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

EXHIBIT INDEX

Compulsory]	Pooling Checklist
Exhibit A	Self-Affirmed Statement of Amy Lindsey
A-1	Resume of Amy Lindsey
A-2	Application and Proposed Notice of Hearing
A-3	C-102s
A-4	Plat of Tracts, Ownership Interests, Applicable Lease Numbers, Unit Recapitulation
A-5	Sample Well Proposal Letter
A-6	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Brian Dombroski
B-1	Resume of Brian Dombroski
B-2	Regional Locator Map
B-3	Subsea Structure Map
B-4	Stratigraphic Cross-Section
Exhibit C	Self-Affirmed Statement of Michael Rodriguez
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties

CONPULSORY POOLING APPLICATION CHECKLIST

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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,
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and	Eddy County Y
is approval of non-standard unit requested in this application?	
Other Situations	
Depth Severance: Y/N. If yes, description	N
Proximity Tracts: If yes, description	Ν
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

HBAYZÖYALI ÞWEA Þir St ZAVE 9245 A TAKE ÞBILATS	Exhibit A-4 Page 3 of
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) If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit A-4
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 Released to Imaging: 9/27/2024 8:29:43 AM	N/A

Received by OCD: 9/26/2024 4:15:34 PM Forms, Figures and Tables	Page 4 of 30
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 pro	vided 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

- 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

- 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

2021-PRESENT

2014-2020

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

- 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

- 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

2005-2014

1999-2005

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;
- 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

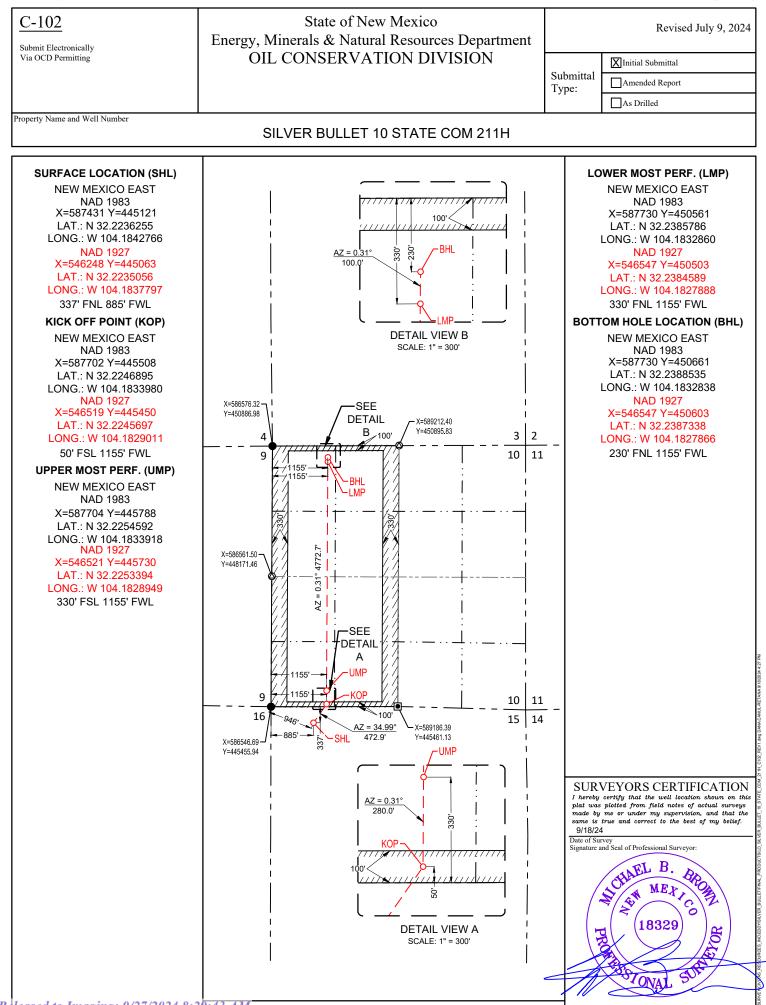
Ocean Munds-Dry Michael Rodriguez 309 Johnson St. Santa Fe, NM 87501 (505) 592-0521 (303) 312-8518 omundsdry@civiresources.com mrodriguez@civiresources.com *Attorneys for Civitas Permian Operating, LLC* CASE NO. _____: Application of Civitas Permian Operating, LLC for Compulsory Pooling, Eddy County, 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.

