

**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. 24840

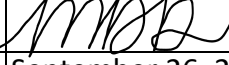
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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24840	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:	Bone Spring
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring
Pool Name and Pool Code (Only if NSP is requested):	Forehand Ranch Bone Spring [24660]
Well Location Setback Rules (Only if NSP is Requested):	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160
Building Blocks:	quarter-quarter sections
Orientation:	Standup
Description: TRS/County	E/2W/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 132H SHL: 328 FNL & 903 FWL (Unit D), S15-T24S-R27E BHL: 10 FNL & 2145 FWL (Unit C), S10-T24S-R27E 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 \$	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-4
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. 24840

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 Bone Spring formation (Forehand Ranch Bone Spring [24660]) underlying a standard 160-acre, more or less, horizontal spacing unit comprised of the E/2W/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 #132H to be horizontally drilled with first take point in the SE/4SW/4 (Unit N) of Section 10 and last take point in the NE/4NW/4 (Unit C) 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.

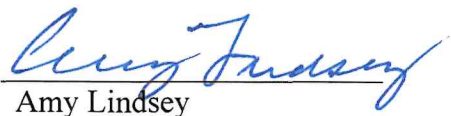
16. The attached exhibits were prepared by me or under my supervision or were compiled from company business records.

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. 24840
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. 24840
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. 24840

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 Bone Spring formation (Forehand Ranch Bone Spring [24660]) underlying a standard 160-acre, more or less, horizontal spacing unit comprised of the E/2W/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 #132H to be horizontally drilled with first take point in the SE/4SW/4 (Unit N) of Section 10 and last take point in the NE/4NW/4 (Unit C) 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 Bone Spring formation (Forehand Ranch Bone Spring [24660]) underlying a standard 160-acre, more or less, horizontal spacing unit comprised of the E/2W/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 #132H to be horizontally drilled with first take point in the SE/4SW/4 (Unit N) of Section 10 and last take point in the NE/4NW/4 (Unit C) 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-	24660	

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
30-025-	24660	Forehand Ranch; Bone Spring
Property Code	Property Name	Well Number
	SILVER BULLET 10 STATE COM	132H
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	-	328' N	903' W	N 32.2236514	W 104.1842196	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
C	10	24-S	27-E	-	10' N	2145' W	N 32.2394636	W 104.1800768	EDDY

Dedicated Acres	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidated Code
160	-	-	-	-
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
N	10	24-S	27-E	-	50' S	2145' W	N 32.2246910	W 104.1801964	EDDY

First Take Point (FTP)

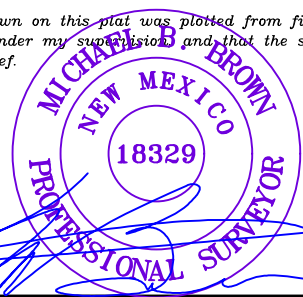
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the N/S	Feet from the E/W	Latitude	Longitude	County
N	10	24-S	27-E	-	100' S	2145' W	N 32.2248285	W 104.1801953	EDDY

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
C	10	24-S	27-E	-	100' N	2145' W	N 32.2392161	W 104.1800788	EDDY

Unitized Area or Area of Uniform Interest	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



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;">SILVER BULLET 10 STATE COM 132H</div>		Submittal Type: <input checked="" type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

SURFACE LOCATION (SHL)

NEW MEXICO EAST
 NAD 1983
 X=587448 Y=445130
 LAT.: N 32.2236514
 LONG.: W 104.1842196
 NAD 1927
 X=546266 Y=445072
 LAT.: N 32.2235315
 LONG.: W 104.1837227
 328' FNL 903' FWL

KICK OFF POINT (KOP)

NEW MEXICO EAST
 NAD 1983
 X=588692 Y=445510
 LAT.: N 32.2246910
 LONG.: W 104.1801964
 NAD 1927
 X=547509 Y=445452
 LAT.: N 32.2245711
 LONG.: W 104.1796997
 50' FSL 2145' FWL

FIRST TAKE POINT (FTP)

