

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

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

CASE NO. 24839


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

Case: 24839	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, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	
Well Family	Silver Bullet 10 State Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Gas
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code (Only if NSP is requested):	Purple Sage; Wolfcamp Pool (98220)
Well Location Setback Rules (Only if NSP is Requested):	330' setbacks per R-14262
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320
Building Blocks:	Quarter sections
Orientation:	Stand-up
Description: TRS/County	W/2 of Section 10, Township 24 South, Range 27 East, Eddy 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-4
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	Silver Bullet 10 State Com 211H SHL: 337 FNL & 885 FWL (Unit D), S15-T24S-R27E BHL: 230 FNL & 1155 FWL (Unit D), S10-T24S-R27E Completion Target: Wolfcamp 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 \$	9,000
Production Supervision/Month \$	900
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-2
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-2
Proof of Published Notice of Hearing (10 days before hearing)	N/A
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-4
Tract List (including lease numbers and owners)	Exhibit A-4
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-4
Unlocatable Parties to be Pooled	Exhibit A-4
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-4
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6
Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-2
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	N/A

C-102	Exhibit A-3
Tracts	Exhibit A-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-5
General Location Map (including basin)	Exhibit B-2
Well Bore Location Map	Exhibit B-3
Structure Contour Map - Subsea Depth	Exhibit B-3
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-4
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,
EDDY COUNTY, NEW MEXICO.

CASE NO. 24839

SELF-AFFIRMED STATEMENT OF
AMY LINDSEY

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.

2. I have not previously testified before the New Mexico Oil Conservation Division ("Division"). A copy of my resume is attached as **Exhibit A-1**. I request my credentials be accepted as a matter of record and that I be tendered as an expert in petroleum land matters.

3. 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-2**.

4. Civitas seeks an order pooling all uncommitted interests in the Wolfcamp formation ((Purple Sage; Wolfcamp Pool [98220]) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 10, Township 24 South, Range 27 East, Eddy County, New Mexico (the "Unit").

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

6. Civitas seeks to dedicate the Unit to the Silver Bullet 10 State Com #211H to be horizontally drilled with first take point in the SW/4SW/4 (Unit M) of Section 10 and last take point in the NW/4NW/4 (Unit D) of Section 10 (the "Well").

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

8. **Exhibit A-3** contains the C-102 for the Well.

9. **Exhibit A-4** 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.

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-5** 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-6**.

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 \$9,000 per month while the Well is being drilled, and \$900 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' 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.


Amy Lindsey

9/24/24
Date

Civitas Permian Operating, LLC
Case No. 24839
Exhibit A-1

AMY D. LINDSEY, CPL

1135 Rimcrest Drive, Arlington, Texas 76017
5200 Briarwood, #3209, Midland, Texas 79707

lindsey_amy@sbcglobal.net | 817.688.9407 (cell) or 817.466.8198 (home)

SUMMARY

Land professional with 35 years of experience in land management, transactions, prospect creation, lease and contract negotiations, acquisitions, divestitures, surface activities, title curative matters, broker management, operations, litigation, and regulatory matters. Key experience with unconventional developmental land issues. Primary basin experience extends across Texas, Louisiana, Oklahoma and New Mexico with extensive emphasis in the Permian and Barnett Shale areas.

CAREER

VENCER ENERGY LLC, MIDLAND, TEXAS

Vice President - Land

2021-PRESENT

- Manage a staff of 6 (3 mineral landmen, 2 surface landmen, 1 lease analyst)
- Lead all land-related activities for a 2-rig drilling program
- Responsible for ~44,000 acres of leasehold and minerals
- Resolve critical operational claims and issues to ensure drilling deliverables are met
- Identify and negotiate acreage trades to add lateral feet and additional depths
- Create grass-root drill blocks
- Work with Business Development on growth opportunities and orphan monetization
- Establish workflows, forms and tracking reports to ensure timely delivery of company goals and appropriate executive approval prior to spud
- Coordinate with production and subsurface team to ensure alignment during planning and execution phases of asset development

APACHE CORPORATION, MIDLAND, TEXAS

Region Land Manager

2014-2020

- Managed a staff of 40 (surface landmen, mineral landmen, lease analysts, land techs and GIS analysts) with an annual G&A budget of \$12MM and annual operation budget of \$20MM
- Lead all land-related activities for a 30-rig drilling program (conventional and unconventional)
- Responsible for 1.3MM acres of leasehold, minerals and real estate
- Negotiated numerous trades and transactions to build acreage blocks and create drillable inventory
- Ensured compliance under CCAA for the Dune Sagebrush Lizard and Lesser Prairie Chicken
- Established processes and procedures to improve execution efficiency
- Assisted with divestitures, land-related litigation and regulatory matters
- Established training, development and mentoring for less experienced staff and summer interns

