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

CASE NO. 24751

NOTICE OF AMENDED EXHIBITS

In accordance with the Division's request at the November 21, 2024 hearing, Permian

Resources Operating, LLC is providing the attached amended exhibit packet, which includes an

updated chronology of contacts with the pooled parties, Exhibit A-5.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for Permian Resources Operating, LLC*

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Notice of Amended Exhibits was sent to the following counsel of record on November 27, 2024.

Jordan Kessler EOG Resources, Inc. 125 Lincoln Ave., Suite 213 Santa Fe, NM 87501 Phone: (432) 488-6108 Jordan_kessler@eogresources.com

/s/ Dana S. Hardy

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

CASE NO. 24751

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Travis Macha
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 & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Christopher 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 Diagram
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Notice Letter to All Interested Parties Sent July 31, 2024
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for August 8, 2024

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 24751	APPLICANT'S RESPONSE
Date	November 7, 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:	EOG Resources, Inc.
Well Family	Morbucks
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 (Only if NSP is requested):	Hackberry, NW; Bone Spring (Code 97020)
Well Location Setback Rules (Only if NSP is Requested):	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	280 acres
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	NW/4 SE/4 and N/2 SW/4 of Section 25, and the N/2 S/2 of Section 26, Township 19 South, Range 30 East, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	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	Morbucks 25-26 Federal Com 123H (API # pending) SHL: 1258' FSL & 1422' FEL (Unit O), Section 25, T19S-R30E BHL: 1980' FSL & 100' FWL (Unit L), Section 26, T19S-R30E Completion Target: Bone Spring (Approx. 8,904' TVD)
Released to Imaging: 11/27/2024 4:16:47 PM AFE Capex and Operating Costs	•

Production Supervision Costs \$1,000 Justification for Supervision Costs Exhibit A-4 Requested Risk Charge 200% Notice of Hearing 200% Proposed Notice of Hearing Exhibit A-1 Proof of Vallied Notice of Hearing (10 days before hearing) Exhibit K-4 Ownership Schematic of the Spacing Unit Exhibit K-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) 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 percentage above & below) N/A Junicatable Parties to be Pooled N/A Ownership Depth Severance (Including percentage above & below) N/A Joinder Exhibit A-4 Sample Copy of Proposal Letter Exhibit A-4 Cost Estimate to Drill and Complete Exhibit A-4 Cost Estimate to Equip Viell Exhibit B-4 Goolgy Exhibit B-1 Sumary (Including special considerations) Exhibit B-4 Goolgy Exhibit B-1 Summary (Including Special considerations) Exhibit B-1 Goolgy Exhibit B Summary (Including special con	Received by OCD: 11/27/2024 8:07:41 AM	Page 5 of 50
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C-102Exhibit A-4TractsExhibit A-3Summary of Interests, Unit Recapitulation (Tracts)Exhibit A-3General Location Map (including basin)Exhibit B-1Well Bore Location MapExhibit B-2	Depth Severance Discussion	N/A
TractsExhibit A-3Summary of Interests, Unit Recapitulation (Tracts)Exhibit A-3General Location Map (including basin)Exhibit B-1Well Bore Location MapExhibit B-2	Forms, Figures and Tables	
Summary of Interests, Unit Recapitulation (Tracts)Exhibit A-3General Location Map (including basin)Exhibit B-1Well Bore Location MapExhibit B-2	C-102	Exhibit A-4
General Location Map (including basin) Exhibit B-1 Well Bore Location Map Exhibit B-2	Tracts	Exhibit A-3
Well Bore Location Map Exhibit B-2	Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
	General Location Map (including basin)	Exhibit B-1
Structure Contour Map - Subsea Depth Exhibit B-3	Well Bore Location Map	Exhibit B-2
	Structure Contour Map - Subsea Depth Released to Imaging: 11/27/2024 4:16:47 PM	Exhibit B-3

Structure Contour Map - Subsea Depth Released to Imaging: 11/27/2024 4:16:47 PM

<u>Received by OCD: 11/27/2024 8:07:41 AM</u>	Page	e 6 of 50
Cross Section Location Map (including wells)	Exhibit B-2	
Cross Section (including Landing Zone)	Exhibit B-4	
Additional Information		
Special Provisions/Stipulations	N/A	
CERTIFICATION: I hereby certify that the information prov	vided 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:	10/29/2024	

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

CASE NO. 24751

SELF-AFFIRMED STATEMENT OF TRAVIS MACHA

1. I am a the New Mexico Land Lead for 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 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 280-acre, more or less, standard horizontal spacing unit comprised of the NW/4 SE/4 and N/2 SW/4 of Section 25, and the N/2 S/2 of Section 26, Township 19 South, Range 30 East, Eddy County, New Mexico ("Unit").

5. The Unit will be dedicated to the **Morbucks 25-26 Federal Com 123H** well ("Well"), which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 25, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 26.

6. The Well will be completed in the Hackberry, NW; Bone Spring pool (Code 97020).

Permian Resources Operating, LLC Case No. 24751 Exhibit A 7. The completed interval of the Well will be orthodox.

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

9. **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.

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

11. **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.

12. In my opinion, Permian Resources 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**.

13. Permian Resources requests that it be designated as operator of the Unit and the Well.

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

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

2

16. 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.

17. 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.

Travis Macha

<u>10/28/2024</u> Date

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

CASE NO. 24751

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 Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the NW/4 SE/4 and N/2 SW/4 of Section 25, and the N/2 S/2 of Section 26, Township 19 South, Range 30 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 **Morbucks 25-26 Federal Com 123H** well ("Well"), which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 25, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 26.

3. The completed interval of the Well 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 Well 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.

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying

Permian Resources Operating, LLC Case No. 24751 Exhibit A-1 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 22, 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 Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Applicant 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 Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