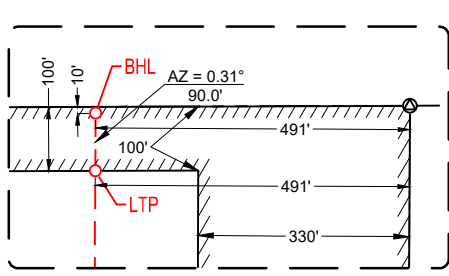
NEW MEXICO EAST
 NAD 1983
 X=588692 Y=445560
 LAT.: N 32.2248285
 LONG.: W 104.1801953
 NAD 1927
 X=547509 Y=445502
 LAT.: N 32.2247086
 LONG.: W 104.1796985
 100' FSL 2145' FWL

LAST TAKE POINT (LTP)

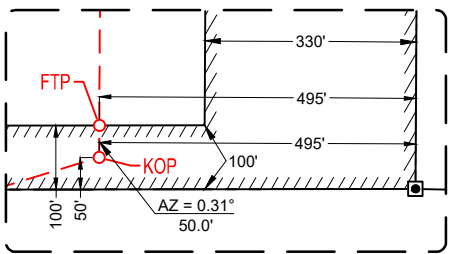
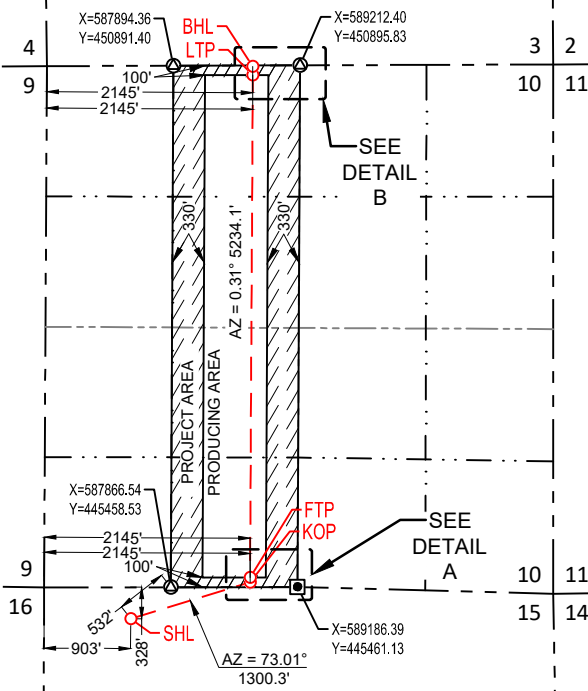
NEW MEXICO EAST
 NAD 1983
 X=588721 Y=450794
 LAT.: N 32.2392161
 LONG.: W 104.1800788
 NAD 1927
 X=547538 Y=450736
 LAT.: N 32.2390964
 LONG.: W 104.1795817
 100' FNL 2145' FWL

BOTTOM HOLE LOCATION (BHL)

NEW MEXICO EAST
 NAD 1983
 X=588721 Y=450884
 LAT.: N 32.2394636
 LONG.: W 104.1800768
 NAD 1927
 X=547539 Y=450826
 LAT.: N 32.2393438
 LONG.: W 104.1795797
 10' FNL 2145' FWL



DETAIL VIEW B
SCALE: 1" = 300'



DETAIL VIEW A
SCALE: 1" = 300'

