

**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. 24836

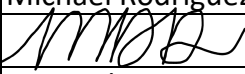
EXHIBIT INDEX

Compulsory Pooling Checklist	
Exhibit A	Self-Affirmed Statement of Chad Matney
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
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B-2	Subsea Structure Map
B-3	Stratigraphic Cross-Section
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C-3	Affidavit of Publication from September 15, 2024

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24836	APPLICANT'S RESPONSE
Date	October 3, 2024
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:	
Well Family	Black Marlin Fed Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	WC-025 G-08 S2535340;BONE SPRING [97088]
Well Location Setback Rules (Only if NSP is Requested):	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	quarter-quarter
Orientation:	Standup
Description: TRS/County	W/2E/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
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	N
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Black Marlin Fed Com 113H (API # Pending) SHL: 182 FNL & 1559 FEL (Unit B), S18-T25S-R36E BHL: 5 FSL & 1650 FEL (Unit O), S19-T25S-R36E Completion Target: Bone Spring Completion status: Standard

Horizontal Well First and Last Take Points	Exhibit A-4
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	8500
Production Supervision/Month \$	850
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-3
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-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

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
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Michael Rodriguez
Signed Name (Attorney or Party Representative):	
Date:	September 26, 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. 24836

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 S2535340;BONE SPRING [97088]) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2E/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 Black Marlin Fed Com 113H to be horizontally drilled with the first take point in the NW/4NE/4 (Unit B) of Section 18 and last take point in the SW/4SE/4 (Unit O) of Section 19 (the "Well").

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

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

8. **Exhibit A-3** contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Civitas seeks to pool

highlighted in yellow. All the parties are locatable in that Civitas believes it located valid addresses for them.

9. 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.

10. 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.

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

12. In my opinion, 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**.

13. 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.


14. 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.

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

16. 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.

17. I understand this Self-Affirmed Statement will be used as written testimony in this case.

I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date next to my signature below.


Chad Matney

9/17/24
Date

Civitas Permian Operating, LLC
Case No. 24836
Exhibit A-1

**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. 24836

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 320-acre, more or less, horizontal spacing unit comprised of the W/2E/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 well (the “Well”):
 - a. The Black Marlin Fed Com 113H to be horizontally drilled with the first take point in the NW/4NE/4 (Unit B) of Section 18 and last take point in the SW/4SE/4 (Unit O) of Section 19.
3. The producing area for the well is expected to be orthodox.
4. Civitas has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the Unit.
5. The pooling of all interests in the Unit will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.
6. 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 3, 2024, and after notice and hearing, the Division enter

its order:

- a. Pooling all uncommitted interests in the Unit;
- b. Approving the Well in the Unit;
- c. Designating Civitas as operator of the Unit and the Well to be drilled thereon;
- d. Authorizing Civitas to recover its costs of drilling, equipping and completing the Well;
- 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 Well in the event a working interest owner elects not to participate in the Well.

Respectfully submitted,

Civitas Permian Operating, LLC



Ocean Munds-Dry
Michael Rodriguez
309 Johnson St.
Santa Fe, NM 87501
(505) 592-0521
(303) 312-8518

omundsdry@civiresources.com
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 320-acre, more or less, horizontal spacing unit comprised of the W/2E/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 The Black Marlin Fed Com 113H to be horizontally drilled with first take point in the NW/4NE/4 (Unit B) of Section 18 and last take point in the SW/4SE/4 (Unit O) of Section 19. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as 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 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
	Pool Code	Pool Name	
	Property Code	Well Number	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	97088	WC-025 G-08 S2535340; BONE SPRING.
Property Code	Property Name	Well Number
	BLACK MARLIN FED COM	113H
OGRID No.	Operator Name	Ground Level Elevation
332195	CIVITAS PERMIAN OPERATING, LLC.	3179'
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
B	18	25-S	36-E	-	182' N	1559' E	N 32.1371309	W 103.3007184	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
O	19	25-S	36-E	-	5' S	1650' E	N 32.1086280	W 103.3010094	LEA

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidated Code
160	N	-	N	-
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
B	18	25-S	36-E	-	50' N	1650' E	N 32.1374965	W 103.3010125	LEA

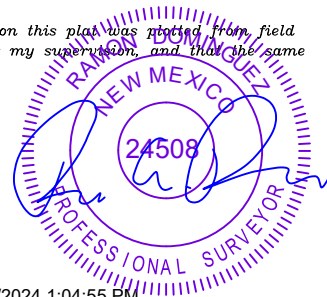
First Take Point (FTP)