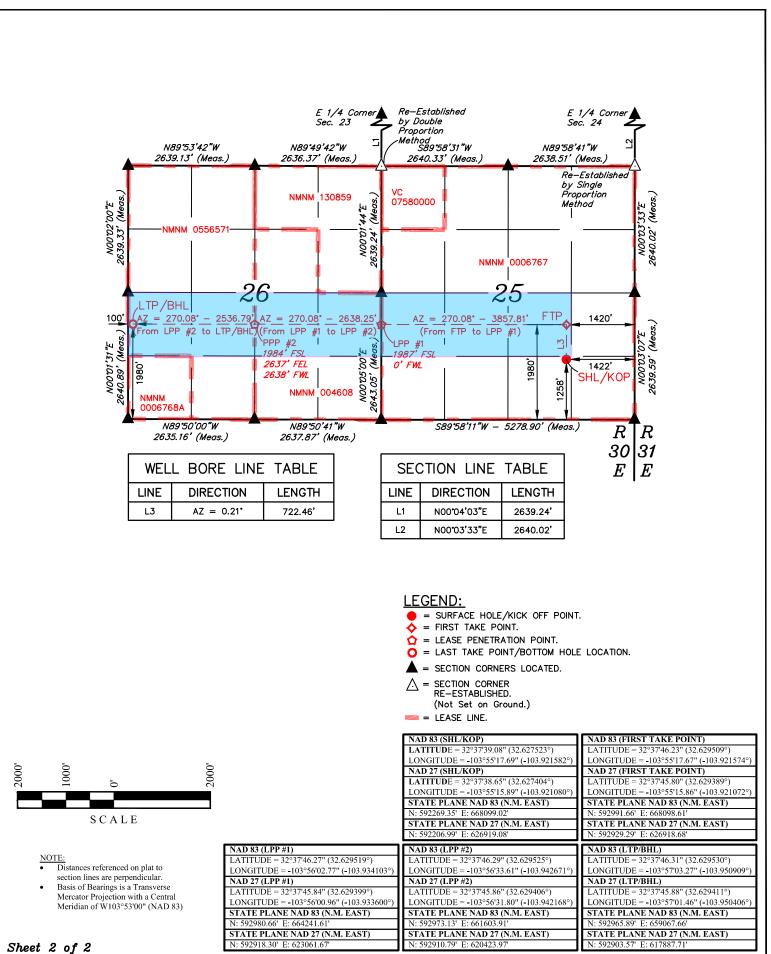
Dana S. Hardy Jaclyn M. McLean P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com *Counsel for Permian Resources Operating, LLC* **Application of Permian Resources Operating, LLC for Compulsory Pooling, Eddy County, New Mexico.** Permian Resources Operating, LLC ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the NW/4 SE/4 and N/2 SW/4 of Section 25, and the N/2 S/2 of Section 26, Township 19 South, Range 30 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Morbucks 25-26 Federal Com 123H** well ("Well"), which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 25, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 26. The completed interval of the Well will be orthodox. 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 23 miles northeast of Carlsbad, New Mexico.

ived b	y OCD: 1	1/27/2024 8	8;07:41 AN	1			Permi	ian Res	ources Opera	ting LL
<u>C-10</u>	<u>12</u>		_		State of Ne			No. 247	51 Revi	sed July 9, 2024
	-1		En	ergy, M	inerals & Natura	al Resources Depart ΓΙΟΝ DIVISION	ment Exhib	it A-2		
Submit Electronically Via OCD Permitting			UIL	CONSERVA	TION DIVISION			Initial Submit	tal	
	5							Submittal Type:	Amended Rep	oort
								Type:	As Drilled	
WELLLOC					WELL LOCAT	FION INFORMATION				
API Nı	umber		Pool Code			Pool Name				
ALLIN	unider		[97020]			HACKBERRY; BONI	E SPRING N	W (O)		
Propert	ty Code		Property N	ame					Well Number	
OCDIE				T	MORBU	JCKS 25-26 FED			123 Ground Level El	
ogrie 37216			Operator N	lame	PERMIAN RESOU	JRCES OPERATING, I	LC		Ground Level El	
Surface	e Owner: 🗖	State □Fee □] Tribal 🗹 Fe	deral		Mineral Owner: 🗆	State □ Fee	🗆 Tribal 🖌		
	1	1	1	_		ace Location	1			1
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N	í I	longitude (NAD 83)	
0	25	198	30E		1258 SOUTH	1422 EAST	32.6275	523°	-103.921582°	EDDY
		·			Bottom	Hole Location				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		ongitude (NAD 83)	
L	26	19S	30E		1980 SOUTH	100 WEST	32.6295	530°	-103.950909°	EDDY
		1						I		
Dedica	ted Acres	Infill or Defi	ining Well	Definir	ng Well API	Overlapping Spacin	g Unit (Y/N)	Consolida	tion Code	
280.0	0	DEFINING	6							
Order 1	Numbers.	1		•		Well setbacks are un	der Common	Ownership:	□Yes □No	
		<u> </u>	-	1.		Off Point (KOP)	1			~
UL O	Section 25	Township 19S	Range 30E	Lot	Ft. from N/S	Ft. from E/W	Latitude (N 32.6275		ongitude (NAD 83) -103.921582°	
0	25	195	30E		1258 SOUTH	1422 EAST	32.02/3	525	-103.921382*	EDDY
	_	1			1	ake Point (FTP)				1
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		ongitude (NAD 83)	
J	25	198	30E		1980 SOUTH	1420 EAST	32.6295	509°	-103.921574°	EDDY
			-		Last Ta	ake Point (LTP)				
UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude (N		ongitude (NAD 83)	
L	26	19S	30E		1980 SOUTH	100 WEST	32.6295	530°	-103.950909°	EDDY
		1		•	-			I		
Unitize	ed Area or Ai	ea of Uniform	Interest	Spacing	g Unit Type 🗹 Horiz	zontal 🗖 Vertical	Grou	nd Floor Ele	evation: 3459.4'	
									0.000.	
OPER /	ATOR CERT	IFICATIONS				SURVEYOR CERTIF	CATIONS			
								PULO		
		e information con ef , and, if the we			mplete to the best of l well, that this	I hereby certify that the we surveys made by me or und	ll location shown ler mysupervisie	n. ana thai th	was plotted from the fie the same is true and corr	ld notes of actual ect to the best of
organiza	ation either ow	ns a working inte	rest or unleased	mineral int	erest in the land	my belief.		N MEX,	1 m	,
location	pursuant to a		owner of a work	ing interest	or unleased mineral			\frown	6	
	or to a volunte by the division		ment or a comp	ulsory pooli	ng order heretofore		12 X	23782	N &	
			coutify that this	ouconizatio	a has accound the		Vene	m	CH124	
consent	of at least one	lessee or owner o	of a working inte	erest or unle	n has received the ased mineral interest			7–19–24		
		get pool or forma or obtained a co			he well's completed n the division.		0.8	ONAL	SUL	
114	DOIL)UE	STALLA	11/1/20					MAL		
	unt T	INNUM		124		Signature and Seal of Profe	ssional Surveyor			
<u>HDI</u>	Signature Date					Signature and Seat OF FIOIe	ssionar Surveyor			
<u>HD</u> Signatur	0	Ashley Brown								
Ŭ	() ay Brown		<u></u>			23782	April 13, 2	023		
Ŭ						23782 Certificate Number	April 13, 20 Date of Surve			
Ashle Printed 1	Name	permianres.	com							

Note: No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

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Received by OCD: 11/27/2024 8:07:41			Page 14 of 5	0
Property Name	Well Number	Drawn By	Revised By	
MORBUCKS 25-26 FED	123H	N.D.T. 04-18-23	REV. 2 Z.L. 07-19-24 (FORM UPDATE)	



Section 26

0

/I <u>(</u> 79.271%

3.42% 0.891%

3.084%

0.846%

0.846%

1.119%

0.564%

0.141%

0.105%

6.125%

2.488%

7R

wı

Unit Capitulation (INCLUDES Contractual Interest)

Owner

Ard Oil Itd (and its successors, Llano, DSD, Calvary)*

Permian Resources Operating LLC Occidental Petroleum LP

Delmar Hudson Lewis Liv Trust

Josephine Hudson Test. Trust

Ellipsis Oil & Gas, Inc.

