

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

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

CASE NO. _____

APPLICATION

Civitas Permian Operating, LLC (“Civitas”), OGRID Number 332195, through its undersigned attorneys, 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 underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the E/2 of Sections 4 and 9, Township 24 South, Range 34 East, Lea County, New Mexico (the “Unit”). In support of this application, Civitas states as follows:

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. The Contest Fed Com 108H, The Contest Fed Com 128H, The Contest Fed Com 144H, and The Contest Fed Com 154H to be horizontally drilled with first take points in the SE/4SE/4 (Unit P) of Section 9 and last take points in the NE/4SE/4 (Unit A) of Section 4; and
 - b. The Contest Fed Com 116H, The Contest Fed Com 123H, The Contest Fed Com 126H, The Contest Fed Com 143H, and The Contest Fed Com 153H wells to be horizontally drilled with first take points in the SW/4SE/4 (Unit O) of Section 9 and last take points in the NW/4NE/4 (Unit B) of Section 4.

3. The producing area for the wells is expected to be orthodox.

4. The completed interval for The Contest Fed Com 116H is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the Unit under Rule 19.15.16.15(B)(1)(b) NMAC.

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

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

7. 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 August 8, 2024, 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



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