eived by O	CD: 9/26/.	2024 4:15:	34 PM					Civita		nian Opera	
<u>C-102</u>					State of Nev					e No. 248.	
Submit Electronic						l Resources			E	xhibit A-3	
Via OCD Permitt	ting			JIL COI	NSERVAT	ION DIVISION		Submittal		Initial Submittal	
										Amended Report	
										As Drilled	
API Number		V	ELL LO	DCATIO	N AND AC	REAGE DE	EDICATIO	ON PL	AT		
30-025-				8220	Pool N		Sage; Wo	lfcamp			
Property Code			Property Name		VER BULLE	T 10 STATE	СОМ			Well Number	211H
OGRID No.	332195		Operator Name		AS PERMIAI	N OPERATIN				Ground Level Eleva	ution
Surface Owner:				OWIT		Mineral Owner:	•	bal Feder	al		_
UL or lot no.	Section	Township	Range	Lot Idn		Location Feet from the E/W	Latituc	10	Т	ongitude	County
D of lot no.	15	24-S	27-E		337' N	885' W	N 32.223			4.1842766	EDDY
U	15	24-0		-		le Location	IN 32.220	0200	VV 10	T. 1042700	
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S		Latituc	le	Ι	ongitude	County
D	10	24-S	27-E	_	230' N	1155' W	N 32.238			4.1832838	EDDY
-				I							
Dedicated Acres	Infill or Def	ining Well Defin	ing Well API			Overlapping Spacing	Unit (Y/N)		Consolidated	Code	
320	-	-					-			-	
Order Numbers		· · · ·	-			Well Setbacks are un	der Common Own	ership:	Yes No		
					Kick Off P	oint (KOP)					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S		Latituc	le	I	ongitude	County
М	10	24-S	27-E	-	50' S	1155' W	N 32.224	46895	W 10	4.1833980	EDDY
			•		First Take	Point (FTP)				•	
UL or lot no.	Section	Township	Range	Lot Idn		Feet from the E/W	Latituc	le	I	ongitude	County
М	10	24-S	27-E	-	330' S	1155' W	N 32.225	54592	W 10	4.1833918	EDDY
					Lest Talta i	Doint (ITD)					
UL or lot no.	Section	Township	Range	Lot Idn		Point (LTP) Feet from the E/W	Latitud	le	I	ongitude	County
D	10	24-S	27-E	_	330' N	1155' W	N 32.238	35786		4.1832860	EDDY
Unitized Area or A	rea of Uniform I	ntrest		Spacing Unity	/ Type		Gro	und Floor El	evation		
muzeu Area or A		naest		Spacing Unity	Horizont	al Vertical	010	ana Fi00I El	e ration	-	
OPERATO	DR CERTI	FICATION				SURVEYOR	2S CERTIFI	^A TION	1		
I hereby certi	fy that the ir	formation con			complete to the	I hereby certify	that the well	location sh	own on th	is plat was plotted	l from field
that this orga	nization eith	er owns a wor	king interest	or unleased r	directional well, nineral interest ght to drill this	notes of actual is true and cor	surveys made rect to the best	by me or a of my bei	lief. 🖊 💦	supervision, and t	hat the same
well at this lo or unleased m	ocation pursu nineral intere	int to a contro st, or to a volu	ict with an o intary pooling	wner of a wo	orking interest or a compulsory					MEX CO	3
	s a horizontal		er certify that							₹(18329)	
If this well is		least one lesse	e or owner of	'a working is pool or forma	nterest or ation) in which				13		<u> </u> 5
If this well is received The c unleased mine	eral interest a		.,,		a a compulsory	1			1 FER		ES /
If this well is received The c	eral interest a he well's com	pleted interval	will be locat	ea or oorarnee				/	XXX		
If this well is received The c unleased mine any part of th	eral interest a he well's com	pleted interval	will be locat	ea or oorarned				4		FONAL SU	
If this well is received The c unleased mine any part of th	eral interest a he well's com	pleted interval	will be locat	ea or outained		Signature and Seal of	of Professional Sur	veyor	Date	STONAL SU	
If this well is received The c unleased mine any part of th pooling order	eral interest a he well's com	pleted interval				Signature and Seal of	of Professional Sur	veyor	Date	STONAL SU	
If this well is received The c unleased mine any part of th pooling order	eral interest a he well's com	pleted interval		eu or ooluthed		Signature and Seal of Certificate Number		veyor ate of Survey		FONAL SU	