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

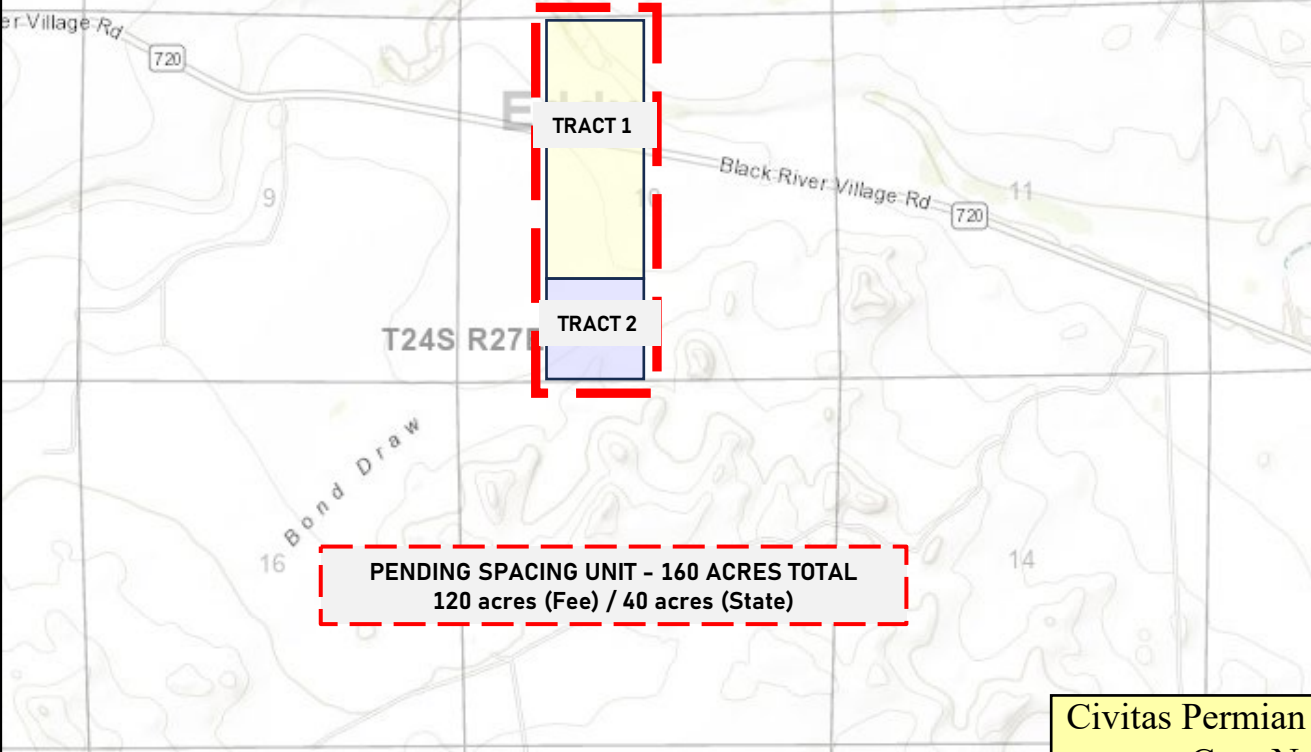
Date of Survey
 Signature and Seal of Professional Surveyor:



M:\SURVEY\2024\RESOURCES_INCDIV\RESOURCES_BULLETIN\PRODUCTION\PRODUCTION_SILVER_BULLET_10_STATE_COM_132H_BENTONG_GIBSON\1102024-01.DWG

**SILVER BULLET 10 STATE COM - E/2W/2 3BSS
LAND TRACT MAP
T24S R27E, SECTION 10, E/2W/2, EDDY COUNTY, NEW MEXICO**

TRACT 1	FEE	CIVITAS DE BASIN RESOURCES II LLC	E2NW4 & NE4SW4	120 GROSS ACRES
TRACT 2	STATE	MRC PERMIAN COMPANY	SE4SW4	40 GROSS ACRES



**Civitas Permian Operating, LLC
Case No. 24840
Exhibit A-4**



SILVER BULLET 10 STATE COM TRACT OWNERSHIP - E2W2 3BSS				
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%
Tract One: 120 acres, more or less, being the E/2NW/4 and NE/4SW/4 of Section 10, Township 24 South, Range 27 East, Eddy County, New Mexico				
Tract Two: 40 acres, more or less, being the SE/4SW/4 of Section 10, Township 24 South, Range 27 East, Eddy County, New Mexico				

SILVER BULLET 10 STATE COM UNIT OWNERSHIP - E2W2 3BSS					
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					



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

July 3, 2024

Delivery via Certified Mail

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

Civitas Permian Operating, LLC
 Case No. 24840
 Exhibit A-5

**Re: Participation Proposal
 Silver Bullet 10 State COM #131H & #132H
 W/2 Section 10, T24S R27E, Eddy County, NM**

Hanna:

Civitas Permian Operating, LLC ("Civitas") proposes to drill, complete and equip the following wells to test the **3rd Bone Spring formation** (the "Wells"):

WELL NAME	SHL	FTP	LTP	TVD	MD
Silver Bullet 10 State COM #131H	NW/4 15-24S-27E	495' FWL & 100' FSL 10-24S-27E	495' FWL & 100' FNL 10-24S-27E	8900'	14350'
Silver Bullet 10 State COM #132H	NW/4 15-24S-27E	2145' FWL & 100' FSL 10-24S-27E	2145' FWL & 100' FNL 10-24S-27E	8900'	14350'

The FTP and LTP will be located at a legal or approved location and the SHL may change pending further surface scouting and environmental 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:** 3rd Bone Spring
- **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

Silver Bullet 10 State COM 3BSS - MRC Proposal
 adl v1 6.24.24

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 Bone Spring development.

Sincerely,



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

Silver Bullet 10 State COM #131H

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

Silver Bullet 10 State COM #132H

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: _____

CIVITAS			Civitas Permian Operating, LLC AUTHORIZATION FOR EXPENDITURE		Location:	Date					
Well Name			Silver Bullet 10 State COM 132H			June 25, 2024					
Target			3BSS			NM					
Lateral Length			5,100			Eddy					
TVD			8,900			10					
MD			14,350			24S					
Pad Well Count			7			27E					
CTB Well Count			7								
INTANGIBLE WELL COSTS											
	Account Code Major	Account Code Minor	Concat.	Category	Comments	Drilling	Completion	Production	Facility	Total	
DRILLING	8305	101	8305.101	Location, Clean Up & Damages							
	8305	102	8305.102	Rig Move - MIRU, RDMD		35,714				35,714	
	8305	103	8305.103	Rig Contractor-Daywork/FT		245,000				245,000	
	8305	104	8305.104	Rig Contractor-Turnkey							
	8305	105	8305.105	Power & Fuel		17,150				17,150	
	8305	106	8305.106	Drill Fluids & Chemicals		243,000				243,000	
	8305	107	8305.107	Bits, Reamer, Stabilizers		85,000				85,000	
	8305	108	8305.108	Cement & Cementing Services		180,000				180,000	
	8305	109	8305.109	Mud Logging		3,850				3,850	
	8305	110	8305.110	Open Hole Logging		-				-	
	8305	111	8305.111	Csg Crews & Tools-Drive Hammer		30,000				30,000	
	8305	112	8305.112	Directional Tools & Service		97,000				97,000	
	8305	115	8305.115	Tubular Inspection		25,000				25,000	
	8305	116	8305.116	Equipment Rentals		75,950				75,950	
	8305	117	8305.117	Production Labor, Maintenance		75,000				75,000	
	8305	118	8305.118	Wellsite Consultants		40,320				40,320	
	8305	119	8305.119	Company Supervision & Labor		-				-	
	8305	120	8305.120	Transportation		30,000				30,000	
	8305	121	8305.121	Mud Cuttings & Water Disposal		75,000				75,000	
	8305	122	8305.122	Insurance		6,356				6,356	
	8305	123	8305.123	Overhead		-				-	
	8305	124	8305.124	Water & Water Wall		19,250				19,250	
	8305	125	8305.125	Unanticipated Major Expenses (Fishing)		-				-	