**ENCANA OIL & GAS (USA) INC., DALLAS, TEXAS
Group Lead - Land**

2005-2014

- Managed a staff of 6 (4 landmen, 2 lease analysts) for the Bossier play and a staff of 4 (3 landmen, 1 lease analyst) for the San Juan play
- Sr. Landman for Mississippi Lime play
- Surface Landman for Barnett Shale. Handled all surface activities for 8-rig program in urban/suburban areas
- Conducted due diligence for acquisitions and divestitures
- Liaison with Osage tribal leaders and Bureau of Indian Affairs for Mississippi Lime play
- Liaison with city councils, HOAs and land developers for Barnett Shale program
- Participated on joint venture team seeking overseas investment partners

**DUKE ENERGY FIELD SERVICES, HOUSTON, TEXAS
Land and Right of Way Manager**

1999-2005

- Managed a staff of 12 (10 landmen, 1 surface land analyst, 1 land tech) across Texas, Louisiana, Mississippi, and Alabama
- Responsible for all land-related activities for gathering and processing assets (onshore and offshore)
- Resolved litigation issues, testified at condemnation hearings and negotiated encroachments
- Conducted due diligence and environmental review for acquisitions and divestitures
- Scouted large system expansions in urban areas, congested refinery areas, Houston Ship Channel and Eastern Gulf of Mexico
- Managed real estate and fee mineral interests across all asset areas

ADDITIONAL EMPLOYMENT HISTORY

UNION PACIFIC RESOURCES COMPANY, FT. WORTH, TEXAS, LANDMAN	1989-1999
AMERITECH CORPORATION, HOUSTON, TEXAS, PROJECT MANAGEMENT ASSISTANT	1988-1989
TEXAS TECH UNIVERSITY, LUBBOCK, TEXAS, ASSISTANT FACILITY SUPERVISOR	1983-1987

EDUCATION

Texas Tech University, B.B.A., Petroleum Land Management (1987)
Texas Tech University, Secondary Education Certification (1988)

AFFILIATIONS

American Association of Professional Landmen, Permian Basin Landman Association

REFERENCES

Available upon request

Civitas Permian Operating, LLC
Case No. 24839
Exhibit A-2

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

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

CASE NO. 24839

APPLICATION

Civitas Permian Operating, LLC (“Civitas”) (OGRID Number 332195) 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 Wolfcamp formation (Purple Sage; Wolfcamp Pool (98220)) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 10, Township 24 South, Range 27 East, Eddy County, New Mexico (the “Unit”). In support of this application, Civitas states the following.

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 Silver Bullet 10 State Com #211H to be horizontally drilled with first take point in the SW/4SW/4 (Unit M) of Section 10 and last take point in the NW/4NW/4 (Unit D) of Section 10.
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, Eddy County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests in the Wolfcamp formation (Purple Sage; Wolfcamp Pool (98220)) underlying a standard 320-acre, more or less, horizontal spacing unit comprised of the W/2 of Section 10, Township 24 South, Range 27 East, Eddy County, New Mexico. The proposed horizontal spacing unit will be dedicated to the Silver Bullet 10 State Com #211H to be horizontally drilled with first take point in the SW/4SW/4 (Unit M) of Section 10 and last take point in the NW/4NW/4 (Unit D) of Section 10. The producing area for the well is expected to be orthodox. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs and the actual operating costs and charges for supervision, designation of Civitas as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 6 miles west of Malaga, New Mexico.

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
	API Number	Pool Code	
	30-025-	98220	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-	98220	Purple Sage; Wolfcamp
Property Code	Property Name	Well Number
	SILVER BULLET 10 STATE COM	211H
OGRID No.	Operator Name	Ground Level Elevation
332195	CIVITAS PERMIAN OPERATING, LLC	-
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input 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
D	15	24-S	27-E	-	337' N	885' W	N 32.2236255	W 104.1842766	EDDY

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	10	24-S	27-E	-	230' N	1155' W	N 32.2388535	W 104.1832838	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidated Code
320	-	-	-	-
Order Numbers			Well Setbacks are under Common Ownership: <input type="checkbox"/> Yes <input 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	10	24-S	27-E	-	50' S	1155' W	N 32.2246895	W 104.1833980	EDDY

First Take Point (FTP)

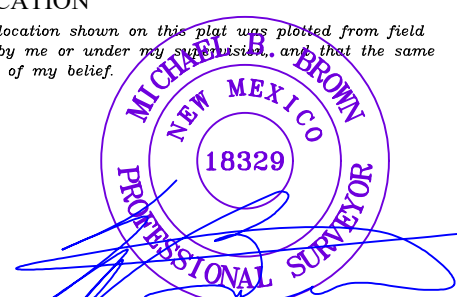
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
M	10	24-S	27-E	-	330' S	1155' W	N 32.2254592	W 104.1833918	EDDY