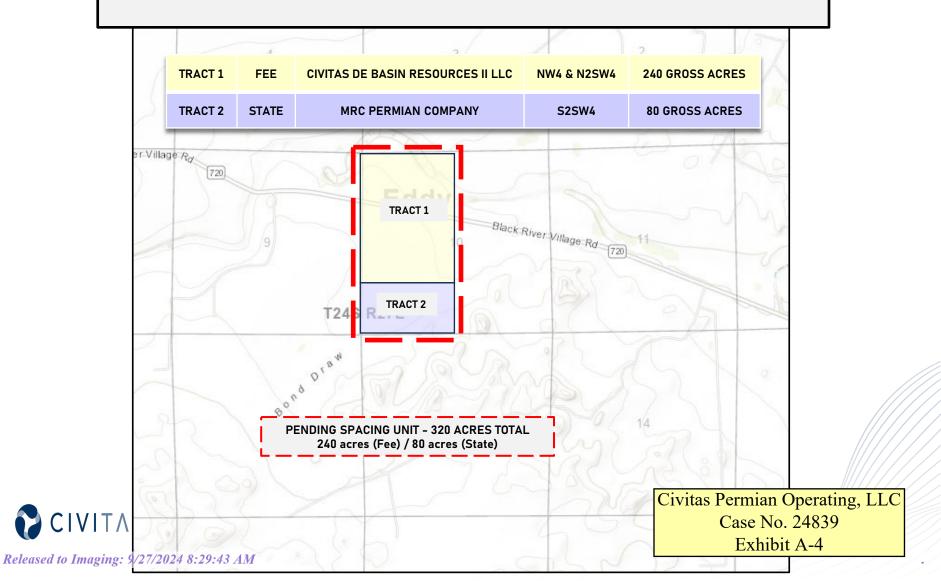
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SILVER BULLET 10 STATE COM – WOLFCAMP A LAND TRACT MAP T24S R27E, SECTION 10, W/2, EDDY COUNTY, NEW MEXICO



SILVER BULLET 10 STATE C	OM TRACT	OWNERS	HIP - WO	LFCAMP A
Owner Name	Туре	Tract	Depths	wı
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%
Tract One: 240 acres, more or less, being the Range 27 East, Eddy County, New Mexico	e NW/4 and N	/2SW/4 of Sec	ction 10, Town	ship 24 South,
Tract Two: 80 acres, more or less, being the Eddy County, New Mexico	S/2SW/4 of S	Section 10, Tov	wnship 24 Sou	ith, Range 27 East,

SILVER BULLET 10 S	STATE CON	UNIT OW	/NERSHIP	- WOLFCA	MP A
Owner Name	Туре	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					



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:
- Depth:

.

- Non-Consent Penalty: 10
- Drilling/Producing Rate:
- Operator:

W/2 Sec. 10, T24S-R27E, Eddy County, NM Upper Wolfcamp 100%/300% \$9,000/\$900

Civitas Permian Operating LLC

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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,

ingy Andrey

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:	 6	····· 1	
Title:	 		
Date:			