	8305	126	8305.126	Legal		30,000				30,000	
	8305	127	8305.127	Outside Operated Other		-				-	
	8305	128	8305.128	Regulatory Permits		20,000				20,000	
	8305	129	8305.129	Environmental & Safety		7,500				7,500	
	8305	130	8305.130	Plugging		-				-	
	8305	132	8305.132	Other Specialized Services		8,000				8,000	
	8305	190	8305.190	Miscellaneous		8,000				8,000	
	8305	199	8305.199	Contingency		70,742				70,742	
	8305	200	8305.200	Air Compliance & Design		-				-	
	COMPLETION	8306	201	8306.201	Location & Cleanup			20,000			20,000
		8306	202	8306.202	Power & Fuel			287,449			287,449
		8306	203	8306.203	Compl Fluids & Chemicals			20,000	7,500		27,500
		8306	204	8306.204	Bits, Reamer, Stabilizers			35,000			35,000
		8306	205	8306.205	Cement & Cementing Svcs			-			-
		8306	206	8306.206	Logging & Perforation Svcs			97,720			97,720
8306		207	8306.207	Csg Crews & Tools-Drive Hammer			-			-	
8306		208	8306.208	Directional Tools & Svcs			-			-	
8306		209	8306.209	Formation Stimulath Acid Frac			1,150,499			1,150,499	
8306		210	8306.210	Formation Evaluation			21,000	70,000		91,000	
8306		211	8306.211	Tubular Inspection			-	5,000		5,000	
8306		212	8306.212	Equipment Rentals			243,750	40,000		283,750	
8306		213	8306.213	Contract Labor & Services			-			-	
8306		214	8306.214	Wellsite Consultant			70,000	5,000		75,000	
8306		215	8306.215	Company Supervision & Labor			5,000			5,000	
8306		216	8306.216	Transportation			15,000			15,000	
8306		217	8306.217	Mud Cuttings & Water Disposal			15,000	90,000		105,000	
8306		218	8306.218	Insurance			-			-	
8306		219	8306.219	Overhead			-			-	
8306		220	8306.220	Water & Water Wall			274,350	5,000		279,350	
8306		221	8306.221	Unanticipated MaExp Fishing			-			-	
8306		222	8306.222	Outside Operated Other			-			-	
8306		223	8306.223	Misc Supplies & Materials			-			-	
8306		224	8306.224	Legal			-			-	
8306		225	8306.225	Regulatory Permits			-			-	
8306		226	8306.226	Environmental & Safety Costs			-			-	
8306		227	8306.227	Plugging			-			-	
8306		228	8306.228	Completion Rig			-	82,500	55,000	137,500	
8306		229	8306.229	Artificial Lift			-	75,000		75,000	
8306		230	8306.230	Other Specialized Svcs			-			-	
8306		240	8306.240	Hopper Rig			-			-	
8306		290	8306.290	Miscellaneous			-			-	
8306		299	8306.299	Contingency			-	58,432		58,432	
8306		950	8306.950	Allocation Contra Account			-			-	
8306		995	8306.995	AFE Accrual - Gross			-			-	
8306		999	8306.999	Net WIP Offset			-			-	
FACILITY		8311	540	8311.540	Permits / ROW / SUA / USR					-	-
		8311	541	8311.541	Survey					-	-
	8311	542	8311.542	Consultnt(Erg,Env,Stty,Pwr etc					23,556	23,556	
	8311	543	8311.543	Shipping/Transport/Freight					16,116	16,116	
	8311	544	8311.544	Taxes					-	-	
	8311	547	8311.547	Civil Labor & Contracts					39,400	39,400	
	8311	578	8311.578	Structural Steel Labor & Cntrt					24,633	24,633	
	8311	579	8311.579	Mechanical Labor & Contracts					202,024	202,024	
	8311	580	8311.580	Automate & Elec Labor & Cntrt					25,446	25,446	
