#### 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. 24725

#### EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Ryan Curry
A-1	Application & Proposed Notice of Hearing
A-2	C-102
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Chris Cantin
B-1	Regional Locator Map
B-2	Cross-Section Location Map
B-3	Subsea Structure Map
B-4	Stratigraphic Cross-Section
B-5	Gun Barrel Development Plan
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for July 25, 2024

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# **COMPULSORY POOLING APPLICATION CHECKLIST**

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

Case: 24725	APPLICANT'S RESPONSE
Date: August 8, 2024	
Applicant	Permian Resources Operating, LLC
Designated Operator & OGRID (affiliation if applicable)	Permian Resources Operating, LLC (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:	N/A
Well Family	Outback
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:	Russell; Bone Spring Pool (Code 52805)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy
	County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes.
and is approval of non-standard unit requested in this	163.
application?	
Other Situations	
Depth Severance: Y/N. If yes, description	Yes. Due to a depth severance, Applicant seeks to pool uncommitted interests
beptil severance. 1/14. If yes, description	from the top of the Third Bone Spring interval at a stratigraphic equivalent of
	approximately 7,988' MD to the base of the Third Bone Spring interval at a
	stratigraphic equivalent of approximately 9,150' MD as shown on the Yates-
	Federal #2 well log (API # 30-015-20970).
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,	Add wells as needed
footages, completion target, orientation, completion status	Add wells as needed
(standard or non-standard)	
Well #1	Outback 13-14 Fed Com 133H (API # pending)
VVCII #1	SHL: 2066' FSL & 285' FEL (Unit I), Section 13, T20S-R28E
	BHL: 1659' FSL & 10' FWL (Unit L), Section 14, T20S-R28E
	Completion Target: Bone Spring (Approx. 8,875' TVD)
AFF Concernent One metting Const	
AFE Capex and Operating Costs	¢10.000
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, 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

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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)	Exhibit 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-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-5
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	Exhibit 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-1
Well Bore Location Map	Exhibit B-2
Structure Contour Map - Subsea Depth	Exhibits B-3
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-4
Additional Information	
Special Provisions/Stipulations	N/A
<b>CERTIFICATION: I hereby certify that the information provi</b>	ded 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:	8/1/2024

#### 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. 24725

#### SELF-AFFIRMED STATEMENT OF RYAN CURRY

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

2. I am familiar with the land matters involved in the above-referenced cases. Copies of Permian Resources' (OGRID No. 372165) ("Applicant") application and proposed hearing notice are attached as **Exhibit A-1**.

3. Applicant seeks an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit").

4. Applicant owns a working interest in the Unit.

5. The Unit will be dedicated to the **Outback 13-14 Fed Com 133H** well ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14.

6. The Well will be completed in the RUSSELL; BONE SPRING pool (Code 52805).

7. The completed interval of the Well will be orthodox.

Permian Resources Operating, LLC Case No. 24725 Exhibit A

#### **Released to Imaging:** 7/31/2024 4:04:46 PM

8. Due to a depth severance within the Unit, Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 7,988' MD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 9,150' MD as shown on the Yates-Federal #2 well log (API # 30-015-20970).

9. **Exhibit A-2** contains the C-102 for the Well.

10. **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 Applicant seeks to pool highlighted in yellow. All of the parties are locatable in that Applicant believes it located valid addresses for them. Exhibit A-3 also depicts the overlapping spacing unit.

11. Permian Resources has conducted a diligent search of all county public records, including phone directories, computer databases, and internet searches to locate the interest owners it seeks to pool.

12. **Exhibit A-4** contains a sample well proposal letter that was sent to interest owners for the Well. 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.

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

14. In order to allow applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Permian Resources should be designated as operator of the Well and the Unit.

15. Permian Resources requests overhead and administrative rates of \$10,000 per month while the Well is being drilled, and \$1,000 per month while the Well is producing. These

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rates are fair and are comparable to the rates charged by Permian Resources and other operators in the vicinity.

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

17. In my opinion, the granting of Applicant's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

18. 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.

B Curry

7/29/24

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. 24725

#### **APPLICATION**

Pursuant to NMSA § 70-2-17, Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). In support of its application, Applicant states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.

2. The Unit will be dedicated to the **Outback 13-14 Fed Com 133H** well ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14.

3. The completed interval of the Well will be orthodox.

4. Due to a depth severance within the Unit, Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 7,988' MD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 9,150' MD as shown on the Yates-Federal #2 (API # 30-015-20970) well log.

5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.

Permian Resources Operating, LLC Case No. 24725 Exhibit A-1 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

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

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 8, 2024, and, after notice and hearing as required by law, the Division enter an order:

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

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Respectfully submitted,

HINKLE SHANOR LLP

<u>/s/ Dana S. Hardy</u> Dana S. Hardy Jaclyn M. McLean P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for Permian Resources Operating, LLC*  Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico. Permian Resources Operating, LLC ("Applicant") (OGRID No. 372165) applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Outback 13-14 Fed Com 133H well ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. The completed interval of the Well will be orthodox. Due to a depth severance within the Unit, Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 7,988' MD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 9,150' MD as shown on the Yates-Federal #2 (API # 30-015-20970) well log. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 15 miles northeast of Carlsbad, New Mexico.

