

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

**APPLICATION OF AVANT OPERATING, LLC
(PREDECESSOR IN INTEREST TO
COTERRA ENERGY OPERATING)
FOR APPROVAL OF A NON-STANDARD UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 24849

NOTICE OF FILING NOTICE LETTER

Pursuant to the Hearing Examiner's direction at the July 29, 2025 Hearing in the above captioned case, Coterra Energy Operating ("Coterra") (successor in interest to Avant Operating, LLC) hereby provides notice that Coterra mailed a notice letter to MVDR Resources, LLC on July 31, 2025, proof of which Coterra is filing in the above captioned case as Exhibit D and sub-exhibits.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: Deana M. Bennett

Deana M. Bennett
Earl E. DeBrine, Jr.
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CERTIFICATE OF SERVICE

I hereby certify that on August 20, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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Adam G. Rankin
Paula M. Vance
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Attorneys for MRC Permian Company



Deana M. Bennett

**STATE OF NEW MEXICO
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**APPLICATION OF AVANT OPERATING, LLC
(PREDECESSOR IN INTEREST TO
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AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

CASE NO. 24849

SELF-AFFIRMED DECLARATION OF DEANA M. BENNETT

Deana M. Bennett, attorney in fact and authorized representative of Coterra Energy Operating, declares as follows:

- 1) The above-referenced Application was provided under notice letter, dated July 31, 2025, to MVDR Resources, LLC, attached hereto, as Exhibit D.1.
- 2) Exhibit D.2 is the mailing list, which show the notice letter was delivered to the USPS for mailing on July 31, 2025.
- 3) Exhibit D.3 is the certified mailing tracking information, which shows that the letter was picked up on August 8, 2025.
- 4) I attest under penalty of perjury under the laws of the State of New Mexico that the information provided herein is correct and complete to the best of my knowledge and belief.

Dated: August 20, 2025



Deana M. Bennett

EXHIBIT D

MODRALL SPERLING
L A W Y E R S

July 31, 2025

VIA CERTIFIED MAILDeana M. Bennett
505.848.1834
dmb@modrall.com**MVDR Resources, LLC
3811 Turtle Creek Blvd, Suite 1100
Dallas, TX 75219****Re: APPLICATION OF AVANT OPERATING, LLC
(PREDECESSOR IN INTEREST TO COTERRA ENERGY
OPERATING) FOR APPROVAL OF A NON-STANDARD UNIT AND
COMPULSORY POOLING, LEA COUNTY, NEW MEXICO****CASE NO. 24849**

TO: MVDR RESOURCES, LLC

This letter is to advise you that the above captioned case has been continued for a hearing on August 21, 2025. A copy of the application is included for your convenience. Coterra Energy Operating ("Coterra") is Avant Operating, LLC's successor-in-interest having acquired Avant Operating, LLC and Avant Operating, LLC's interests in the lands subject to the application at issue in this case. It is my understanding that MVDR and Coterra have been engaged in discussions.

I am sending this letter because when this case was originally heard in January 2025, MVDR was inadvertently not provided notice of the hearing. I am providing this notice to inform you that this case has been continued to August 21, 2025 to cure the notice issue.

In Case No. 24849, the applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the **Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H** wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; **Sapphire 14 Federal Com #303H and Sapphire 14 Federal**

Modrall Sperling
Roehl Harris & Sisk P.A.500 Fourth Street NW
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Exhibit D-1

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Com #603H wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; **Sapphire 14 Federal Com #304H**, and **Sapphire 14 Federal Com #604H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; **Sapphire 14 Federal Com #505H**, and **Sapphire 14 Federal Com #506H** wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the **Sapphire 14 Federal Com #305H**, **Sapphire 14 Federal Com #306H**, **Sapphire 14 Federal Com #605H**, and **Sapphire 14 Federal Com #606H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

The hearing in this case was originally heard on January 9, 2025 but has been continued for notice purposes. The case has been continued to August 21, 2025, beginning at 9:00 a.m. The hearing will be conducted in a hybrid fashion, both in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505 and via the WebEx virtual meeting platform. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <https://www.emnrd.nm.gov/ocd/hearing-info/>.

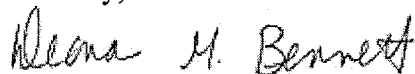
As a party who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

You are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division at least four

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business days in advance of a scheduled hearing before the Division or the Commission, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date, with a copy delivered to the undersigned.

Sincerely,

A handwritten signature in black ink that reads "Deana M. Bennett". The signature is written in a cursive style with a large, stylized "D" and "B".

Deana M. Bennett

Attorney for Applicant

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

**APPLICATION OF AVANT OPERATING, LLC
FOR APPROVAL OF A NON-STANDARD UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Avant Operating, LLC ("Avant"), OGRID Number 330396, through its undersigned attorneys, hereby files this application with the Oil Conservation Division ("Division") pursuant to the provisions of NMSA 1978, § 70-2-17, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks approval of the 1280-acre non-standard spacing as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.*, Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).
3. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. **Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H,
Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H,
Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H**

wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;

- b. **Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H** wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
- c. **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
- d. **Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
- e. **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
- f. **Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H** wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and
- g. **Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.

4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

5. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool.

6. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

7. The pooling of all interests in the Bone Spring formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Approving the non-standard spacing unit;
- B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico;
- C. Designating Avant as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Avant 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,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Deana M. Bennett

Earl E. DeBrine, Jr.

Deana M. Bennett

Yarithza Peña

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Attorneys for Avant Operating, LLC

CASE NO. _____: Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the **Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H** wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; **Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H** wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; **Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; **Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H** wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the **Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 23 miles west of Hobbs, New Mexico.

Karlene Schuman
Modrall Sperling Roehl Harris & Sisk P.A.
500 Fourth Street, Suite 1000
Albuquerque NM 87102

PS Form 3877

Type of Mailing: CERTIFIED MAIL
07/31/2025

Firm Mailing Book ID: 293510

Line	USPS Article Number	Name, Street, City, State, Zip	Postage	Service Fee	RR Fee	Rest.Del.Fee	Reference Contents
1	9314 8699 0430 0138 0801 83	MVDR Resources, LLC 3811 Turtle Creek Blvd, Suite 1100 Dallas TX 75219	\$1.90	\$5.30	\$2.82	\$0.00	10375.0003 Sapphire
Totals:			\$1.90	\$5.30	\$2.82	\$0.00	
			Grand Total:			\$10.02	

List Number of Pieces Listed by Sender	Total Number of Pieces Received at Post Office	Postmaster: Name of receiving employee	Dated:
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1



Exhibit D-2



August 11, 2025

Dear Covius Document Services:

The following is in response to your request for proof of delivery on your item with the tracking number:
9314 8699 0430 0138 0801 83.

Item Details

Status: Delivered, Left with Individual
Status Date / Time: August 8, 2025, 06:43 p.m.
Location: DALLAS, TX 75219
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
Return Receipt Electronic
Recipient Name: MVDR Resources LLC

Shipment Details

Weight: 2.0oz

Destination Delivery Address

Street Address: 3811 TURTLE CREEK BLVD STE 1100
City, State ZIP Code: DALLAS, TX 75219-4487

Recipient Signature

Signature of Recipient:

Address of Recipient:

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
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475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Information in this section provided by Covius Document Services, LLC.

Reference Number: 10375.0003 Sapphire