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	10	24-S	27-E	-	330' N	1155' W	N 32.2385786	W 104.1832860	EDDY

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

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	Signature and Seal of Professional Surveyor	Date
Print Name		Certificate Number	Date of Survey
E-mail Address			9/18/24

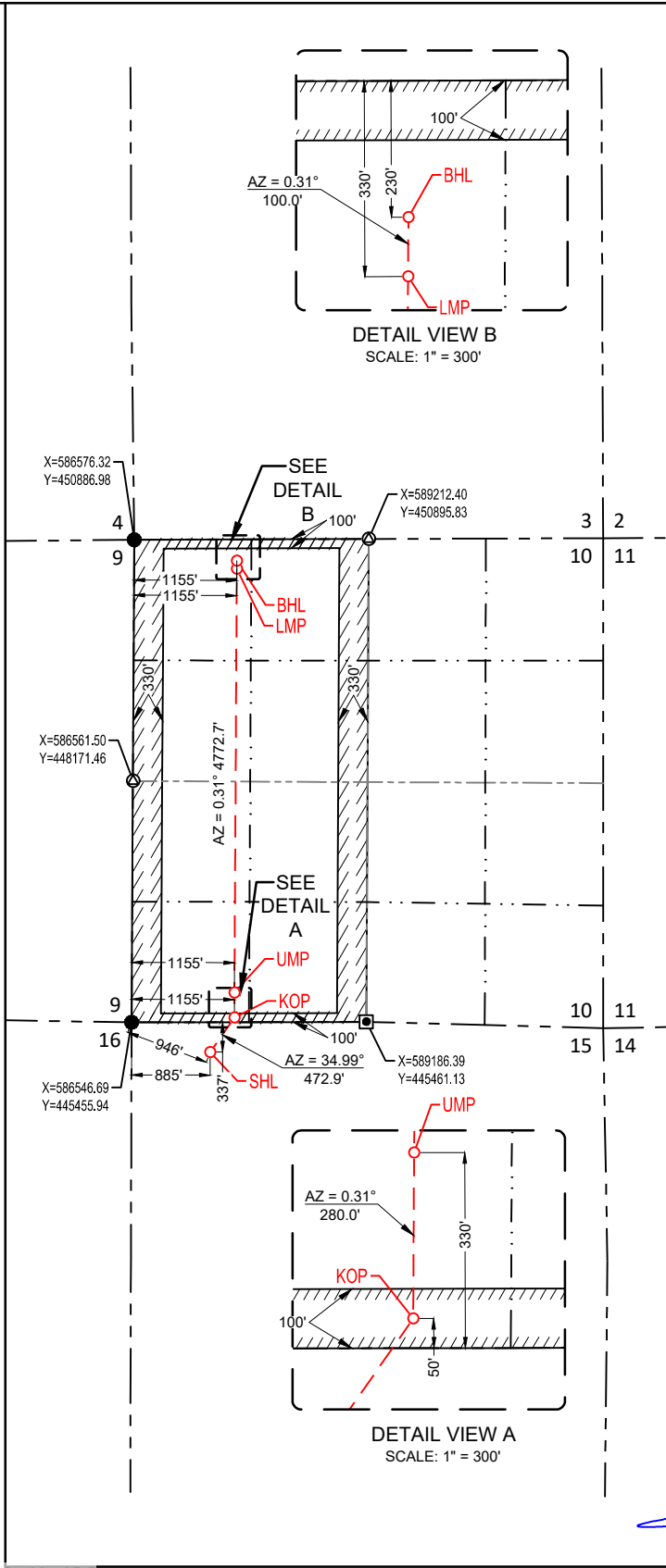


<p>C-102</p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION</p>	<p>Revised July 9, 2024</p>		
		<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:15%; vertical-align: top;"> <p>Submittal Type:</p> </td> <td> <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled </td> </tr> </table>	<p>Submittal Type:</p>	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled
<p>Submittal Type:</p>	<input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled			
<p>Property Name and Well Number</p> <p style="text-align: center; font-weight: bold;">SILVER BULLET 10 STATE COM 211H</p>				

SURFACE LOCATION (SHL)
 NEW MEXICO EAST
 NAD 1983
 X=587431 Y=445121
 LAT.: N 32.2236255
 LONG.: W 104.1842766
 NAD 1927
 X=546248 Y=445063
 LAT.: N 32.2235056
 LONG.: W 104.1837797
 337' FNL 885' FWL