<u>C-10</u> Submit	v	/ <u>31/2024 3:</u>		nergy, M		w Mexico al Resources Department FION DIVISION		Page 11 Revised July 9, 2024		
	D Permitting	y					Submitta	Initial Submit		
							Type:	Amended Rep	port	
		WELL LOCATION INFORMATION				1				
API Nu	umber		Pool Code			Pool Name				
<b>D</b>	<u> </u>		52805	r		RUSSELL; BON	IE SPRINC	J		
Propert	y Code		Property N	lame	OUTBACH	K 13-14 FED COM Well Number 133H			ЗH	
ogrid 3721			Operator N	Jame J	PERMIAN RESOU	JRCES OPERATING,	LLC		Ground Level El 3254	
Surface	• Owner: 🗖 S	State □Fee □	] Tribal 🛛 Fe	deral		Mineral Owner:	] State □ Fee	🗖 Tribal 🛛	I Federal	
					Surf	ace Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83)	Longitude (NAD 83)	County
Ι	13	205	28E		2066 SOUTH	285 EAST	32.5720	099°	-104.123124°	EDDY
	·	·	·		Bottom	Hole Location		1		
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		Longitude (NAD 83)	
L	14	20S	28E		1659 SOUTH	10 WEST	32.5709	964°	-104.156764°	EDDY
Dedicat	ted Acres	Infill or Defi	ning Well	Definir	ng Well API	Overlapping Spacir	ng Unit (Y/N)	Consolid	ation Code	
320.0		N/A	e	N/A	-	N	<i>c , ,</i>			
Order N	Numbers.	11/11		1,1,1,	<u> </u>	Well setbacks are u	nder Common	Ownership	:⊠Yes □No	
					Kick O	ff Point (KOP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83)	Longitude (NAD 83)	County
Ι	13	208	28E		2066 SOUTH	285 EAST	32.5720	099°	-104.123124°	EDDY
				-	1	ike Point (FTP)				1
UL I	Section 13	Township 20S	Range 28E	Lot	Ft. from N/S 1659 SOUTH	Ft. from E/W 100 EAST	Latitude (N 32.5709		Longitude (NAD 83) -104.122540°	County EDDY
-						ke Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	AD 83)	Longitude (NAD 83)	County
L	14	205	28E		1659 SOUTH		32.5709	964°	-104.156472°	EDDY
Unitize	d Area or Ar	ea of Uniform	Interest	Spacing	g Unit Type 🕅 Horiz	rontal 🗖 Vertical	Grou	nd Floor El	evation:	
				spacing					e valion.	
OPERA	ATOR CERT	IFICATIONS				SURVEYOR CERTIF	TICATIONS			
ny know organiza ncluding ocation nterest, entered l f this we consent of n each t	veledge and beli ttion either ow. g the proposed pursuant to a or to a volunta by the division. ell is a horizon of at least one tract (in the tar	ef <sup>7</sup> , and, if the we ns a working inte bottom hole loca contract with an a try pooling agree tal well, I further lessee or owner a	ll is a vertical o rest or unleased tion or has a rig wher of a work ment or a comp certify that this of a working inta ution) in which d	r directional l mineral inti ght to drill th cing interest ulsory pooli organizatio erest or unlet any part of th	erest in the land his well at this or unleased mineral ng order heretofore n has received the ased mineral interest he well's completed	I hereby certify that the w surveys made by me or un my belief.	Provide State	n on Brits file N MEX 23782 7-22-2 ONAL	The same is true and corr the same is the same	ld notes of actual ect to the best of
Signature	e		Date			Signature and Seal of Profe	essional Surveyor			
- <u>6</u>						23782	December	1 2023		
Printed N	Name					Certificate Number	Date of Surve			
Email Ac										

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Property Name	Well Number	Drawn By	Revised By
OUTBACK 13-14 FED COM	133H	Z.L. 12-06-23	REV. 2 N.R. 07-19-24 (UPDATE TO NEW FORMAT)

NAD 83 (SHL/KOP)	NAD 83 (FIRST TAKE POINT)	NAD 83 (LPP)
LATITUDE = 32°34'19.56" (32.572099°)	LATITUDE = 32°34'15.53" (32.570979°)	LATITUDE = 32°34'15.50" (32.570971°)
LONGITUDE = -104°07'23.25" (-104.123124°)	LONGITUDE = -104°07'21.14" (-104.122540°)	LONGITUDE = -104°08'37.92" (-104.143866°)
NAD 27 (SHL/KOP)	NAD 27 (FIRST TAKE POINT)	NAD 27 (LPP)
LATITUDE = 32°34'19.13" (32.571981°)	LATITUDE = 32°34'15.10" (32.570861°)	LATITUDE = 32°34'15.07" (32.570853°)
LONGITUDE = -104°07'21.43" (-104.122619°)	LONGITUDE = -104°07'19.32" (-104.122034°)	LONGITUDE = -104°08'36.10" (-104.143360°)
STATE PLANE NAD 83 (N.M. EAST)	STATE PLANE NAD 83 (N.M. EAST)	STATE PLANE NAD 83 (N.M. EAST)
N: 571924.39' E: 606092.12'	N: 571517.33' E: 606272.93'	N: 571501.89' E: 599703.25'
STATE PLANE NAD 27 (N.M. EAST)	STATE PLANE NAD 27 (N.M. EAST)	STATE PLANE NAD 27 (N.M. EAST)
N: 571862.91' E: 564911.79'	N: 571455.86' E: 565092.58'	N: 571440.47' E: 558522.92'
NAD 83 (LAST TAKE POINT)	NAD 83 (BOTTOM HOLE LOCATION)	
LATITUDE = 32°34'15.47" (32.570964°)	LATITUDE = 32°34'15.47" (32.570964°)	
	EITITODE 52 5115.17 (52.570501)	
LONGITUDE = -104°09'23.30" (-104.156472°)	LONGITUDE = $-104^{\circ}09'24.35''$ (-104.156764°)	
LONGITUDE = -104°09'23.30" (-104.156472°) NAD 27 (LAST TAKE POINT)	· · · · · ·	
NAD 27 (LAST TAKE POINT)	LONGITUDE = -104°09'24.35" (-104.156764°)	
NAD 27 (LAST TAKE POINT)	LONGITUDE = -104°09'24.35" (-104.156764°) NAD 27 (BOTTOM HOLE LOCATION)	
NAD 27 (LAST TAKE POINT) LATITUDE = 32°34'15.05" (32.570847°) LONGITUDE = -104°09'21.48" (-104.155966°)	LONGITUDE = -104°09'24.35" (-104.156764°) NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°34'15.05" (32.570846°)	
NAD 27 (LAST TAKE POINT) LATITUDE = 32°34'15.05" (32.570847°) LONGITUDE = -104°09'21.48" (-104.155966°) STATE PLANE NAD 83 (N.M. EAST)	LONGITUDE = -104°09'24.35" (-104.156764°) NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°34'15.05" (32.570846°) LONGITUDE = -104°09'22.53" (-104.156258°)	
<b>NAD 27 (LAST TAKE POINT)</b> LATITUDE = 32°34'15.05" (32.570847°)	LONGITUDE = -104°09'24.35" (-104.156764°) NAD 27 (BOTTOM HOLE LOCATION) LATITUDE = 32°34'15.05" (32.570846°) LONGITUDE = -104°09'22.53" (-104.156258°) STATE PLANE NAD 83 (N.M. EAST)	

LINE TABLE			
LINE	DIRECTION	LENGTH	
L1	N00°50'40"E	2653.68'	
L2	N00°49'20"E	2651.97'	
L3	N00°47'25"E	2651.07'	

