

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

**APPLICATION OF CIVITAS PERMIAN OPERATING,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24842**

**EXHIBIT INDEX**


| <b>Compulsory Pooling Checklist</b> |  |
|-------------------------------------|--|
| <b>Exhibit A</b>                    | Self-Affirmed Statement of <b>Chad Matney</b>                                      |
| A-1                                 | Application and Proposed Notice of Hearing   |
| A-2                                 | C-102s   |
| A-3                                 | Plat of Tracts, Ownership Interests, Applicable Lease Numbers, Unit Recapitulation |
| A-4                                 | Sample Well Proposal Letter  |
| A-5                                 | Chronology of Contact  |
| <b>Exhibit B</b>                    | Self-Affirmed Statement of <b>Shane Finegan</b>                                    |
| B-1                                 | Regional Locator Map   |
| B-2                                 | Subsea Structure Map   |
| B-3                                 | Structural Cross-Section   |
| <b>Exhibit C</b>                    | Self-Affirmed Statement of <b>Michael Rodriguez</b>                                |
| C-1                                 | Sample Notice Letter to All Interested Parties sent on <b>September 13, 2024</b>   |
| C-2                                 | Chart of Notice to All Interested Parties  |
| C-3                                 | Affidavit of Publication from <b>September 15, 2024</b>                            |

# COMPULSORY POOLING APPLICATION CHECKLIST

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

|  |  |
|--|--|
| <b>Case: 24842</b>   | <b>APPLICANT'S RESPONSE</b>  |
| <b>Date</b>  | <b>October 10, 2024</b>  |
| Applicant  | Civitas Permian Operating, LLC   |
| Designated Operator & OGRID (affiliation if applicable)  | Civitas Permian Operating, LLC (332195)  |
| Applicant's Counsel:   | Ocean Munds-Dry & Michael Rodriguez  |
| Case Title:  | APPLICATION OF CIVITAS PERMIAN OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.  |
| Entries of Appearance/Intervenors:   | None   |
| Well Family  | Blue Marlin Fed Com  |
| <b>Formation/Pool</b>  |  |
| 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):  | WC-025 G-08 S2535340;BONE SPRING [97088]   |
| Well Location Setback Rules (Only if NSP is Requested):  | Statewide  |
| <b>Spacing Unit</b>  |  |
| Type (Horizontal/Vertical)   | Horizontal   |
| Size (Acres)   | 640  |
| Building Blocks:   | quarter-quarter  |
| Orientation:   | Standup  |
| Description: TRS/County  | W/2 of Sections 18 and 19, Township 25 South, Range 36 East, Lea County  |
| Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?                   | Y  |
| <b>Other Situations</b>  |  |
| Depth Severance: Y/N. If yes, description  | N  |
| Proximity Tracts: If yes, description  | Yes, the completed interval of the Blue Marlin Fed Com 112H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the Unit. |
| Proximity Defining Well: if yes, description   | Blue Marlin Fed Com 112H   |
| Applicant's Ownership in Each Tract  | Exhibit A-3  |
| <b>Well(s)</b>   |  |
| 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   | Blue Marlin Fed Com 111H (API # Pending) SHL:<br>258 FSL & 693 FWL (Unit M), S19-T25S-R36E BHL:<br>5 FNL & 330 FWL (Unit D), S18-T25S-R36E<br>Completion Target: Bone Spring<br>Completion status: Standard  |
| Well 2   | Blue Marlin Fed Com 112H (API # Pending) SHL:<br>283 FSL & 693 FWL (Unit M), S19-T25S-R36E BHL:<br>5 FNL & 1649 FWL (Unit C), S18-T25S-R36E<br>Completion Target: Bone Spring<br>Completion status: Standard |
| Horizontal Well First and Last Take Points   | Exhibit A-4  |
| Completion Target (Formation, TVD and MD)  | Exhibit A-4  |
| <b>AFE Capex and Operating Costs</b>   |  |
| Drilling Supervision/Month \$  | 8,500  |
| Production Supervision/Month \$  | 850  |
| Justification for Supervision Costs  | Exhibit A  |
| Requested Risk Charge  | 200%   |
| <b>Notice of Hearing</b>   |  |
| Proposed Notice of Hearing   | Exhibit A-1  |
| Proof of Mailed Notice of Hearing (20 days before hearing)   | Exhibit C-2  |
| Proof of Published Notice of Hearing (10 days before hearing)  | Exhibit C-3  |
| <b>Ownership Determination</b>   |  |
| Land Ownership Schematic of the Spacing Unit   | Exhibit A-3  |
| Tract List (including lease numbers and owners)  | Exhibit A-3  |
| If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements. | N/A  |
| Pooled Parties (including ownership type)  | Exhibit A-3  |
| Unlocatable Parties to be Pooled   | Exhibit A-3  |
| Ownership Depth Severance (including percentage above & below)   | N/A  |
| <b>Joinder</b>   |  |
| 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  |

|  |  |
|--|--|
| <b>Geology</b>   |  |
| Summary (including special considerations)   | Exhibit B  |
| Spacing Unit Schematic   | Exhibit B-1  |
| Gunbarrel/Lateral Trajectory Schematic   | N/A  |
| Well Orientation (with rationale)  | Exhibit B  |
| Target Formation   | Exhibit B  |
| HSU Cross Section  | Exhibit B-3  |
| Depth Severance Discussion   | N/A  |
| <b>Forms, Figures and Tables</b>   |  |
| 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   | Exhibit B-2  |
| Cross Section Location Map (including wells)   | Exhibit B-2  |
| Cross Section (including Landing Zone)   | Exhibit B-3  |
| <b>Additional Information</b>  |  |
| Special Provisions/Stipulations  | N/A  |
| <b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b> |  |
| <b>Printed Name</b> (Attorney or Party Representative):  | Michael Rodriguez  |
| <b>Signed Name</b> (Attorney or Party Representative):   |  |
| <b>Date:</b>   | October 3, 2024  |

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

**APPLICATION OF CIVITAS PERMIAN OPERATING,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24842**

**SELF-AFFIRMED STATEMENT OF**  
**CHAD MATNEY**

1. I am employed by Civitas Permian Operating, LLC ("Civitas") as a 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 as an expert witness in petroleum land matters and my credentials were accepted as a matter of record.

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

3. Civitas seeks an order pooling all uncommitted interests in the Bone Spring formation (WC-025 G-08 S253534O;BONE SPRING [97088]) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 18 and 19, Township 25 South, Range 36 East, Lea County, New Mexico (the "Unit").

4. Civitas is a working interest owner in the Unit and has the right to drill a well thereon.

5. Civitas seeks to dedicate the Unit to the following wells (the "Wells"):

- a. Blue Marlin Fed Com 111H to be horizontally drilled with the first take point in the SW/4SW/4 (Unit M) of Section 19 and last take point in the NW/4NW/4 (Unit D) of Section 18, and
- b. Blue Marlin Fed Com 112H to be horizontally drilled with the first take point in the SE/4SW/4 (Unit N) of Section 19 and last take point in the NE/4NW/4 (Unit C) of Section 18.

6. The producing area for the well is expected to be orthodox.

7. The completed interval for the Blue Marlin Fed Com 112H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the Unit under Rule 19.15.16.15(B)(1)(b) NMAC.

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 identifies any applicable lease numbers, a unit recapitulation, any unlocatable parties, and the interests Civitas seeks to pool highlighted in yellow.

10. Civitas conducted a diligent search of all county public records including phone directories and computer databases. Civitas also conducted internet searches to identify all potential addresses and contact information for each interest owner it seeks to pool.

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

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, 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, Civitas 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. To allow Civitas 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 Civitas should be designated as operator of the Well and the Unit.

15. Civitas requests overhead and administrative rates of \$8,500 per month while the Well is being drilled, and \$850 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Civitas and other operators in the vicinity.

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

17. In my opinion, the granting of Civitas'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 signature below.



Chad Matney

10/2/24

Date

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

**APPLICATION OF CIVITAS PERMIAN OPERATING,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24842**

**APPLICATION**

Civitas Permian Operating, LLC (“Civitas”), OGRID Number 332195, through its undersigned attorneys, submits to the Oil Conservation Division this application pursuant to the provisions of NMSA 1978, § 70-2-17 for an order pooling all uncommitted interests in the Bone Spring formation (WC-025 G-08 S253534O;BONE SPRING [97088]) underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 18 and 19, Township 25 South, Range 36 East, Lea County, New Mexico (the “Unit”). In support of this application, Civitas states as follows:

1. Civitas is a working interest owner in the Unit and has the right to drill a well thereon.
2. Civitas seeks to dedicate the Unit to the following wells (the “Wells”):
  - a. Blue Marlin Fed Com 111H to be horizontally drilled with the first take point in the SW/4SW/4 (Unit M) of Section 19 and last take point in the NW/4NW/4 (Unit D) of Section 18, and
  - b. Blue Marlin Fed Com 112H to be horizontally drilled with the first take point in the SE/4SW/4 (Unit N) of Section 19 and last take point in the NE/4NW/4 (Unit C) of Section 18.
3. The producing area for the wells is expected to be orthodox.
4. The completed interval for the Blue Marlin Fed Com 112H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the Unit under Rule 19.15.16.15(B)(1)(b) NMAC.
5. Civitas has sought and been unable to obtain voluntary agreement for the development



of these lands from all the interest owners in the Unit.

6. The pooling of all interests in the Unit will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

7. Approval of this application will allow Civitas to obtain its just and fair share of the oil and gas underlying the subject lands.

WHEREFORE, Civitas requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 10, 2024, and after notice and hearing, the Division enter its order:

- a. Pooling all uncommitted interests in the Unit;
- b. Approving the Wells in the Unit;
- c. Designating Civitas as operator of the Unit and the Wells to be drilled thereon;
- d. Authorizing Civitas to recover its costs of drilling, equipping and completing the Wells;
- e. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- f. Setting a 200% charge for the risk involved in drilling and completing the Wells in the event a working interest owner elects not to participate in the Wells.

Respectfully submitted,

**Civitas Permian Operating, LLC**



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(303) 312-8518

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mrodriguez@civiresources.com

*Attorneys for Civitas Permian Operating, LLC*

**CASE NO. \_\_\_\_\_: Application of Civitas Permian Operating, LLC for Compulsory Pooling, Lea County, New Mexico.** Applicant seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 18 and 19, Township 25 South, Range 36 East, Lea County, New Mexico. The proposed horizontal spacing unit will be dedicated to Blue Marlin Fed Com 111H to be horizontally drilled with the first take point in the SW/4SW/4 (Unit M) of Section 19 and last take point in the NW/4NW/4 (Unit D) of Section 18, and Blue Marlin Fed Com 112H to be horizontally drilled with the first take point in the SE/4SW/4 (Unit N) of Section 19 and last take point in the NE/4NW/4 (Unit C) of Section 18. The completed interval for the Blue Marlin Fed Com 112H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the Unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs and the actual operating costs and charges for supervision, designation of Civitas as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles southwest of Jal, New Mexico.

|  |   |   |
|--|---|---|
| C-102<br>Submit Electronically<br>Via OCD Permitting | State of New Mexico<br>Energy, Minerals & Natural Resources Department<br>OIL CONSERVATION DIVISION | Submittal Type:<br><input type="checkbox"/> Initial Submittal<br><input type="checkbox"/> Amended Report<br><input type="checkbox"/> As Drilled |
|--|---|---|

WELL LOCATION AND ACREAGE DEDICATION PLAT

|   |  |   |
|---|--|---|
| API Number  | Pool Code<br>97088                               | Pool Name<br>WC-025 G-08 S2535340;BONE SPRING   |
| Property Code   | Property Name<br>BLUE MARLIN FED COM             | Well Number<br>111H   |
| OGRID No.<br>332195   | Operator Name<br>CIVITAS PERMIAN OPERATING, LLC. | Ground Level Elevation<br>3074'   |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal |  | Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| M             | 19      | 25-S     | 36-E  | -       | 258' S            | 693' W            | N 32.1093170 | W 103.3104799 | LEA    |

Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| D             | 18      | 25-S     | 36-E  | -       | 5' N              | 330' W            | N 32.1376678 | W 103.3116542 | LEA    |

|                        |                              |                        |   |                        |
|------------------------|------------------------------|------------------------|---|------------------------|
| Dedicated Acres<br>320 | Infill or Defining Well<br>- | Defining Well API<br>- | Overlapping Spacing Unit (Y/N)<br>N   | Consolidated Code<br>- |
| Order Numbers          |                              |                        | Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                        |

Kick Off Point (KOP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| M             | 19      | 25-S     | 36-E  | -       | 50' S             | 330' W            | N 32.1087415 | W 103.3116540 | LEA    |

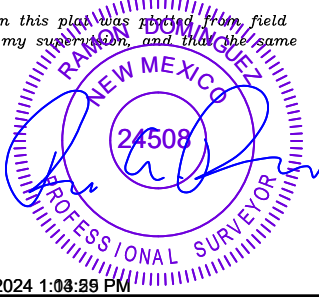
First Take Point (FTP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| M             | 19      | 25-S     | 36-E  | -       | 100' S            | 330' W            | N 32.1088789 | W 103.3116538 | LEA    |