Lindy's Living Trust

Javelina Partners Zorro Partners

Chevron USA Inc

EOG Resources Inc

Tandem Oil Company

PBEX LLC

Morbucks 25 26 Federal Com 123H

Owner	Pooling?	Owner Type	Comments	
Permian Resources Operating LLC	N/A	WI/RT		
Sccidental Petroleum LP	Y	WI		
Ulipsis Oil & Gas, Inc.	N	WI	Seeking Com Signatures	
And Oil Itd* (And successors)	Y	WI		
🖬 ndy's Living Trust	Y	WI		F
elmar Hudson Lewis Liv Trust	Y	WI		C
PBEX LLC	Y	WI		IН
Javelina Partners	N	WI	Seeking Com Signatures	E
Zorro Partners	N	WI	Seeking Com Signatures	4
Prime Rock Resources	Y	WI		lι
Tandem Oil Company	Y	WI		Ī
Chevron USA Inc	Y	WI		⊢
EOG Resources Inc	Y	WI		F
Thomas E Schneider LLC	N/A	RT	Seeking Com Signatures	J
Tom Schneider LLC	N/A	RT	Seeking Com Signatures	Z
Shackelford Oil Company	N/A	RT	Seeking Com Signatures	
Mary T Ard	Y	See Notes	Pooling out of caution -Ard Oil Title discrpancy	IJ
Julian Ard	Y	RT		
RKI Exploration & Production	Y	RT		

Tract Capitulation (LEAS	EHOLD Interest - N	lot Contractual)
Owner	Sec 25: SW	Sec 25: W2SE	Sec 26: S2
Permian Resources Operating LLC	0.53109775	0.21851375	1
Occidental Petroleum LP	0.143448	0.23911	(
Ellipsis Oil & Gas, Inc.	0.036834	0.06128	(
Ard Oil Itd*	0.12746503	0.212475	(
Lindy's Living Trust	0.03498206	0.05831	(
Delmar Hudson Lewis Liv Trust	0.03498206	0.05831	(
PBEX LLC	0.01872825	0.03121625	(
Javelina Partners	0.04331112	0.07219332	(
Zorro Partners	0.02332137	0.03887332	(
Josephine Hudson Test. Trust	0.00583036	0.00971836	(

Y						
Y	RT					
			Section 25			
cks 2	5 26 F	ederal Co	om 123H Spacii	ng		
cks 2	25 26 F	ederal Co	om 124H Spaci	ng		
	cks 2		v RT cks 25 26 Federal Co	Y RT Section 25 Cks 25 26 Federal Com 123H Spacin	Y RT	Y RT Section 25 cks 25 26 Federal Com 123H Spacing

*Ard Oil term assigned a partial interest after proposals to Llano, DSD, and Calvary – PR ahs been in contact

D NWNW	C NENW	B NWNE	A NENE	D NWNW	C NENW	B NWNE	A NENE
e swnw	F SENW	G SWNE	H SENE	swnw	F SERW	G SWNE	H SENE
L NWSW	K NESW	J NWSE	T19S-	R 30E NWSW	K NESW	J NWSE	i NESE
M SWSW	N SESW	0 SWSE	sese 26	M SWSW	N SESW	O SWSE	sese 25
Lease # NMN	NM 0006767	Lease # NM	NM 004608	Lease # NM	NM 0556571	Lease # NN	INM 0006768 A



300 N. MARIENFELD STREET, SUITE 1000 MIDLAND, TX 79701 **OFFICE** 432.695.4222 **FAX** 432.695.4063

October 29, 2024

Via Certified Mail

Chevron USA Inc 6301 Deauville Blvd Midland, TX 79706

RE: Well Proposals – Morbucks 25-26 Fed Com Proposals S2 of Section 26, SW/4 and W2SE of Section 25 T19S-R30E Eddy County, New Mexico

To Whom It May Concern:

Permian Resources Operating, LLC ("Permian"), as operator for Colgate Production, LLC, hereby proposes the drilling and completion of the following six (6) wells, the Morbucks 25-26 Federal Com wells at the following approximate locations within Township 19 South, Range 30 East, Eddy Co., NM:

FIRST BONE SPRING FORMATION:

 Morbucks 25-26 Federal Com 113H SHL: 1,319' FSL & 1,446' FEL (or at a legal location in Unit O) of Section 25 FTP: 1,420' FEL & 1,980' FSL of Section 25 LTP: 100' FWL & 1,980' FSL of Section 26 BHL: 10' FWL & 1,980' FSL of Section 26 Standard Spacing Unit: NWSE, N2SW of Section 25 N2S2 of Section 26, T19S-R30E TVD: 7,958' TMD: 16,543'

2. Morbucks 25-26 Federal Com 114H

SHL: 1,288' FSL & 1,433' FEL (or at a legal location in Unit O) of Section 25
FTP: 1,420' FEL & 660' FSL of Section 25
LTP: 100' FWL & 660' FSL of Section 26
BHL: 10' FWL & 660' FSL of Section 26
Standard Spacing Unit: SWSE, S2SW of Section 25 S2S2 of Section 26, T19S-R30E
TVD: 7,958'
TMD: 16,543'

Continued Next Page.

Permian Resources Operating, LLC Case No. 24751 Exhibit A-4



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

SECOND BONE SPRING FORMATION:

Morbucks 25-26 Federal Com 123H SHL: 1,258' FSL & 1,421' FEL (or at a legal location in Unit O) of Section 25 FTP: 1,420' FEL & 1,980' FSL of Section 25 LTP: 100' FWL & 1,980' FSL of Section 26 BHL: 10' FWL & 1,980' FSL of Section 26 Standard Spacing Unit: NWSE, N2SW of Section 25 N2S2 of Section 26, T19S-R30E TVD: 8,904' TMD: 17,489'

4. Morbucks 25-26 Federal Com 124H

SHL: 1,227' FSL & 1,408' FEL (or at a legal location in Unit O) of Section 25
FTP: 1,420' FEL & 660' FSL of Section 25
LTP: 100' FWL & 660' FSL of Section 26
BHL: 10' FWL & 660' FSL of Section 26
Standard Spacing Unit: SWSE, S2SW of Section 25 S2S2 of Section 26, T19S-R30E
TVD: 8,906'
TMD: 17,491'