WELLBORE – LINE TABLE			
LINE	DIRECTION	LENGTH	
L4	AZ = 156.29°	445.50'	
L5	AZ = 270.10°	90.01'	

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## PERMIAN RESOURCES OPERATING, LLC OUTBACK 13-14 FED COM 133H

## Lands:

<u>Township 20 South – Range 28 East, N.M.P.M.</u> Section 13: N/2S/2 Section 14: N/2S/2 Eddy County, New Mexico Containing 320.00 acres, more or less Limited to depths between 7,988' & 9,150' MD as seen in the Yates-Federal #2 (API#: 30-015-20970)

## **Tract Diagram:**



Section 14, T20S-R28E

Section 13, T20S-R28E

	USA BLM NMNM 006856
Tract 2	USA BLM NMLC 050797
Tract 3	USA BLM NMLC 050797
Tract 4	USA BLM NMLC 050797

Permian Resources Operating, LLC Case No. 24725 Exhibit A-3

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## PERMIAN RESOURCES OPERATING, LLC OUTBACK 13-14 FED COM 133H

Unit Ownership:	
Tract 1: Section 14: NW/4SE/4, N/2SW/4 (Containing 120.00 Acres More	e or Less)
Permian Resources Operating, LLC	96.328862%
Sabinal Energy Operating, LLC	0.445868%
Davoil, Inc.	1.145745%
Great Western Drilling Ltd.	2.079525%
Total	100.000000%
Tract 2: Section 14: NE/4SE/4 (Containing 40.00 Acres More or Less)	
Permian Resources Operating, LLC	96.328862%
Sabinal Energy Operating, LLC	0.445868%
Davoil, Inc.	1.145745%
Great Western Drilling Ltd.	2.079525%
LLJ Ventures, LLC	Record Title
Total	100.000000%
Tract 3: Section 13: NW/4SW/4 (Containing 40.00 Acres More or Less)	
Permian Resources Operating, LLC	85.416667%
Javelina Partners	3.949666%
Lindy's Living Trust U/T/A 7/8/1994	3.190100%
Delmar Hudson Lewis Living Trust U/T/A 9/9/2002	3.190100%
Zorro Partners, Ltd	2.126733%
Ard Oil, Ltd	1.595050%
Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard	0.531684%
LLJ Ventures, LLC	Record Title
Total	100.000000%
Tract 4: Section 13: N/2SE/4, NE/4SW/4 (Containing 120.00 Acres More	or Less)
Permian Resources Operating, LLC	85.416667%
Javelina Partners	3.949666%
Lindy's Living Trust U/T/A 7/8/1994	3.190100%
Delmar Hudson Lewis Living Trust U/T/A 9/9/2002	3.190100%
Zorro Partners, Ltd	2.126733%
Ard Oil, Ltd	1.595050%
Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard	0.531684%
LLJ Ventures, LLC	Record Title
Total	100.000000%

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## PERMIAN RESOURCES OPERATING, LLC OUTBACK 13-14 FED COM 133H

## **Unit Working Interest**

Permian Resources Operating, LLC	90.872765%
Sabinal Energy Operating, LLC	0.222934%
Davoil, Inc.	0.572873%
Great Western Drilling Ltd.	1.039763%
Javelina Partners	1.974833%
Lindy's Living Trust U/T/A 7/8/1994	1.595050%
Delmar Hudson Lewis Living Trust U/T/A 9/9/2002	1.595050%
Zorro Partners, Ltd	1.063367%
Ard Oil, Ltd	0.797525%
Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard	0.265842%
LLJ Ventures, LLC	Record Title
Total	100.000000%
Total Committed to Unit	90.872765%
Total Seeking to Pool	9.127236%
Parties Seeking to Pool	



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

**OFFICE** 432.695.4222 **FAX** 432.695.4063

June 12, 2024

Via Certified Mail

Sabinal Energy Operating, LLC 1780 Hughes Landing Blvd Ste 1200 The Woodlands, TX 77380

#### RE: Well Proposals – Outback 13-14 Fed Com All of Sections 13 & 14, T20S-R28E Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator, hereby proposes the drilling and completion of the following eight (8) wells, the Outback 13 14 Fed Com at the following approximate locations within Township 20 South, Range 28 East, Eddy Co., NM:

#### 1. Outback 13-14 Fed Com 131H

SHL: 433' FEL & 1,320' FNL of Section 13 (Unit Letter A) BHL: 10' FWL & 990' FNL of Section 13 FTP: 100' FEL & 990' FNL of Section 13 LTP: 100' FWL & 990' FNL of Section 13 TVD: Approximately 8,877' TMD: Approximately 14,162' Proration Unit: N/2N/2 of Section 13 Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See enclosed AFE

#### 2. Outback 13-14 Fed Com 132H

SHL: 403' FEL & 1,320' FNL of Section 13 (Unit Letter A) BHL: 10' FWL & 2,310' FNL of Section 14 FTP: 100' FEL & 2,310' FNL of Section 13 LTP: 100' FWL & 2,310' FNL of Section 14 TVD: Approximately 8,879' TMD: Approximately 19,164' Proration Unit: S/2N/2 of Sections 13 & 14 Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See enclosed AFE

#### 3. Outback 13-14 Fed Com 133H

SHL: 285' FEL & 2,066' FSL of Section 13 (Unit Letter I) BHL: 10' FWL & 1,650' FSL of Section 14 FTP: 100' FEL & 1,650' FSL of Section 13 LTP: 100' FWL & 1,650' FSL of Section 14 TVD: Approximately 8,875' TMD: Approximately 19,160' Proration Unit: N/2S/2 of Sections 13 & 14 Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See enclosed AFE

> Permian Resources Operating, LLC Case No. 24725 Exhibit A-4

#### 4. Outback 13-14 Fed Com 134H

SHL: 315' FEL & 2,067' FSL of Section 13 (Unit Letter I) BHL: 10' FWL & 330' FSL of Section 14 FTP: 100' FEL & 330' FSL of Section 13 LTP: 100' FWL & 330' FSL of Section 14 TVD: Approximately 8,875' TMD: Approximately 19,160' Proration Unit: S/2S/2 of Sections 13 & 14 Targeted Interval: 3<sup>rd</sup> Bone Spring Total Cost: See enclosed AFE

