

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

**APPLICATION OF CIVITAS PERMIAN OPERATING,
LLC FOR APPROVAL OF OVERLAPPING HORIZONTAL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

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: (1) approving a 640-acre, more or less, overlapping horizontal spacing unit in the Bone Spring formation comprised of the E/2 of Section 34, Township 23 South, Range 27 East, and the E/2 of Section 3, Township 24 South, Range 27 East, Eddy County, New Mexico (the “Unit”); and (2) pooling all uncommitted interests in 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 following wells (“Wells”):
 - a. Smooth Hoperator 34-3 Fed Com 113H, Smooth Hoperator 34-3 Fed Com 123H and Smooth Hoperator 34-3 Fed Com 153H to be horizontally drilled with first take points in the NW/4NE/4 (Unit B) of Section 34 and last take points in the SW/4SE/4 (Unit O) of Section 3, and
 - b. Smooth Hoperator 34-3 Fed Com 114H, Smooth Hoperator 34-3 Fed Com 124H and Smooth Hoperator 34-3 Fed Com 154H to be horizontally drilled with first take points in the NE/4NE/4 (Unit A) of Section 34 and last take points in the SE/4SE/4 (Unit P) of Section 3.
3. The producing area for the Wells is expected to be orthodox.
4. The Unit will partially overlap a 40-acre vertical well spacing unit in the Bone Spring

formation underlying the SW/4SE/4 of Section 3 dedicated to the SPANISH CEDAR STATE #001

(API# 30-015-35536) operated by COG Operating LLC.

5. The completed interval for the Smooth Hoperator 34-3 Fed Com 123H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the Unit.

6. Civitas has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the Unit.

7. The pooling of all interests in the Unit will avoid the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Approval of this application will allow Civitas to obtain its just and fair share of the oil and gas underlying the subject lands.

9. WHEREFORE, Civitas requests this application be set for hearing before an Examiner of the Oil Conservation Division on April 10, 2025, and after notice and hearing, the Division enter its order:

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

Respectfully submitted,

Civitas Permian Operating, LLC

A handwritten signature in black ink, appearing to read 'MR', is written over a horizontal line.

Ocean Munds-Dry

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