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
B	18	25-S	36-E	-	100' N	1650' E	N 32.1373590	W 103.3010125	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
O	19	25-S	36-E	-	100' S	1650' E	N 32.1088892	W 103.3010096	LEA

Unitized Area or Area of Uniform Intrest	Spacing Unity Type	Ground Floor Elevation
	<input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	3204'

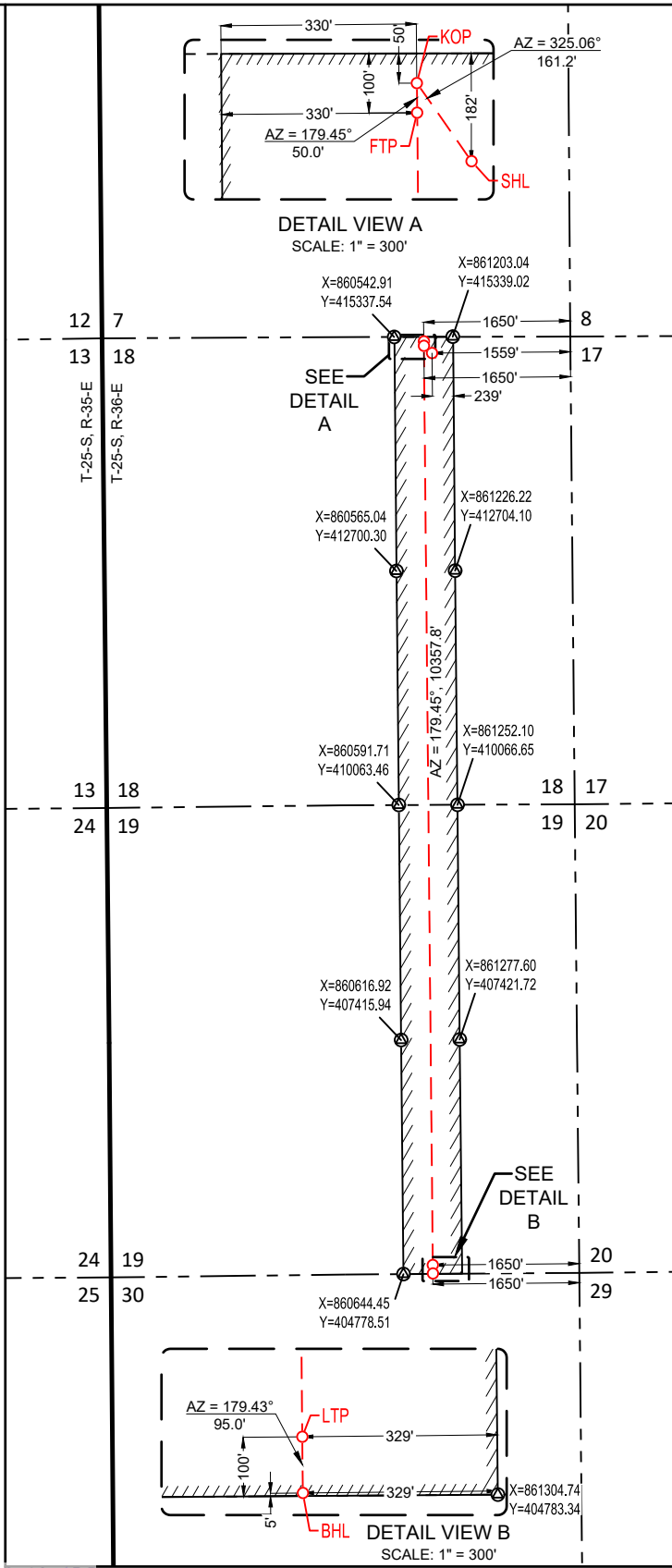
OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed 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. 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.		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.	
Signature	Date	9/19/2024 1:04:55 PM 	
Print Name		Certificate Number	Date of Survey
E-mail Address			05/14/2020

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024
Property Name and Well Number <div style="text-align: center; font-weight: bold; font-size: 1.2em;">BLACK MARLIN FED COM 113H</div>		Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

SURFACE LOCATION (SHL)
 NEW MEXICO EAST
 NAD 1983
 X=860966 Y=415156
 LAT.: N 32.1371309
 LONG.: W 103.3007184
 NAD 1927
 X=819779 Y=415098
 LAT.: N 32.1370039
 LONG.: W 103.3002557
 182' FNL 1559' FEL