#### 5. Outback 13-14 Fed Com 201H

SHL: 373' FEL & 1,320' FNL of Section 13 (Unit Letter A) BHL: 10' FWL & 330' FNL of Section 14 FTP: 100' FEL & 330' FNL of Section 13 LTP: 100' FWL & 330' FNL of Section 14 TVD: Approximately 9,228' TMD: Approximately 19,513' Proration Unit: N/2N/2 of Sections 13 & 14 Targeted Interval: Wolfcamp Total Cost: See enclosed AFE

#### 6. Outback 13-14 Fed Com 202H

SHL: 343' FEL & 1,321' FNL of Section 13 (Unit Letter A) BHL: 10' FWL & 1,650' FNL of Section 14 FTP: 100' FEL & 1,650' FNL of Section 13 LTP: 100' FWL & 1,650' FNL of Section 14 TVD: Approximately 9,230' TMD: Approximately 19,515' Proration Unit: S/2N/2 of Sections 13 & 14 Targeted Interval: Wolfcamp Total Cost: See enclosed AFE

#### 7. Outback 13-14 Fed Com 203H

SHL: 255' FEL & 2,066' FSL of Section 13 (Unit Letter I) BHL: 10' FWL & 2,310' FSL of Section 14 FTP: 100' FEL & 2,310' FSL of Section 13 LTP: 100' FWL & 2,310' FSL of Section 14 TVD: Approximately 9,224' TMD: Approximately 19,509' Proration Unit: N/2S/2 of Sections 13 & 14 Targeted Interval: Wolfcamp Total Cost: See enclosed AFE

#### 8. Outback 13-14 Fed Com 204H

SHL: 225' FEL & 2,067' FSL of Section 13 (Unit Letter I) BHL: 10' FWL & 990' FSL of Section 14 FTP: 100' FEL & 990' FSL of Section 13 LTP: 100' FWL & 990' FSL of Section 14 TVD: Approximately 9,224' TMD: Approximately 19,509' Proration Unit: S/2S/2 of Sections 13 & 14 Targeted Interval: Wolfcamp Total Cost: See enclosed AFE The locations, TVDs, and targets are approximate and subject to change dependent on surface or subsurface issues encountered. Permian is proposing to drill these wells under the modified terms of the 1989 AAPL Operating Agreement and a form of said Operating Agreement is available upon request. The Operating Agreement has the following general provisions:

- 100%/300%/300% non-consent provisions
- \$10,000/\$1,000 drilling and producing rates
- Permian Resources Operating, LLC named as Operator

Please indicate your election to participate in the drilling and completion of the proposed wells on the enclosed ballot. Please sign and return one copy of this letter, signed copies of the proposed AFEs, a signed copy of the enclosed 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, Permian will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into spacing units for the proposed wells. If you do not wish to participate, Permian would be interested in acquiring your interest in the subject lands which is subject to further mutually agreeable negotiation.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.0209 or Kathryn Hanson by email at <u>Kathryn.hanson@permianres.com</u>.

Respectfully,

Ryan B Curry

Ryan Curry Senior Landman

Enclosures

ELECTIONS ON PAGE TO FOLLOW

#### Outback 13-14 Fed Com Elections:

<i>Well Elections:</i> (Please indicate your responses in the spaces below)				
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate		
Outback 13-14 Fed Com 131H				
Outback 13-14 Fed Com 132H				
Outback 13-14 Fed Com 133H				
Outback 13-14 Fed Com 134H				
Outback 13-14 Fed Com 201H				
Outback 13-14 Fed Com 202H				
Outback 13-14 Fed Com 203H				
Outback 13-14 Fed Com 204H				

Company Name (If Applicable):

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

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

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

## Participate / Rejection Declaration

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

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

Company Name (If Applicable):

\_\_\_\_\_

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

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

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



.

AFE Number:		Description:	SETIONS 13 & 14, T20S-R28E	
AFE Name:	OUTBACK 13-14 FED COM 133H	AFE TYPE:	Drill and Complete	
Well Operator:	PERMIAN RESOURCES OPERATING			
Operator AFE #:				
Account	<b>Description</b>			<u>Gross Est. (\$)</u>
Completion Intangit	ble			
8025.3500	ICC - WELLSITE SUPERVISION			\$56,700.00
8025.3400	ICC - RENTAL EQUIPMENT			\$202,410.00
8025.3700	ICC - SAFETY / ENVIRONMENTAL			\$15,000.00
8025.3800	ICC - OVERHEAD			\$10,000.00
8025.1100	ICC - ROAD, LOCATIONS, PITS			\$10,500.00
8025.3000	ICC - WATER HANDLING			\$199,134.00
8025.2500	ICC - WELL STIMULATION/FRACTUR			\$2,487,131.00
8025.2000	ICC - TRUCKING			\$14,375.00
8025.3050	ICC - SOURCE WATER			\$368,398.00
8025.1500	ICC - FUEL / POWER			\$647,517.00
8025.2300	ICC - COMPLETION FLUIDS			\$10,000.00
8025.2200	ICC - ELECTRIC LOGGING / PERFORATING			\$398,624.00
8025.1600	ICC - COILED TUBING			\$226,602.00
8025.2600	ICC - CONTRACT LABOR/ROUSTABOUT			\$15,000.00
8025.1400	ICC - WIRELINE OPEN/CASED HOLE			\$40,000.00
8025.3100	ICC - WELLHEAD/FRACTREE REPAIR			\$40,000.00
8025.1800	ICC - WATER DISPOSAL/VACUUM TRUCK			\$18,113.00
8025.3600	ICC - SUPERVISION/ENGINEERING			\$5,000.00
			Sub-total	\$4,764,504.00
Drilling Intangible				
8015.3200	IDC - CONTRACT LABOR/ROUSTABOUT			\$27,000.00
8015.1900	IDC - DIRECTNL DRILL & SURVEY			\$248,760.47
8015.1310	IDC - PERMANENT EASEMENT			\$12,000.00
8015.5200	IDC - CONTINGENCY			\$116,725.85
8015.2600	IDC - MUD LOGGING			\$35,000.00
8015.1400	IDC - ROAD, LOCATIONS, PITS			\$95,625.00
8015.4600	IDC - SAFETY / ENVIRONMENTAL			\$20,150.00
8015.3000	IDC - CEMENT SERV/FLOAT EQUIP			\$143,200.00
8015.1500	IDC - RIG MOB / TRUCKING			\$127,500.00
8015.3600	IDC - SOLIDS CONTROL/ CLOSED LOOP SYSTE	М		\$60,934.38
8015.3400	IDC - MATERIALS & SUPPLIES			\$5,000.00
8015.3800	IDC - WELLHEAD PREPARE/REPAIR			\$12,500.00
8015.4100	IDC - RENTAL EQUIPMENT			\$85,250.00
8015.4300	IDC - WELLSITE SUPERVISION			\$89,900.00
8015.1300	IDC - SURFACE DAMAGE / ROW			\$35,000.00
8015.1000	IDC - PERMITS,LICENSES,ETC			\$15,000.00
8015.1100	IDC - STAKING & SURVEYING			\$15,000.00
8015.2150	IDC - DRILL BIT			\$98,000.00
8015.2200	IDC - BITS, TOOLS, STABILIZERS			\$53,346.00
8015.3500	IDC - TRUCKING/VACUUM/ TRANSP			\$23,250.00