KICK OFF POINT (KOP)
 NEW MEXICO EAST
 NAD 1983
 X=587702 Y=445508
 LAT.: N 32.2246895
 LONG.: W 104.1833980
 NAD 1927
 X=546519 Y=445450
 LAT.: N 32.2245697
 LONG.: W 104.1829011
 50' FSL 1155' FWL

UPPER MOST PERF. (UMP)
 NEW MEXICO EAST
 NAD 1983
 X=587704 Y=445788
 LAT.: N 32.2254592
 LONG.: W 104.1833918
 NAD 1927
 X=546521 Y=445730
 LAT.: N 32.2253394
 LONG.: W 104.1828949
 330' FSL 1155' FWL



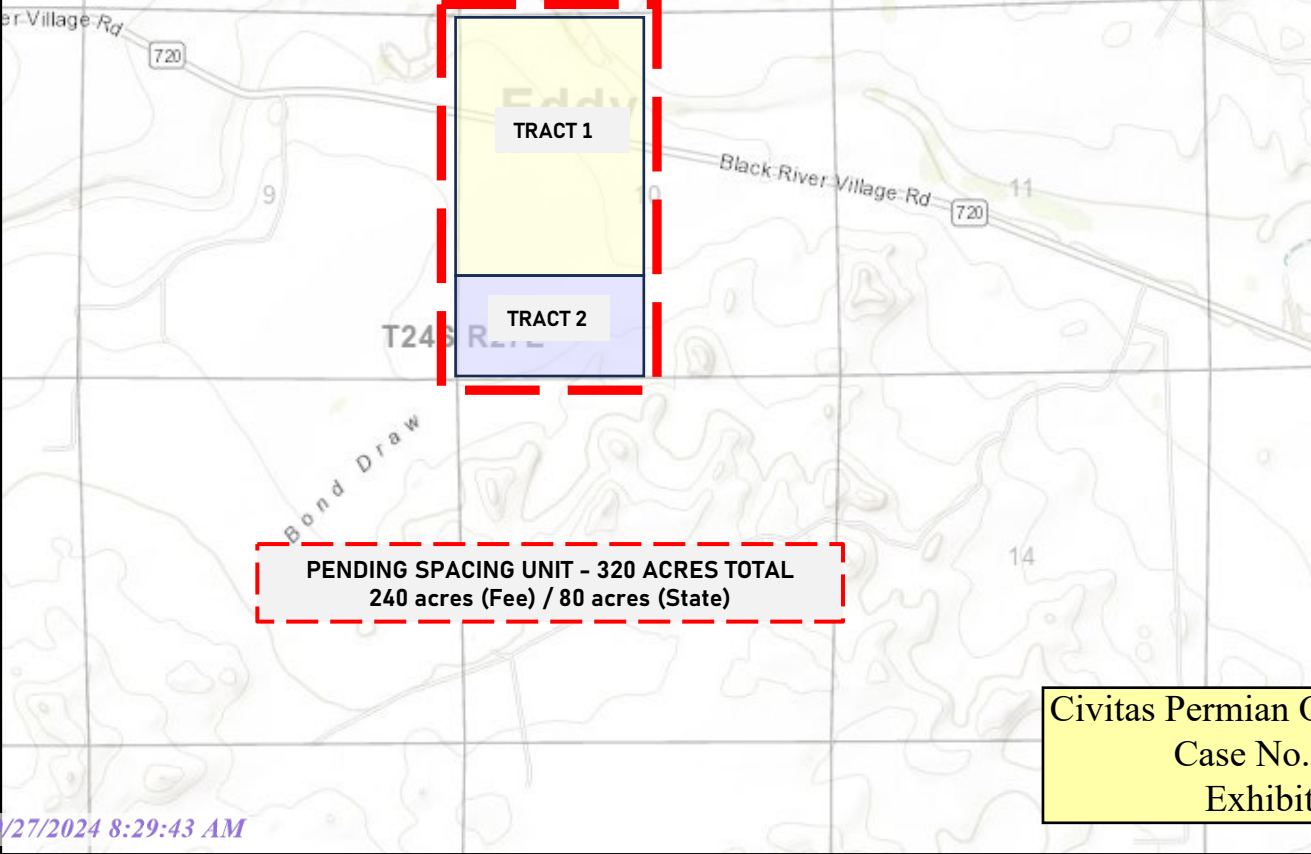
LOWER MOST PERF. (LMP)
 NEW MEXICO EAST
 NAD 1983
 X=587730 Y=450561
 LAT.: N 32.2385786
 LONG.: W 104.1832860
 NAD 1927
 X=546547 Y=450503
 LAT.: N 32.2384589
 LONG.: W 104.1827888
 330' FNL 1155' FWL

