

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

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

CASE NO. _____

APPLICATION

Avant Operating II, LLC (“AO II”), OGRID Number 332947, 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 interests within a non-standard 560-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Section 22 and the NE/4 and N/2SE/4 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico. In support of this application, AO II states as follows:

1. AO II has an interest in the subject lands and has a right to drill and operate a well thereon.
2. AO II seeks to dedicate the E/2 of Section 22 and the NE/4 and N/2SE/4 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a non-standard 560-acre, more or less, Bone Spring horizontal spacing unit (the “Unit”) in the Salt Lake; Bone Spring pool (Pool code 53560) (the “Unit”)
3. AO II seeks approval of the 560-acre non-standard spacing unit because approval of this application will allow AO II to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing.
4. AO II seeks to dedicate the Unit to the following wells:

- **Thai Curry 22-27 Fed Com #301H, Thai Curry 22-27 Fed Com #302H, Thai Curry 22-27 Fed Com #401H, Thai Curry 22-27 Fed Com #501H, Thai Curry 22-27 Fed Com #502H, Thai Curry 22-27 Fed Com #601H, and Thai Curry 22-27 Fed Com #602H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NE/4 SE/4 (Unit I) of Section 27; and
- **Thai Curry 22-27 Fed Com #303H, Thai Curry 22-27 Fed Com #402H, Thai Curry 22-27 Fed Com #503H, and Thai Curry 22-27 Fed Com #603H** wells with proposed surface hole locations in the N/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NW/4 SE/4 (Unit J) of Section 27.

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

6. AO II 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 and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Approval of a non-standard spacing unit will allow AO II to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands and reduce surface disturbance.

WHEREFORE, AO II requests 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 its order:

- A. Approving the non-standard spacing unit;
- B. Pooling all uncommitted interests in Bone Spring formation underlying a horizontal spacing unit within the E/2 of Section 22 and the NE/4 and N/2SE/4 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico;
- C. Designating AO II as operator of this unit and the wells to be drilled thereon;
- D. Authorizing AO II 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
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
edebrine@modrall.com
deana.bennett@modrall.com
yarithza.pena@modrall.com
Attorneys for Avant Operating II, LLC

CASE NO. _____ : Application of Avant Operating II, 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 560-acre, more or less, Bone Spring horizontal spacing unit and pooling all uncommitted interests in the E/2 of Section 22 and the NE/4 and N/2SE/4 of Section 27, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico in the Salt Lake; Bone Spring pool (Pool code 53560). This spacing unit will be dedicated to the following wells: **Thai Curry 22-27 Fed Com #301H, Thai Curry 22-27 Fed Com #302H, Thai Curry 22-27 Fed Com #401H, Thai Curry 22-27 Fed Com #501H, Thai Curry 22-27 Fed Com #502H, Thai Curry 22-27 Fed Com #601H, and Thai Curry 22-27 Fed Com #602H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NE/4 SE/4 (Unit I) of Section 27; and the **Thai Curry 22-27 Fed Com #303H, Thai Curry 22-27 Fed Com #402H, Thai Curry 22-27 Fed Com #503H, and Thai Curry 22-27 Fed Com #603H** wells with proposed surface hole locations in the N/4 NE/4 (Unit A) of Section 22, and proposed last take points in the NW/4 SE/4 (Unit J) of Section 27. The wells will be drilled at orthodox locations. 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 II, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 36 miles southwest of Hobbs, New Mexico.