

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

**APPLICATION OF ADMIRAL PERMIAN  
OPERATING LLC FOR COMPULSORY  
POOLING AND APPROVAL OF NON-  
STANDARD SPACING UNIT, EDDY  
COUNTY, NEW MEXICO.**

**CASE NO. \_\_\_\_\_**

**APPLICATION**

Pursuant to NMSA § 70-2-17, Admiral Permian Operating LLC (“Admiral” or “Applicant”) applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 1,270.84-acre, more or less, non-standard horizontal spacing unit comprised of all of irregular Sections 5 and 6, Township 24 South, Range 27 East, Eddy County, New Mexico (“Unit”). In support of its application, Admiral states the following:

1. Admiral (OGRID No. 332762) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to the following wells (“Wells”):
  - a. **War Pigeon Fed Com 301H** and **War Pigeon Fed Com 321H**, which will be drilled from surface hole locations in Lot 5 (SW/4 NW/4 equivalent) of Section 6 to bottom hole locations in Lot 1 (NE/4 NE/4 equivalent) of Section 5;
  - b. **War Pigeon Fed Com 302H** and **War Pigeon Fed Com 322H**, which will be drilled from surface hole locations in Lot 5 (SW/4 NW/4 equivalent) of Section 6 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 5;
  - c. **War Pigeon Fed Com 303H** and **War Pigeon Fed Com 323H**, which will be drilled from surface hole locations in Lot 7 (SW/4 SW/4 equivalent) of Section 6 to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 5; and

d. **War Pigeon Fed Com 304H** and **War Pigeon Fed Com 324H**, which will be drilled from surface hole locations in Lot 7 (SW/4 SW/4 equivalent) of Section 6 to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 5.

3. The completed intervals of the Wells will be orthodox.
4. Approval of a non-standard horizontal spacing unit is necessary to prevent waste and protect correlative rights.
5. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
7. In order to allow Applicant 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 Applicant should be designated the operator of the Unit and the Wells.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on May 8, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving a non-standard horizontal spacing unit pursuant to 19.15.16.15(B)(5) NMAC;
- C. Approving the Wells in the Unit;
- D. Designating Applicant as the operator of the Unit and the Wells to be drilled thereon;

- E. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- F. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- G. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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