

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

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

Case No.: 24544

ORDER DENYING MOTION TO DISMISS APPLICATION

THIS MATTER, having come before the NM Oil Conservation Division's (Division) Hearing Examiner on Prima Exploration, Inc.'s (Prima) *Motion to Dismiss Pooling Application on the Basis of an Excessive Number of Initial Wells Proposed* (Motion), and having reviewed the Motion, the Response in Opposition to the Motion filed by Avant Operating, LLC (Avant), and Prima's Reply, and being otherwise fully apprised of the matter,

FINDS, CONCLUDES AND ORDERS:

1. Whenever 19.15.15 NMAC or an applicable pool order authorizes one or more infill wells within a proration or spacing unit pooled by the Division, either the operator or an owner of a pooled working interest may, at any time after completion of the initial well provided in the pooling order, propose drilling of an infill well. 19.15.13.9 NMAC.
2. The Division issued Clarification of Compulsory Pooling Processes Update which established new procedures to allow operators to present extended development plans to take effect August 8, 2024. *See* July 12, 2024 Notice, p. 1-2 providing in relevant part:

In any contested or uncontested hearing an applicant can now present a development plan and associated timelines with each well being proposed so plans can be fully evaluated by the OCD for complete development potential. The development plan shall not exceed five (5) years. For contested cases this allows for proper comparison of competing plans.

3. Prima's Motion requests the Division to reduce the number of proposed wells without support from authority.

4. Evidence shall be relevant and admissible at the August 20, 2024 contested hearing on the applicability of a Development Plan Option.
5. The issue of bad faith is not relevant to this Order.

IT IS THEREFORE ORDERED that the Motion is not well taken and denied.

GREGORY CHAKALIAN
HEARING EXAMINER
OIL CONSERVATION DIVISION