THIRD BONE SPRING FORMATION:

5. Morbucks 25-26 Federal Com 133H

SHL: 1,197' FSL & 1,396' FEL (or at a legal location in Unit O) of Section 25
FTP: 1,420' FEL & 1,980' FSL of Section 25
LTP: 100' FWL & 1,980' FSL of Section 26
BHL: 10' FWL & 1,980' FSL of Section 26
Standard Spacing Unit: NWSE, N2SW of Section 25 N2S2 of Section 26, T19S-R30E
TVD: 9,830'
TMD: 18,415'

6. Morbucks 25-26 Federal Com 134H

SHL: 1,166' FSL & 1,383' FEL (or at a legal location in Unit O) of Section 25
FTP: 1,420' FEL & 660' FSL of Section 25
LTP: 100' FWL & 660' FSL of Section 26
BHL: 10' FWL & 660' FSL of Section 26
Standard Spacing Unit: SWSE, S2SW of Section 25 S2S2 of Section 26, T19S-R30E
TVD: 9,831'
TMD: 18,416'



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

OFFICE 432.695.4222 **FAX** 432.695.4063

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 enclosed. 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.

Please further note that it is the intention of Colgate Production, LLC to relinquish all interest in this unit unto its parent company, Permian Resources Operating, LLC in the near future.

Thank you for your time and consideration, if you have any questions at all, please don't hesitate to contact me at 432.400.0188 or by email at mason.maxwell@permianres.com

Respectfully,

ManyMound

Mason Maxwell Landman

Enclosures

ELECTIONS ON PAGE TO FOLLOW.



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

Morbucks 25-26 Fed Com Elections:

Well Elections:						
(Please indicate yo	(Please indicate your responses in the spaces below)					
Well(s)	Elect to Participate	Elect to <u>NOT</u> Participate				
Morbucks 25-26 Fed Com 113H						
Morbucks 25-26 Fed Com 114H						
Morbucks 25-26 Fed Com 123H						
Morbucks 25-26 Fed Com 124H						
Morbucks 25-26 Fed Com 133H						
Morbucks 25-26 Fed Com 134H						

Company Name (If Applicable):

By: _____

Printed Name: _____

Date: _____



300 N. MARIENFELD STREET, SUITE 1000 MIDLAND, TX 79701 **OFFICE** 432.695.4222 **FAX** 432.695.4063

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:	
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Page 20 of 50

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Permian Resources Operating, LLC 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:	9.1.23	AFE NO.:	1
WELL NAME:	Morbucks 25-26 Federal Com 123H	FIELD:	Hackberry; Bone Spring, NW
LOCATION:	Section 25, T19S-R30E	MD/TVD:	17,489' / 8,904'
COUNTY/STATE:	Eddy Co., NM	LATERAL LENGTH:	8,750'
Permian WI:		DRILLING DAYS:	19.0
GEOLOGIC TARGET:	SBSG	COMPLETION DAYS:	19
	Drill a horizontal SBSG well and complete	e with 44 stages. AFE includes drilling, completions, f	flowback and Initial AL

REMARKS:

install cost

INTANGIBLE COSTS	DRILLING COSTS	COMPLETION COSTS	PRODUCTION COSTS	TOTAL COSTS
1 Land / Legal / Regulatory \$	51,607	-	- 5	51,607
2 Location, Surveys & Damages	251,699	15,786	12,143	279,628
4 Freight / Transportation	39,258	36,732		75,990
5 Rental - Surface Equipment	102,919	186,635	7,431	296,985
6 Rental - Downhole Equipment	166,427	43,244		209,670
7 Rental - Living Quarters	40,258	52,760		93,018
10 Directional Drilling, Surveys	340,372			340,372
11 Drilling	662,215			662,215
12 Drill Bits	100,397	-	-	100,397
13 Fuel & Power	165,075	653,583	-	818,658
14 Cementing & Float Equip	228,518	-	-	228,518
15 Completion Unit, Swab, CTU	-	-	14,571	14,571
16 Perforating, Wireline, Slickline	-	366,135	21,857	387,992
17 High Pressure Pump Truck	-	107,707	-	107,707
18 Completion Unit, Swab, CTU	-	111,987	-	111,987
20 Mud Circulation System	91,425	-	-	91,425
21 Mud Logging	16,216	-	-	16,216
22 Logging / Formation Evaluation	6,302	7,286	-	13,588
23 Mud & Chemicals	302,668	367,445	-	670,113
24 Water	51,485	595,936	-	647,421
25 Stimulation	-	714,674	-	714,674
26 Stimulation Flowback & Disp	-	124,008	-	124,008
28 Mud / Wastewater Disposal	190,625	53,428	-	244,053
30 Rig Supervision / Engineering	105,229	123,948	5,829	235,005
32 Drlg & Completion Overhead	9,107		-	9,107
35 Labor	143,001	60,714	24,286	228,000
54 Proppant	-	1,079,378	-	1,079,378
95 Insurance	10,890	-	-	10,890
97 Contingency	-	21,440	8,612	30,052
99 Plugging & Abandonment	-	-	-	-
TOTAL INTANGIBLES >	3,075,692	4,722,826	94,728	7,893,24
	DRILLING	COMPLETION	PRODUCTION	TOTAL
TANGIBLE COSTS	COSTS	COSTS	COSTS	COSTS
60 Surface Casing \$	41,774	-	- 5	4 1,774
61 Intermediate Casing				
	79,416	-	-	
62 Drilling Liner	141,346	-	<u> </u>	141,346
63 Production Casing				141,346 541,575
63 Production Casing 64 Production Liner	141,346		- - - - -	141,346 541,575 -
63 Production Casing 64 Production Liner 65 Tubing	141,346 541,575 -			141,346 541,575 - 66,785
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead	141,346 541,575 - - 83,664		62,171	141,346 541,575 - 66,785 145,835
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers	141,346 541,575 -		62,171 9,107	141,346 541,575 - 66,785 145,835 21,978
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks	141,346 541,575 - - 83,664		62,171	141,346 541,575 - 66,785 145,835 21,978
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels	141,346 541,575 - - 83,664		62,171 9,107 20,036	141,346 541,575 - 66,785 145,835 21,978 20,036
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107	141,346 541,575 - 66,785 145,835 21,978 20,036
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string	141,346 541,575 - - 83,664		62,171 9,107 20,036 15,178	66,785 145,835 21,978 20,036 - 15,178
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 15,178 48,571	141,346 541,575 66,785 145,835 21,978 20,036 - - 15,178 - 48,571
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 15,178	141,346 541,575 - 66,785 145,835 21,978 20,05 - 15,178
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - 15,178 - - 48,571 51,607
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 15,178 48,571	141,346 541,575 66,785 145,835 21,978 20,036 - - 15,178 - 48,571
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - 15,178 - - 48,571 51,607
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - 15,178 - - 48,571 51,607
63 Production Casing 64 Production Liner 65 Tubing 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 - 66,785 145,835 21,978 20,036 - 15,178 - 48,571 51,607 - 6,071
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - 15,178 - - 48,571 51,607 - - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - 15,178 - - 48,571 51,607 - - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,835 21,978 20,036 - - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 - 66,785 21,978 20,036 - - - 48,571 51,607 - - - 25,500 - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 21,978 20,036 - - 15,178 - 48,571 51,607 - - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 78 Gas Conditioning / Dehydration 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,875 21,978 20,036 - - - 48,571 51,607 - - - - 25,500 - - - - - - - - - - - - - - - - - -
63 Production Casing 64 Production Liner 65 Tubing 66 Wellhead 67 Packers, Liner Hangers 68 Tanks 69 Production Vessels 70 Flow Lines 71 Rod string 72 Artificial Lift Equipment 73 Compressor 74 Installation Costs 75 Surface Pumps 76 Downhole Pumps 77 Measurement & Meter Installation 79 Interconnecting Facility Piping 80 Gathering / Bulk Lines 81 Valves, Dumps, Controllers 82 Tank / Facility Containment 83 Flare Stack 84 Electrical / Grounding 85 Communications / SCADA	141,346 541,575 - - 83,664 12,871 - - -		62,171 9,107 20,036 	141,346 541,575 66,785 145,875 21,978 20,036 - - - 48,571 51,607 - - - - 25,500 - - - - - - - - - - - - - - - - - -