Last Take Point (LTP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| D             | 18      | 25-S     | 36-E  | -       | 100' N            | 330' W            | N 32.1374066 | W 103.3116541 | LEA    |

|   |  |                                 |
|---|--|---------------------------------|
| Unitized Area or Area of Uniform Interest | Spacing Unity Type<br><input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation<br>3099' |
|---|--|---------------------------------|

|   |  |   |                              |
|---|--|---|------------------------------|
| <b>OPERATOR CERTIFICATION</b><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief; and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> |  | <b>SURVEYORS CERTIFICATION</b><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br><br>9/19/2024 1:08:29 PM |                              |
| Signature _____ Date _____  |  | Signature and Seal of Professional Surveyor _____ Date _____  |                              |
| Print Name _____  |  | Certificate Number _____  | Date of Survey<br>05/05/2020 |
| E-mail Address _____  |  |   |                              |

|  |  |                                     |  |
|--|--|-------------------------------------|--|
| <b>C-102</b><br><br>Submit Electronically<br>Via OCD Permitting      | State of New Mexico<br>Energy, Minerals & Natural Resources Department<br><b>OIL CONSERVATION DIVISION</b> | Revised July 9, 2024                |  |
|  |  | Submittal Type:                     | <input type="checkbox"/> Initial Submittal |
|  |  |                                     | <input type="checkbox"/> Amended Report    |
|  |  | <input type="checkbox"/> As Drilled |  |
| Property Name and Well Number<br><br><b>BLUE MARLIN FED COM 111H</b> |  |                                     |  |

**SURFACE LOCATION (SHL)**

NEW MEXICO EAST  
NAD 1983  
X=858040 Y=405009  
LAT.: N 32.1093170  
LONG.: W 103.3104799

NAD 1927  
X=816853 Y=404950  
LAT.: N 32.1091899  
LONG.: W 103.3100181  
258' FSL 693' FWL

**KICK OFF POINT (KOP)**

NEW MEXICO EAST  
NAD 1983  
X=857679 Y=404796  
LAT.: N 32.1087415  
LONG.: W 103.3116540

NAD 1927  
X=816492 Y=404738  
LAT.: N 32.1086145  
LONG.: W 103.3111923  
50' FSL 330' FWL

**FIRST TAKE POINT. (FTP)**

NEW MEXICO EAST  
NAD 1983  
X=857678 Y=404846  
LAT.: N 32.1088789  
LONG.: W 103.3116538

NAD 1927  
X=816491 Y=404788  
LAT.: N 32.1087519  
LONG.: W 103.3111921  
100' FSL 330' FWL

**LAST TAKE POINT. (FTP)**

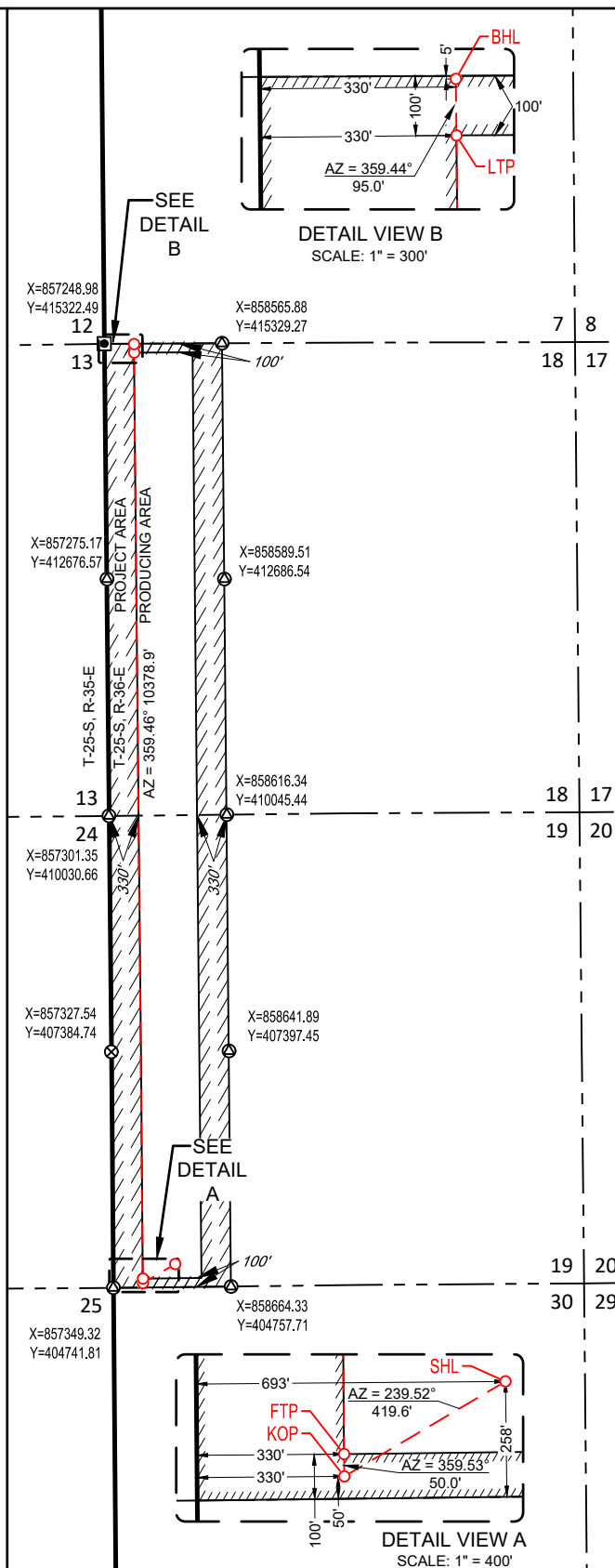
NEW MEXICO EAST  
NAD 1983  
X=857580 Y=415224  
LAT.: N 32.1374066  
LONG.: W 103.3116541

NAD 1927  
X=816393 Y=415166  
LAT.: N 32.1372797  
LONG.: W 103.3111910  
100' FNL 330' FWL

**BOTTOM HOLE LOCATION (BHL)**

NEW MEXICO EAST  
NAD 1983  
X=857579 Y=415319  
LAT.: N 32.1376678  
LONG.: W 103.3116542

NAD 1927  
X=816392 Y=415261  
LAT.: N 32.1375409  
LONG.: W 103.3111910  
5' FNL 330' FWL

**SURVEYORS CERTIFICATION**

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

05/05/2020

Date of Survey

Signature and Seal of Professional Surveyor:



9/19/2024 1:14:44 PM

|  |  |                                     |  |
|--|--|-------------------------------------|--|
| C-102<br><br>Submit Electronically<br>Via OCD Permitting | State of New Mexico<br><br>Energy, Minerals & Natural Resources Department<br><b>OIL CONSERVATION DIVISION</b> | Revised July 9, 2024                |  |
|  |  | Submittal<br>Type:                  | <input type="checkbox"/> Initial Submittal |
|  |  |                                     | <input type="checkbox"/> Amended Report    |
|  |  | <input type="checkbox"/> As Drilled |  |

WELL LOCATION AND ACREAGE DEDICATION PLAT

|   |  |   |
|---|--|---|
| API Number  | Pool Code<br>97088                               | Pool Name<br>WC-025 G-08 S2535340;BONE SPRING   |
| Property Code   | Property Name<br>BLUE MARLIN FED COM             | Well Number<br>112H   |
| OGRID No.<br>332195   | Operator Name<br>CIVITAS PERMIAN OPERATING, LLC. | Ground Level Elevation<br>3074'   |
| Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input checked="" type="checkbox"/> Federal |  | Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal |

Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| M             | 19      | 25-S     | 36-E  | -       | 283' S            | 693' W            | N 32.1093856 | W 103.3104795 | LEA    |

Bottom Hole Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| C             | 18      | 25-S     | 36-E  | -       | 5' N              | 1649' W           | N 32.1376520 | W 103.3073933 | LEA    |

|                        |                              |                        |   |                        |
|------------------------|------------------------------|------------------------|---|------------------------|
| Dedicated Acres<br>320 | Infill or Defining Well<br>Y | Defining Well API<br>- | Overlapping Spacing Unit (Y/N)<br>N   | Consolidated Code<br>- |
| Order Numbers          |                              |                        | Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |                        |

Kick Off Point (KOP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| N             | 19      | 25-S     | 36-E  | -       | 50' S             | 1649' W           | N 32.1087509 | W 103.3073945 | LEA    |

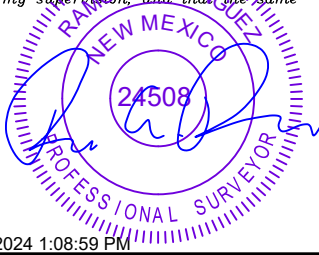
First Take Point (FTP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| N             | 19      | 25-S     | 36-E  | -       | 100' S            | 1649' W           | N 32.1088883 | W 103.3073943 | LEA    |

Last Take Point (LTP)

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the N/S | Feet from the E/W | Latitude     | Longitude     | County |
|---------------|---------|----------|-------|---------|-------------------|-------------------|--------------|---------------|--------|
| C             | 18      | 25-S     | 36-E  | -       | 100' N            | 1649' W           | N 32.1373908 | W 103.3073932 | LEA    |

|  |  |                                 |
|--|--|---------------------------------|
| Unitized Area or Area of Uniform Intrest | Spacing Unity Type<br><input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical | Ground Floor Elevation<br>3099' |
|--|--|---------------------------------|

|   |  |   |                              |
|---|--|---|------------------------------|
| <b>OPERATOR CERTIFICATION</b><br><br><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief; and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i><br><br><i>If this well is a horizontal well, I further certify that this organization has received The consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> |  | <b>SURVEYORS CERTIFICATION</b><br><br><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i><br><br><br><br>9/19/2024 1:08:59 PM |                              |
| Signature _____ Date _____  |  | Signature and Seal of Professional Surveyor _____ Date _____  |                              |
| Print Name _____  |  | Certificate Number _____  | Date of Survey<br>05/05/2020 |
| E-mail Address _____  |  |   |                              |

C-102

Submit Electronically  
Via OCD PermittingState of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION

Revised July 9, 2024

Submittal  
Type:

- ☐
- Initial Submittal
- 
- ☐
- Amended Report
- 
- ☐
- As Drilled

Property Name and Well Number

BLUE MARLIN FED COM 112H

## SURFACE LOCATION (SHL)

NEW MEXICO EAST  
NAD 1983  
X=858040 Y=405034  
LAT.: N 32.1093856  
LONG.: W 103.3104795NAD 1927  
X=816853 Y=404975  
LAT.: N 32.1092585  
LONG.: W 103.3100178  
283' FSL 693' FWL

## KICK OFF POINT (KOP)

NEW MEXICO EAST  
NAD 1983  
X=858998 Y=404812  
LAT.: N 32.1087509  
LONG.: W 103.3073945NAD 1927  
X=817810 Y=404754  
LAT.: N 32.1086238  
LONG.: W 103.3069329  
50' FSL 1649' FWL

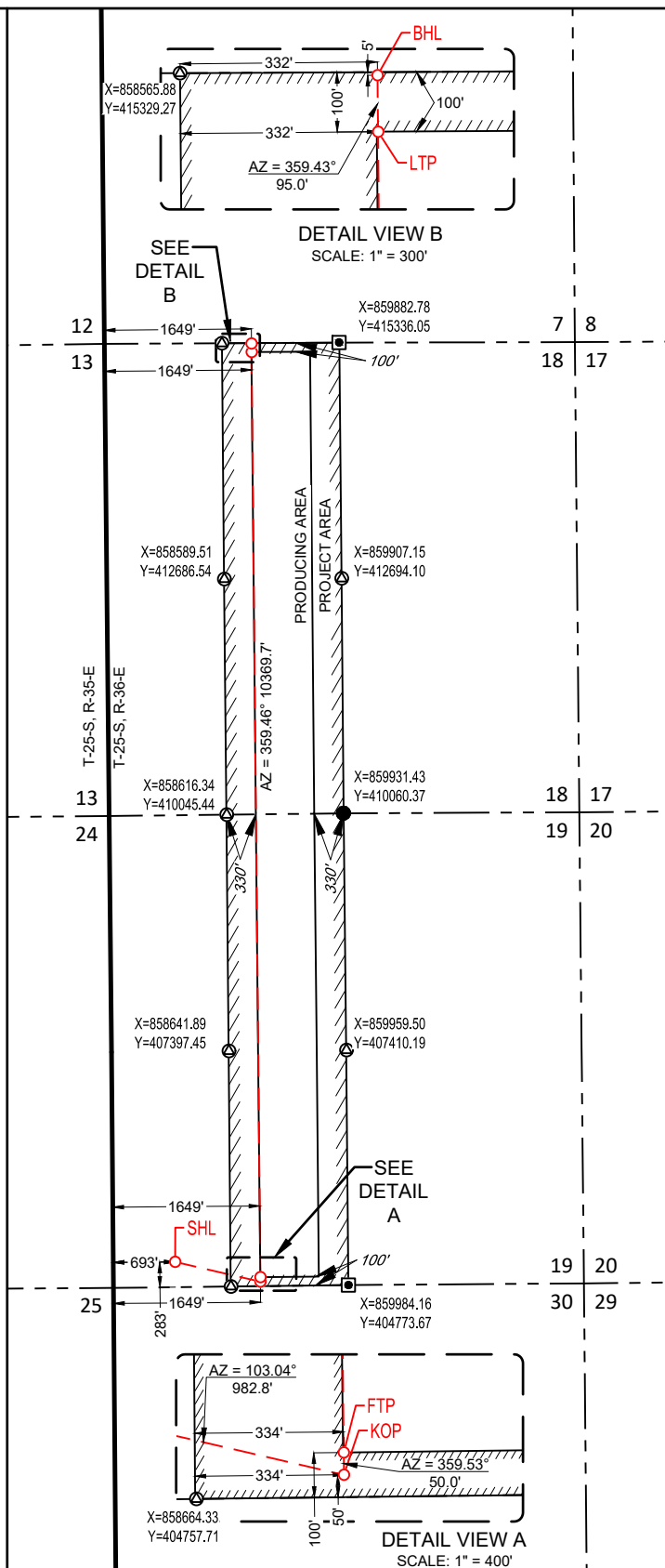
## FIRST TAKE POINT. (FTP)