BOTTOM HOLE LOCATION (BHL)
 NEW MEXICO EAST
 NAD 1983
 X=587730 Y=450661
 LAT.: N 32.2388535
 LONG.: W 104.1832838
 NAD 1927
 X=546547 Y=450603
 LAT.: N 32.2387338
 LONG.: W 104.1827866
 230' FNL 1155' 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.
 9/18/24
 Date of Survey
 Signature and Seal of Professional Surveyor:

**SILVER BULLET 10 STATE COM – WOLFCAMP A
LAND TRACT MAP
T24S R27E, SECTION 10, W/2, EDDY COUNTY, NEW MEXICO**

TRACT 1	FEE	CIVITAS DE BASIN RESOURCES II LLC	NW4 & N2SW4	240 GROSS ACRES
TRACT 2	STATE	MRC PERMIAN COMPANY	S2SW4	80 GROSS ACRES



**Civitas Permian Operating, LLC
Case No. 24839
Exhibit A-4**



SILVER BULLET 10 STATE COM TRACT OWNERSHIP - WOLFCAMP A				
Owner Name	Type	Tract	Depths	WI
Civitas DE Basin Resources II LLC	WI	1	All	100.0000%
TOTAL TRACT 1				100.0000%
MRC Permian Company	WI	2	All	100.0000%
TOTAL TRACT 2				100.0000%
<p>Tract One: 240 acres, more or less, being the NW/4 and N/2SW/4 of Section 10, Township 24 South, Range 27 East, Eddy County, New Mexico</p>				
<p>Tract Two: 80 acres, more or less, being the S/2SW/4 of Section 10, Township 24 South, Range 27 East, Eddy County, New Mexico</p>				

SILVER BULLET 10 STATE COM UNIT OWNERSHIP - WOLFCAMP A					
Owner Name	Type	Tract	Depths	WI	Compulsory Pooling Comments
Civitas DE Basin Resources II LLC	WI	1	All	75.0000%	Operator
MRC Permian Company	WI	2	All	25.0000%	Pool
TOTAL UNIT OWNERSHIP				100.0000%	
Party To Be Pooled					

Civitas Permian Operating, LLC
Case No. 24839
Exhibit A-5



555 17th Street, Suite 3700
Denver, CO 80202
Phone 303-293-9100

July 5, 2024

Delivery via FedEx

MRC Permian Company
One Lincoln Centre
5400 LBJ Freeway, Suite 1500
Dallas, Texas 75240
Attn: Hanna Bollenbach

**Re: Participation Proposal
Silver Bullet 10 State COM #211H
W/2 Section 10, T24S R27E, Eddy County, NM**

Hanna:

Civitas Permian Operating, LLC ("Civitas") proposes to drill, complete and equip the following well to test the **UPPER WOLFCAMP FORMATION** (the "Well"):

WELL NAME	SHL	FTP	LTP	TVD	MD
Silver Bullet 10 State COM #211H	NW/4 15-24S-27E	1155' FWL & 330' FSL 10-24S-27E	1155' FWL & 330' FNL 10-24S-27E	9180'	14630'

The FTP and LTP will be located at a legal or approved location and the SHL may change pending further surface scouting and evaluation.

Enclosed please find a detailed cost AFE to drill, complete and equip the Well. The AFE represents an estimated cost and is subject to change once the drilling, completion and equipping costs are actually incurred. Parties electing to participate are responsible for their share of actual costs.

Attached for your review is an AAPL Form 610-1989 Model Form Operating Agreement with Horizontal Modifications (the "Operating Agreement") with the following general provisions:

- **Contract Area:** W/2 Sec. 10, T24S-R27E, Eddy County, NM
- **Depth:** Upper Wolfcamp
- **Non-Consent Penalty:** 100%/300%
- **Drilling/Producing Rate:** \$9,000/\$900
- **Operator:** Civitas Permian Operating LLC

Please indicate your intention to either participate or not participate in the drilling, completion and equipping of the Well by marking your election below and returning one (1) copy of this letter and one (1) executed AFE to the attention of Tiara Karr at the letterhead address or by email to tkarr@civiresources.com. If you do not desire to participate in the drilling and completion of the Well, Civitas is willing to discuss an alternative proposal to acquire your oil and gas interests.

In the interest of time, if we do not reach an agreement within thirty (30) days after your receipt 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.

Thank you for your consideration of this proposal. Please contact me with any questions. We look forward to working with you on this Wolfcamp development.