PREPARED BY Permian Resources Operating, LLC:

TREPARED DT Terman Resource	es Operating, EEC.		
Drilling Engineer:	PS		
Completions Engineer:	ML		
Production Engineer:	TD		
Permian Resources Operating, LL	C APPROVAL:		
Co-CEO		Co-CEO	VP - Operations
	WH	JW	CRM
VP - Land & Legal		VP - Geosciences	
	BG	SO	
NON OPERATING PARTNER A	PPROVAL:		
Company Name:		Working Interest (%):	Tax ID:
Signed by:		Date:	
Title:		Approval: Y	es No (mark one)
The costs on this AFE are estimates only and may not be construed a	as ceilings on any specific item or the total co	st of the project. Tubing installation approved under the AFE may be delayed up to a year after the we	Il has been completed. In executing this AFE, the Participant agrees to pay its

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Morbucks- Contact Chronology



January 2023:	PR acquired Morbucks Assets/acreage position	
February 2023:	Correspondence with Shackelford (RT owner, Operator of vertical well in Section 25)	
May 2023:	Morbucks Drill Island and Potash DA notice sent out to all parties	
	Notice being sent to 73 separate parties inside and surrounding the Morbucks unit. Included as well in the DA notice were the two initial wellbores.	
July 2023:	Morbucks DI and DA approved – PR designated as operator by BLM	
	Correspondence with the BLM on lease files	
August 2023:	Correspondence with Ard Oil	
October 2023-January 2024:	Well proposals sent to all parties/further title/diligence conducted	
December 2023:	Javelina/Zorro JOAs signed – Need Coms to drop from pooling	
	Lindy's Living Trust, Javelina, Zorro – Consents to wells	
January 2024:	Ellipsis JOA signed – Need Com to drop from pooling	
	JOA negotiations with PBEX	
	JOA negotiations with Occidental	
April 2024:	Correspondence with Occidental & Ard	
May 2024:	Correspondence with Ard	
June/July 2024:	Correspondence with Ard and its potential successors at the time	
	Correspondence with Chevron – global deal	
August 2024:	Correspondence with EOG	
-	Permian Resources Operating	

Permian Resources Operating LLC Case No. 24751 Exhibit A-5

APPLICATION OF COLGATE PRODUCTION, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 24751 & 24752

SELF-AFFIRMED STATEMENT OF CHRISTOPHER CANTIN

1. 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 Morbucks project area, in proximity to the Capitan Reef within the Delaware Basin, for the Bone Spring horizontal spacing units that are the subject of this application.

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 **Morbucks 25-26 Federal Com 123H** and **Morbucks 25-26 Federal Com 124H** 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's name and a black line in proximity to the proposed Wells. The Unit areas are defined by blue boxes and are labeled with their respective case numbers.

5. **Exhibit B-4** is a Subsea 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

Permian Resources Operating, LLC Case No. 24751 Exhibit B Released to Imaging: 11/27/2024 4:16:47 PM

wellbore paths for the proposed Wells with a orange 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-6** 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 Wolfcamp formation. The proposed landing zones for the Wells are labeled on the exhibit. The approximate well-paths for the proposed Wells are indicated by dashed lines to be drilled from west to east across the units. This cross-section demonstrates the target intervals are continuous across the Unit.

7. **Exhibit B-7** is a gun barrel diagram that shows the proposed Wells in the Bone Spring formation. Pooling units area defined by blue 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, the granting of Colgate's 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.