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		۸S			ivitas Permian Operating, LLC JTHORIZATION FOR EXPENDITURE				Dut	luna da anca
Well Name Target				Silver Bullet 10 State COM 211H WCA			Location:		Date State County	June 18, 2024 NM Eddy
Lateral Length TVD				5,100 9,180					Section Township	10 24S
MD Pad Well Count CTB Well Count				14,630 6 6					Range	27E
					INTANGIBLE WELL COSTS					
	Account Code Major 8305	Account Code Minor 101	Concat. 8305101	Category Location, Clean Up & Damages	Comments	Drilling 50,000	Completion	Production	Facility	Total 50,00
	8305 8305	102 103	8305102 8305103 8305104	Rig Move - MIRU, RDMO Rig Contractor-Daywork/FT		50,000 210,000				50,00 210,00
	8305 8305 8305	104 105 106	8305104 8305105 8305106	Rig Contractor-Turnkey Power & Fuel Drill Fluids & Chemicals		- 14,700 243,000				14,70
	8305 8305	107 108	8305107 8305108	Bits, Reamer, Stabilizers Cement & Cementing Services		85,000 180,000				85,00 180,00
	8305 8305 8305	109 110 111	8305109 8305110 8305111	Mud Logging Open Hole Logging Csg Crews & Tools-Drive Hammer		3,300 - 30,000				3,30 - 30,00
	8305 8305	112 115	8305112 8305115	Directional Tools & Service Tubular Inspection		83,500 25,000				83,50 25,00
S Z	8305 8305 8305	116 117 118	8305116 8305117 8305118	Equipment Rentals Production Labor, Maintenance Wellaite Consultante		65,100 75,000 34,560				65,10 75,00 34,56
DRILLING	8305 8305	119 120	8305119 8305120	Wellsite Consultants Company Supervision & Labor Transportation		- 30,000				- 30,00
	8305 8305	121 122	8305121 8305122	Mud,Cuttings & Water Disposal		75,000				75,00
	8305 8305 8305	123 124 125	8305123 8305124 8305125	Overhead Water & Water Well Unanticipated Major Expenses (Fishing)		- 19,250				- 19,25
	8305 8305 8305	126 127	8305126 8305127	Legal Outside Operated Other		30,000				30,00
	8305 8305 8305	128 129 130	8305128 8305129 8305130	Regulatory Permits Environmental & Safety Riversing		20,000 7,500				20,00
	8305 8305	132 190	8305132 8305190	Other Specialized Services Miscellaneous		8,000				8,00
	8305 8305	199 200	8305199 8305200	Contingency Air Compliance & Design		69,593				69,59
	8306 8306 8306	201 202 203	8306201 8306202 8306203	Location & Cleanup Power & Fuel Compl Fluids & Chemicals			20,000 287,449 20,000	7,500		20,00 287,44 27,50
	8306 8306	204 205	8306204 8306205	Bits, Reamer, Stabilizers Cement & Cementing Svcs			35,000	.,		35,00
	8306 8306 8306	206 207	8306206 8306207 8306208	Logging & Perforation Svcs Csg Crews & Tools-Drive Hammer Directional Tools & Svcs			97,720			97,72
	8306 8306	208 209 210	8306209 8306210	Formation Stimulatn Acid Frac Formation Evaluation			- 1,150,499 21,000	70,000		1,150,49 91,00
	8306 8306	211 212	8306211 8306212 8306213	Tubular Inspection Equipment Rentals			243,750	5,000 40,000		5,00 283,75
	8306 8306 8306	213 214 215	8306214 8306215	Contract Labor & Services Wellsite Consultant Company Supervision & Labor			- 70,000 5,000	5,000		- 75,00 5,00
N	8306 8306	216 217	8306216 8306217	Transportation Mud Cuttings & Water Disposal			15,000 15,000	90,000		15,00 105,00
COMPLETION	8306 8306 8306	218 219 220	8306218 8306219 8306220	Insurance Overhead Water & Water Well			- 274,350	5,000		279,35
8	8306 8306	221 222	8306221 8306222	Unanticipated MajExp Fishing Outside Operated Other			-			-
	8306 8306	223 224	8306223 8306224	Misc Supplies & Materials Legal Developments			-			-