NEW MEXICO EAST  
NAD 1983  
X=858997 Y=404862  
LAT.: N 32.1088883  
LONG.: W 103.3073943NAD 1927  
X=817810 Y=404804  
LAT.: N 32.1087613  
LONG.: W 103.3069327  
100' FSL 1649' FWL

## LAST TAKE POINT. (FTP)

NEW MEXICO EAST  
NAD 1983  
X=858899 Y=415231  
LAT.: N 32.1373908  
LONG.: W 103.3073932NAD 1927  
X=817712 Y=415172  
LAT.: N 32.1372639  
LONG.: W 103.3069302  
100' FNL 1649' FWL

## BOTTOM HOLE LOCATION (BHL)

NEW MEXICO EAST  
NAD 1983  
X=858898 Y=415326  
LAT.: N 32.1376520  
LONG.: W 103.3073933NAD 1927  
X=817711 Y=415267  
LAT.: N 32.1375250  
LONG.: W 103.3069303  
5' FNL 1649' FWL

## SURVEYORS CERTIFICATION

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

05/05/2020

Date of Survey

Signature and Seal of Professional Surveyor:

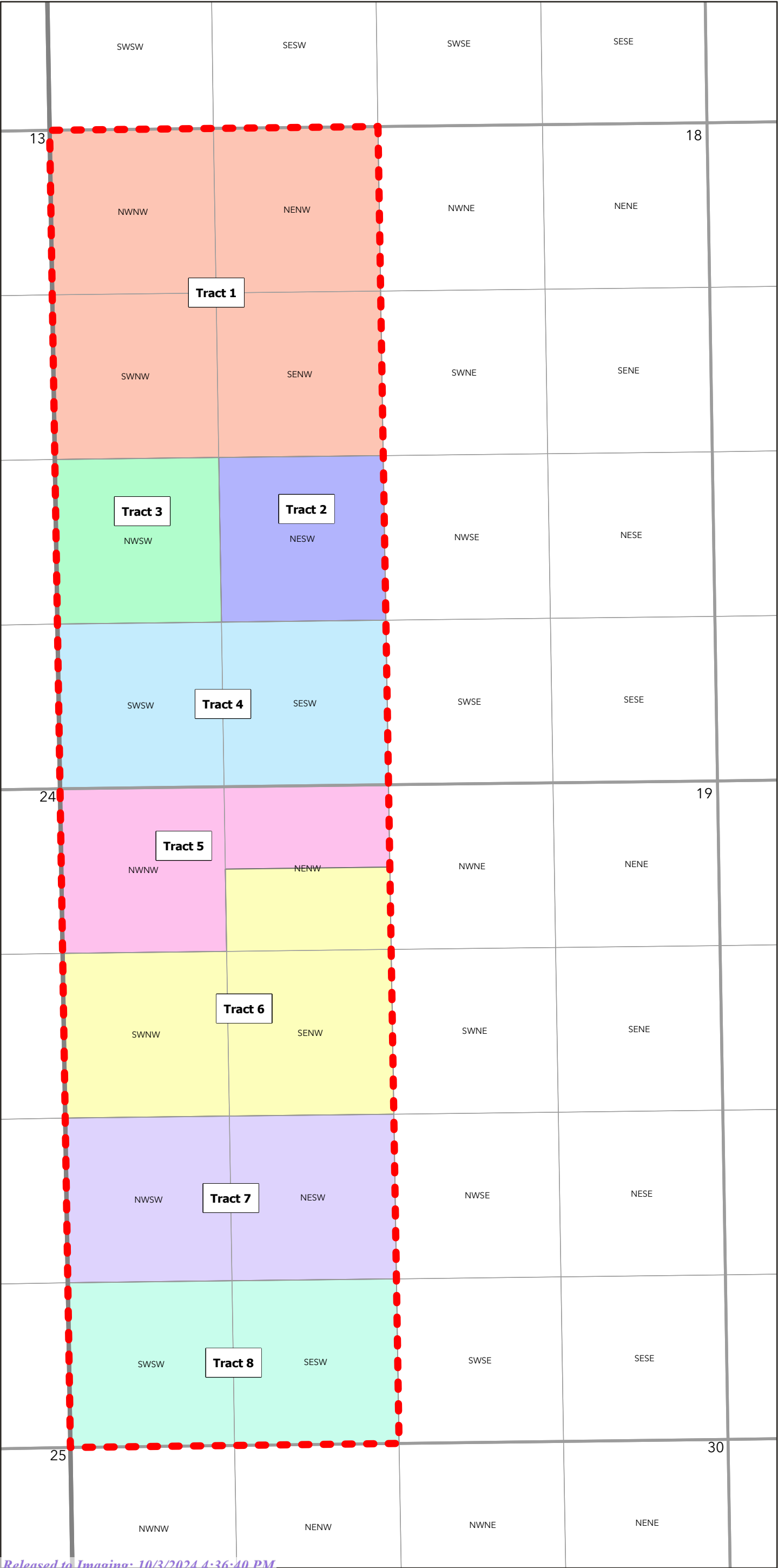


9/19/2024 1:10:10 PM

# T25S - R36E - W/2 Sec 18 & 19

Civitas Permian Operating, LLC  
Case No. 24842  
Exhibit A-3

## Blue Marlin



Tract 1  
NMNM-127448  
159.70 acres

Tract 2  
Fee  
40 acres

Tract 3  
Fee  
39.86 acres

Tract 4  
Fee  
79.88 acres

Tract 5  
Fee  
59.88 acres

Tract 6  
Fee  
99.90 acres

Tract 7  
Fee  
79.90 acres

Tract 8  
Fee  
79.92 acres

Pending Spacing Unit  
639.04 acres total:  
479.34 acres (Fee)  
159.70 acres (Fed)



| Tract # | Legal  | Mineral<br>Ownership Type | Lease Number | Owners   |
|---------|--|---------------------------|--------------|--|
| 1       | <u>T25S-R36E</u><br>Sec. 18: NW/4<br>Lea County, New Mexico                    | Federal                   | NMNM-127448  | Civitas DE Basin Resources II, LLC   |
| 2       | <u>T25S-R36E</u><br>Sec. 18: NE/4SW/4<br>Lea County, New Mexico                | Fee                       | Fee          | Civitas DE Basin Resources II, LLC<br>Allar Development, LLC   |
| 3       | <u>T25S-R36E</u><br>Sec. 18: NW/4SW/4<br>Lea County, New Mexico                | Fee                       | Fee          | Civitas DE Basin Resources II, LLC<br>BR2 Holdings, LLC<br>Franklin Mountain Royalty Investments, LLC<br>Cayuga Royalties, LLC<br>Prevail Energy, LLC                              |
| 4       | <u>T25S-R36E</u><br>Sec. 18: S2/4SW/4<br>Lea County, New Mexico                | Fee                       | Fee          | Civitas DE Basin Resources II, LLC<br>Chevron USA Inc.<br>Douglas A. Denton<br>The Ohio State University   |
| 5       | <u>T25S-R36E</u><br>Sec. 19: NW/4NW/4, N/2NE/4NW/4<br>Lea County, New Mexico   | Fee                       | Fee          | Civitas DE Basin Resources II, LLC   |
| 6       | <u>T25S-R36E</u><br>Sec. 19: S/2NE/4NW/4 and S/2NW/4<br>Lea County, New Mexico | Fee                       | Fee          | Civitas DE Basin Resources II, LLC<br>BR2 Holdings, LLC<br>Franklin Mountain Royalty Investments, LLC<br>Cayuga Royalties, LLC<br>Prevail Energy, LLC<br>Pegasus Resources II, LLC |
| 7       | <u>T25S-R36E</u><br>Sec. 19: N/2SW/4   | Fee                       | Fee          | Civitas DE Basin Resources II, LLC<br>BR2 Holdings, LLC  |



Lea County, New Mexico

Franklin Mountain Energy, LLC  
Burlington Resources Oil & Gas Company, LP  
Davis Exploration, LLC  
Ameredev New Mexico, LLC  
Ameredev Texas, LLC  
Theodore A. Dittmer, Jr.  
Cayuga Royalties, LLC  
James Albert Watts  
Kassandra Dawn Dittmer  
St. Joseph Residence  
Nathan Allen Dittmer  
Prevail Energy, LLC  
Rowena Lynn Doss  
\*Donald Woods  
\*Nancy Carolyn Haley

8      T25S-R36E  
Sec. 19: S/2SW/4  
Lea County, New Mexico

Fee

Fee

Civitas DE Basin Resources II, LLC  
BR2 Holdings, LLC

Franklin Mountain Energy, LLC  
Davis Exploration, LLC  
Ameredev New Mexico, LLC  
Ameredev Texas, LLC  
Theodore A. Dittmer, Jr.  
Cayuga Royalties, LLC  
Kassandra Dawn Dittmer  
St. Joseph Residence  
Nathan Allen Dittmer  
Prevail Energy, LLC  
Rowena Lynn Doss  
\*Donald Woods  
\*Nancy Carolyn Haley

\*unlocatable parties

Pooled parties indicated in yellow

| Entity                                     | Interest Type                | Approximate Percentage |
|--|------------------------------|------------------------|
| Civitas DE Basin Resources II, LLC         | Working Interest             | 85.861324%             |
| Allar Development, LLC                     | Working Interest             | 1.173635%              |
| BR2 Holdings, LLC                          | Committed Mineral Interest   | 0.044924%              |
| Franklin Mountain Energy, LLC              | Working Interest             | 1.325386%              |
| Davis Exploration, LLC                     | Uncommitted Working Interest | 0.416823%              |
| Ameredev New Mexico, LLC                   | Uncommitted Working Interest | 0.004825%              |
| Ameredev Texas, LLC                        | Uncommitted Working Interest | 0.003039%              |
| Burlington Resources Oil & Gas Company, LP | Unleased Mineral Interest    | 6.251565%              |
| Chevron USA Inc.                           | Unleased Mineral Interest    | 3.125000%              |
| Franklin Mountain Royalty Investments, LLC | Unleased Mineral Interest    | 0.389843%              |
| Cayuga Royalties, LLC                      | Unleased Mineral Interest    | 0.089172%              |
| Prevail Energy, LLC                        | Unleased Mineral Interest    | 0.061461%              |
| Douglas A. Denton                          | Unleased Mineral Interest    | 0.625000%              |
| Pegasus Resources II, LLC                  | Unleased Mineral Interest    | 0.244263%              |
| Kassandra Dawn Dittmer                     | Unleased Mineral Interest    | 0.001351%              |
| St. Joseph Residence                       | Unleased Mineral Interest    | 0.114627%              |
| Nathan Allen Dittmer                       | Unleased Mineral Interest    | 0.001351%              |
| Rowena Lynn Doss                           | Unleased Mineral Interest    | 0.003474%              |
| Theodore A. Dittmer, Jr.                   | Unleased Mineral Interest    | 0.004053%              |
| The Ohio State University                  | Unleased Mineral Interest    | 0.025000%              |
| *Donald Woods                              | Unleased Mineral Interest    | 0.129678%              |
| *Nancy Carolyn Haley                       | Unleased Mineral Interest    | 0.104206%              |
| TOTAL:                                     |                              | 100.000000%            |

\*unlocatable parties

pooled parties indicated in yellow



555 17th Street, Suite 3700  
Denver, CO 80202  
(303) 293-9100 phone

**Civitas Permian Operating, LLC**  
**Case No. 24842**  
**Exhibit A-4**

August 8, 2024

Chevron USA Inc.  
PO BOX 731670  
Dallas, TX 75373-1670

**RE: Horizontal Well Proposal –Bonespring Formation-Blue Marlin Fed Com 111H and 112H;**  
**Horizontal Spacing Unit – W/2 of Section 18 and W/2 of Section 19, T-25 South, R-36 East**  
**Lea County, New Mexico**

Ladies and/or Gentlemen:

Please be advised that Civitas Permian Operating, LLC (“Civitas”) hereby proposes to drill, complete and equip each of the above referenced horizontal wells at the locations so indicated below. Enclosed you will find a detailed cost AFE for each of the referenced wells.

| Well Name                | SHL                        | BHL                                       | FTP   | LTP   | TVD   | MD     | Formation |
|--------------------------|----------------------------|---|---|---|-------|--------|-----------|
| Blue Marlin Fed Com 111H | SW/4 Section 19, T25S-R36E | 330 FWL and 10FNL Section 19, T25S-R36E   | 330 FWL and 100 FSL Section 18, T25S-R36E   | 330 FWL and 100 FNL Section 18, T25S-R36E   | 9,680 | 20,130 | BS1S      |
| Blue Marlin Fed Com 112H | SW/4 Section 19, T25S-R36E | 1,649 FWL and 10FNL Section 19, T25S-R36E | 1,649 FWL and 100 FSL Section 18, T25S-R36E | 1,649 FWL and 100 FNL Section 18, T25S-R36E | 9,680 | 20,130 | BS1S      |

For those who elect to participate in the captioned horizontal wells, Civitas will provide an A.A.P.L. Form 610 – 1989 Model Form Operating Agreement, Horizontal Modifications (“Operating Agreement”), designating Civitas Permian Operating, LLC as Operator, covering the W/2 of Section 18 and W/2 of Section 19, T-25 South, R-36 East, N.M.P.M, Lea County, New Mexico, containing approximately 640 acres, more or less, covering the Bone Spring formation (“Contract Area”) with the following general provisions:

- 100/300 Non-Consenting Penalty;
- \$8,500/\$850 Drilling and Producing Rate; and
- Civitas Permian Operating, LLC named Operator.