	8311	581	8311.581	Pipeline Labor & Contracts					-	-	
	8311	582	8311.582	Shop & Skid Fab Labor & Cntrct					-	-	
	8311	583	8311.583	Insulation Labor & Contracts					-	-	
	8311	584	8311.584	Painting/Coating Labor & Cntrt					-	-	
	8311	585	8311.585	NDE Inspection					7,796	7,796	
	8311	586	8311.586	3rd Party Construct Inspection					11,924	11,924	
	8311	587	8311.587	Construct Equip & Svcs/Rental					15,003	15,003	
	8311	591	8311.591	Air Permits & Fees					-	-	
	8311	592	8311.592	Air Testing & Analysis					-	-	
	8311	593	8311.593	LDAR Costs					-	-	
	8311	594	8311.594	EHSRC Compliance Systems					-	-	
	8311	599	8311.599	Contingency					-	-	
	8311	600	8311.600	EHSRC COC Compliance					-	-	
	Total Intangible Costs						\$ 1,463,546.57	\$ 2,395,700.05	\$ 352,500.00	\$ 365,897.07	\$ 4,577,643.69
	TANGIBLE WELL COSTS										
	DRILLING	8308	301	8308.301	Drive Pipe Conductor Casing		30,000				30,000
		8308	302	8308.302	Surface Casing		17,396				17,396
		8308	303	8308.303	Intermediate Casing		86,860				86,860
		8308	304	8308.304	Production Casing		344,257				344,257
		8308	305	8308.305	Subs Ft Eqp Centralizers Etc		59,875				59,875
		8308	306	8308.306	Casinghead Drilling Spool		80,000				80,000
		8308	307	8308.307	Sub Surface Equipment		-				-
		8308	308	8308.308	Outside Operated Other		-				-
		8308	390	8308.390	Miscellaneous		10,000				10,000
		8308	399	8308.399	Contingency		-				-
		8308	402	8308.402	Tubing				66,750		66,750
	COMPLETION	8309	403	8309.403	Subs Ft Eqp Centralizers Etc						
		8309	404	8309.404	Sub Surface Equipment				40,000		40,000
		8309	405	8309.405	Well Head Equipment				70,000		70,000
8309		406	8309.406	Outside Operated Other				-		-	
8309		407	8309.407	Artificial Lift				80,000		80,000	
8309		490	8309.490	Miscellaneous							
8309		499	8309.499	Contingency							
FACILITY		8311	547	8311.547	Concrete & Foundation Material						
		8311	548	8311.548	Road Base Gravel Civil Fill						
		8311	549	8311.549	Structural Steel Material						
		8311	550	8311.550	Buildings(Gas,Lift,cmprsr, etc)						
	8311	552	8311.552	Press Vessels/Filters/Heat Exc							
	8311	553	8311.553	Separatrs/Heat Trtr/Fire Equip					5,241	5,241	
	8311	554	8311.554	Tanks					189,535	189,535	
	8311	555	8311.555	Dehy Equipment					50,733	50,733	
	8311	556	8311.556	Compressors					-	-	
	8311	557	8311.557	Pumps					3,931	3,931	
	8311	558	8311.558	ECD's/Flares					17,487	17,487	
	8311	559	8311.559	Pipe, Valves & fittings					16,444	16,444	
	8311	563	8311.563	Instrumentation / Automation					90,777	90,777	
	8311	564	8311.564	Meters/Measurement					11,793	11,793	
	8311	565	8311.565	Electrical/Power Equipment					36,560	36,560	
	8311	566	8311.566	Instrument Air Systems					117,852	117,852	
8311	567	8311.567	LACT Systems					-	-		
8311	568	8311.568	Automation Bulk Materials					-	-		
8311	569	8311.569	Heat Trace					-	-		
8311	570	8311.570	Power/Control Panels					-	-		
8311	5										

