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

PRE-HEARING STATEMENT

Civitas Permian Operating, LLC ("Civitas" or "Applicant") submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

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

OTHER PARTIES

None.

APPLICANT'S STATEMENT OF THE CASE(S)

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.

PROPOSED EVIDENCE

| WITNESS | TITLE | ESTIMATED TIME | ESTIMATED EXHIBITS |
|-----------------|-----------|-------------------------|--------------------|
| Amy Lindsey | Landman | Self-affirmed Statement | 6 |
| Brian Dombroski | Geologist | Self-affirmed Statement | 4 |

PROCEDURAL MATTERS

Civitas intends to present the captioned case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

Civitas Permian Operating, LLC

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State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 387539

QUESTIONS

| Operator: | OGRID: |
|--------------------------------|--|
| Civitas Permian Operating, LLC | 332195 |
| 555 17th Street | Action Number: |
| Denver, CO 80202 | 387539 |
| | Action Type: |
| | [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

| Testimony | | | | |
|---|---|--|--|--|
| Please assist us by provide the following information about your testimony. | | | | |
| Number of witnesses | 2 | | | |
| Testimony time (in minutes) | 5 | | | |