In the interest of time, if we do not reach an agreement within 30 days of the date of this letter, Civitas will apply to the New Mexico Oil Conservation Division for compulsory pooling of your interest into a horizontal spacing unit for the proposed wells.

Please indicate your intention to either **participate or not participate** in the drilling, completion and equipping of each of the above referenced wells by placing an “X” in the appropriate spaces provided



555 17th Street, Suite 3700  
Denver, CO 80202  
(303) 293-9100 phone

below, and return one (1) executed copy of this letter and one (1) executed AFE for each well you have elected **to participate**. If you should desire not to participate in the drilling and completion of the wells herein proposed, Civitas is willing to discuss an alternative proposal to acquire your oil and gas interests and or lease your interest. Should you have any questions regarding this matter, please do not hesitate to contact Chad Matney by phone at (303) 551-5094 or by email at [cmatney@civiresources.com](mailto:cmatney@civiresources.com).

Best Regards,

A handwritten signature in blue ink, appearing to read "Chad Matney", with a stylized flourish at the end.

Chad Matney  
Landman IV

Chevron USA Inc. elects to:

\_\_\_\_\_ participate in Black Marlin Fed Com 111H

\_\_\_\_\_ non-consent Black Marlin Fed Com 111H

\_\_\_\_\_ participate in Black Marlin Fed Com 112H

\_\_\_\_\_ non-consent Black Marlin Fed Com 112H

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

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

Title: \_\_\_\_\_

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

End of Elections



555 17th Street, Suite 3700  
Denver, CO 80202  
(303) 293-9100 phone

August 27, 2024

Chevron USA Inc.  
PO BOX 731670  
Dallas, TX 75373-1670

RE: **Horizontal Well Proposal –Bonespring Formation-Blue Marlin Fed Com 111H and 112H;**  
**Horizontal Spacing Unit – W/2 of Section 18 and W/2 of Section 19, T-25 South, R-36 East**  
**Lea County, New Mexico**

Ladies and/or Gentlemen:

On August 8, 2024, the subject well proposal was sent to your attention. It has since been noted that there was a typo in the description for the BHL and FTP's in the well table. Please see below for the updated well table associated with the proposals.

| Well Name                | SHL                        | BHL                                       | FTP   | LTP   | TVD   | MD     | Formation |
|--------------------------|----------------------------|---|---|---|-------|--------|-----------|
| Blue Marlin Fed Com 111H | SW/4 Section 19, T25S-R36E | 330 FWL and 10FNL Section 18, T25S-R36E   | 330 FWL and 100 FSL Section 19, T25S-R36E   | 330 FWL and 100 FNL Section 18, T25S-R36E   | 9,680 | 20,130 | BS1S      |
| Blue Marlin Fed Com 112H | SW/4 Section 19, T25S-R36E | 1,649 FWL and 10FNL Section 18, T25S-R36E | 1,649 FWL and 100 FSL Section 19, T25S-R36E | 1,649 FWL and 100 FNL Section 18, T25S-R36E | 9,680 | 20,130 | BS1S      |

Should you have any questions regarding this matter, please do not hesitate to contact Chad Matney by phone at (303) 551-5094 or by email at [cmatney@civiresources.com](mailto:cmatney@civiresources.com).

Best Regards,

A handwritten signature in blue ink, appearing to read "Chad Matney", with a stylized flourish at the end.

Chad Matney  
Landman IV

| Civitas Permian Operating, LLC<br>AUTHORIZATION FOR EXPENDITURE |                          |                       |                           | Date<br>August 8, 2024                 |                             |          |                 |                 |               |               |                 |
|---|--------------------------|-----------------------|---------------------------|--|-----------------------------|----------|-----------------|-----------------|---------------|---------------|-----------------|
| Well Name   | Blue Marlin Fed COM 111H |                       |                           | Location:                              | State                       | NM       |                 |                 |               |               |                 |
| Target  | 1BSS                     |                       |                           |  | County                      | Lea      |                 |                 |               |               |                 |
| Lateral Length  | 10,200                   |                       |                           |  | Section                     | 19, 18   |                 |                 |               |               |                 |
| TVD   | 9,684                    |                       |                           |  | Township                    | 25S      |                 |                 |               |               |                 |
| MD  | 20,039                   |                       |                           |  | Range                       | 36E      |                 |                 |               |               |                 |
| Pad Well Count  | 2                        |                       |                           |  |                             |          |                 |                 |               |               |                 |
| CTB Well Count  | 8                        |                       |                           |  |                             |          |                 |                 |               |               |                 |
| INTANGIBLE WELL COSTS   |                          |                       |                           |  |                             |          |                 |                 |               |               |                 |
|   | Account Code<br>Major    | Account Code<br>Minor | Concat.                   | Category                               | Comments                    | Drilling | Completion      | Production      | Facility      | Total         |                 |
| DRILLING  | 8305                     | 101                   | 8305_101                  | Location, Clean Up & Damages           |                             | 150,000  |                 |                 |               | 150,000       |                 |
|   | 8305                     | 102                   | 8305_102                  | Rig Move - MIRU, RDMO                  |                             | 60,000   |                 |                 |               | 60,000        |                 |
|   | 8305                     | 103                   | 8305_103                  | Rig Contractor-Daywork/FT              |                             | 735,000  |                 |                 |               | 735,000       |                 |
|   | 8305                     | 104                   | 8305_104                  | Rig Contractor-Turnkey                 |                             | -        |                 |                 |               | -             |                 |
|   | 8305                     | 105                   | 8305_105                  | Power & Fuel                           |                             | 42,875   |                 |                 |               | 42,875        |                 |
|   | 8305                     | 106                   | 8305_106                  | Drill Fluids & Chemicals               |                             | 243,000  |                 |                 |               | 243,000       |                 |
|   | 8305                     | 107                   | 8305_107                  | Bits, Reamer, Stabilizers              |                             | 85,000   |                 |                 |               | 85,000        |                 |
|   | 8305                     | 108                   | 8305_108                  | Cement & Cementing Services            |                             | 180,000  |                 |                 |               | 180,000       |                 |
|   | 8305                     | 109                   | 8305_109                  | Mud Logging                            |                             | 9,625    |                 |                 |               | 9,625         |                 |
|   | 8305                     | 110                   | 8305_110                  | Open Hole Logging                      |                             | -        |                 |                 |               | -             |                 |
|   | 8305                     | 111                   | 8305_111                  | Csg Crews & Tools-Drive Hammer         |                             | 30,000   |                 |                 |               | 30,000        |                 |
|   | 8305                     | 112                   | 8305_112                  | Directional Tools & Service            |                             | 238,750  |                 |                 |               | 238,750       |                 |
|   | 8305                     | 115                   | 8305_115                  | Tubular Inspection                     |                             | 25,000   |                 |                 |               | 25,000        |                 |
|   | 8305                     | 116                   | 8305_116                  | Equipment Rentals                      |                             | 189,875  |                 |                 |               | 189,875       |                 |
|   | 8305                     | 117                   | 8305_117                  | Production Labor, Maintenance          |                             | 75,000   |                 |                 |               | 75,000        |                 |
|   | 8305                     | 118                   | 8305_118                  | Wellsite Consultants                   |                             | 100,800  |                 |                 |               | 100,800       |                 |
|   | 8305                     | 119                   | 8305_119                  | Company Supervision & Labor            |                             | -        |                 |                 |               | -             |                 |
|   | 8305                     | 120                   | 8305_120                  | Transportation                         |                             | 30,000   |                 |                 |               | 30,000        |                 |
|   | 8305                     | 121                   | 8305_121                  | Mud,Cuttings & Water Disposal          |                             | 37,852   |                 |                 |               | 37,852        |                 |
|   | 8305                     | 122                   | 8305_122                  | Insurance                              |                             | 6,356    |                 |                 |               | 6,356         |                 |
|   | 8305                     | 123                   | 8305_123                  | Overhead                               |                             | -        |                 |                 |               | -             |                 |
|   | 8305                     | 124                   | 8305_124                  | Water & Water Well                     |                             | 19,250   |                 |                 |               | 19,250        |                 |
|   | 8305                     | 125                   | 8305_125                  | Unanticipated Major Expenses (Fishing) |                             | -        |                 |                 |               | -             |                 |
|   | 8305                     | 126                   | 8305_126                  | Legal                                  |                             | 30,000   |                 |                 |               | 30,000        |                 |
|   | 8305                     | 127                   | 8305_127                  | Outside Operated Other                 |                             | -        |                 |                 |               | -             |                 |
|   | 8305                     | 128                   | 8305_128                  | Regulatory Permits                     |                             | 5,000    |                 |                 |               | 5,000         |                 |
|   | 8305                     | 129                   | 8305_129                  | Environmental & Safety                 |                             | 7,500    |                 |                 |               | 7,500         |                 |
|   | 8305                     | 130                   | 8305_130                  | Plugging                               |                             | -        |                 |                 |               | -             |                 |
|   | 8305                     | 132                   | 8305_132                  | Other Specialized Services             |                             | 8,000    |                 |                 |               | 8,000         |                 |
|   | 8305                     | 190                   | 8305_190                  | Miscellaneous                          |                             | 8,000    |                 |                 |               | 8,000         |                 |
|   | 8305                     | 199                   | 8305_199                  | Contingency                            |                             | 131,888  |                 |                 |               | 131,888       |                 |
| 8305  | 200                      | 8305_200              | Air Compliance & Design   |  | -                           |          |                 |                 | -             |               |                 |
| COMPLETION  | 8306                     | 201                   | 8306_201                  | Location & Cleanup                     |                             |          | 20,000          |                 |               | 20,000        |                 |
|   | 8306                     | 202                   | 8306_202                  | Power & Fuel                           |                             |          | 619,122         |                 |               | 619,122       |                 |
|   | 8306                     | 203                   | 8306_203                  | Compl Fluids & Chemicals               |                             |          | 35,000          | 7,500           |               | 42,500        |                 |
|   | 8306                     | 204                   | 8306_204                  | Bits, Reamer, Stabilizers              |                             |          | 50,000          |                 |               | 50,000        |                 |
|   | 8306                     | 205                   | 8306_205                  | Cement & Cementing Svcs                |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 206                   | 8306_206                  | Logging & Perforation Svcs             |                             |          | 229,300         |                 |               | 229,300       |                 |
|   | 8306                     | 207                   | 8306_207                  | Csg Crews & Tools-Drive Hammer         |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 208                   | 8306_208                  | Directional Tools & Svcs               |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 209                   | 8306_209                  | Formation Stimulatr Acid Frac          |                             |          | 2,557,798       |                 |               | 2,557,798     |                 |
|   | 8306                     | 210                   | 8306_210                  | Formation Evaluation                   |                             |          | 32,500          | 70,000          |               | 102,500       |                 |
|   | 8306                     | 211                   | 8306_211                  | Tubular Inspection                     |                             |          |                 | 5,000           |               | 5,000         |                 |
|   | 8306                     | 212                   | 8306_212                  | Equipment Rentals                      |                             |          | 375,000         | 40,000          |               | 415,000       |                 |
|   | 8306                     | 213                   | 8306_213                  | Contract Labor & Services              |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 214                   | 8306_214                  | Wellsite Consultant                    |                             |          | 95,000          | 5,000           |               | 100,000       |                 |
|   | 8306                     | 215                   | 8306_215                  | Company Supervision & Labor            |                             |          | 5,000           |                 |               | 5,000         |                 |
|   | 8306                     | 216                   | 8306_216                  | Transportation                         |                             |          | 15,000          |                 |               | 15,000        |                 |
|   | 8306                     | 217                   | 8306_217                  | Mud Cuttings & Water Disposal          |                             |          | 25,000          | 90,000          |               | 115,000       |                 |