SILVER BULLET 10 STATE COM CHRONOLOGY OF COMMUNICATION

Civitas Permian Operating, LLC
Case No. 24840
Exhibit A-6

Party	Date	Reason
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. 24840
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. 24840

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 (Base of Bone Spring). 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 #132H 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 "3rd Bone Spring Sand 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

Civitas Permian Operating, LLC
Case No. 24840
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

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


<p align="center">Civitas Permian Operating, LLC Case No. 24840 Exhibit B-2</p>
--

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	

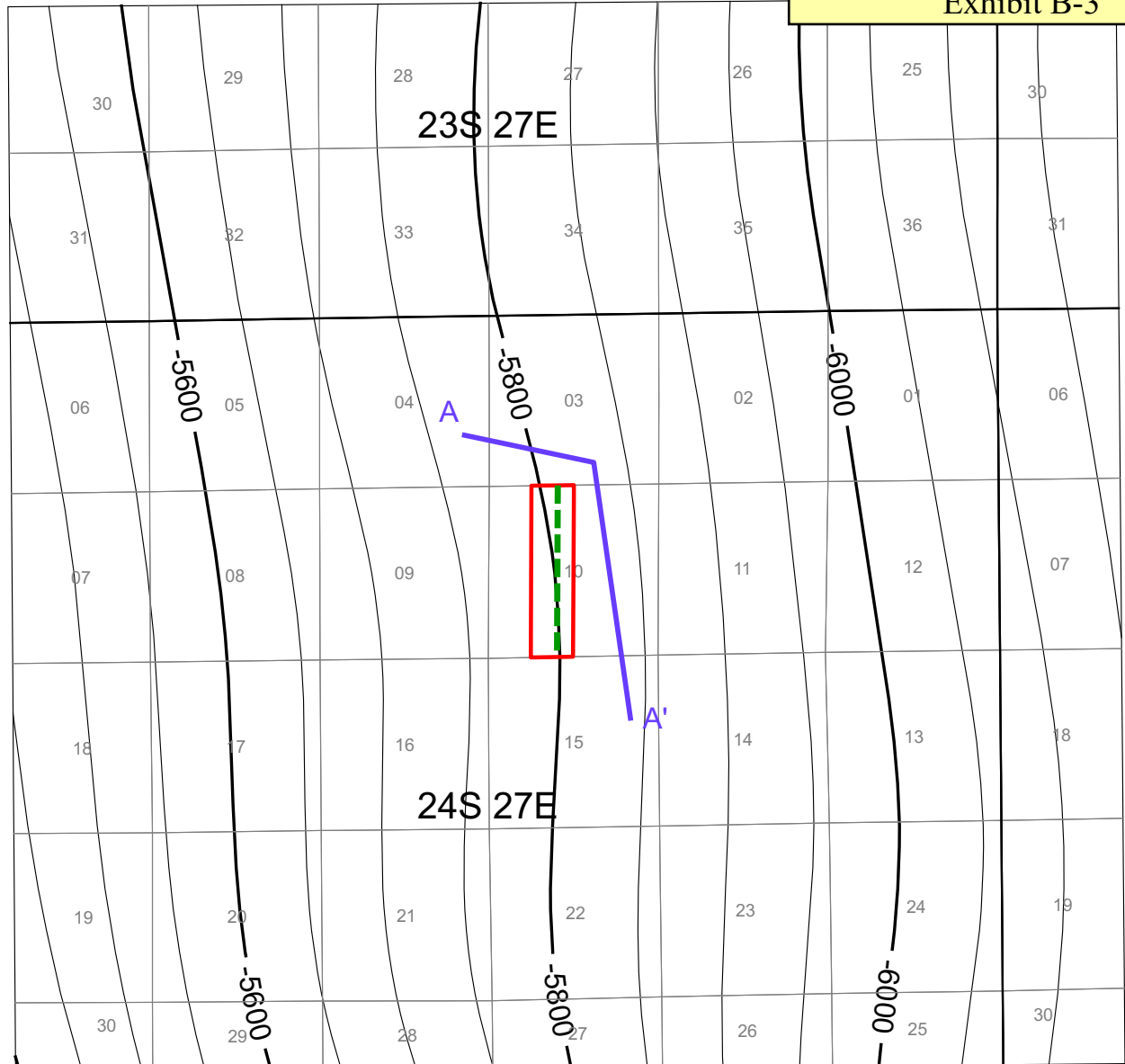
1:10000



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. 24840
Exhibit B-3



Legend	
Silver Bullet Unit	
Silver Bullet Well	
Cross-Section	

Civitas	
Top Wolfcamp Structure	
TVDSS - 50' CI	
Scale: 1:10000	Date: 10/2023
Author: [illegible]	Reviewer: [illegible]
Checked: [illegible]	Approved: [illegible]