KICK OFF POINT (KOP)
 NEW MEXICO EAST
 NAD 1983
 X=860874 Y=415288
 LAT.: N 32.1374965
 LONG.: W 103.3010125
 NAD 1927
 X=819687 Y=415230
 LAT.: N 32.1373694
 LONG.: W 103.3005497
 50' FNL 1650' FEL

FIRST TAKE POINT (FTP)
 NEW MEXICO EAST
 NAD 1983
 X=860874 Y=415238
 LAT.: N 32.1373590
 LONG.: W 103.3010125
 NAD 1927
 X=819687 Y=415180
 LAT.: N 32.1372320
 LONG.: W 103.3005497
 100' FNL 1650' FEL



LAST TAKE POINT (FTP)
 NEW MEXICO EAST
 NAD 1983
 X=860974 Y=404881
 LONG.: W 103.3010096
 NAD 1927
 X=819787 Y=404823
 LAT.: N 32.108892
 LONG.: W 103.3005482
 100' FSL 1650' FEL

BOTTOM HOLE LOCATION (BHL)
 NEW MEXICO EAST
 NAD 1983
 X=860975 Y=404786
 LAT.: N 32.1086280
 LONG.: W 103.3010094
 NAD 1927
 X=819788 Y=404728
 LAT.: N 32.1085009
 LONG.: W 103.3005481
 5' FSL 1650' FEL

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.
 05/14/2020
 Date of Survey
 Signature and Seal of Professional Surveyor:

RAMON DOMINGUEZ
 NEW MEXICO
 24508
 PROFESSIONAL SURVEYOR

9/19/2024 1:04:55 PM

M:\SURVEY\OIL\RESOURCES\INCL\EM\1024\PRODUCT\BLACK_MARLIN_FED_COM_113H_REV1\UPON_TEMP_ENGR\ESKIN1920241.07.dwg

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

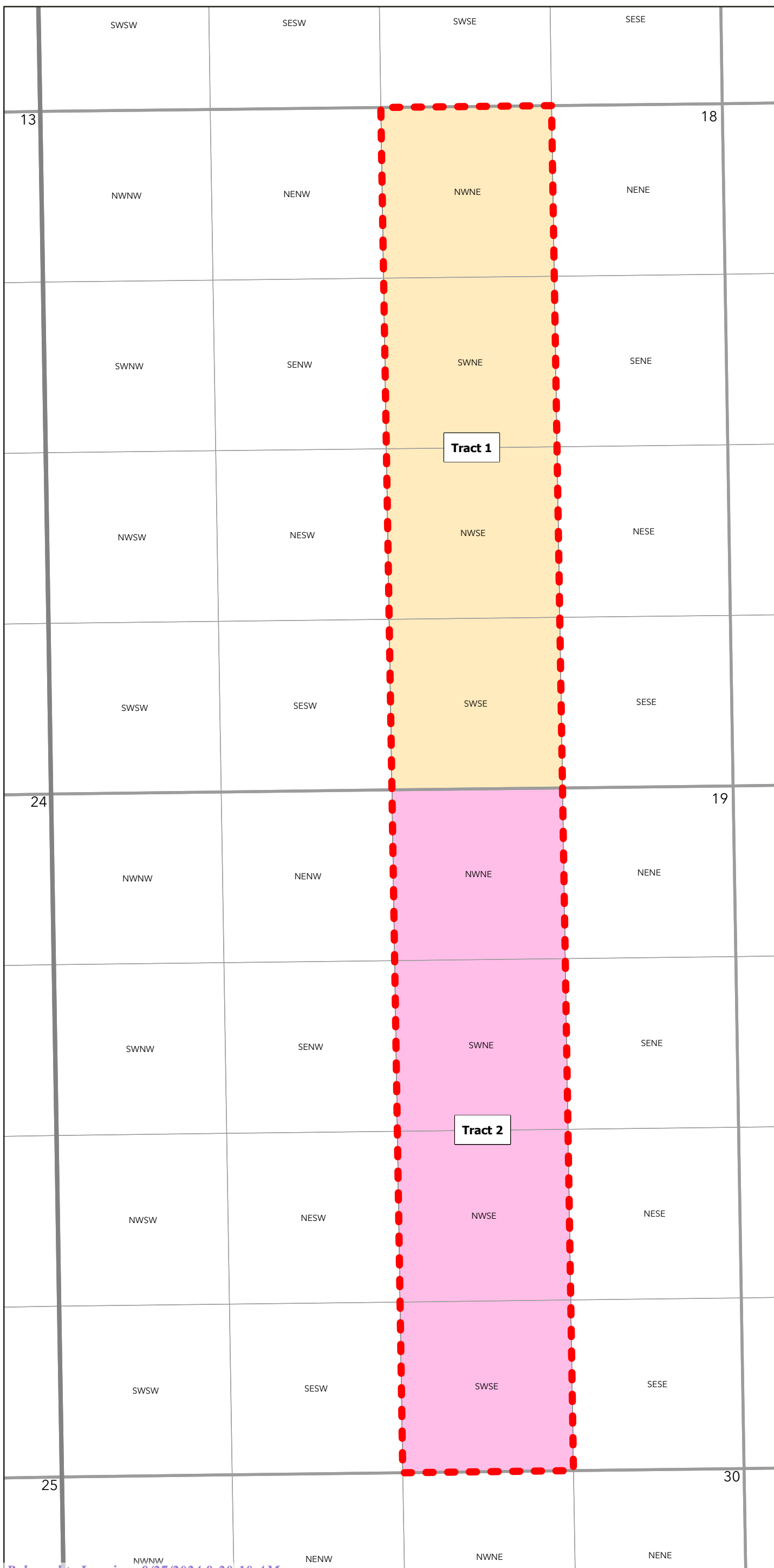
Civitas Permian Operating, LLC
Case No. 24836
Exhibit A-3