Sincerely,



Amy D. Lindsey
Land Advisor-Delaware Basin
alindsey@civiresources.com
Cell# 817-688-9407

Silver Bullet 10 State COM #211

Estimated WI: 25%

_____ Elects **TO** participate in the above-captioned well and agrees to pay its share of actual well costs

_____ Elects **NOT TO** participate in the above-captioned well

MRC PERMIAN COMPANY

By: _____
Name: _____
Title: _____
Date: _____

SILVER BULLET 10 STATE COM CHRONOLOGY OF COMMUNICATION		
<u>Party</u>	<u>Date</u>	<u>Reason</u>
MRC Permian Company	6/6/2024	emailed a proposed acreage trade
MRC Permian Company	6/17/2024	follow up email regarding acreage trade
MRC Permian Company	7/3/2024	mailed out well proposal letter

Civitas Permian Operating, LLC
Case No. 24839
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,
EDDY COUNTY, NEW MEXICO.

CASE NO. 24839

SELF-AFFIRMED STATEMENT OF
BRIAN DOMBROSKI

1. I am employed by Civitas Permian Operating, LLC ("Civitas") as a consulting 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 not previously testified before the New Mexico Oil Conservation Division ("Division"). A copy of my resume is attached as **Exhibit B-1**. I request my credentials be accepted as a matter of record and that I be tendered as an expert in petroleum geology matters.

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-2** is a regional locator map identifying the proposed horizontal spacing unit for the captioned case (the "Unit").

5. **Exhibit B-3** is a subsea structure map of the Wolfcamp formation. The contour interval is 50 feet. The map demonstrates the formation is gently dipping to the east in this area. The structure appears consistent across the proposed wellbore path for the Silver Bullet 10 State Com #211H 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-4** is a structural cross-section from A to A' using the representative wells identified on Exhibit B-3. It contains gamma ray, resistivity, and porosity logs. The cross section is oriented from northwest to southeast. The proposed landing zone for the Well is labeled on the exhibit as "Wolfcamp A LZ". 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, 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.



Brian Dombroski

9/19/2024

Date




Brian Dombroski

Geologist

CONTACT

 Oklahoma City, OK

 (919) 621-7006

 brian@dgeosci.com

EDUCATION

B.S. Geology
North Carolina State University
2003-2007

M.S. Geology
North Carolina State University
2007-2010

EXPERTISE

Innovation

Regional Mapping

Exploration

Big Data/Statistics

Operations

INTERESTS



CURRENT



Provides geologic consulting services to a diverse range of public and private companies across various scales, from regional exploration to local development. With a strong focus on economic outcomes, efficiently pursues strategies that maximize material returns. Adaptable to different exploration and development approaches, offering tailored solutions to meet specific challenges.

EXPERIENCE

Novo Oil and Gas

Senior Geologist

Directed acquisition, consolidation, and development of northern Delaware asset resulting in \$1.5B+ sale to Earthstone Energy from an initial <\$350M private equity commitment

Galvanic Energy

Vice President of Exploration

Founding member and provided prospect for North America's richest lithium-brine resource which resulted in \$185M sale to Exxon



Chesapeake Energy

Geologist I → Staff Geologist

- Planned, developed, and drilled Barnett asset
- Explored and mapped in nearly every basin in North America
- Tested oil-rich Edwards lagoon prospect in East Texas
- Mentored budding geologists in broad variety of topics
- Innovated methodologies to unlock potential and maximize efficiency

North Arrow Minerals

Field Geologist

Operated coring rig in concert with field mapping to delineate King's Mountain lithium prospect