|   | 8306                     | 218                   | 8306_218                  | Insurance                              |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 219                   | 8306_219                  | Overhead                               |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 220                   | 8306_220                  | Water & Water Well                     |                             |          | 533,700         | 5,000           |               | 538,700       |                 |
|   | 8306                     | 221                   | 8306_221                  | Unanticipated MajExp Fishing           |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 222                   | 8306_222                  | Outside Operated Other                 |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 223                   | 8306_223                  | Misc Supplies & Materials              |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 224                   | 8306_224                  | Legal                                  |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 225                   | 8306_225                  | Regulatory Permits                     |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 226                   | 8306_226                  | Environmental & Safety Costs           |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 227                   | 8306_227                  | Plugging                               |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 228                   | 8306_228                  | Completion Rig                         |                             |          | 165,000         | 50,000          |               | 215,000       |                 |
|   | 8306                     | 229                   | 8306_229                  | Artificial Lift                        |                             |          | -               | 70,000          |               | 70,000        |                 |
|   | 8306                     | 230                   | 8306_230                  | Other Specialized Svcs                 |                             |          | -               |                 |               | -             |                 |
|   | 8306                     | 240                   | 8306_240                  | Hopper Rig                             |                             |          | -               |                 |               | -             |                 |
| 8306  | 290                      | 8306_290              | Miscellaneous             |  |                             |          |                 |                 | -             |               |                 |
| 8306  | 299                      | 8306_299              | Contingency               |  |                             | 118,936  |                 |                 | 118,936       |               |                 |
| 8306  | 301                      | 8306_301              | Air Compliance & Design   |  |                             | -        |                 |                 | -             |               |                 |
| 8306  | 950                      | 8306_950              | Allocation Contra Account |  |                             | -        |                 |                 | -             |               |                 |
| 8306  | 995                      | 8306_995              | AFE Accrual - Gross       |  |                             | -        |                 |                 | -             |               |                 |
| 8306  | 999                      | 8306_999              | Net WIP Offset            |  |                             | -        |                 |                 | -             |               |                 |
| FACILITY  | 8311                     | 540                   | 8311_540                  | Permits / ROW / SUA / USR              |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 541                   | 8311_541                  | Survey                                 |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 542                   | 8311_542                  | Consultnt(Eng,Env,Stty,Pwr,etc         |                             |          |                 |                 | 23,556        | 23,556        |                 |
|   | 8311                     | 543                   | 8311_543                  | Shipping/Transport/Freight             |                             |          |                 |                 | 16,116        | 16,116        |                 |
|   | 8311                     | 544                   | 8311_544                  | Taxes                                  |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 577                   | 8311_577                  | Civil Labor & Contracts                |                             |          |                 |                 | 39,400        | 39,400        |                 |
|   | 8311                     | 578                   | 8311_578                  | Structural Steel Labor & Ctrct         |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 579                   | 8311_579                  | Mechanical Labor & Contracts           |                             |          |                 |                 | 24,633        | 24,633        |                 |
|   | 8311                     | 580                   | 8311_580                  | Automate & Elec Labor & Cntrct         |                             |          |                 |                 | 202,024       | 202,024       |                 |
|   | 8311                     | 581                   | 8311_581                  | Pipeline Labor & Contracts             |                             |          |                 |                 | 25,446        | 25,446        |                 |
|   | 8311                     | 582                   | 8311_582                  | Shop & Skid Fab Labor & Cntrct         |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 583                   | 8311_583                  | Insulation Labor & Contracts           |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 584                   | 8311_584                  | Painting/Coating Labor & Ctrct         |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 585                   | 8311_585                  | NDE Inspection                         |                             |          |                 |                 | 7,796         | 7,796         |                 |
|   | 8311                     | 586                   | 8311_586                  | 3rd Party Construct Inspection         |                             |          |                 |                 | 11,924        | 11,924        |                 |
|   | 8311                     | 587                   | 8311_587                  | Construct Equip & Svcs/Rental          |                             |          |                 |                 | 15,003        | 15,003        |                 |
|   | 8311                     | 591                   | 8311_591                  | Air Permits & Fees                     |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 592                   | 8311_592                  | Air Testing & Analysis                 |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 593                   | 8311_593                  | LDAR Costs                             |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 594                   | 8311_594                  | EHSRC Compliance Systems               |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 599                   | 8311_599                  | Contingency                            |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 600                   | 8311_600                  | EHRSC COC Compliance                   |                             |          |                 |                 | -             | -             |                 |
|   | Total Intangible Costs   |                       |                           |  |                             |          | \$ 2,448,771.00 | \$ 4,876,355.61 | \$ 342,500.00 | \$ 365,897.07 | \$ 8,033,523.68 |
|   | TANGIBLE WELL COSTS      |                       |                           |  |                             |          |                 |                 |               |               |                 |
|   | DRILLING                 | 8308                  | 301                       | 8308_301                               | Drive Pipe Conductor Casing |          | 30,000          |                 |               |               | 30,000          |
|   |                          | 8308                  | 302                       | 8308_302                               | Surface Casing              |          | 68,280          |                 |               |               | 68,280          |
| 8308  |                          | 303                   | 8308_303                  | Intermediate Casing                    |                             | 401,625  |                 |                 |               | 401,625       |                 |
| 8308  |                          | 304                   | 8308_304                  | Production Casing                      |                             | 801,560  |                 |                 |               | 801,560       |                 |
| 8308  |                          | 305                   | 8308_305                  | Subs Fit Eqpt Centralizers Etc         |                             | 59,875   |                 |                 |               | 59,875        |                 |
| 8308  |                          | 306                   | 8308_306                  | Casinghead Drilling Spool              |                             | 80,000   |                 |                 |               | 80,000        |                 |
| 8308  |                          | 307                   | 8308_307                  | Sub Surface Equipment                  |                             | -        |                 |                 |               | -             |                 |
| 8308  |                          | 308                   | 8308_308                  | Outside Operated Other                 |                             | -        |                 |                 |               | -             |                 |
| 8308  |                          | 390                   | 8308_390                  | Miscellaneous                          |                             | 10,000   |                 |                 |               | 10,000        |                 |
| 8308  |                          | 399                   | 8308_399                  | Contingency                            |                             | -        |                 |                 |               | -             |                 |
| COMPLETION  | 8309                     | 402                   | 8309_402                  | Tubing                                 |                             |          |                 | 72,630          |               | 72,630        |                 |
|   | 8309                     | 403                   | 8309_403                  | Subs Fit Eqpt Centralizers Etc         |                             |          |                 |                 |               | -             |                 |
|   | 8309                     | 404                   | 8309_404                  | Sub Surface Equipment                  |                             |          |                 | 40,000          |               | 40,000        |                 |
|   | 8309                     | 405                   | 8309_405                  | Well Head Equipment                    |                             |          |                 | 70,000          |               | 70,000        |                 |
|   | 8309                     | 406                   | 8309_406                  | Outside Operated Other                 |                             |          |                 |                 |               | -             |                 |
|   | 8309                     | 407                   | 8309_407                  | Artificial Lift                        |                             |          |                 | 75,000          |               | 75,000        |                 |
|   | 8309                     | 490                   | 8309_490                  | Miscellaneous                          |                             |          |                 |                 |               | -             |                 |
|   | 8309                     | 499                   | 8309_499                  | Contingency                            |                             |          |                 |                 |               | -             |                 |
|   | 8311                     | 547                   | 8311_547                  | Concrete & Foundation Material         |                             |          |                 |                 |               | -             |                 |
|   | 8311                     | 548                   | 8311_548                  | Road Base,Gravel,Civil Fill            |                             |          |                 |                 | -             | -             |                 |
| FACILITY  | 8311                     | 549                   | 8311_549                  | Structural Steel Material              |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 550                   | 8311_550                  | Buildings(GasLift,cmpsr, etc)          |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 552                   | 8311_552                  | Press Vessels/Filters/Heat Exc         |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 553                   | 8311_553                  | Separatrns/Heat Ttrr/Fire Equip        |                             |          |                 |                 | 5,241         | 5,241         |                 |
|   | 8311                     | 554                   | 8311_554                  | Tanks                                  |                             |          |                 |                 | 189,535       | 189,535       |                 |
|   | 8311                     | 555                   | 8311_555                  | Dehy Equipment                         |                             |          |                 |                 | 50,733        | 50,733        |                 |
|   | 8311                     | 556                   | 8311_556                  | Compressors                            |                             |          |                 |                 | -             | -             |                 |
|   | 8311                     | 557                   | 8311_557                  | Pumps                                  |                             |          |                 |                 | 3,931         | 3,931         |                 |
|   | 8311                     | 558                   | 8311_558                  | ECD's/Flares                           |                             |          |                 |                 | 17,487        | 17,487        |                 |
|   | 8311                     | 559                   | 8311_559                  | Pipe, Valves & fittings                |                             |          |                 |                 | 16,444        | 16,444        |                 |
|   | 8311                     | 563                   | 8311_563                  | Instrumentation / Automation           |                             |          |                 |                 | 90,777        | 90,777        |                 |
|   | 8311                     | 564                   | 8311_564                  | Meters/Measurement                     |                             |          |                 |                 | 11,793        | 11,793        |                 |
|   | 8311                     | 565                   | 8311_565                  | Electrical/Power Equipment             |                             |          |                 |                 | 36,560        | 36,560        |                 |
|   | 8311                     | 566                   | 8311_566                  | Instrument Air Systems                 |                             |          |                 |                 | 117,852       | 117,852       |                 |
| 8311  | 567                      | 8311_567              | LACT Systems              |  |                             |          |                 | -               | -             |               |                 |
| 8311  | 568                      | 8311_568              | Automation Bulk Materials |  |                             |          |                 | -               | -             |               |                 |
| 8311  | 569                      | 8311_569              | Heat Trace                |  |                             |          |                 | -               | -             |               |                 |
| 831   |                          |                       |                           |  |                             |          |                 |                 |               |               |                 |