Black Marlin

Tract 1
Fee
160 acres

Tract 2
USA NMNM-127449
160 acres

Pending Spacing Unit
320 acres total:
160 acres (Fee)
160 acres (Fed)



Tract #	Legal	Mineral Ownership Type	Lease Number	Owners
1	<u>T25S-R36E</u> Sec. 18: W/2E/2 Lea County, New Mexico	Fee	Fee	Civitas DE Basin Resources II, LLC MRC Hat Mesa, LLC Allar Development Company <i>*Heirs of the Estate of Louise Heard</i> <i>*Kincaid The Ohio State University</i>
2	<u>T25S-R36E</u> Sec. 19: W/2E/2 Lea County, New Mexico	Federal	NMNM-127449	Civitas DE Basin Resources II, LLC <i>*Pooled parties</i>

Entity	Interest Type	Approximate Percentage
Civitas DE Basin Resources II, LLC	Working Interest	94.351562%
Allar Development Company	Working Interest	3.125000%
MRC Hat Mesa, LLC	Working Interest	1.562500%
*Estate of Louise Heard Kincaid	Unleased Mineral Interest	0.585938%
*The Ohio State University	Unleased Mineral Interest	0.375000%
	TOTAL:	100.000000%

*Pooled parties



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

Civitas Permian Operating, LLC
Case No. 24836
Exhibit A-4

July 18, 2024

The Ohio State University
c/o Farmers National Company
15 W 6th St., Suite 2700
Tulsa, OK 74119

**RE: Horizontal Well Proposal –Bonespring Formation-Black Marlin Fed Com 113H;
Horizontal Spacing Unit – W/2E/2 of Section 18 and W/2E/2 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 above. Enclosed you will find a detailed cost AFE for each of the referenced wells. Please note that the first take point and last take point of each respective well will be located at a legal or approved location and SHL may change pending further surface evaluation.

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/2E/2 of Section 18 and W/2E/2 of Section 19, T-25 South, R-36 East, N.M.P.M, Lea County, New Mexico, containing approximately 320 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, one (1) executed AFE for each well you have elected **to participate**, one original (1) Joint Operating Agreement body signature page, and one (1) original executed and notarized memorandum H signature page of the Joint Operating Agreement when provided at the address shown on this letter. 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.

Best Regards,

Chad Matney
Landman IV

The Ohio State University

_____ participate in Black Marlin Fed Com 113H

_____ non-consent Black Marlin Fed Com 113H

By: _____

Name: _____

Title: _____

Date: _____

End of Elections



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

August 27, 2024

The Ohio State University
c/o Farmers National Company
15 W 6th St., Suite 2700
Tulsa, OK 74119

**RE: Horizontal Well Proposal –Bonespring Formation-Black Marlin Fed Com 113H;
Horizontal Spacing Unit – W/2E/2 of Section 18 and W/2E/2 Section 19, T-25 South, R-36 East
Lea County, New Mexico**

Ladies and/or Gentlemen:

On July 18, 2024 the subject well proposal was sent to your attention. In an effort to add clarity Civitas would like to provide some additional detail. Please see below for further description as it relates to the well proposal.