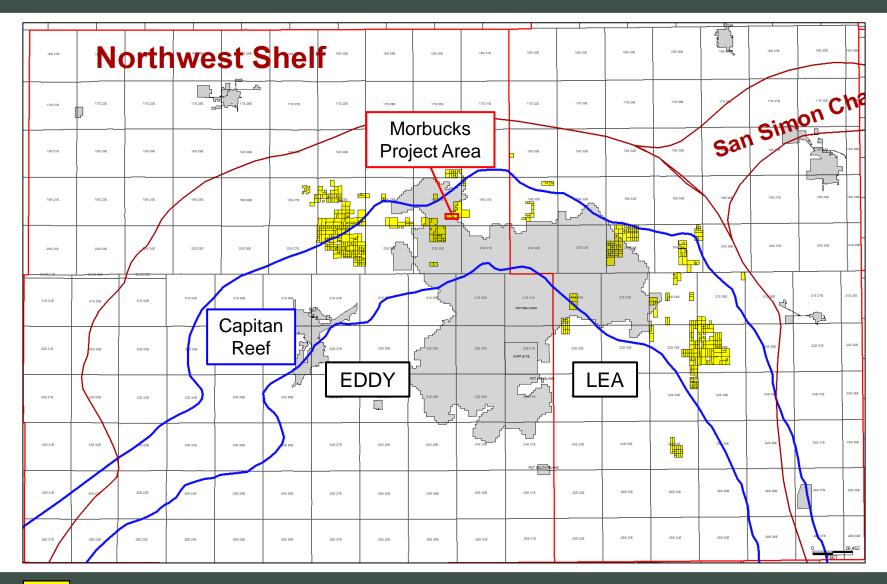
Christopher Cantin

10/28/2624 Date

Regional Locator Map Morbucks 25-26 Fed Com

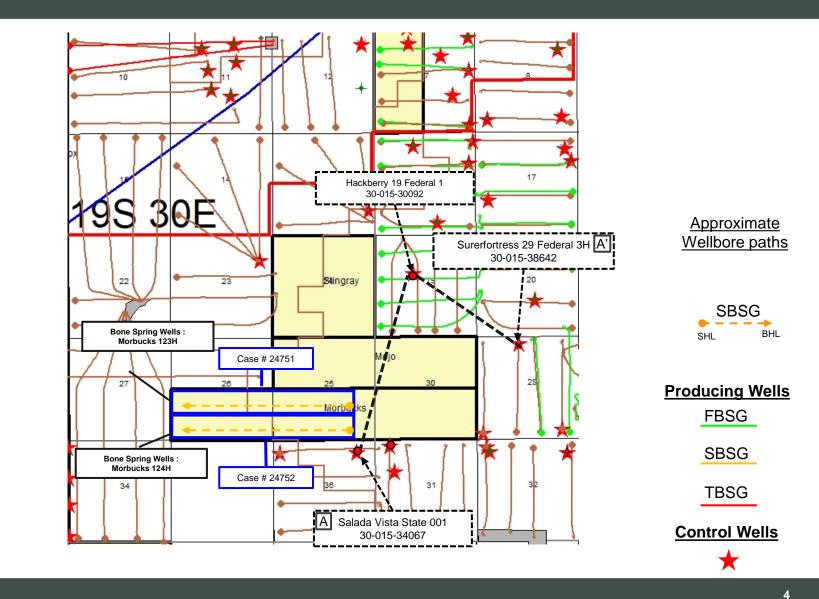
Permian Resources Operating, LLC Case No. 24751 Exhibit B-1





Cross-Section Locator Map Morbucks 25-26 Fed Com Permian Resources Operating, LLC Case No. 24751 Exhibit B-2





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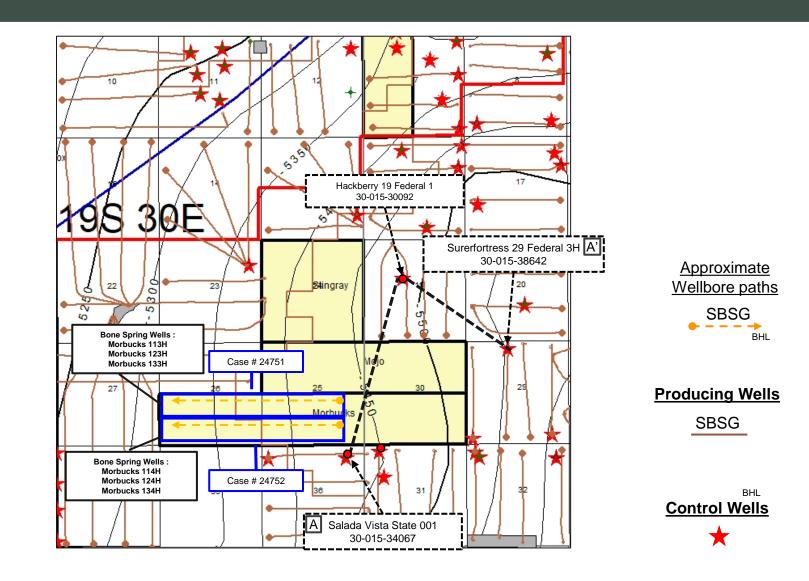
Permian

Resources

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Permian Resources Operating, LLC Case No. 24751 Exhibit B-3 Exhibit

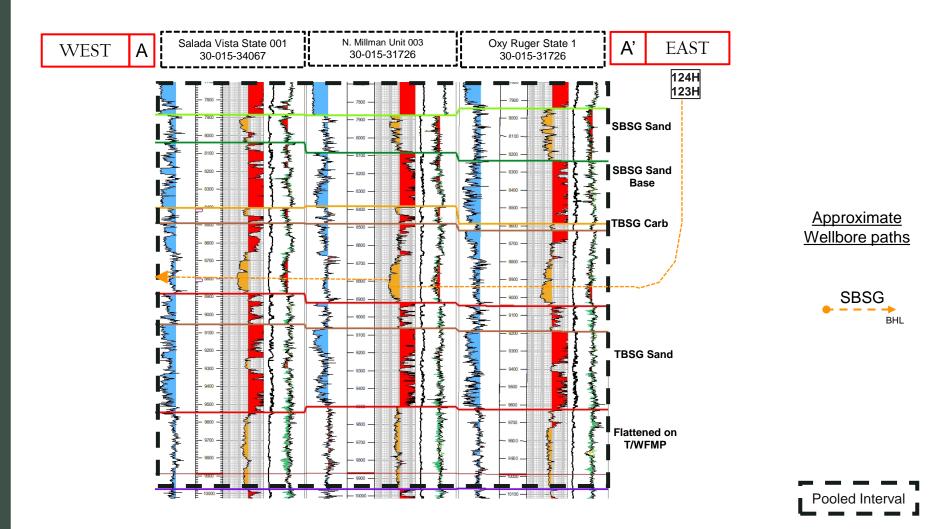
Base Second Bone Spring– Structure Map (50' CI) Morbucks 25-26 Fed Com



Permian Resources Page 28 of 50

Stratigraphic Cross-Section A-A' Morbucks 25-26 Fed Com

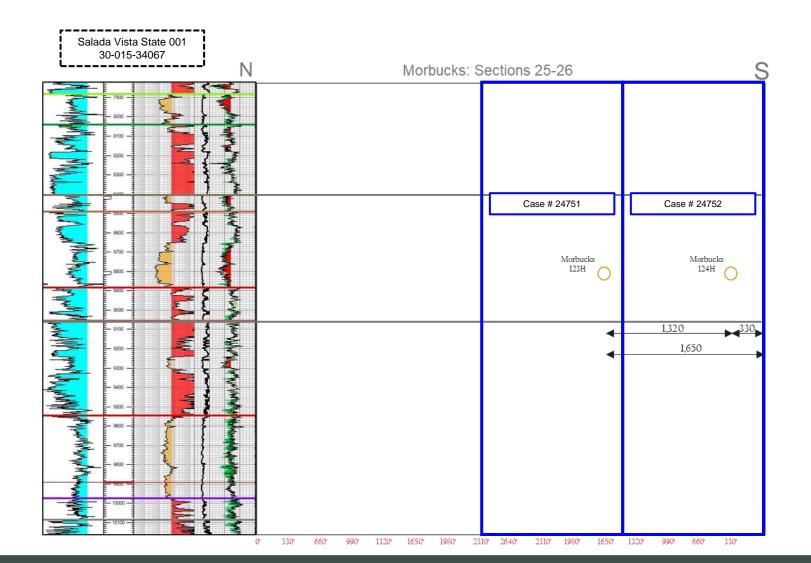
Permian Resources Operating, LLC Case No. 24751 Exhibit B-4



Page 29 of 50

Gun Barrel Development Plan Morbucks 25-26 Fed Com

Permian Resources Operating, LLC Case No. 24751 Exhibit B-5



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Page 30 of 50

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

CASE NOS. 24751 & 24752

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 Applications 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 August 8, 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 cases. 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 October 14, 2024 Date

> Permian Resources Operating, LLC Case No. 24751 Exhibit C



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

hinklelawfirm.com

July 31, 2024

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24751 & 24752 - Applications 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 applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **August 22**, **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 date. The statement must be submitted through the OCD **E-Permitting** system (https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/) e-mail or via 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.