	8306 8306 8306	225 226 227	8306225 8306226 8306227	Regulatory Permits Environmental & Safety Costs Plugging			- - -			
	8306 8306	228 229	8306228 8306229	Completion Rig Artificial Lift			82,500	55,000 75,000		137,50 75,00
	8306 8306 8306	230 240 290	8306230 8306240 8306290	Other Specialized Srvs Hopper Rig Miscellaneous			· ·			
	8306 8306	299	8306299 8306301	Contingency Air Compliance & Design			58,432			58,43
	8306 8306 8306	301 950 995 999	8306950 8306995 8306999	Allocation Contra Account AFE Acrual - Gross Net WIP Offset			· ·			-
	8300 8311 8311	540 541	8311540 8311541	Permits / ROW / SUA / USR Survey			-		-	-
	8311 8311	542 543	8311542 8311543	Consultnt(Eng,Env,Sfty,Pwr,etc Shipping/Transport/Freight					23,556 16,116	23,55
	8311 8311 8311	544 577 578	8311544 8311577 8311578	Taxes Civil Labor & Contracts Structural Steel Labor & Ctrct Mechanical Labor & Contracts Automate & Elec Labor & Critrot Diratine Lefter & Contracts					- 39,400 -	39,40
	8311 8311	579 580	8311579 8311580	Mechanical Labor & Contracts Automate & Elec Labor & Cntrct					24,633 202,024	24,63 202,02
FACILITY	8311 8311 8311	581 582 583	8311581 8311582 8311583	Pipeline Labor & Contracts Shop & Skid Fab Labor & Cntrct Insulation Labor & Contracts					25,446 - -	25,44
4	8311 8311	584	8311584 8311585	Painting/Coating Labor & Ctrct NDE Inspection					7,796	7,79
	8311 8311 8311	585 586 587 591	8311586 8311587 8311591	3rd Party Construct Inspection Construct Equip & Svcs/Rental					11,924	11,92
	8311 8311 8311	591 592 593	8311592 8311593	Air Permits & Fees Air Testing & Analysis LDAR Costs						-
	8311 8311	594 599	8311594 8311599	EHSRC Compliance Systems Contingency EUD00.000 Compliance					-	-
	8311	600	8311600	EHRSC COC Compliance Total Intangible Costs	TANGIBLE WELL COSTS	\$ 1,422,859.00	\$ 2,395,700.05	\$ 352,500.00	- \$ 365,897.07	\$ 4,536,956.1
	8308 8308	301 302	8308301 8308302	Drive Pipe Conductor Casing Surface Casing		30,000 17,396				30,00 17,39
DRILLING	8308 8308 8308	303 304 305	8308303 8308304 8308305	Intermediate Casing Production Casing Subs FIt Eqpt Centralizers Etc		86,860 350,974 59,875				86,86 350,97 59,87
DRIL	8308 8308	306 307	8308306 8308307	Casinghead Drilling Spool Sub Surface Equipment		59,875 80,000 -				80,00
	8308 8308 8308	308 390 399	8308308 8308390 8308399	Outside Operated Other Miscellaneous		- 10,000				- 10,00
_	8308 8309 8309	399 402 403	8309402 8309403	Contingency Tubing Subs Fit Eqpt Centralizers Etc		-		68,850		68,85
COMPLETION	8309 8309	404 405 406	8309404 8309405	Sub Surface Equipment Well Head Equipment				40,000 70,000		40,00
COMI	8309 8309 8309	406 407 490	8309406 8309407 8309490	Outside Operated Other Artificial Lift Miscellaneous				80,000		- 80,00
		499	8309499 8311547	Contingency Concrete & Foundation Material Road Base,Gravel,Civil Fill Structural Steel Material						-
	8309 8311	047							-	-
	8309 8311 8311 8311 8311	547 548 549 550	8311548 8311549						-	
	8309 8311 8311	547 548 549 550 552 553	8311548	Road Base,Gravel, Civil Fill Structural Steel Material Buildings(GasLift,cmprsr, etc) Press Vessels/Filters/Heat Exc Separatrs/Heat Trtr/Fire Equip					5,241	-
	8309 8311 8311 8311 8311 8311 8311 8311 831	549 550 552 553 554 555	8311548 8311559 8311550 8311552 8311553 8311554 8311555	Buildings(GasLift,cmprs, etc) Press Vessels/Filters/Heat Exc Separatrs/Heat Trtr/Fire Equip Tanks Dehy Equipment					- 5,241 189,535 50,733	- 5,24 189,50 50,73