Well Name	SHL	BHL	FTP	LTP	TVD	MD	Formation
Black Marlin Fed Com 113H	NW/4NE/4 Section 18, T25S-R36E	1,650 FEL and 10 FSL Section 19, T25S-R36E	1,650 FEL and 100 FNL Section 19, T25S-R36E	1,650 FEL and 100 FSL Section 19, T25S-R36E	9,680	20,130	1BSS

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.

Best Regards,

Chad Matney
Landman IV

Summary of Communication – Black Marlin W2E2 Bone Spring

Civitas Permian Operating, LLC
Case No. 24836
Exhibit A-5

Owner	Communication
Heirs of the Estate of Louise Heard Kincaid	7/18/24: Sent Well Proposal 7/23/24: Received Voicemail from son of one of the heirs. 8/5/24: Called back and left a voicemail 9/18/24: Spoke with the son and talked through the upcoming pooling process.
The Ohio State University	7/18/24: Sent Well Proposal

- * Final interest subject to division order title verification

Civitas Permian Operating, LLC
Case No. 24836
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. 24836

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 Black Marlin 113H well (the "Well"). 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 1st Bone Spring formation. The proposed landing zone for the Well 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 Well 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 Well.

9. In my opinion, the granting of Civitas' application would 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.

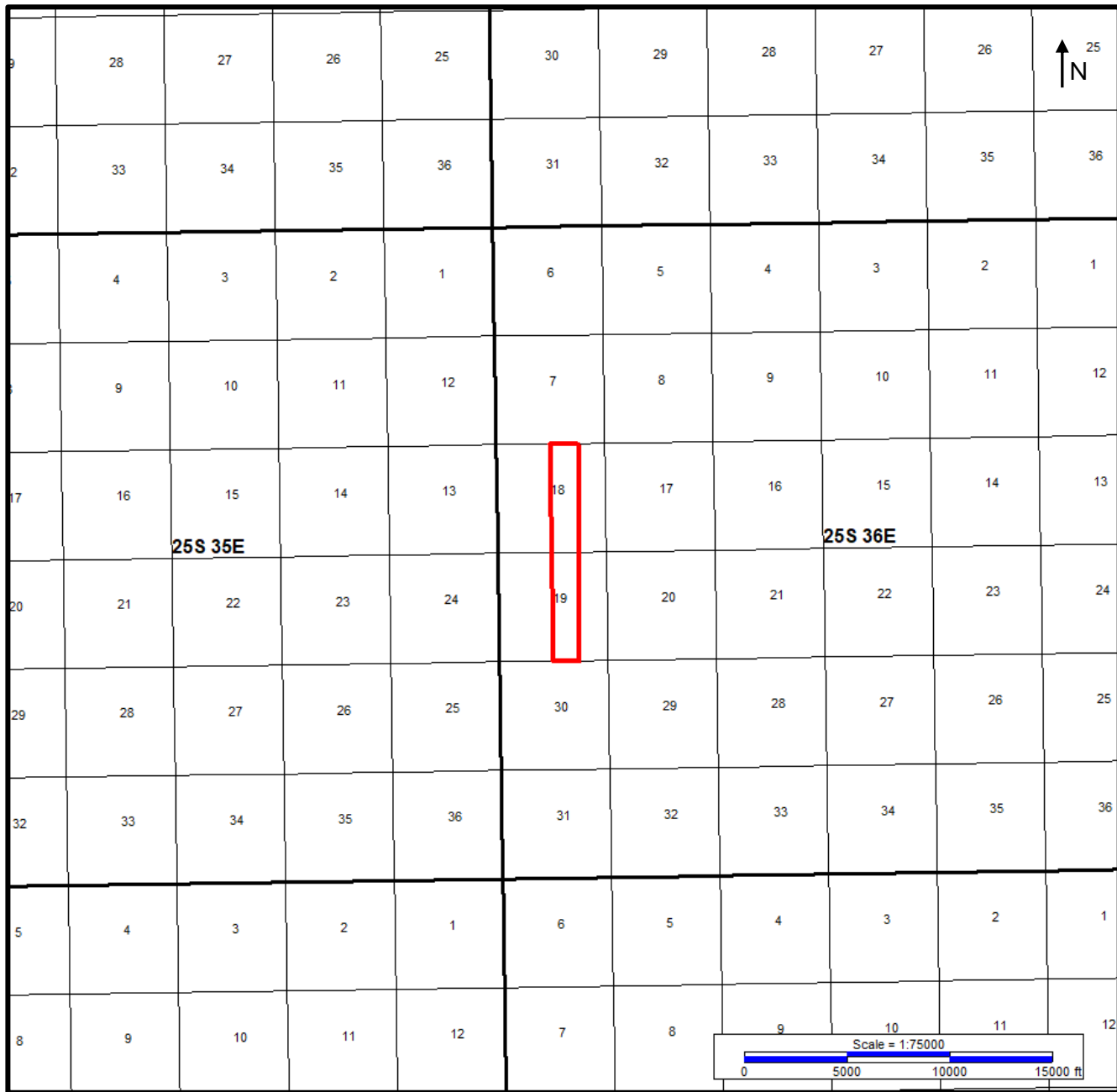
/s/ Shane Finegan

Shane Finegan


9/20/2024

Date

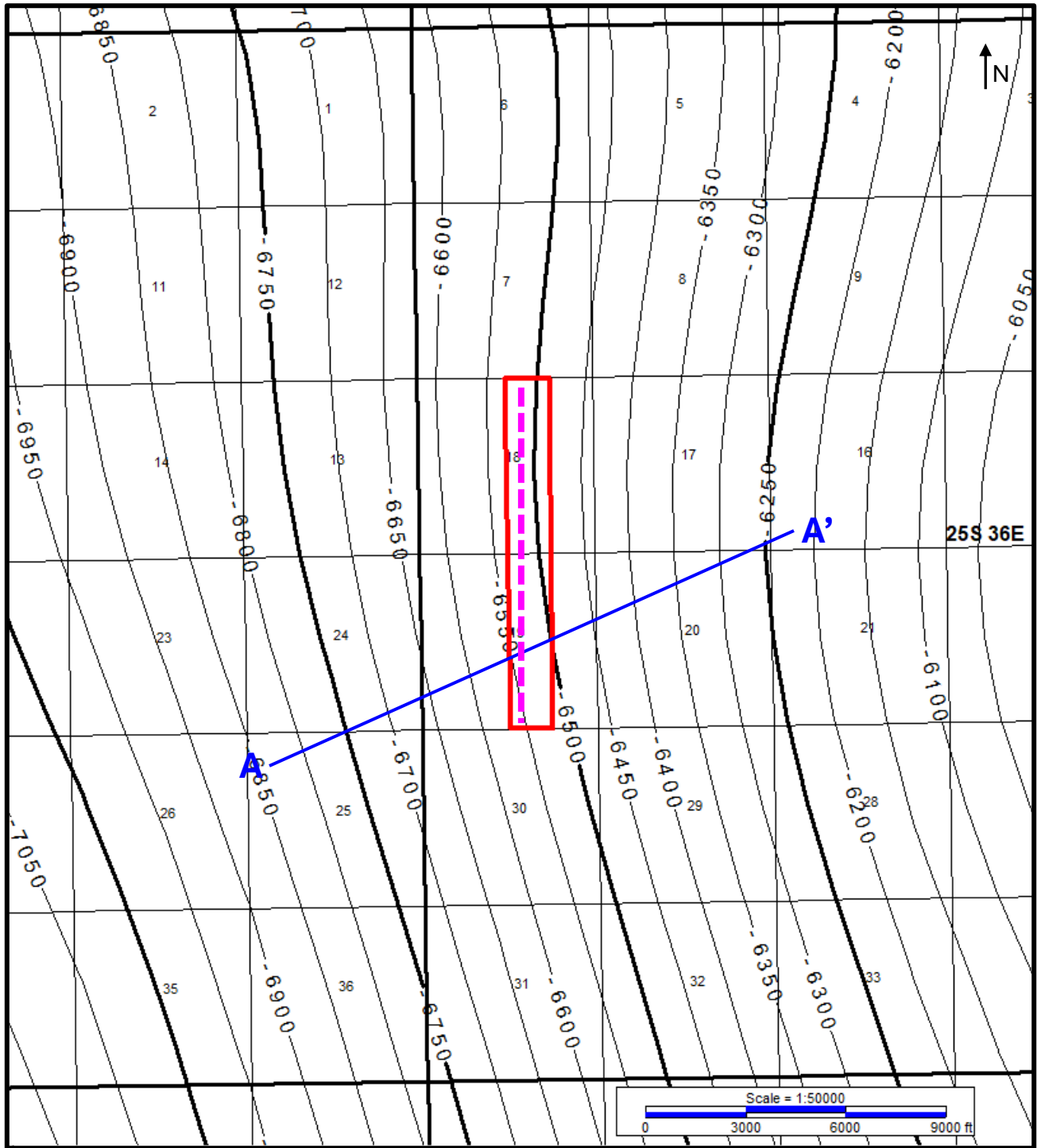
Civitas Permian Operating, LLC
Case No. 24836
Exhibit B-1