If you have any questions about these applications, please contact Mason Maxwell, Landman at Permian Resources – (432) 400-0188, mason.maxwell@permianres.com

Sincerely,

<u>/s/ Dana S. Hardy</u> 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

Case No. 24751

Exhibit C-1

Permian Resources Operating, LLC

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

CASE NOS. 24751 & 24752

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Ard Energy	07/31/24	08/12/2024
PO Box 101027	9589071052702159745662	
Fort Worth TX 76185		
Ard Oil Ltd.	07/31/24	08/12/2024
PO Box 101027,	9589071052702159745655	
Fort Worth TX 76185		
Julian Ard and wife, Mary T. Ard	07/31/24	09/03/2024
4808 Westridge Ave	9589071052702159745778	Return to Sender.
Fort Worth TX 76116		
Mary T. Ard	07/31/24	09/03/2024
4808 Westridge Ave	9589071052702159745907	Return to Sender.
Fort Worth TX 76116		
Chevron USA Inc	07/31/24	08/12/2024
6301 Deauville Blvd	9589071052702159745815	
Midland TX 79706		
EOG Resources	07/31/24	08/08/2024
5509 Champions Dr.	9589071052702159745792	
Midland TX 79706		
Diane L. Henley, Successor Trustee of the	07/31/24	08/20/2024
Delmar Hudson Lewis Living Trust	9589071052702159745808	Return to Sender.
6300 Ridglea Place Suite 1005-A		
Fort Worth TX 76116		
Francis Hill Hudson, Trustee of the Lindy's	07/31/24	08/07/2024
Living Trust uta 7/8/94	9589071052702159745785	
215 W. Bandera Road Suite 114-620		
Boerne TX 78006		
Llano Natural Resources, LLC	07/31/24	08/07/2024
6609 Toledo Ave Suite 2	9589071052702159745761	
Lubbock TX 79414		
Occidental Permian Limited Partnership	07/31/24	08/26/2024
5 Greenwood Plaza Suite 110	9589071052702159745891	Return to Sender.
Houston TX 77046		
PBEX LLC	07/31/24	08/07/2024
223 West Wall Street Suite 900	9589071052702159745884	
Midland TX 79701		

Permian Resources Operating, LLC Case No. 24751 Exhibit C-2

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

CASE NOS. 24751 & 24752

NOTICE LETTER CHART

Prime Rock Resources 203 West Wall Suite 1000 Midland TX 79701	07/31/24 9589071052702159745877	08/07/2024
RKI Exploration & Production, LLC 3500 One Williams Center Tulsa, OK 74172	07/31/24 9589071052702159745860	08/13/2024 Return to Sender.
Tandem Oil Company 1543 Corinth Avenue Los Angeles CA 90025	07/31/24 9589071052702159745853	USPS Tracking on 10/14/2024: Item in transit.

Page 35 of 50

Received by OCD: 11/27/2024 8:07:41 AM Postal Service[™] Ц RTIFIED MAIL® RECEIPT CF Domestic Mail Only _ S livery information 1t Certified Mail Fee 5 Extra Services & Fees (check box, L L Return Receipt (hardcopy) \$ 5054 Return Receipt (electronic) 202 Certified Mail Restricted Delivery Adult Signature Required 'n Adult Signature Restricted De LO 05 ostage EP.FE 0770 Total Postage and Fees Sent To σ Ard Energy PO Box 101027 Street and A 95 Fort Worth, TX 76185 0 City, State, 2 PRO - Morbucks 24751-52 PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructio



Permian Resources Operating, LLC Case No. 24751 Exhibit C-3

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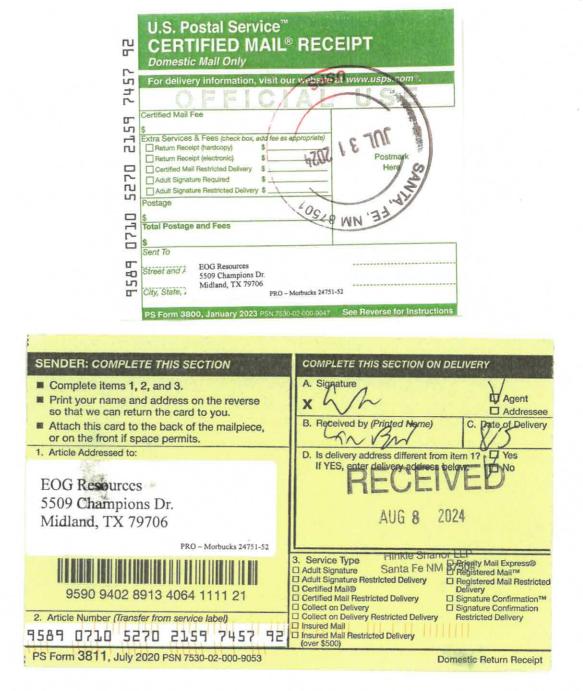


