

**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
OVERLAPPING 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 Wolfcamp formation underlying a 1,270.84-acre, more or less, standard, overlapping 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 401H** and **War Pigeon Fed Com 441H**, 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 421H** and **War Pigeon Fed Com 442H**, 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 422H** and **War Pigeon Fed Com 443H**, 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;

- d. **War Pigeon Fed Com 402H**, which will be drilled from a surface hole location in Lot 5 (SW/4 NW/4 equivalent) of Section 6 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 5; and
 - e. **War Pigeon Fed Com 403H**, which will be drilled from a surface hole location in Lot 7 (SW/4 SW/4 equivalent) of Section 6 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 5.
3. The completed intervals of the Wells will be orthodox.
 4. The completed interval of the **War Pigeon Fed Com 402H** well will be located within 330' of the half section line separating the N/2 and S/2 of irregular Sections 5 and 6 to allow for the creation of a 1,270.84 standard horizontal spacing unit.
 5. The Wells will partially overlap with the spacing unit for the Black River State #004H (API No. 30-015-42458), which is located in the S/2 S/2 of Section 5, Township 24 South, Range 27 East, and produces from the Purple Sage; Wolfcamp (Gas) pool (Code 98220).
 6. 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.
 7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
 8. 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 the Wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- E. 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
- F. 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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