BASINS



Delaware

Gulf Coast



Anadarko

Midland

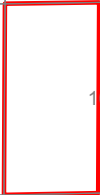



Rockies

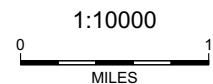
Appalachian

Williston

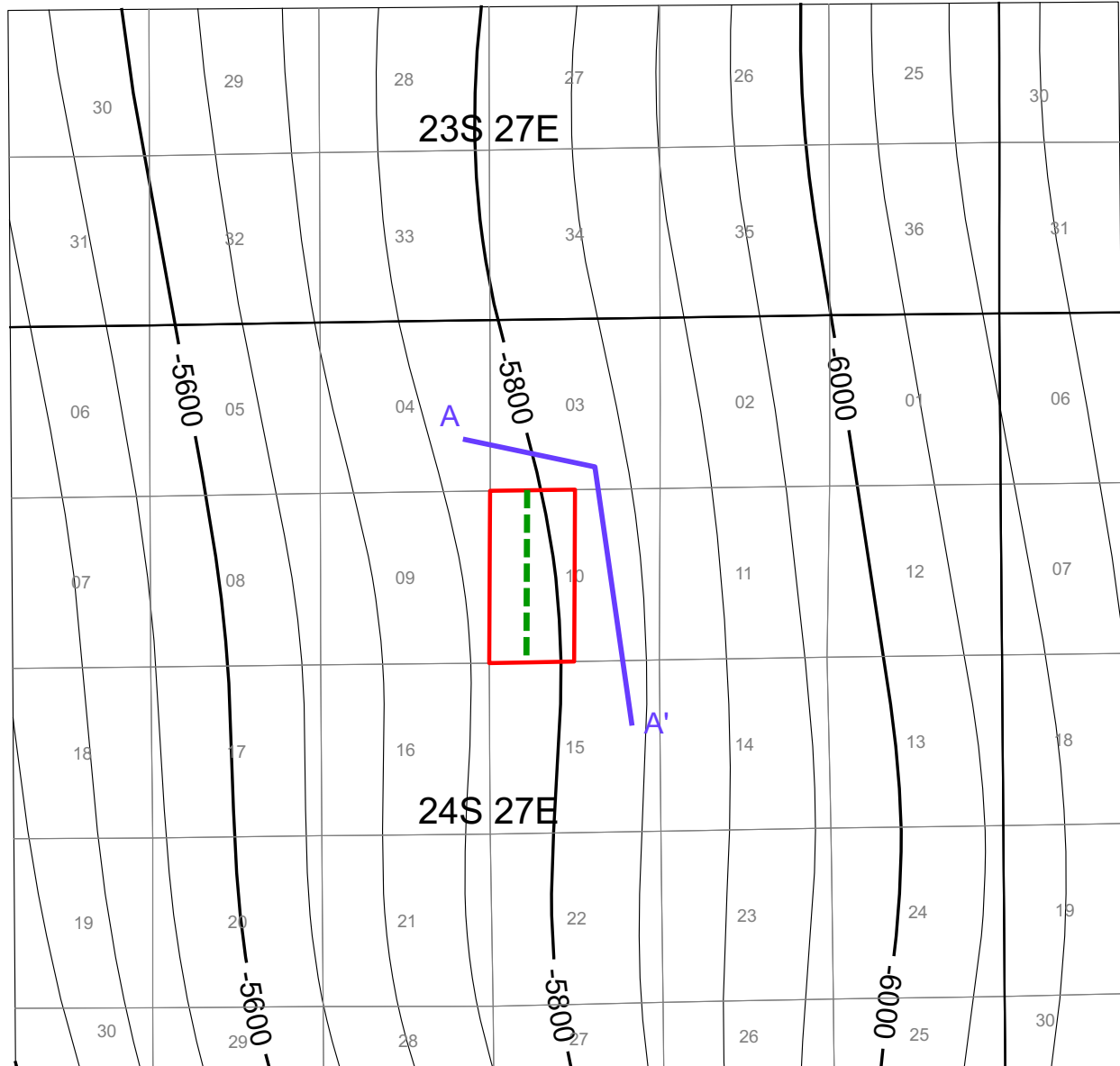
30	29	28	27	26	25	30
23S 27E						
31	32	33	34	35	36	31
06	05	04	03	02	01	06
07	08	09	10	11	12	07
18	17	16	15	14	13	18
24S 27E						
19	20	21	22	23	24	19
30	29	28	27	26	25	30



Legend	
Silver Bullet Unit	



NAD83 / UTM zone 13N (EPSG 26913)
Transverse Mercator
GRS 1980 spheroid
Natural origin: [105 00 00W, 0 00 00N]