# Reserved by OCD: 7/31/2024 3:33:05 PM RESOURCES

Printed Date: Apr 17, 2024

RESOURCES		Printed Date: Apr 17, 2024	
<u>Account</u>	Description		<u>Gross Est. (\$)</u>
8015.2500	IDC - MUD/CHEMICALS/ACIDIZING		\$186,604.40
8015.1200	IDC - LEGAL, TITLE SERVICES		\$13,000.00
8015.4200	IDC - MANCAMP		\$40,300.00
8015.2350	IDC - FUEL/MUD		\$73,570.31
8015.3700	IDC - DISPOSAL		\$153,384.00
8015.2300	IDC - FUEL / POWER		\$165,305.08
8015.5000	IDC - WELL CONTROL INSURANCE		\$8,525.00
8015.3100	IDC - CASING CREW & TOOLS		\$47,500.00
8015.2700	IDC - INSPECTION, TESTING & REPAIR		\$37,000.00
8015.1600	IDC - RIG MOB / STANDBY RATE		\$36,300.00
8015.2400	IDC - RIG WATER		\$19,375.00
8015.2000	IDC - CONDUCTOR HOLE & SERVICE		\$47,812.50
8015.1700	IDC - DAYWORK CONTRACT		\$597,815.63
		Sub-total	\$2,745,633.62
Artificial Lift Intan	gible		
8060.1900	IAL - INSPECTION & TESTING		\$3,000.00
8060.3410	IAL - LAYDOWN MACHINE		\$5,000.00
8060.2010	IAL - KILL TRUCK		\$5,000.00
8060.2000	IAL - TRUCKING/VACUUM/TRANSP		\$5,000.00
8060.2600	IAL - CONTRACT LABOR/ROUSTABOUT		\$15,000.00
8060.1200	IAL - WORKOVER RIG		\$17,000.00
8060.1400	IAL - WIRELINE OPEN/CASED HOLE		\$10,000.00
8060.3500	IAL - WELLSITE SUPERVISION		\$5,000.00
8060.3420	IAL - REVERSE UNIT RENTAL		\$5,000.00
8060.3400	IAL - RENTAL EQUIPMENT		\$5,000.00
8060.2300	IAL - COMPLETION FLUIDS		\$5,000.00
Dinalina		Sub-total	\$80,000.00
Pipeline			¢25 004 00
8036.2200			\$35,904.00
8036.3200	PLN - VALVES FITTINGS & PIPE PLN - FLOWLINE MATERIAL		\$15,000.00 \$42,240.00
8036.2800 8036.1310	PLN - PEOWEINE MATERIAL PLN - PEMANENT EASEMENT		\$4,128.00
8030.1310	FLN - FLWANLNI LASLWLNI	Sub-total	\$97,272.00
Facilities		Sub-total	ψ <b>31,212.00</b>
8035.2200	FAC - CONTRACT LABOR / ROUSTAB		\$21,429.00
8035.1500	FAC - MATERIALS & SUPPLIES		\$2,143.00
8035.1600	FAC - TRANSPORTATION TRUCKING		\$4,286.00
8035.2100	FAC - INSPECTION & TESTING		\$714.00
8035.1900	FAC - WATER DISPOSAL / SWD		\$429.00
8035.3400	FAC - METER & LACT		\$14,500.00
8035.4400	FAC - COMPANY LABOR		\$1,429.00
8035.4500	FAC - CONTINGENCY		\$7,884.00
8035.3000	FAC - HEATER TREATER/SEPARATOR		\$110,000.00
8035.1700	FAC - RENTAL EQUIPMENT		\$7,143.00
8035.2400	FAC - SUPERVISION		\$8,571.00
8035.2500	FAC - CONSULTING SERVICES		\$714.00

## eived by OCD: 7/31/2024 3:33:05 PM RESOURCES

Printed Date: Apr 17, 2024

#### Description Gross Est. (\$) Account 8035.3600 FAC - ELECTRICAL \$10,714.00 FAC - VALVES FITTINGS & PIPE 8035.3200 \$57,143.00 8035.3700 FAC - AUTOMATION MATERIAL \$10,714.00 8035.3100 FAC - DEHYDRATOR EQUIPMENT \$12,857.00 Sub-total \$270,670.00 **Artificial Lift Tangible** 8065.2300 TAL - GAS LIFT INJECTION LINE & INSTALL \$80,000.00 8065.1100 TAL - TUBING \$125,000.00 8065.3100 TAL - MEASUREMENT EQUIPMENT \$30,000.00 8065.3200 TAL - COMM, TELEMETRY & AUTOMA \$10,000.00 TAL - WELLHEAD EQUIPMENT 8065.2000 \$60,000.00 8065.2400 TAL - COMPRESSOR INSTALL & STARTUP \$70,000.00 8065.1320 TAL - GAS LIFT EQUIPMENT/INSTALL \$30,000.00 TAL - VALVES/CONNECTIONS/FTGS 8065.2500 \$15,000.00 Sub-total \$420,000.00 **Flowback Intangible** 8040.4000 **IFC - CHEMICALS** \$15,000.00 8040.3430 **IFC - SURFACE PUMP RENTAL** \$20,000.00 8040.2900 IFC - WELL TESTING / FLOWBACK \$125,000.00 8040.1899 **IFC - FRAC WATER RECOVERY** \$215,000.00 8040.1100 IFC - ROADS LOCATIONS / PITS \$5,000.00 8040.2000 IFC - TRUCKING/VACUUM/TRANSP \$20,000.00 8040.3420 **IFC - TANK RENTALS** \$20,000.00 **IFC - WELLSITE SUPERVISION** 8040.3500 \$10,000.00 Sub-total \$430,000.00 **Completion Tangible** 8030.2000 **TCC - WELLHEAD EQUIPMENT** \$47,250.00 Sub-total \$47,250.00 **Drilling Tangible** 8020.1200 TDC - CASING - INTERMEDIATE - 1 \$102,905.25 8020.1400 **TDC - CASING - PRODUCTION** \$454,891.41 8020.1500 **TDC - WELLHEAD EQUIPMENT** \$63,750.00 8020.1100 TDC - CASING - SURFACE \$20,302.25 \$641,848.91 Sub-total Grand Total