	8309 8311 8311 8311 8311 8311 8311 8311 831	549 550 552 553 554 555 556 556 557	8311548 8311549 8311550 8311552 8311553 8311554 8311555 8311556 8311557	Buildings(GasLift;cmprsr, etc) Press Vessels/Filters/Heat Exc Separatrs/Heat Trtr/Fire Equip Tanks					- 5,241 189,535 50,733 - 3,931	- 5,2 189,5 50,7 - - 3,9
AGUTY	8309 8311 8311 8311 8311 8311 8311 8311 831	549 550 552 553 554 555 556 557 558 559 563	8311548 8311550 8311550 8311553 8311555 8311555 8311556 8311556 8311558 8311559 8311559	Buildings (CassLift, onprsr., etc.) Press Vessels/Filters/Heat Exc. Separatrs/Heat Exc. Separatrs/Heat TrufFree Equip. Tanks Dehy Esupinent Compressons Purps ECC's/Flares Pipe, Valves & fittings Instrumentation (Automation					- 5,241 189,535 50,733 - 3,931 17,487 16,444 90,777	- 5,24 189,53 50,73 - 3,93 17,44 16,44 90,77
FACUTY	8309 8311 8311 8311 8311 8311 8311 8311 831	549 550 552 553 554 555 556 557 558 559 563 563 564 565	8311548 8311559 8311559 8311553 8311554 8311555 8311555 8311558 8311559 8311559 8311559 8311564 8311565	Buildings (CaisLift, onprisr, etc.) Press Vessels/Filteru-Hoet Exc. Separatra-Hoet Exc. Separatra-Hoet Turk-res Equip Tanks Oohy Equipment Compressons Pumps ECD's/Fibres Pipe, Valves & fittings Instrumentation / Automation Meters Measurement Electrical Power Equipment					- 5,241 189,535 50,733 - 3,931 17,487 16,444 90,777 11,793 36,560	
FACULTY	8309 8311 8311 8311 8311 8311 8311 8311 831	549 550 552 553 554 555 556 557 558 559 568 569 563 564 565 566 566 567	8311548 8311550 8311550 8311553 8311554 8311555 8311556 8311556 8311558 8311558 8311558 8311563	Buildings (GascLift, cmprsr, etc.) Press Vessels/Filters/Heat Exc Separatrs/Heat Exc Separatrs/Heat Triffice Equip Tarks Dehy Equipment Compressors Pumps ECD's/Filteres Pipe, Valters & fittings Instrumentation / Automation Meters/Measurement Electrical/Power Equipment Instrument A Soulement					5,241 189,535 50,733 3,931 17,487 16,444 90,777 11,793 36,560 117,852	5,24 189,53 50,73 - 3,393 17,48 16,44 90,77 11,75 36,55 117,88
facury	8309 8311 831 83	549 550 552 555 555 555 557 558 559 563 564 565 566 565 566 565 566 567 568 569 570	8311549 8311550 8311552 8311552 8311553 8311555 8311556 8311557 8311556 8311557 8311565 8311565 8311565 8311565 8311565 8311569 8311569 8311570	Bulldings(GasLift, emprsr., etc.) Press Vesseley/Filters/Heat Exe Seguratist/Heat Twiffers Equip Tanks Dehy Saujament Compressors Pumps ECO'srFiree Pipe, Vahes & fittings Instrumentation / Automation Meters/Maasurement Elsentrical/Power Equipment Instrument Air Systems LACT Systems LACT Systems LACT Systems LACT Systems Meters/Int Buk Materials Heat Trace Power/Control Panels					5,241 189,535 50,733 - 3,931 17,487 16,444 90,777 11,793 36,560 117,852	189,63 50,73 3,30 17,48 16,44 90,77 11,79 36,56 117,85
łacury	8309 8311	549 550 553 554 555 556 556 556 556 568 563 564 565 566 566 566 569 569	8311549 8311550 8311552 8311552 8311554 8311556 8311556 8311556 8311559 8311564 8311564 8311566 8311567 8311568	Buildings (CaisLift, emprisr, etc.) Press Vesades, Pillers-Heat Exc. Separatri-Heat Triffree Equip. Tariks. Dehy Equipment Compressons Pumps ECD's/Fares Pipe. Valees & Stittings. Instrumentation / Automation Meters/Measurement Electrical/Power Equipment Instrument Air Systems EACT Systems Automation Buk. Materials. Heat Trace					5,241 189,535 50,733 3,931 17,487 16,444 90,777 11,793 36,560 117,852	5,24 189,53 50,73 - 3,393 17,48 16,44 90,77 11,79 36,56 117,85 - - -