| Civitas Permian Operating, LLC<br>AUTHORIZATION FOR EXPENDITURE |                       |                       |                               |  |          |                 |                 |               |               |   |  |
|---|-----------------------|-----------------------|-------------------------------|--|----------|-----------------|-----------------|---------------|---------------|---|--|
| <div><div><div><div>CIVITAS</div></div></div></div>             |                       |                       |                               | Blue Marlin Fed COM 112H               |          |                 |                 | Location:     |               | <div><div>Date</div><div>May 13, 2024</div></div> |  |
| Well Name   |                       |                       |                               | 1BSS                                   |          |                 |                 | State         |               | NM  |  |
| Target  |                       |                       |                               | 10,200                                 |          |                 |                 | County        |               | Lea   |  |
| Lateral Length  |                       |                       |                               | 9,684                                  |          |                 |                 | Section       |               | 19, 18  |  |
| TVD   |                       |                       |                               | 20,217                                 |          |                 |                 | Township      |               | 25S   |  |
| MD  |                       |                       |                               | 2                                      |          |                 |                 | Range         |               | 36E   |  |
| Pad Well Count  |                       |                       |                               | 8                                      |          |                 |                 |               |               |   |  |
| CTB Well Count  |                       |                       |                               |  |          |                 |                 |               |               |   |  |
| INTANGIBLE WELL COSTS   |                       |                       |                               |  |          |                 |                 |               |               |   |  |
|   | Account Code<br>Major | Account Code<br>Minor | Concat.                       | Category                               | Comments | Drilling        | Completion      | Production    | Facility      | Total   |  |
| DRILLING  | 8305                  | 101                   | 8305.101                      | Location, Clean Up & Damages           |          | 150,000         |                 |               |               | 150,000   |  |
|   | 8305                  | 102                   | 8305.102                      | Rig Move - MIRU, RDMO                  |          | 60,000          |                 |               |               | 60,000  |  |
|   | 8305                  | 103                   | 8305.103                      | Rig Contractor-Daywork/FT              |          | 735,000         |                 |               |               | 735,000   |  |
|   | 8305                  | 104                   | 8305.104                      | Rig Contractor-Turnkey                 |          | -               |                 |               |               | -   |  |
|   | 8305                  | 105                   | 8305.105                      | Power & Fuel                           |          | 42,875          |                 |               |               | 42,875  |  |
|   | 8305                  | 106                   | 8305.106                      | Drill Fluids & Chemicals               |          | 243,000         |                 |               |               | 243,000   |  |
|   | 8305                  | 107                   | 8305.107                      | Bits, Reamer, Stabilizers              |          | 85,000          |                 |               |               | 85,000  |  |
|   | 8305                  | 108                   | 8305.108                      | Cement & Cementing Services            |          | 180,000         |                 |               |               | 180,000   |  |
|   | 8305                  | 109                   | 8305.109                      | Mud Logging                            |          | 9,625           |                 |               |               | 9,625   |  |
|   | 8305                  | 110                   | 8305.110                      | Open Hole Logging                      |          | -               |                 |               |               | -   |  |
|   | 8305                  | 111                   | 8305.111                      | Csg Crews & Tools-Drive Hammer         |          | 30,000          |                 |               |               | 30,000  |  |
|   | 8305                  | 112                   | 8305.112                      | Directional Tools & Service            |          | 238,750         |                 |               |               | 238,750   |  |
|   | 8305                  | 115                   | 8305.115                      | Tubular Inspection                     |          | 25,000          |                 |               |               | 25,000  |  |
|   | 8305                  | 116                   | 8305.116                      | Equipment Rentals                      |          | 189,875         |                 |               |               | 189,875   |  |
|   | 8305                  | 117                   | 8305.117                      | Production Labor, Maintenance          |          | 75,000          |                 |               |               | 75,000  |  |
|   | 8305                  | 118                   | 8305.118                      | Wellsite Consultants                   |          | 100,800         |                 |               |               | 100,800   |  |
|   | 8305                  | 119                   | 8305.119                      | Company Supervision & Labor            |          | -               |                 |               |               | -   |  |
|   | 8305                  | 120                   | 8305.120                      | Transportation                         |          | 30,000          |                 |               |               | 30,000  |  |
|   | 8305                  | 121                   | 8305.121                      | Mud,Cuttings & Water Disposal          |          | 37,852          |                 |               |               | 37,852  |  |
|   | 8305                  | 122                   | 8305.122                      | Insurance                              |          | 6,356           |                 |               |               | 6,356   |  |
|   | 8305                  | 123                   | 8305.123                      | Overhead                               |          | -               |                 |               |               | -   |  |
|   | 8305                  | 124                   | 8305.124                      | Water & Water Well                     |          | 19,250          |                 |               |               | 19,250  |  |
|   | 8305                  | 125                   | 8305.125                      | Unanticipated Major Expenses (Fishing) |          | -               |                 |               |               | -   |  |
|   | 8305                  | 126                   | 8305.126                      | Legal                                  |          | 30,000          |                 |               |               | 30,000  |  |
|   | 8305                  | 127                   | 8305.127                      | Outside Operated Other                 |          | -               |                 |               |               | -   |  |
|   | 8305                  | 128                   | 8305.128                      | Regulatory Permits                     |          | 5,000           |                 |               |               | 5,000   |  |
|   | 8305                  | 129                   | 8305.129                      | Environmental & Safety                 |          | 7,500           |                 |               |               | 7,500   |  |
|   | 8305                  | 130                   | 8305.130                      | Plugging                               |          | -               |                 |               |               | -   |  |
|   | 8305                  | 132                   | 8305.132                      | Other Specialized Services             |          | 8,000           |                 |               |               | 8,000   |  |
|   | 8305                  | 190                   | 8305.190                      | Miscellaneous                          |          | 8,000           |                 |               |               | 8,000   |  |
|   | 8305                  | 199                   | 8305.199                      | Contingency                            |          | 132,138         |                 |               |               | 132,138   |  |
|   | 8305                  | 200                   | 8305.200                      | Air Compliance & Design                |          | -               |                 |               |               | -   |  |
| COMPLETION  | 8306                  | 201                   | 8306.201                      | Location & Cleanup                     |          |                 | 20,000          |               |               | 20,000  |  |
|   | 8306                  | 202                   | 8306.202                      | Power & Fuel                           |          |                 | 619,122         |               |               | 619,122   |  |
|   | 8306                  | 203                   | 8306.203                      | Compl Fluids & Chemicals               |          |                 | 35,000          | 7,500         |               | 42,500  |  |
|   | 8306                  | 204                   | 8306.204                      | Bits, Reamer, Stabilizers              |          |                 | 50,000          |               |               | 50,000  |  |
|   | 8306                  | 205                   | 8306.205                      | Cement & Cementing Svcs                |          |                 | -               |               |               | -   |  |
|   | 8306                  | 206                   | 8306.206                      | Logging & Perforation Svcs             |          |                 | 229,300         |               |               | 229,300   |  |
|   | 8306                  | 207                   | 8306.207                      | Csg Crews & Tools-Drive Hammer         |          |                 | -               |               |               | -   |  |
|   | 8306                  | 208                   | 8306.208                      | Directional Tools & Svcs               |          |                 | -               |               |               | -   |  |
|   | 8306                  | 209                   | 8306.209                      | Formation Stimulatr Acid Frac          |          |                 | 2,557,798       |               |               | 2,557,798   |  |
|   | 8306                  | 210                   | 8306.210                      | Formation Evaluation                   |          |                 | 32,500          | 70,000        |               | 102,500   |  |
|   | 8306                  | 211                   | 8306.211                      | Tubular Inspection                     |          |                 |                 | 5,000         |               | 5,000   |  |
|   | 8306                  | 212                   | 8306.212                      | Equipment Rentals                      |          |                 | 375,000         | 40,000        |               | 415,000   |  |
|   | 8306                  | 213                   | 8306.213                      | Contract Labor & Services              |          |                 | -               |               |               | -   |  |
|   | 8306                  | 214                   | 8306.214                      | Wellsite Consultant                    |          |                 | 95,000          | 5,000         |               | 100,000   |  |
|   | 8306                  | 215                   | 8306.215                      | Company Supervision & Labor            |          |                 | 5,000           |               |               | 5,000   |  |
|   | 8306                  | 216                   | 8306.216                      | Transportation                         |          |                 | 15,000          |               |               | 15,000  |  |
|   | 8306                  | 217                   | 8306.217                      | Mud Cuttings & Water Disposal          |          |                 | 25,000          | 90,000        |               | 115,000   |  |
|   | 8306                  | 218                   | 8306.218                      | Insurance                              |          |                 | -               |               |               | -   |  |
|   | 8306                  | 219                   | 8306.219                      | Overhead                               |          |                 | -               |               |               | -   |  |
|   | 8306                  | 220                   | 8306.220                      | Water & Water Well                     |          |                 | 533,700         | 5,000         |               | 538,700   |  |
|   | 8306                  | 221                   | 8306.221                      | Unanticipated MajExp Fishing           |          |                 | -               |               |               | -   |  |
|   | 8306                  | 222                   | 8306.222                      | Outside Operated Other                 |          |                 | -               |               |               | -   |  |
|   | 8306                  | 223                   | 8306.223                      | Misc Supplies & Materials              |          |                 | -               |               |               | -   |  |
|   | 8306                  | 224                   | 8306.224                      | Legal                                  |          |                 | -               |               |               | -   |  |
|   | 8306                  | 225                   | 8306.225                      | Regulatory Permits                     |          |                 | -               |               |               | -   |  |
|   | 8306                  | 226                   | 8306.226                      | Environmental & Safety Costs           |          |                 | -               |               |               | -   |  |
|   | 8306                  | 227                   | 8306.227                      | Plugging                               |          |                 | -               |               |               | -   |  |
|   | 8306                  | 228                   | 8306.228                      | Completion Rig                         |          |                 | 165,000         | 50,000        |               | 215,000   |  |
|   | 8306                  | 229                   | 8306.229                      | Artificial Lift                        |          |                 | -               | 70,000        |               | 70,000  |  |
|   | 8306                  | 230                   | 8306.230                      | Other Specialized Srvs                 |          |                 | -               |               |               | -   |  |
|   | 8306                  | 240                   | 8306.240                      | Hopper Rig                             |          |                 | -               |               |               | -   |  |
|   | 8306                  | 290                   | 8306.290                      | Miscellaneous                          |          |                 | -               |               |               | -   |  |
|   | 8306                  | 299                   | 8306.299                      | Contingency                            |          |                 | 118,936         |               |               | 118,936   |  |
|   | 8306                  | 301                   | 8306.301                      | Air Compliance & Design                |          |                 | -               |               |               | -   |  |
|   | 8306                  | 950                   | 8306.950                      | Allocation Contra Account              |          |                 | -               |               |               | -   |  |
|   | 8306                  | 995                   | 8306.995                      | AFE Accrual - Gross                    |          |                 | -               |               |               | -   |  |
|   | 8306                  | 999                   | 8306.999                      | Net WIP Offset                         |          |                 | -               |               |               | -   |  |
| FACILITY  | 8311                  | 540                   | 8311.540                      | Permits / ROW / SUA / USR              |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 541                   | 8311.541                      | Survey                                 |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 542                   | 8311.542                      | Consultnt(Eng,Env,Stty,Pwr,etc         |          |                 |                 |               | 23,556        | 23,556  |  |
|   | 8311                  | 543                   | 8311.543                      | Shipping/Transport/Freight             |          |                 |                 |               | 16,116        | 16,116  |  |
|   | 8311                  | 544                   | 8311.544                      | Taxes                                  |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 577                   | 8311.577                      | Civil Labor & Contracts                |          |                 |                 |               | 39,400        | 39,400  |  |
|   | 8311                  | 578                   | 8311.578                      | Structural Steel Labor & Ctrct         |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 579                   | 8311.579                      | Mechanical Labor & Contracts           |          |                 |                 |               | 24,633        | 24,633  |  |
|   | 8311                  | 580                   | 8311.580                      | Automate & Elec Labor & Cntrct         |          |                 |                 |               | 202,024       | 202,024   |  |
|   | 8311                  | 581                   | 8311.581                      | Pipeline Labor & Contracts             |          |                 |                 |               | 25,446        | 25,446  |  |
|   | 8311                  | 582                   | 8311.582                      | Shop & Skid Fab Labor & Cntrct         |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 583                   | 8311.583                      | Insulation Labor & Contracts           |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 584                   | 8311.584                      | Painting/Coating Labor & Ctrct         |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 585                   | 8311.585                      | NDE Inspection                         |          |                 |                 |               | 7,796         | 7,796   |  |
|   | 8311                  | 586                   | 8311.586                      | 3rd Party Construct Inspection         |          |                 |                 |               | 11,924        | 11,924  |  |
|   | 8311                  | 587                   | 8311.587                      | Construct Equip & Svcs/Rental          |          |                 |                 |               | 15,003        | 15,003  |  |
|   | 8311                  | 591                   | 8311.591                      | Air Permits & Fees                     |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 592                   | 8311.592                      | Air Testing & Analysis                 |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 593                   | 8311.593                      | LDAR Costs                             |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 594                   | 8311.594                      | EHSRC Compliance Systems               |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 599                   | 8311.599                      | Contingency                            |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 600                   | 8311.600                      | EHRSC COC Compliance                   |          |                 |                 |               | -             | -   |  |
| Total Intangible Costs  |                       |                       |                               |  |          | \$ 2,449,021.00 | \$ 4,876,355.61 | \$ 342,500.00 | \$ 365,897.07 | \$ 8,033,773.68                                   |  |
| TANGIBLE WELL COSTS   |                       |                       |                               |  |          |                 |                 |               |               |   |  |
| DRILLING  | 8308                  | 301                   | 8308.301                      | Drive Pipe Conductor Casing            |          | 30,000          |                 |               |               | 30,000  |  |
|   | 8308                  | 302                   | 8308.302                      | Surface Casing                         |          | 68,280          |                 |               |               | 68,280  |  |
|   | 8308                  | 303                   | 8308.303                      | Intermediate Casing                    |          | 401,625         |                 |               |               | 401,625   |  |
|   | 8308                  | 304                   | 8308.304                      | Production Casing                      |          | 808,680         |                 |               |               | 808,680   |  |
|   | 8308                  | 305                   | 8308.305                      | Subs Fit Eqpt Centralizers Etc         |          | 59,875          |                 |               |               | 59,875  |  |
|   | 8308                  | 306                   | 8308.306                      | Casinghead Drilling Spool              |          | 80,000          |                 |               |               | 80,000  |  |
|   | 8308                  | 307                   | 8308.307                      | Sub Surface Equipment                  |          | -               |                 |               |               | -   |  |
|   | 8308                  | 308                   | 8308.308                      | Outside Operated Other                 |          | -               |                 |               |               | -   |  |
|   | 8308                  | 390                   | 8308.390                      | Miscellaneous                          |          | 10,000          |                 |               |               | 10,000  |  |
|   | 8308                  | 399                   | 8308.399                      | Contingency                            |          | -               |                 |               |               | -   |  |
| COMPLETION  | 8309                  | 402                   | 8309.402                      | Tubing                                 |          |                 |                 | 72,630        |               | 72,630  |  |
|   | 8309                  | 403                   | 8309.403                      | Subs Fit Eqpt Centralizers Etc         |          |                 |                 |               |               | -   |  |
|   | 8309                  | 404                   | 8309.404                      | Sub Surface Equipment                  |          |                 |                 | 40,000        |               | 40,000  |  |
|   | 8309                  | 405                   | 8309.405                      | Well Head Equipment                    |          |                 |                 | 70,000        |               | 70,000  |  |
|   | 8309                  | 406                   | 8309.406                      | Outside Operated Other                 |          |                 |                 |               |               | -   |  |
|   | 8309                  | 407                   | 8309.407                      | Artificial Lift                        |          |                 |                 | 75,000        |               | 75,000  |  |
|   | 8309                  | 490                   | 8309.490                      | Miscellaneous                          |          |                 |                 |               |               | -   |  |
|   | 8309                  | 499                   | 8309.499                      | Contingency                            |          |                 |                 |               |               | -   |  |
|   | 8311                  | 547                   | 8311.547                      | Concrete & Foundation Material         |          |                 |                 |               |               | -   |  |
|   | 8311                  | 548                   | 8311.548                      | Road Base,Gravel,Civil Fill            |          |                 |                 |               | -             | -   |  |
| FACILITY  | 8311                  | 549                   | 8311.549                      | Structural Steel Material              |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 550                   | 8311.550                      | Buildings(GasLift,cmpsr, etc)          |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 552                   | 8311.552                      | Press Vessels/Filters/Heat Exc         |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 553                   | 8311.553                      | Separatrs/Heat Ttrr/Fire Equip         |          |                 |                 |               | 5,241         | 5,241   |  |
|   | 8311                  | 554                   | 8311.554                      | Tanks                                  |          |                 |                 |               | 189,535       | 189,535   |  |
|   | 8311                  | 555                   | 8311.555                      | Dehy Equipment                         |          |                 |                 |               | 50,733        | 50,733  |  |
|   | 8311                  | 556                   | 8311.556                      | Compressors                            |          |                 |                 |               | -             | -   |  |
|   | 8311                  | 557                   | 8311.557                      | Pumps                                  |          |                 |                 |               | 3,931         | 3,931   |  |
|   | 8311                  | 558                   | 8311.558                      | ECD's/Flares                           |          |                 |                 |               | 17,487        | 17,487  |  |
|   | 8311                  | 559                   | 8311.559                      | Pipe, Valves & fittings                |          |                 |                 |               | 16,444        | 16,444  |  |
|   | 8311                  | 563                   | 8311.563                      | Instrumentation / Automation           |          |                 |                 |               | 90,777        | 90,777  |  |
|   | 8311                  | 564                   | 8311.564                      | Meters/Measurement                     |          |                 |                 |               | 11,793        | 11,793  |  |
|   | 8311                  | 565                   | 8311.565                      | Electrical/Power Equipment             |          |                 |                 |               | 36,560        | 36,560  |  |
|   | 8311                  | 566                   | 8311.566                      | Instrument Air Systems                 |          |                 |                 |               | 117,852       | 117,852   |  |
| 8311  | 567                   | 8311.567              | LACT Systems                  |  |          |                 |                 | -             | -             |   |  |
| 8311  | 568                   | 8311.568              | Automation Bulk Materials     |  |          |                 |                 | -             | -             |   |  |
| 8311  | 569                   | 8311.569              | Heat Trace                    |  |          |                 |                 | -             | -             |   |  |
| 8311  | 570                   | 8311.570              | Power/Control Panels          |  |          |                 |                 | -             | -             |   |  |
| 8311  | 571                   | 8311.571              | SCADA Software/Systems        |  |          |                 |                 | -             | -             |   |  |
| 8311  | 572                   | 8311.572              | Telemetry Equipment / Radios  |  |          |                 |                 | -             | -             |   |  |
| 8311  | 573                   | 8311.573              | Chem Inj. Systems & Chemicals |  |          |                 |                 | -             | -             |   |  |
| 8311  | 590                   | 8311.590              | Miscellaneous                 |  |          |                 |                 | -             | -             |   |  |
| Total Tangible Costs  |                       |                       |                               |  |          | \$ 1,458,460.00 | \$ -            | \$ 257,6      |               |   |  |