\$9,497,178.53



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

#### **Outback – Chronology of Communication**

- June 12, 2024 Proposal to all parties sent.
- June 17, 2024 Email correspondence with Javelina Partners & Zorro Partners, Ltd regarding interest.
- June 20, 2024 Email correspondence with Sabinal Energy, LLC regarding interest.
- June 25, 2024 Email received from Delmar Hudson Lewis Trust requesting information on interest.
- June 27, 2024 Email received from Great Western Drilling requesting information on interest.
- July 2, 2024 Received Ard Oil's election to participate.
- July 2, 2024 Received Great Western Drilling's election to participate.
- July 23, 2024 Email correspondence with Javelina Partners & Zorro Partners regarding JOA.
- July 24, 2024 Email correspondence with Sabinal Energy, LLC regarding JOA.
- July 24, 2024 Email correspondence with Great Western Drilling regarding JOA.

Permian Resources Operating, LLC Case No. 24725 Exhibit A-5

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

## APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24724** 

## APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24725, 24726

#### SELF-AFFIRMED STATEMENT OF CHRIS CANTIN

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

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

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

4. Exhibit B-2 is a cross section location map for the proposed horizontal spacing units ("Units") within the Bone Spring formation. The approximate wellbore paths for the proposed Outback 13-14 Fed Com 132H, Outback 13-14 Fed Com 133H, and Outback 13-14 Fed Com 134H 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

Permian Resources Operating, LLC Case No. 24725 Exhibit B A-A' with the cross-section wells name and a black line in proximity to the proposed Wells. The pooling unit areas are defined by blue boxes and are labeled with their respective case numbers.

5. **Exhibit B-3** is a Subsea Structure map on the Bone Spring formation in TVD subsea with a contour interval of 100 ft. The map identifies the approximate wellbore paths for the proposed Wells with a red dashed line. It also identifies the location of the cross-section running from A-A' in proximity to the proposed Wells. The data points are indicated by red stars. 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-4** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-4. 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 Bone Spring formation. The proposed landing zones for the Wells are labeled on the exhibit. The approximate well-paths for the proposed Wells are indicated by a dashed line to be drilled from east to west across the units. This cross-section demonstrates the target intervals are continuous across the Unit.

7. **Exhibit B-5** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. The spacing units are defined by blue dashed boxes and are labeled with their respective case numbers.

8. 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.

9. 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.

10. In my opinion, granting the application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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

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

Chris Cantin

27/29/2024

Date

#### Received by OCD: 7/31/2024 3:33:05 PM

# Regional Locator Map Outback 13-14 Fed Com

Permian Resources Operating, LLC Case No. 24725 Exhibit B-1





Cross-Section Locator Map Outback 13-14 Fed Com Third Bone Spring Permian Resources Operating, LLC Case No. 24725 Exhibit B-2





# Wolfcamp (Base of Third Bone Spring) – Structure Map Outback 13-14 Fed Com 132H - 134H



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Stratigraphic Cross-Section A-A' Outback 13-14 Fed Com Third Bone Spring Permian Resources Operating, LLC Case No. 24725 Exhibit B-4





Received by OCD: 7/31/2024 3:33:05 PM

Gun Barrel Development Plan Outback 13-14 Fed Com Third Bone Spring Permian Resources Operating, LLC Case No. 24725 Exhibit B-5









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#### 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. 24725

## SELF-AFFIRMED STATEMENT OF DANA S. HARDY

 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 July 25, 2024, 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 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 handwritten next to my signature below.

/s/ Dana S. Hardy Dana S. Hardy <u>July 30, 2024</u> Date

> Permian Resources Operating, LLC Case No. 24725 Exhibit C

# HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

July 19, 2024

Page 34 of 64

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

## <u>VIA CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

## TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 24723, 24725 & 24726 – Applications of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.

Case No. 24724 – Application of Permian Resources Operating, LLC for Compulsory Pooling and Overlapping Spacing Unit, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **August 8**, **2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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 The statement must be submitted through the OCD E-Permitting system date. (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) via e-mail or 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.

> Permian Resources Operating, LLC Case No. 24725 Exhibit C-1

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

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XXXXXXXXXX

July 19, 2024 Page 2

If you have any questions about these applications, please contact Ryan Curry, Senior Landman at Permian Resources Operating, LLC, via email at <u>ryan.curry@permianres.com</u>.

Sincerely, /s/ Dana S. Hardy Dana S. Hardy

Enclosure

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

#### APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24723, 24725, 24726

## APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24724** 

## NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	<b>RETURN RECEIVED</b>
Ard Oil, Ltd	07/19/2024	07/29/24
P.O. Box 101027		
Fort Worth, TX 76102		
Davoil, Inc.	07/19/2024	07/25/24
6300 Ridglea Place, Suite 1208		
Fort Worth, TX 76116		
Frost Bank Trustee of the Josephine T.	07/19/2024	Per USPS Tracking
Hudson Testamentary Trust f/b/o J.		(Last Checked 07/30/24):
Terrell Ard		
640 Taylor Street, 17th Floor		07/22/24 – Delivered to
Fort Worth, TX 76102		agent.
Great Western Drilling Ltd.	07/19/2024	07/26/24
P.O. Box 1659		
Midland, TX 79701		
Javelina Partners	07/19/2024	07/29/24
616 Texas Street		
Fort Worth, TX 76102		
LLJ Ventures, LLC	07/19/2024	Per USPS Tracking
P.O. Box 3188		(Last Checked 07/30/24):
Roswell, NM 88202		
		07/29/24 – Individual
		picked up at post office.
Sabinal Energy Operating, LLC	07/19/2024	Per USPS Tracking
1780 Hughes Landing Blvd, Ste 1200		(Last Checked 07/30/24):
The Woodlands, Texas 77380		
		07/27/24 – Delivered to
		individual at the address.