Legend




 Black Marlin Unit





Top 1st Bone Spring Sand Depth Structure (SSTVD)
CI = 50'

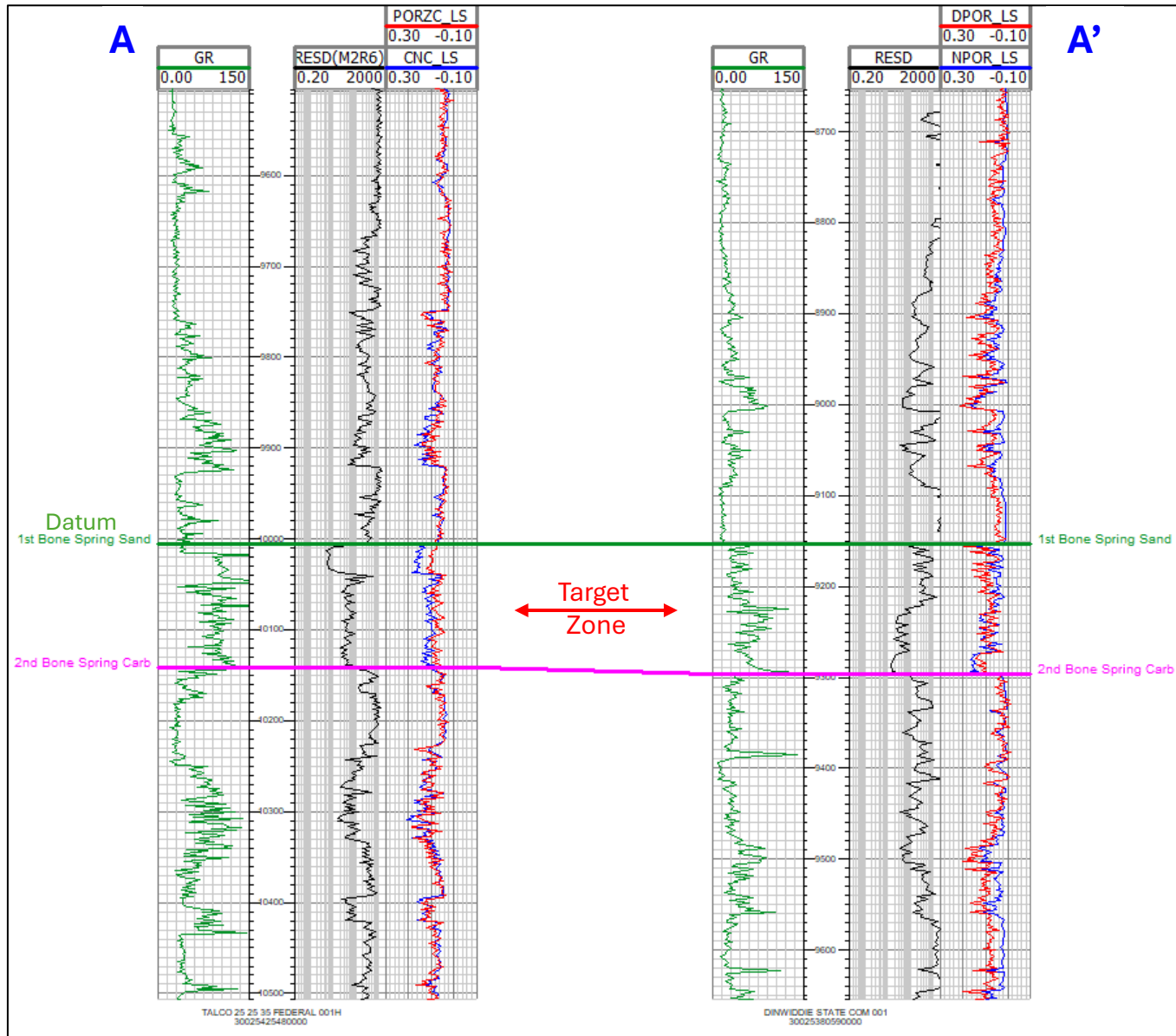
Civitas Permian Operating, LLC
Case No. 24836
Exhibit B-2

Legend	
	Black Marlin Unit
	Black Marlin Well
	Cross-Section



Civitas Permian Operating, LLC
Case No. 24836
Exhibit B-3

Stratigraphic Cross-Section



Civitas Permian Operating, LLC
Case No. 24836
Exhibit C

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. 24836

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

09/24/2024

Date



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

September 13, 2024

Civitas Permian Operating, LLC
Case No. 24836
Exhibit C-1

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 24836 & 24838 – Applications 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 applications were filed with the New Mexico Oil Conservation Division. A hearing has been requested before a Division Examiner on **October 3, 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 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.