## Summary of Communication – Blue Marlin W2 Bone Spring

**Civitas Permian Operating, LLC**  
**Case No. 24842**  
**Exhibit A-5**

| Owner                                      | Communication   |
|--|---|
| Franklin Mountain Energy, LLC              | 8/8/24: Sent Well Proposal<br>9/4/24: Reached out about amending an existing JOA to add the Bone Spring formation<br>9/10/24: Sent proposed amendment<br>10/1/24: Sent an email following up on the amendment |
| Franklin Mountain Royalty Investments, LLC | 8/8/24: Sent Well Proposal<br>9/4/24: Reached out about amending an existing JOA to add the Bone Spring formation<br>9/10/24: Sent proposed amendment<br>10/1/24: Sent an email following up on the amendment |
| Davis Exploration, LLC                     | 8/8/24: Sent Well Proposal<br>8/27/24: Davis sent elections to participate back. Working on a JOA now.  |
| Ameredev New Mexico, LLC                   | 8/8/24: Sent Well Proposal  |
| Ameredev Texas, LLC                        | 8/8/24: Sent Well Proposal  |
| Burlington Resources Oil & Gas Company, LP | 8/8/24: Sent Well Proposal<br>8/26/24: Burlington requested information associated with the drilling of the wells<br>8/27/24: I provided Burlington the information that they requested                       |
| Chevron USA Inc.                           | 8/8/24: Sent Well Proposal<br>9/5/24: Chevron requested information associated with the drilling of the wells<br>9/6/24: I provided Chevron the information that they requested.                              |
| Cayuga Royalties, LLC                      | 8/8/24: Sent Well Proposal  |
| Prevail Energy, LLC                        | 8/8/24: Sent Well Proposal  |
| Douglas A. Denton                          | 8/8/24: Sent Well Proposal  |
| Pegasus Resources II, LLC                  | 8/8/24: Sent Well Proposal<br>9/3/24: Pegasus inquired about leasing their interest<br>10/1/24: I sent an offer and lease form to Pegasus for their review.   |
| Kassandra Dawn Dittmer                     | 8/8/24: Sent Well Proposal  |
| St. Joseph Residence                       | 8/8/24: Sent Well Proposal  |
| Nathan Allen Dittmer, Jr.                  | 8/8/24: Sent Well Proposal  |
| Rowena Lynn Doss                           | 8/8/24: Sent Well Proposal  |
| Theodore A. Dittmer, Jr.                   | 8/8/24: Sent Well Proposal  |



Summary of Communication – Blue Marlin W2 Bone Spring

| Owner                     | Communication              |
|---------------------------|----------------------------|
| The Ohio State University | 8/8/24: Sent Well Proposal |

- \* Final interest subject to division order title verification

**Civitas Permian Operating, LLC**  
**Case No. 24842**  
**Exhibit B**

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

**APPLICATION OF CIVITAS PERMIAN OPERATING,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24842**

**SELF-AFFIRMED STATEMENT OF**  
**SHANE FINEGAN**

1. I am employed by Civitas Permian Operating, LLC ("Civitas") as a petroleum geologist. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.

2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters and my credentials were accepted as a matter of record.

3. I am familiar with the geological matters involved in the above-referenced case and have conducted a geologic study of the lands in the subject area.

4. **Exhibit B-1** is a regional locator map identifying the proposed horizontal spacing unit for the captioned case (the "Unit").

5. **Exhibit B-2** is a subsea structure map of the Bone Spring formation. The contour interval is 50 feet. The map demonstrates the formation is gently dipping to the west-southwest in this area. The structure appears consistent across the proposed wellbore path for the Blue Marlin 111H and Blue Marlin 112H wells (the "Wells"). I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

6. **Exhibit B-3** is a stratigraphic cross-section from A to A' using the representative wells identified on Exhibit B-2. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from southwest to northeast and is hung on the top of the 1<sup>st</sup> Bone Spring formation. The proposed landing zone for the Wells is labeled on the exhibit. This cross-section demonstrates the target interval is consistent in thickness across the Unit.

7. In my opinion, a standup 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.

8. 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 be productive and contribute more or less equally to the production of the Wells.

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

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

11. 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 signature below.

Shane Finegan

9/20/2024

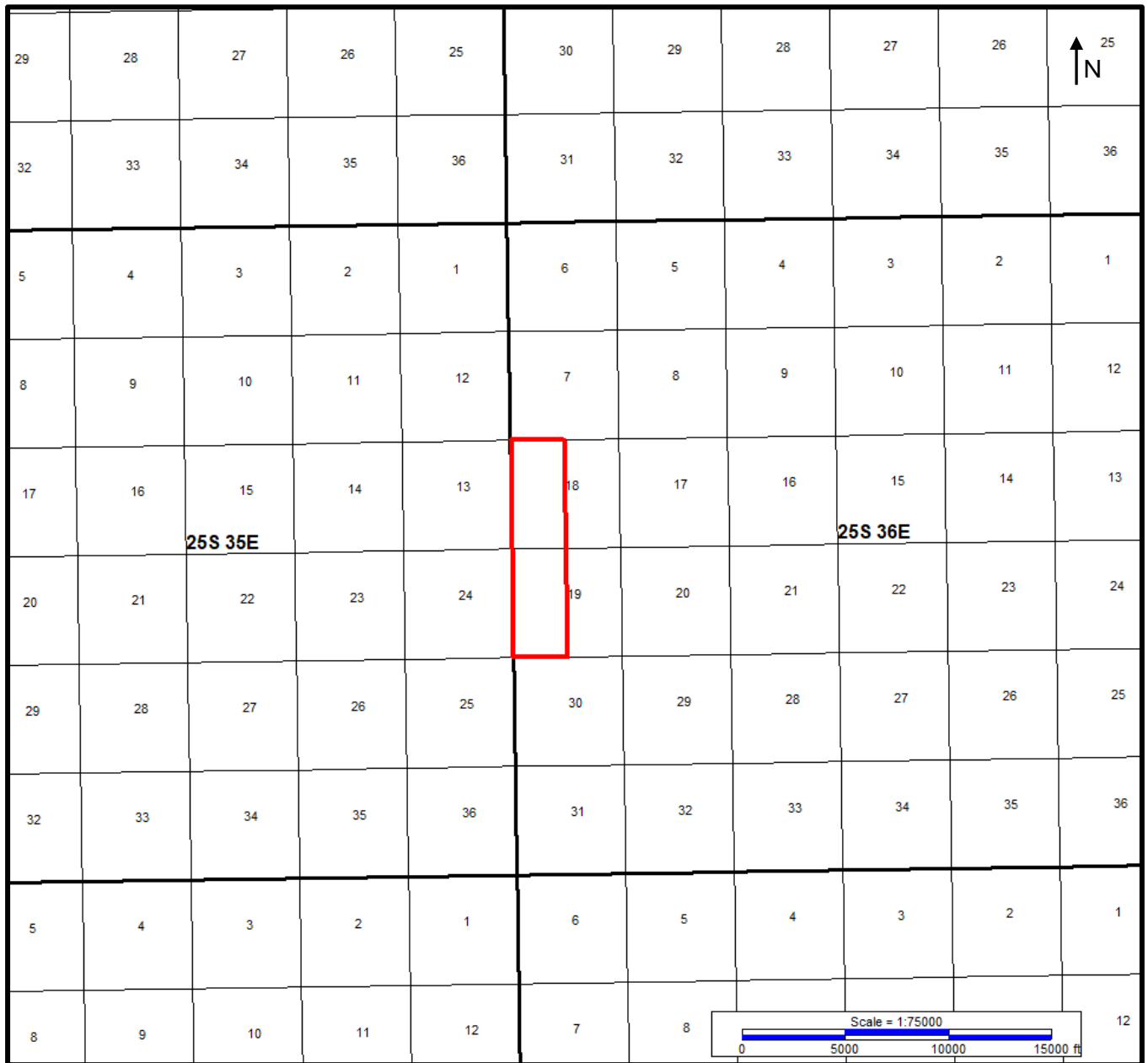
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Shane Finegan

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Date

**Civitas Permian Operating, LLC**  
**Case No. 24842**  
**Exhibit B-1**

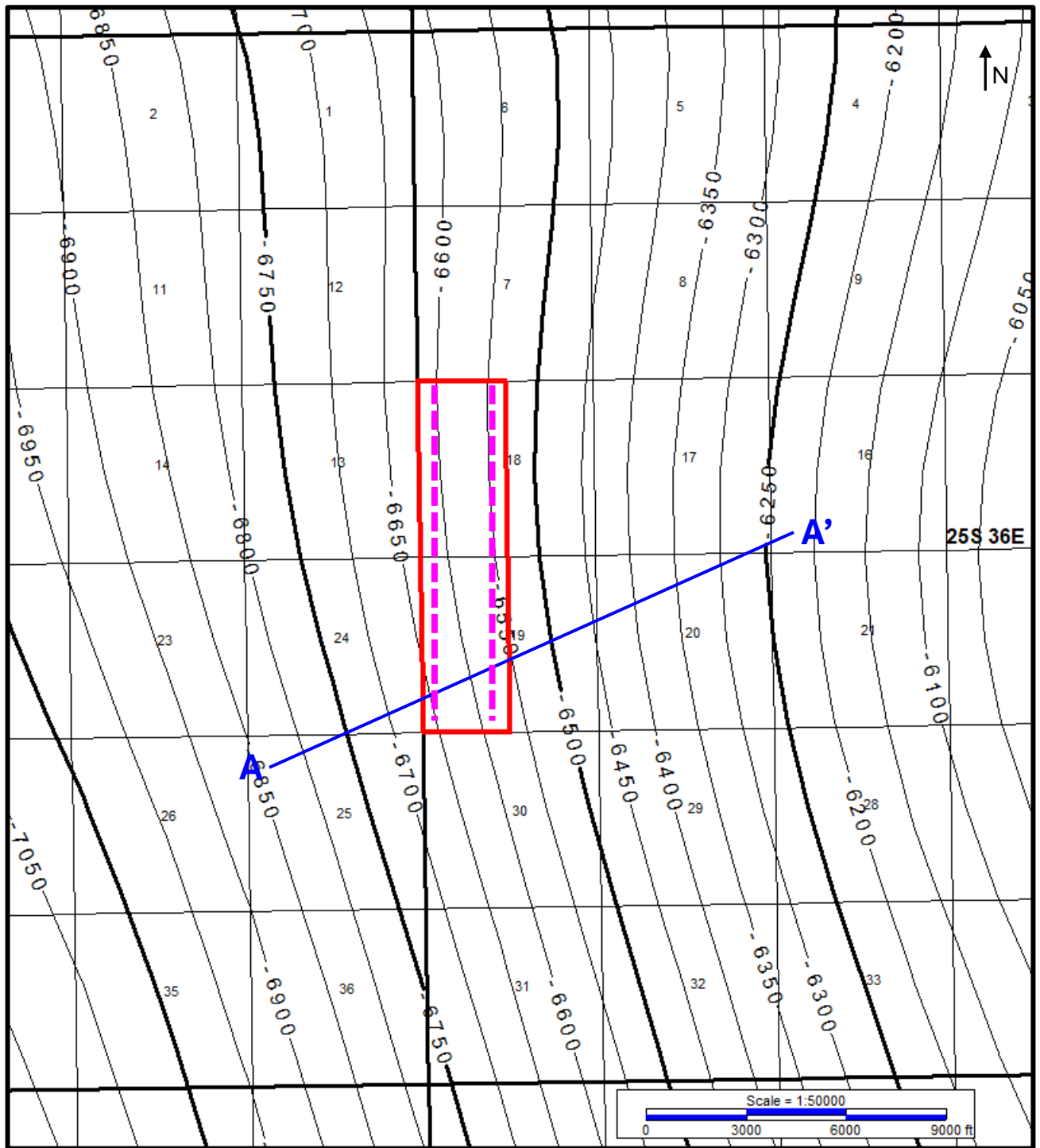


**Legend**



Blue Marlin Unit





Top 1<sup>st</sup> Bone Spring Sand Depth Structure (SSTVD)  
CI = 50'