Permian Resources Operating, LLC Case No. 24725 Exhibit C-2
#### STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION

#### APPLICATIONS OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOS. 24723, 24725, 24726

#### APPLICATION OF PERMIAN RESOURCES OPERATING, LLC FOR COMPULSORY POOLING AND OVERLAPPING SPACING UNIT, EDDY COUNTY, NEW MEXICO.

**CASE NO. 24724** 

### **NOTICE LETTER CHART**

Trustees of Lindy's Living Trust created	07/19/2024	Per USPS Tracking
by Trust Agreement dated July 8, 1994		(Last Checked 07/30/24):
215 West Bandera Road		
Suite 114-620		07/22/24 – Delivered to
Boerne, TX 78006		individual at the address.
Trustees of the Delmar Hudson Lewis	07/19/2024	Per USPS Tracking
Living Trust created by Trust Agreement		(Last Checked 07/30/24):
dated September 9, 2002		
901 Main Street		07/30/24 – Item in transit
Dallas, TX 75202		to destination.
Union Oil Company of California	07/19/2024	Per USPS Tracking
6301 Deauville		(Last Checked 07/30/24):
Midland, TX 79706		
		07/22/24 – Delivered to
		individual at the address.
Zorro Partners, Ltd	07/19/2024	Per USPS Tracking
616 Texas Street		(Last Checked 07/30/24):
Fort Worth, TX 76102		
		07/22/24 – Delivered to
		front desk, reception
		area, or mail room.



Permian Resources Operating, LLC Case No. 24725 Exhibit C-3

t n	For delivery information, visit our website at www.usps.com®.
t	OFFICIAL USE
	Certified Mail Fee
Ē	Extra Services & Fees (check box, add fee as appropriate)     Return Receipt (hardcopy)
	Return Receipt (electronic)
2	Certified Mail Restricted Delivery \$
	Adult Signature Required \$
'	Postage
	\$ NA 07501-2
-	Total Postage and Fees
ב	Sent To
	Davoil, Inc. Street and 6300 Ridgles Place Suite 1208
2	Street and 6300 Ridglea Place, Suite 1208 Fort Worth, TX 76116
-	City, State 24723-26 - PRO Outback BS





1



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul> <li>Complete items 1, 2, and 3.</li> <li>Print your name and address on the reverse so that we can return the card to you.</li> <li>Attach this card to the back of the mailpiece, or on the front if space permits.</li> </ul>	A. Signatural X. Concerned Agent B. Alceived by (Printed Name) C. Date of Delivery 7-24-24
1. Article Addressed to:	D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No
Great Western Drilling Ltd. P.O. Box 1659 Midland, TX 79701 24723-26 - PRO Outback BS	JUL 2 6 2024
	3. Service Type
9590 9402 8913 4064 1108 41	□ Adult Signature Hinkle Shanor ☐ Begistered Mail™ □ Adult Signature Restricted Deivery ☐ Registered Mail Restricted □ Certified Mail® Santa Fe NM 875©€ivery □ Certified Mail Restricted Delivery □ Signature Confirmation™ □ Collect on Delivery □ Signature Confirmation
89 0710 5870 8159 7454 33	Collect on Delivery Restricted Delivery Restricted Delivery     Insured Mail     Insured Mail Restricted Delivery     (over \$500)
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt







# **USPS Tracking**<sup>®</sup>

FAQs >

Remove X

# Tracking Number: 9589071052702159745495

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

## Latest Update

Your item has been delivered to an agent at the front desk, reception, or mail room at 2:35 pm on July 22, 2024 in FORT WORTH, TX 76102.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

### **Delivered to Agent**

Delivered to Agent, Front Desk/Reception/Mail Room

FORT WORTH, TX 76102 July 22, 2024, 2:35 pm

### Arrived at USPS Regional Facility

FORT WORTH TX DISTRIBUTION CENTER July 21, 2024, 4:43 pm

### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 20, 2024, 7:49 am

### Arrived at USPS Facility ALBUQUERQUE, NM 87101 July 19, 2024, 9:37 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\sim$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	
Track Another Package	
Enter tracking or barcode numbers	

# **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

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LŊ	For delivery	information, visit our website at www.usps.com®.	
77		FFICIAL USE	
0	Certified Mail Fee	CANTA FR	
л Г	\$ Extra Services & E	ees (check box, add fee as appropriate)	
пj	Return Receipt (h	hardcopy) \$	
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2	s · · · · · · · · · · · · · · · · · · ·		
	Sent To		
Г	Street and Apt.	LLJ Ventures, LLC P.O. Box 3188	
~	Sueel and Apt.	Roswell, NM 88202	
ŋ	City, State, ZIP	24723-26 - PRO Outback BS	

# **USPS Tracking**<sup>®</sup>

FAQs >

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# Tracking Number: 9589071052702159745501

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## Latest Update

Your item was picked up at the post office at 12:55 pm on July 29, 2024 in ROSWELL, NM 88201.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

**Delivered** Delivered, Individual Picked Up at Post Office ROSWELL, NM 88201 July 29, 2024, 12:55 pm

#### Available for Pickup

ROSWELL 415 N PENNSYLVANIA AVE ROSWELL NM 88201-9998 M-F 0830-1700; SAT 0900-1200 July 25, 2024, 8:26 am

#### Arrived at Post Office

ROSWELL, NM 88201 July 25, 2024, 8:24 am

#### **Departed USPS Regional Facility**

LUBBOCK TX DISTRIBUTION CENTER July 24, 2024, 9:59 pm

### Arrived at USPS Regional Facility

LUBBOCK TX DISTRIBUTION CENTER

### In Transit to Next Facility July 23, 2024

Departed USPS Facility ALBUQUERQUE, NM 87101 July 20, 2024, 7:49 am

#### Arrived at USPS Facility

ALBUQUERQUE, NM 87101 July 19, 2024, 9:37 pm

Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
See Less 🔨	

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# **Need More Help?**

Contact USPS Tracking support for further assistance.



