

**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 A NON-
STANDARD HORIZONTAL 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 320-acre, more or less, non-standard horizontal spacing unit comprised of the E/2 of Section 18, Township 23 South, Range 28 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 **Carrasco Estates Fee Unit 121H**, **Carrasco Estates Fee Unit 221H**, and **Carrasco Estates Fee Unit 301H** U-turn wells (“Wells”), which will be drilled from surface hole locations in the SE/4 SE/4 (Unit P) of Section 18 to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 18.
3. The completed intervals of the Wells will be orthodox.
4. Admiral requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, 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 November 13, 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 the Wells in the Unit;
- C. Approving the non-standard spacing 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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