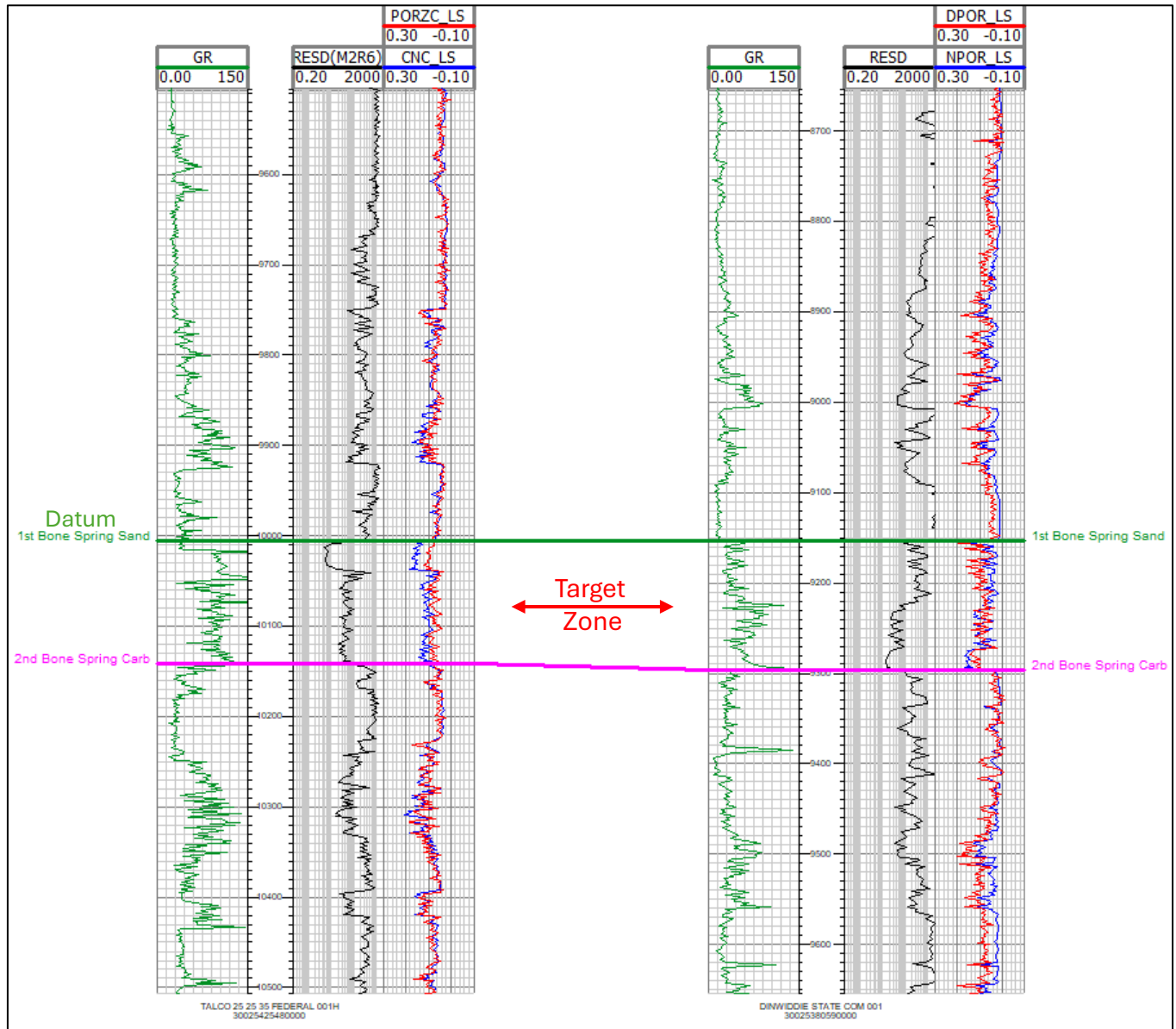
**Civitas Permian Operating, LLC**  
**Case No. 24842**  
**Exhibit B-2**



| Legend |                  |
|--------|------------------|
|        | Blue Marlin Unit |
|        | Blue Marlin Well |
|        | Cross-Section    |

**Civitas Permian Operating, LLC**  
**Case No. 24842**  
**Exhibit B-3**

**Stratigraphic Cross-Section**



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

**APPLICATION OF CIVITAS PERMIAN OPERATING,  
LLC FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.**

**CASE NO. 24842**

**SELF-AFFIRMED STATEMENT OF**  
**MICHAEL RODRIGUEZ**

1. I am attorney in fact and authorized representative of Civitas Permian Operating, LLC. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement.

2. I caused the notice of hearing letter attached as **Exhibit C-1** and the application in this case to be sent by certified mail to the locatable affected parties on the date identified in the notice of hearing letter.

3. **Exhibit C-2** contains the names and addresses of the parties to whom notice was provided to and the status of delivery provided by the United States Postal Service as of the date identified therein.

4. On September 15, 2024, I caused a notice to be published to all affected parties subject to the application in this case. A copy of the Affidavit of Publication from the Legal Clerk of the publication and a copy of the legal notice are attached as **Exhibit C-3**.

5. 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 signature below.



Michael Rodriguez

09/27/2024

Date



555 17th Street, Suite 3700  
Denver, CO 80202  
303-312-8518

September 13, 2024

**VIA CERTIFIED MAIL**  
**CERTIFIED RECEIPT REQUESTED**

**Civitas Permian Operating, LLC**  
**Case No. 24842**  
**Exhibit C-1**

**TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS**

**Re: Case No. 24842 – Application of Civitas Permian Operating, LLC for  
Compulsory Pooling, Lea County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on **October 10, 2024**, and the status of the hearing can be monitored through the Division's website at <http://www.emnrd.state.nm.us/ocd/>.

It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B.

If you have any questions about this matter, please contact Chad Matney at 303-551-5094 or [cmatney@civiresources.com](mailto:cmatney@civiresources.com).

Thank you,

/s/ Michael Rodriguez

Michael Rodriguez

**Attorney for Civitas Permian Operating, LLC**



## Civitas Permian Operating, LLC

Case No. 24842

## Exhibit C-2

| Class                                     | TrackingNo                 | ToCompany                                    | NA      | TOName                                     | DeliveryAd            | AddressLine2                                 | City       | State | Zip        | MailDate   | ERR_Sig    | DATE     | ERR_FT  | PS | USPS_Status   | StatusCode |
|---|----------------------------|--|---------|--|-----------------------|--|------------|-------|------------|------------|------------|----------|---------|----|---|------------|
| Certified with Return Receipt (Signature) | 94148118987<br>65484128350 | As An Heir Of The Estate Of                  | C S Ham | The Heirs of Carl S Ham Jr.                | 4100 SE 1000          |  | Andrews    | TX    | 79714-6064 | 09/13/2024 | 09/17/2024 | 00:46:38 | SUCCESS |    | Your item was picked up at a postal facility at 4:09 pm on September 16, 2024 in ANDREWS, TX 79714.                                     | D          |
| Certified with Return Receipt (Signature) | 94148118987<br>65484128367 | Estate of Louise Heard Kincaid,              |         | c/o Eileen Heard                           | 9202 W County 14th St |  | Yuma       | AZ    | 85365-9754 | 09/13/2024 |            |          |         |    | Your item was returned to the sender on September 16, 2024 at 4:09 pm in YUMA, AZ 85365 because it could not be delivered as addressed. | I          |
| Certified with Return Receipt (Signature) | 94148118987<br>65484128329 | C/O Farmers National Company                 |         | The Ohio State University                  | 15 W 6th St Ste 2700  |  | Tulsa      | OK    | 74119-5421 | 09/13/2024 |            |          |         |    | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.                 | I          |
| Certified with Return Receipt (Signature) | 94148118987<br>65484128398 |  |         | Northern Oil and Gas Inc.                  | 4350 Baker Rd Ste 400 |  | Minnetonka | MIN   | 55343-8628 | 09/13/2024 | 09/18/2024 | 06:47:11 | SUCCESS |    | delivered to an agent at the front desk, reception, or mail room at 10:24 am on September 17, 2024 in HOPKINS, MN 55343.                | D          |
| Certified with Return Receipt (Signature) | 94148118987<br>65484128343 | Lloyd Wayne Johnson as an Heir of The Estate |         | Mabel L Heeter as an Heir of The Estate of | 10412 Rogers Circle   | of Shirley N Van Zandt Johnson as an Heir of | Sun City   | AZ    | 85351      | 09/13/2024 | 09/24/2024 | 07:46:44 | SUCCESS |    | Your item has been delivered to the original sender at 10:36 am on September 23, 2024 in DENVER, CO 80202.                              | D          |
| Certified with Return Receipt (Signature) | 94148118987<br>65484128381 | Estate of Louise Heard Kincaid,              |         | c/o Eileen Heard                           | 10317 S Del Rey Dr    |  | Yuma       | AZ    | 85367-7315 | 09/13/2024 | 09/19/2024 | 01:45:57 | SUCCESS |    | Your item was picked up at the post office at 1:35 pm on September 18, 2024 in YUMA, AZ 85367.  | D          |
| Certified with Return Receipt (Signature) | 94148118987<br>65484128336 | Estate of Louise Heard Kincaid,              |         | c/o Eileen Heard                           | 9202 W County 14th St |  | Yuma       | AZ    | 85365-9754 | 09/13/2024 |            |          |         |    | Your item was returned to the sender on September 16, 2024 at 4:09 pm in YUMA, AZ 85365 because it could not be delivered as addressed. | I          |
| Certified with Return Receipt (Signature) | 94148118987<br>65484128374 | C/O Farmers National Company                 |         | The Ohio State University                  | 15 W 6th St Ste 2700  |  | Tulsa      | OK    | 74119-5421 | 09/13/2024 |            |          |         |    | Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.                 | I          |

**Affidavit of Publication**

STATE OF NEW MEXICO  
COUNTY OF LEA

**Civitas Permian Operating, LLC****Case No. 24842****Exhibit C-3**

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated  
September 15, 2024  
and ending with the issue dated  
September 15, 2024.

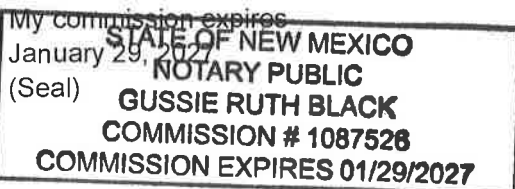


Publisher

Sworn and subscribed to before me this  
15th day of September 2024.



Business Manager



This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

| LEGAL  | LEGAL | LEGAL |
|--|-------|-------|
| <b>LEGAL NOTICE</b><br><b>September 15, 2024</b>   |       |       |
| <p>This is to notify all interested parties, including: Ameredev New Mexico, LLC; Ameredev Texas, LLC; Davis Exploration, LLC; Burlington Resources Oil &amp; Gas Company, LP; Cayuga Royalties, LLC; Chevron USA Inc.; Douglas A. Denton; Pegasus Resources II, LLC; Kassandra Dawn Dittmer; Nathan Allen Dittmer; Ohio State University c/o Real Estate &amp; Property Management; Prevail Energy LLC; Rowena L. Oclon, aka Rowena Lynn Doss; St. Joseph Residence, Inc.; Theodore A. Dittmer, Jr.; and their respective successors and assigns, that Civitas Permian Operating, LLC ("Civitas") filed applications in <b>Case No. 24842</b> with the New Mexico Oil Conservation Division ("Division"). A hearing has been requested before a Division Examiner on <b>October 10, 2024</b>. It is anticipated that hearings will be held in a hybrid format with both in-person and virtual participation options. The meeting will be held in the Pecos Hall Hearing Room at the Wendall Chino Building, 1st Floor, 1220 South St. Francis Dr., Santa Fe, New Mexico. To participate virtually in the hearing, see the instructions posted on the OCD Hearings website: <a href="https://www.emnrd.nm.gov/oed/hearing-info/">https://www.emnrd.nm.gov/oed/hearing-info/</a>. You are not required to attend this hearing, but as an owner of an interest that may be affected by these applications, 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. Parties appearing in cases are required to file a Pre-hearing Statement four business days in advance of a scheduled hearing that complies with the provisions of NMAC 19.15.4.13.B. Civitas seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 18 and 19, Township 25 South, Range 36 East, Lea County, New Mexico. The proposed horizontal spacing unit will be dedicated to Blue Marlin Fed Com 111H to be horizontally drilled with the first take point in the SW/4SW/4 (Unit M) of Section 19 and last take point in the NW/4NW/4 (Unit D) of Section 18, and Blue Marlin Fed Com 112H to be horizontally drilled with the first take point in the SE/4SW/4 (Unit N) of Section 19 and last take point in the NE/4NW/4 (Unit C) of Section 18. The completed interval for the Blue Marlin Fed Com 112H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the Unit. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs and the actual operating costs and charges for supervision, designation of Civitas as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 11 miles southwest of Jal, New Mexico.</p> <p><b>#00294109</b></p> |       |       |

67118016

00294109

MICHAEL RODRIQUEZ  
CIVITAS RESOURCES  
8100 Wyoming Blvd NE Ste M4 #463  
ALBUQUERQUE, NM 87113