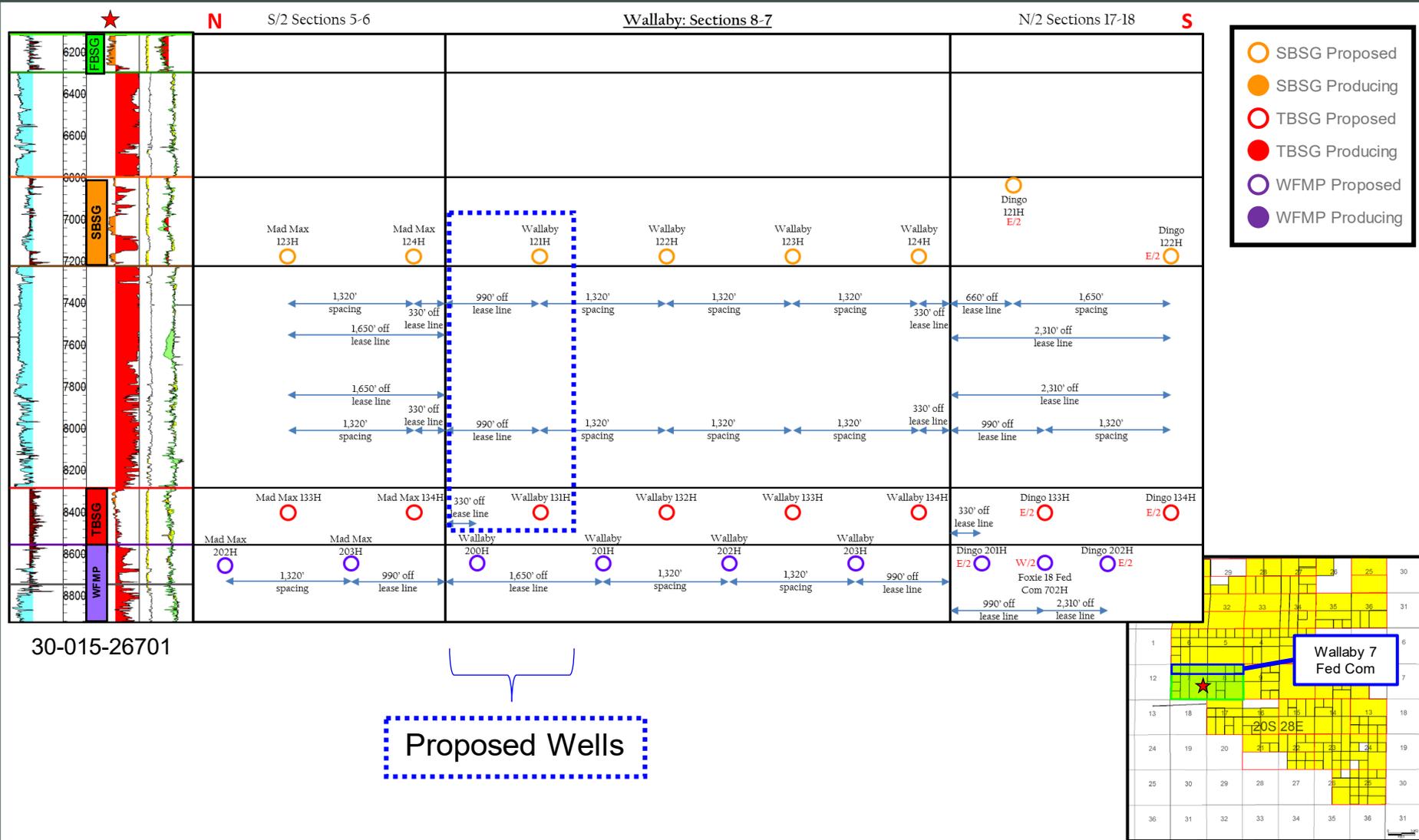
Wallaby 7 Fed Com 121H, 131H





Gun Barrel Development Plan

Wallaby 7 Fed Com 121H, 131H



30-015-26701

Proposed Wells

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

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

CASE NO. 23387

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

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

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

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

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

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

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

/s/ Dana S. Hardy
Dana S. Hardy

February 26, 2023
Date

**Permian Resources Operating, LLC
Case No. 23387
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

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

February 10, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23387 – Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **March 2, 2023**, beginning at 8:15 a.m.

