

**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. _____

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 underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the S/2 of Sections 22 and 23, Township 24 South, Range 26 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 Modelo 22-23 Fed Com 131H to be horizontally drilled with first take point in the NW/4SW/4 (Unit L) of Section 22 and last take point in the NE/4SE/4 (Unit I) of Section 23.
3. The producing area for the well is expected to be orthodox.
4. The completed interval for the Modelo 22-23 Fed Com 131H 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. A depth severance exists in the Bone Spring formation within the proposed Unit. Accordingly, Civitas seeks to pool all uncommitted interests in the Bone Spring formation at a stratigraphic equivalent of 8,062 feet, as defined on the Baker Hughes Gamma Ray Log of the Ringer Federal Com 4 well (API No. 30-015-32343), to the base of the Bone Spring formation.
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.

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 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



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