## 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, AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO.

### CASE NO. 24873

### **NOTICE OF INTERVENTION**

Paloma Permian AssetCo, LLC ("Paloma"), OGRID No. 332449, through its undersigned attorneys, hereby files this Notice of Intervention in the above-referenced case with the Oil Conservation Division ("Division") pursuant to the provisions of N.M.A.C. § 19.15.4.11. In support of this Intervention, Paloma states the following:

#### I. <u>The Nature of Paloma's Interest in the Application</u>

- A. Paloma raises doubts about Avant Operating, LLC's ("Avant") plans to drill all the wells proposed in the above referenced case and the formations applied for in the pooling application.
- B. Paloma is under contract to acquire existing producing wells in the subject sections. Avant's proposed development plans around Paloma's to-be-acquired existing producing wells should be coordinated with Paloma to minimize any negative impact to current production. This should require Paloma's input and a plan that Paloma finds reasonably acceptable.
- C. Given the working interest that Paloma is acquiring, allowing Avant to "cash call" any pre-paid well costs would be egregious, so Paloma requests a Joint Operating Agreement or other reasonable agreement that allows working interest payments via JIB, in the event Avant is successful.
- D. Paloma is acquiring significant working interest in the proposed unit and intends to propose its own development plan across the subject sections that would be an alternative to Avant's proposal herein.
  Paloma is *acquiring* acreage here, not selling it, so seems the better, and more likely party that would be executing a proposed development plan here.

WHEREFORE, for the reasons above, Paloma's participation will contribute substantially to the

prevention of waste, protection of correlative rights, public health, and the environment. Thus, Paloma objects to

Avant's Application and requests that this Notice of Intervention be accepted by the Division.

Respectfully submitted,

JEWELL JIMMERSON NATURAL RESOURCES LAW

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ATTORNEYS FOR PALOMA PERMIAN ASSETCO, LLC

## **CERTIFICATE OF SERVICE**

I hereby certify that on December 19, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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