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

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

Please do not hesitate to contact me if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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

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

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

Permian Resources Operating, LLC
Case No. 23387
Exhibit C-1

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

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

CASE NO. 23387

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
A & S Operating PO Box 702468 Tulsa, OK 74170	02/10/23	02/21/23
Quatro Resources, LLC 2970 Luraville Rd The Villages, FL, 32163	02/10/23	02/17/23
EOG Resources Inc 5509 Champions Dr Midland, TX 79706	02/10/23	Latest USPS Update: (Last Checked 02/27/23): 02/18/23 – Item in transit to next facility.
Mewbourne Oil Co PO Box 7698 Tyler, TX 75701	02/10/23	02/21/23

**Permian Resources Operating, LLC
Case No. 23387
Exhibit C-2**

7022 1670 0002 1181 7009

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Certified Mail Restricted Delivery \$ _____

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Adult Signature Restricted Delivery \$ _____

Postage
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Total Postage and Fees
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Si A & S Operating
 PO Box 702468
 Tulsa, OK 74170

Ci 23387 - Permian Wallaby

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Permian Wallaby</i></p> <p>C. Date of Delivery FEB 21 2023</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>A & S Operating PO Box 702468 Tulsa, OK 74170</p> <p>23387 - Permian Wallaby</p>	<p>3. Service type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7022 1670 0002 1181 7009</p> <p>9590 9402 7543 2098 9595 64</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

Permian Resources Operating, LLC
Case No. 23387
Exhibit C-3

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Adult Signature Restricted Delivery \$ _____

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Total Postage and Fees
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Sent To

Si Cuatro Resources, LLC
 2970 Luraville Rd
 Ci The Villages, FL, 32163
 23387 - Permian Wallaby

Postmark Here
 87501-9998

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

7022 1670 0002 1181 6941

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>C. Date of Delivery 2-14-23</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below. <input type="checkbox"/> No</p> <p>RECEIVED</p> <p>FEB 17 2023</p> <p>Hinkle Shanor LLP Santa Fe NM 87504</p>
<p>1. Article Addressed to:</p> <p>Cuatro Resources, LLC 2970 Luraville Rd The Villages, FL, 32163 23387 - Permian Wallaby</p> <p>9590 9402 7543 2098 9475 47</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7022 1670 0002 1181 6941</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

7022 1670 0002 1181 6972

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Mewbourne Oil Co
 PO Box 7698
 Tyler, TX 75701

23387 - Permian Wallaby

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>G. Argote</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>G. Argote</i> C. Date of Delivery <i>2-15-23</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>1. Article Addressed to:</p> <p>Mewbourne Oil Co PO Box 7698 Tyler, TX 75701</p> <p>23387 - Permian Wallaby</p> <p>9590 9402 7543 2098 9475 30</p>	<p>RECEIVED FEB 21 2023</p>
<p>2. Article Number (Transfer from service label) 7022 1670 0002 1181 6972</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

7022 1670 0002 1181 6996

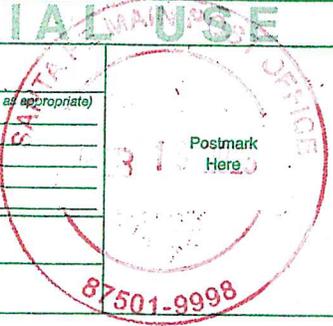
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- Return Receipt (electronic) \$
- Certified Mail Restricted Delivery \$
- Adult Signature Required \$
- Adult Signature Restricted Delivery \$



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EOG Resources Inc
5509 Champions Dr
Midland, TX 79706

23387 - Permian Wallaby

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MIDLAND TX DISTRIBUTION CENTER

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February 10, 2023, 9:27 pm

Feedback

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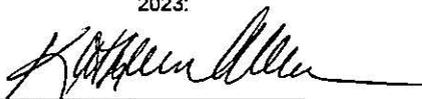
I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

02/14/2023

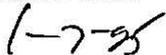


Legal Clerk

Subscribed and sworn before me this February 14, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005592889
PO #: 23387
of Affidavits: 1

This is not an invoice

This is to notify all interested parties, including Mewbourne Oil Co.; EOG Resources Inc.; Cuatro Resources, LLC; A & S Operating; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 23387). The hearing will be conducted remotely on March 2, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted interests in the Bone Spring Formation underlying a 322.73-acre, more or less, standard horizontal spacing unit comprised of Lot 1, NE/4 NW/4, and N/2 NE/4 (N/2 N/2 equivalent) of irregular Section 7 and the N/2 N/2 of Section 8, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Wallaby 7 Fed Com 121H and Wallaby 7 Fed Com 131H wells ("Wells"), which will be drilled from a surface hole location in Lot 2 of Section 7 to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 8. The completed intervals of the Wells will be orthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 12 miles northeast of Carlsbad, New Mexico. #5592889, Current Argus, February 14, 2023

Permian Resources Operating, LLC
Case No. 23387
Exhibit C-4