Date	
1000/7/7	Reason
	emailed a proposed acreage trade
MRC Permian Company 6/17/2024 f	follow up email regarding acreage trade
MRC Permian Company 7/3/2024 n	mailed out well proposal letter

Civitas Permian Operating, LLC Case No. 24839 Exhibit A-6

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

Received by OCD: 9/26/2024 4:15:34 PM

Brian Dombroski Geologist

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

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

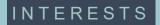
Innovation

Regional Mapping

Exploration

Big Data/Statistics

Operations





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 -





Anadarko Midland

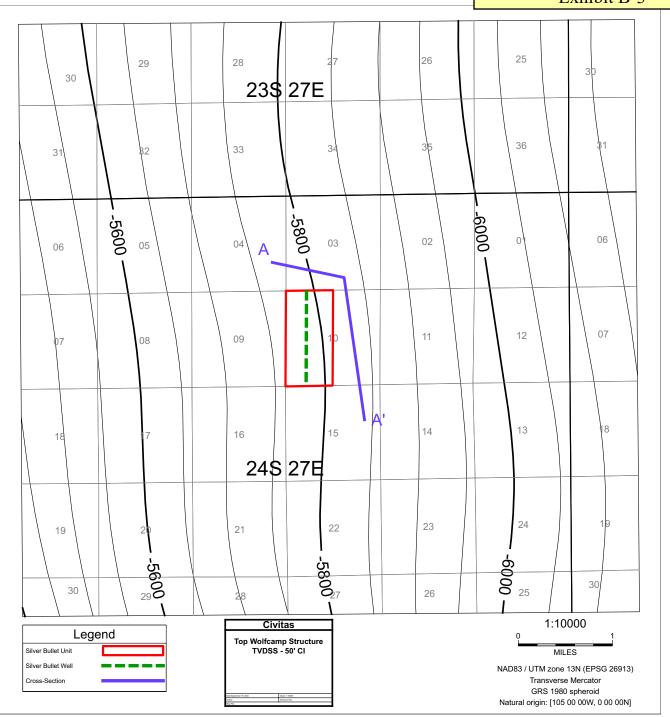


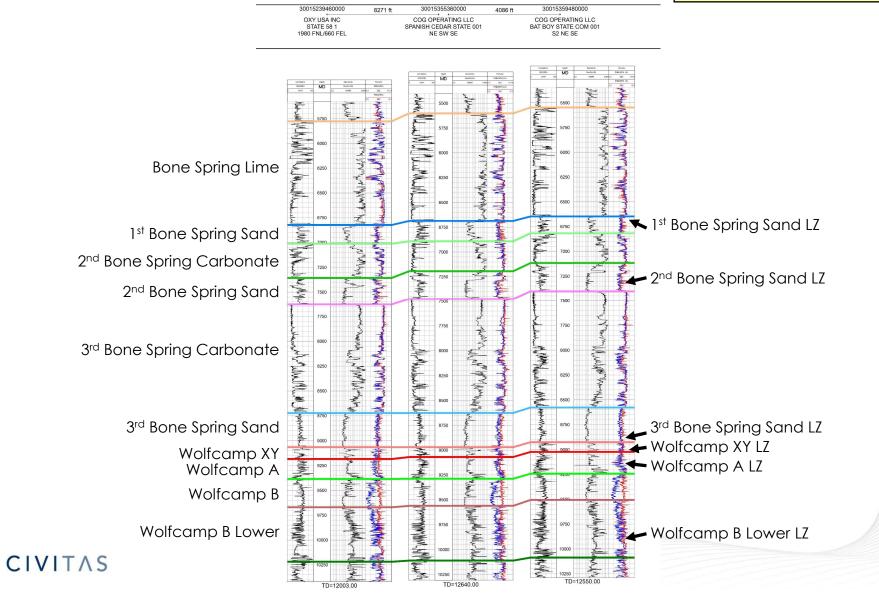
Rockies Appalachian Williston

Delaware Gulf Coast

30	29	²⁸ 23S	27 27E	26	25	30	
31	32	33	34	35	36	31	
06	05	04	03	02	01	01 06	
07	08	09	10	11	12	07	
18	17	¹⁶ 24S	¹⁵ 27E	14	13	18	
19	20	21	22	23	24	19	
30	29	28	27	26	25	30	
Leg Silver Bullet Unit	end	1	1	1	1:10 0 MILI NAD83 / UTM zone Transverse GRS 1980 Natural origin: [105 l	1 ES I3N (EPSG 26913) Mercator spheroid	

Civitas Permian Operating, LLC Case No. 24839 Exhibit B-3





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

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

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,

<u>/s/ Michael Rodriguez</u> Michael Rodriguez Attorney for Civitas Permian Operating, LLC

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MailClass	TrackingNo	ToCompanyName	ToName	DeliveryAddress	AddressLine2	City	State Zip	MailDate	ERR_SigDate	USPS_Status
										Your item was delivered to an individual at
Certified with Return										the address at 10:13 am on September 17,
Receipt (Signature)	9414811898765484753330	MRC Permian Company	Attn Hanna Bollenbach	5400 LBJ Freeway, Suite 1500	One Lincoln Centre	Dallas	TX 752	240 09/13/2024	09/18/2024 01:46:17	2024 in DALLAS, TX 75240.

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