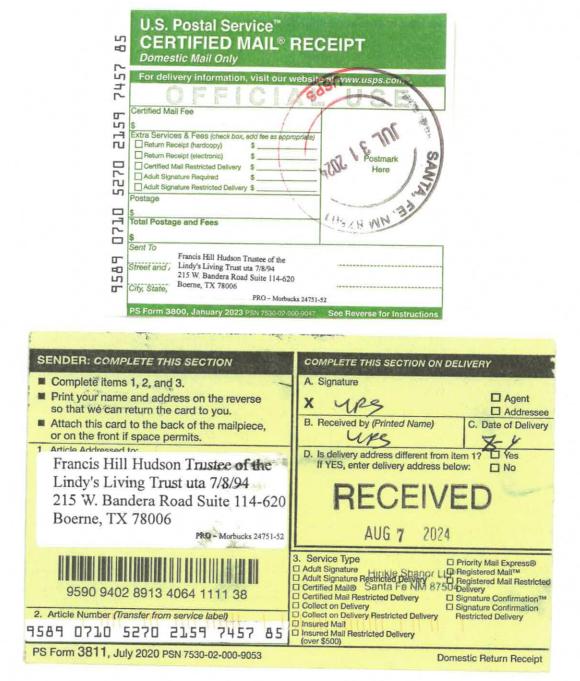
Page 37 of 50

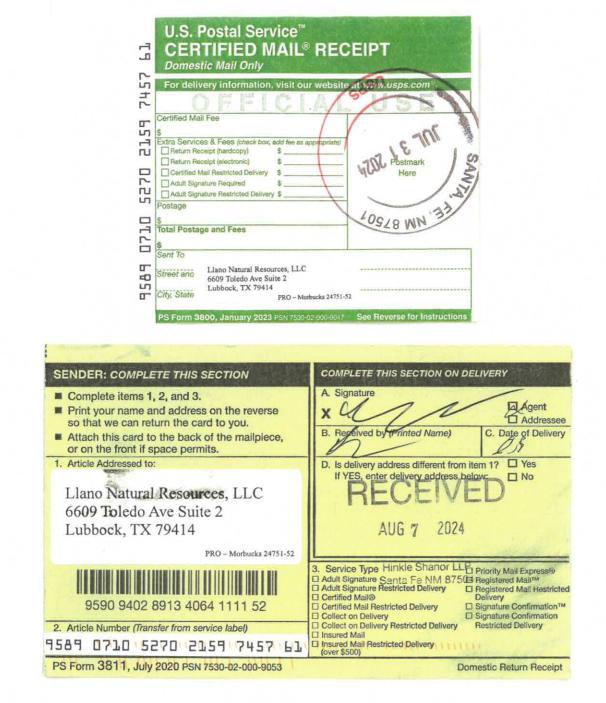
Domestic Return Receipt

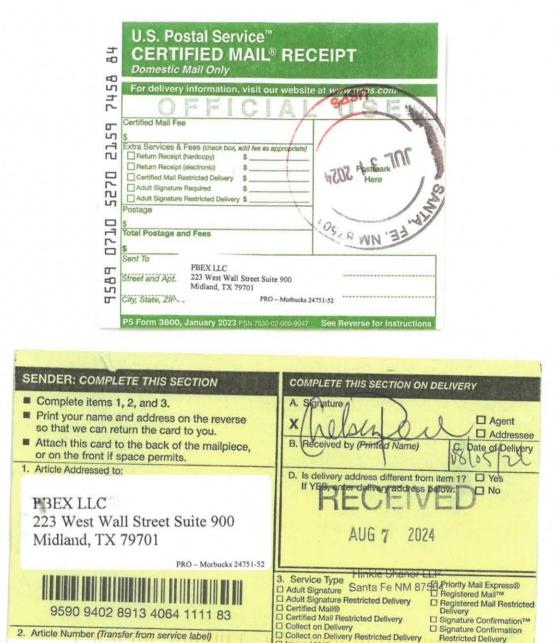


PS Form 3811, July 2020 PSN 7530-02-000-9053







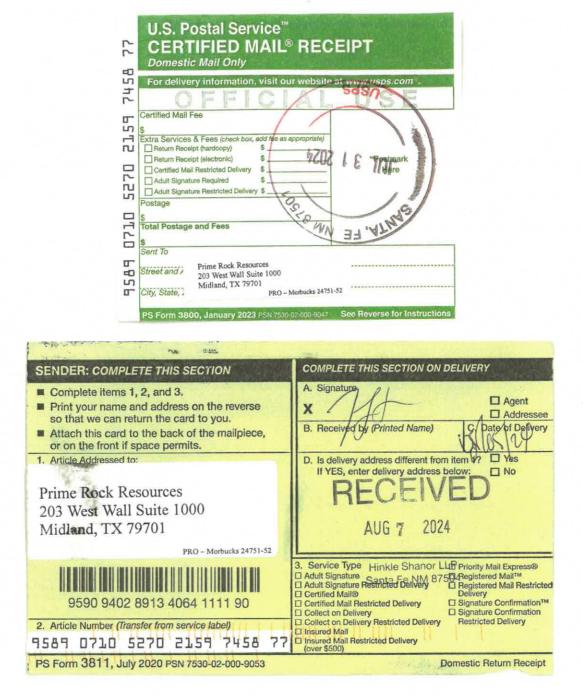


9589 0710 5270 2159 7458 84 Disured Mail Restricted Delivery (over \$500)

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

Collect on Delivery Restricted Delivery

Domestic Return Receipt



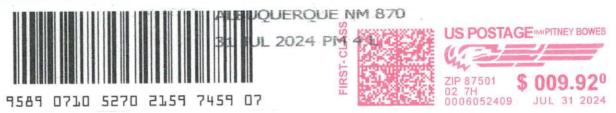


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STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 94

	(1777) (1778)
Ad Number:	8030
Description:	Case #24751
Ad Cost:	\$120.71

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:

August 8, 2024

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

Agent mmmmm IAL Subscribed to and sworn to me this 8th day of August **KELLI METZGER** 2024. NOTARY PUBLIC, STATE OF OHIO MY COMMISSION EXPIRES OCTOBER 19, 2024 Notary Public COURY County ID#: 9,2024 My commission expires:

Hinkle Shanor, Llp Pobox 2068 Santa Fe, NM 87504

LEGAL NOTICE

This is to notify all interested parties, including Ard Energy; Ard Oil Ltd.; Chevron USA Inc; Diane L. Henly, Successor Trustee of the Delmar Hudson Lewis Living Trust; EOG Resources; Francis Hill Hudson Trustee of the Lindy's Living Trust uta 7/8/94; Julian Ard and wife, Mary T. Ard; Llano Natural Resources, LLC; Mary T. Ard; Occidental Permian Limited Partnership; PBEX LLC; Prime Rock Resources; RKI Exploration & Production, LLC; Tandem Oil Company; successors and their assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Permian Resources Operating, LLC (Case No. 24751). The hearing will be conducted on August 22, 2024, 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: https://www. emnrd.nm.gov/ocd/hearing-info/. Permian Resources Op-erating, LLC ("Applicant") erating, LLC ("Applicant") (OGRID No. 372165) applies for an order pooling all the uncommitted interests in Bone Spring formation underlying a 280-acre, more or less, standard horizontal spacing unit comprised of the NW/4 SE/4 and N/2 SW/4 of Section 25, and the N/2 SW/4 of Section 26, Township 19 South, Range 30 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Morbucks 25-26 Federal Com 123H well ("Well"), which will be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 25, to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 26. The completed interval of the Well will be orthodox. 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 23 miles northeast of Carlsbad, New Mexico.

8030-Published in the Carlsbad Current-Argus on Aug 8, 2024.

> Permian Resources Operating, LLC Case No. 24751 Exhibit C-4