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

Thank you,

/s/ Michael Rodriguez

Michael Rodriguez

Attorney for Civitas Permian Operating, LLC

Civitas Permian Operating, LLC
Case No. 24836
Exhibit C-2

MailClass	TrackingNo	ToCompanyName	ToName	DeliveryAddress	AddressLine2	City	State	Zip	MailDate	ERR_SigDate	ERR_FTPStatus	USPS_Status	StatusCode	Last_Modified
Certified with Return Receipt (Signature)	9414811898765 484128350	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. sender on September 16, 2024 at 4:09 pm in YUMA, AZ 85365 because it could not be delivered as addressed.	D	09/17/2024 04:02:57
Certified with Return Receipt (Signature)	9414811898765 484128367	Estate of Louise Heard Kincaid,	c/o Eileen Heard	9202 W County 14th St		Yuma	AZ	85365-9754	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	09/14/2024 05:22:09
Certified with Return Receipt (Signature)	9414811898765 484128329	C/O Farmers National Company	The Ohio State University	15 W 6th St Ste 2700		Tulsa	OK	74119-5421	09/13/2024			Your item has been delivered to an agent at the front desk, reception, or mail room at 10:24 am on September 17, 2024 in HOPKINS, MN 55343. Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	D	09/18/2024 10:02:04
Certified with Return Receipt (Signature)	9414811898765 484128398		Northern Oil and Gas Inc.	4350 Baker Rd Ste 400		Minnetonka	MN	55343-8628	09/13/2024	09/18/2024 06:47:11	SUCCESS	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.	I	09/14/2024 05:22:08
Certified with Return Receipt (Signature)	9414811898765 484128343	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			Your item was picked up at the post office at 1:35 pm on September 18, 2024 in YUMA, AZ 85367.	D	09/19/2024 02:06:07
Certified with Return Receipt (Signature)	9414811898765 484128381	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 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	09/14/2024 05:22:08
Certified with Return Receipt (Signature)	9414811898765 484128374	Estate of Louise Heard Kincaid,	c/o Eileen Heard	9202 W County 14th St		Yuma	AZ	85365-9754	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	09/14/2024 05:22:08
Certified with Return Receipt (Signature)	9414811898765 484128374	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	09/14/2024 05:22:08

Affidavit of Publication

Civitas Permian Operating, LLC
Case No. 24836
Exhibit C-3

STATE OF NEW MEXICO
COUNTY OF LEA

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

My commission expires
January 2027
(Seal)
STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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 NOTICE September 15, 2024

This is to notify all interested parties, including; Estate of Louise Heard Kincaid c.o. Eileen Heard; MRC Hat Mesa, LLC; Northern Oil and Gas Inc.; The Heirs of Jamie L Ellison Ham as an Heir of The Estate of C S Ham; The Heirs of Carl S Ham Jr as an Heir of The Estate of C S Ham; Mabel L Heeter as an Heir of The Estate of Lloyd Wayne Johnson; Mabel L Heeter as an Heir of The Estate of Shirley N Van Zandt Johnson; Mabel L Heeter as an Heir of The Estate of C S Ham; The Ohio State University c.o. Farmers National Company; and their respective successors and assigns, that Civitas Permian Operating, LLC ("Civitas") filed applications in **Case Nos. 24836 and 24838** with the New Mexico Oil Conservation Division ("Division"). A hearing has been requested before a Division Examiner on **October 3, 2024**. 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/oed/hearing-info/>. 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.

In **Case No. 24836**, Civitas seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2E/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 The Black Marlin Fed Com 113H to be horizontally drilled with first take point in the NW/4NE/4 (Unit B) of Section 18 and last take point in the SW/4SE/4 (Unit O) of Section 19. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as 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.

In **Case No. 24838**, Civitas seeks an order from the Division pooling all uncommitted interests in the Bone Spring formation underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the E/2E/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 The Black Marlin Fed Com 114H to be horizontally drilled with the first take point in the NE/4NE/4 (Unit A) of Section 18 and the last take point in the SE/4SE/4 (Unit P) of Section 19. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as 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.

#00294111

67118016

00294111

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