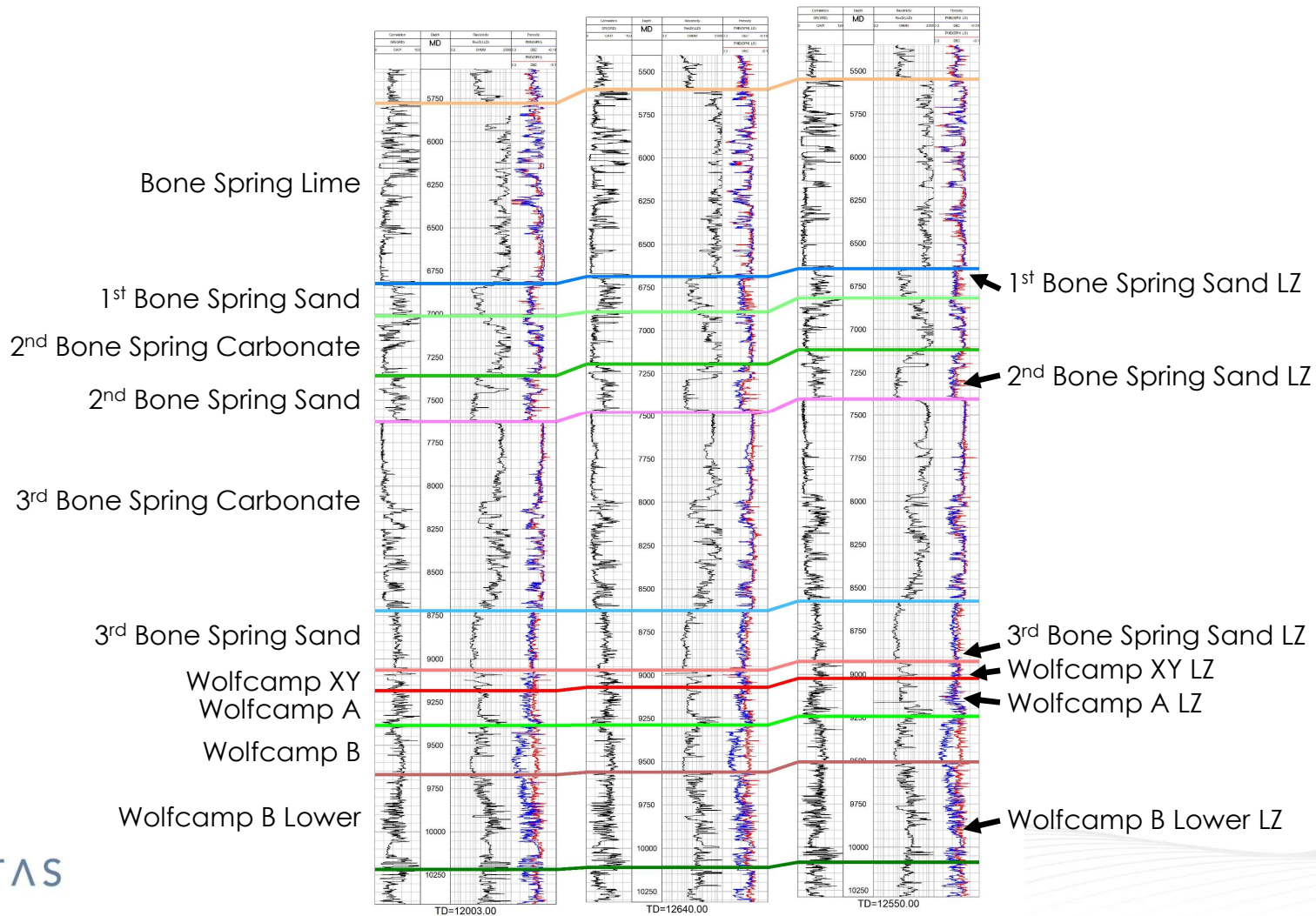
1:10000

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. 24840
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. 24840
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. 24840

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



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

September 13, 2024

Civitas Permian Operating, LLC
Case No. 24840
Exhibit C-1

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

**Re: Case No. 24840, 24841 – Applications 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 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 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. 24840
Exhibit C-2