#### Received by OCD: 7/31/2024 3:33:05 PM



# **USPS Tracking**<sup>®</sup>

FAQs >

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Feedback

# Tracking Number: 9589071052702159745419

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## Latest Update

Your item was delivered to an individual at the address at 11:18 am on July 27, 2024 in SPRING, TX 77380.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

Delivered Delivered, Left with Individual SPRING, TX 77380 July 27, 2024, 11:18 am

Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
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Track Another Package

Enter tracking or barcode numbers

# **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs



# **USPS Tracking**<sup>®</sup>

FAQs >

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Feedback

## Tracking Number: 9589071052702159745457

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## Latest Update

Your item was delivered to an individual at the address at 10:56 am on July 22, 2024 in BOERNE, TX 78006.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

**Delivered Delivered, Left with Individual** BOERNE, TX 78006 July 22, 2024, 10:56 am

#### Arrived at USPS Regional Facility

SAN ANTONIO TX DISTRIBUTION CENTER July 21, 2024, 12:32 pm

### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 20, 2024, 7:49 am

# Arrived at USPS Facility

ALBUQUERQUE, NM 87101 July 19, 2024, 9:37 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

Text & Email Updates	$\checkmark$
USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
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# **Need More Help?**

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FAQs

Received by OCD: 7/31/2024 3:33:05 PM



# **USPS Tracking**<sup>®</sup>

FAQs >

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Feedback

# Tracking Number: 9589071052702159745464

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## Latest Update

Your item departed our USPS facility in OKLAHOMA CITY OK DISTRIBUTION CENTER on July 30, 2024 at 8:00 am. The item is currently in transit to the destination.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

## Moving Through Network

**Departed USPS Regional Facility** 

OKLAHOMA CITY OK DISTRIBUTION CENTER July 30, 2024, 8:00 am

#### In Transit to Next Facility July 29, 2024

## Arrived at USPS Regional Facility

OKLAHOMA CITY OK DISTRIBUTION CENTER July 28, 2024, 8:31 am

### Insufficient Address

DALLAS, TX 75202 July 23, 2024, 8:51 am

## **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 20, 2024, 7:49 am



# **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

#### Received by OCD: 7/31/2024 3:33:05 PM



# **USPS Tracking**<sup>®</sup>

FAQs >

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Feedback

# Tracking Number: 9589071052702159745518

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## Latest Update

Your item was delivered to an individual at the address at 1:26 pm on July 22, 2024 in MIDLAND, TX 79706.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

Delivered Delivered, Left with Individual MIDLAND, TX 79706 July 22, 2024, 1:26 pm

Hide Tracking History

#### What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

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USPS Tracking Plus®	$\checkmark$
Product Information	$\checkmark$
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Track Another Package

Enter tracking or barcode numbers

# **Need More Help?**

Contact USPS Tracking support for further assistance.

FAQs

#### Received by OCD: 7/31/2024 3:33:05 PM



# **USPS Tracking**<sup>®</sup>

FAQs >

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# Tracking Number: 9589071052702159745471

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## **Latest Update**

Your item was delivered to the front desk, reception area, or mail room at 2:58 pm on July 22, 2024 in FORT WORTH, TX 76102.

#### Get More Out of USPS Tracking:

USPS Tracking Plus<sup>®</sup>

**Delivered Delivered, Front Desk/Reception/Mail Room** FORT WORTH, TX 76102 July 22, 2024, 2:58 pm

Arrived at USPS Regional Facility FORT WORTH TX DISTRIBUTION CENTER July 21, 2024, 4:43 pm

#### **Departed USPS Facility**

ALBUQUERQUE, NM 87101 July 20, 2024, 7:49 am

## Arrived at USPS Facility

ALBUQUERQUE, NM 87101 July 19, 2024, 9:37 pm

Hide Tracking History

What Do USPS Tracking Statuses Mean? (https://faq.usps.com/s/article/Where-is-my-package)

1/2

Text & Email Updates	$\checkmark$
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Product Information	$\checkmark$
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Contact USPS Tracking support for further assistance.

FAQs

#### AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 94

Ad Number:	6610
Description:	Outback 24725
Ad Cost:	\$141.66

Nicole Bitton, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

July 25, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

NBitton	0.5%
Agent	11111
Subscribed to and sworn to me t	NIS 25 <sup>th</sup> day of July 2024. KELLI METZGER ONOTARY PUBLIC, STATE OF OHIO MYCOMMISSION EXPIRES OCTOBER 19, 2024
Notary Public Vanuer County OWI	
ID#: My commission expires: Oct ·	19,2024

Hinkle Shanor, Llp Pobox 2068 Santa Fe, NM 87504

> Permian Resources Operating, LLC Case No. 24725 Exhibit C-4

#### LEGAL NOTICE

This is to notify all interested parties, including Ard Oil, Ltd; Davoil, Inc.; Frost Bank Trustee of the Josephine T. Bank Trustee of the Josephine T. Hudson Testamentary Trust f/b/o J. Terrell Ard; Great Western Drilling Ltd.; Javelina Partners; LLJ Ventures, LLC; Sabinal Energy Operating, LLC; Trustees of the Delmar Hudson Lewis Living Trust created by Trust Agreement dated September 9, 2002; Trustees of Living Trustees of Lindy's Living Trust created by Trust Agreement dated July 8, 1994; Union Oil Company of Califor-Union Oil Company of Califor-nia; Zorro Partners, Ltd; 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. 24725). The hearing will be conducted on hearing will be conducted on August 8, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Min-erals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe. NM 87505. To participate virtually see the participate virtually, see the instructions posted on the OCD Hearings website: https://www. rearings website: https://www. emmrd.nm.gov/ocd/hearing-info/. Permian Resources Op-erating, LLC ("Applicant") (OGRID No. 372165) applies for an order pooling all uncommitted interests in the Third Bone Spring interval of the Bone Spring formation the Bone Spring formation underlying a 320-acre, more or less, standard horizontal spacress, standard horizontal spac-ing unit comprised of the N/2 S/2 of Sections 13 and 14, Township 20 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Outback 13-14 Fed Com 133H well ("Well"), which will be drilled from a surface hole location in ("Well"), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 13 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 14. The completed interval of the Well will be orthodox. Due to a depth severance within the Unit. Applicant seeks to pool uncommitted interests from the top of the Third Bone Spring interval at a stratigraphic equivalent of approximately 7,988' MD to the base of the Third Bone Spring interval at a stratigraphic equivalent of approximately 9,150' MD as shown on the Yates-Federal #2 (API # 30-015-20970) well log. Also to be considered will be Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 15 miles northeast of Carlsbad, New Mexico.

6610-Published in the Carlsbad Current-Argus on July 25, 2024.