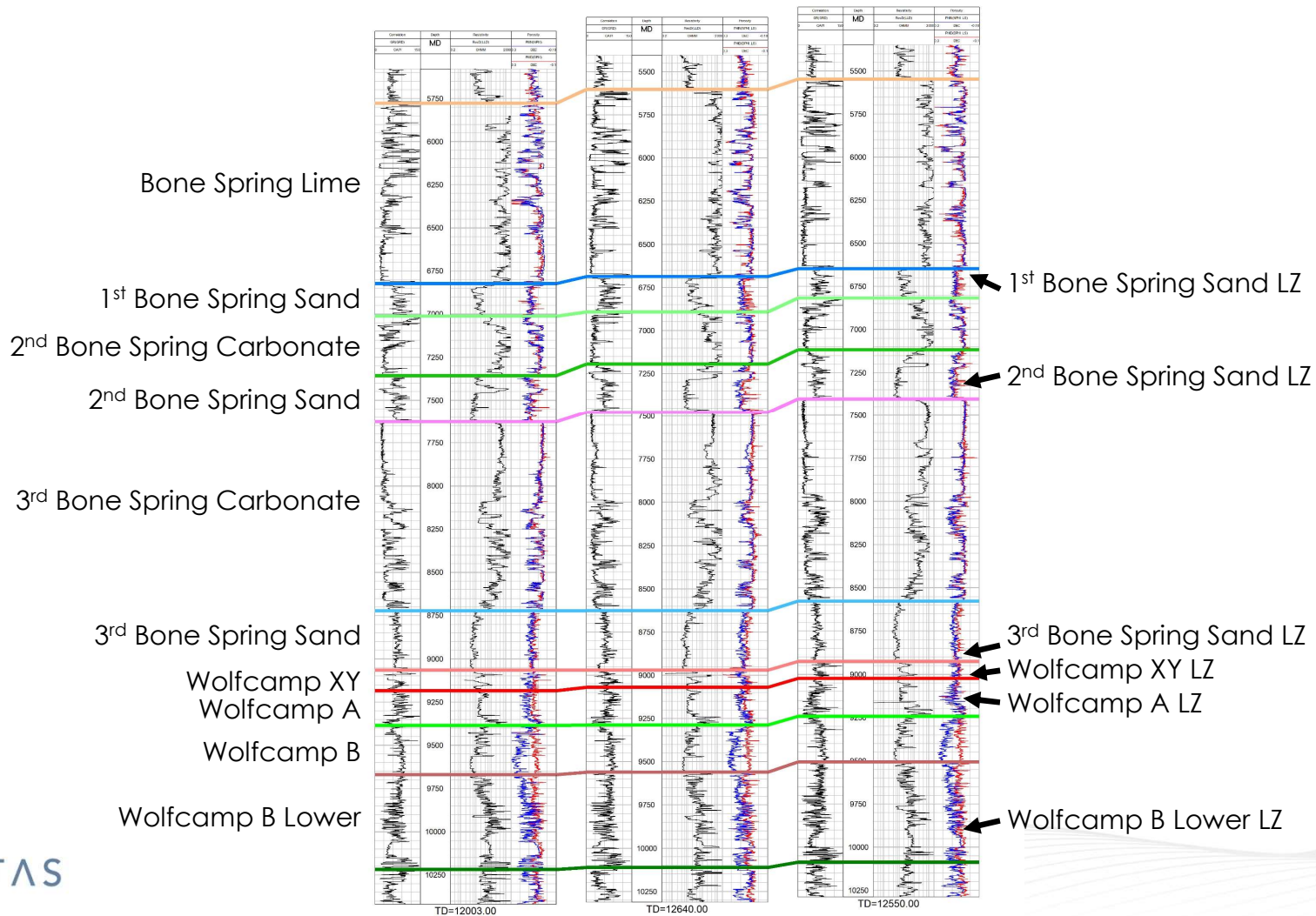
Legend	
Silver Bullet Unit	
Silver Bullet Well	
Cross-Section	

Civitas	
Top Wolfcamp Structure TVDSS - 50' CI	
Scale: 1:10000	Sheet: 1
Author: [Redacted]	Reviewer: [Redacted]
Date: [Redacted]	Version: [Redacted]

1:10000
0 1
MILES
NAD83 / UTM zone 13N (EPSG 26913)
Transverse Mercator
GRS 1980 spheroid
Natural origin: [105 00 00W, 0 00 00N]

Civitas Permian Operating, LLC
Case No. 24839
Exhibit B-4

30015239460000	8271 ft	30015355360000	4086 ft	30015359480000
OXY USA INC STATE 58 1 1980 FNL/660 FEL		COG OPERATING LLC SPANISH CEDAR STATE 001 NE SW SE		COG OPERATING LLC BAT BOY STATE COM 001 S2 NE SE



Civitas Permian Operating, LLC
Case No. 24839
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,
EDDY COUNTY, NEW MEXICO.

CASE NO. 24839

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. 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



Civitas Permian Operating, LLC
Case No. 24839
Exhibit C-1

September 13, 2024

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Case No. 24839 – Application of Civitas Permian Operating, LLC for
Compulsory Pooling, Eddy County, New Mexico.**

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. 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 the subject 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 Amy Lindsey at 817-688-9407 or alindsey@civiresources.com.

Thank you,

/s/ Michael Rodriguez

Michael Rodriguez

Attorney for Civitas Permian Operating, LLC

MailClass	TrackingNo	ToCompanyName	ToName	DeliveryAddress	AddressLine2	City	State	Zip	MailDate	ERR_SigDate	USPS_Status
Certified with Return Receipt (Signature)	9414811898765484753330	MRC Permian Company	Attn Hanna Bollenbach	5400 LBJ Freeway, Suite 1500	One Lincoln Centre	Dallas	TX	75240	09/13/2024	09/18/2024 01:46:17	Your item was delivered to an individual at the address at 10:13 am on September 17, 2024 in DALLAS, TX 75240.

Civitas Permian Operating, LLC
Case No. 24839
Exhibit C-2