

**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,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Avant Operating, LLC (“Avant”), OGRID Number 330396, 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 mineral interests within a non-standard 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 of Section 1, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. In support of this application, Avant states as follows:

1. Avant has an interest in the subject lands and has a right to drill and operate a well thereon.
2. Avant seeks to dedicate the W/2 of Section 1, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico to form a non-standard 320-acre, more or less, Wolfcamp horizontal spacing unit.
3. Avant seeks approval of the 320-acre non-standard spacing unit for several reasons.
4. First, Avant is filing a similar application to pool uncommitted interests within a standard 320-acre Bone Spring unit underlying this same acreage. Approval of this application will allow Avant to create a Wolfcamp unit that is consistent with Avant’s proposed standard Bone Spring unit.

5. Additionally, approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.,* Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).

6. Avant plans to drill the following wells:

- a. **Wolf Tank 1 Fed Com 7011H** well with a proposed surface hole location in the SE/4SW/4 (Unit N) of Section 36, Township 21 South, Range 31 East, and a proposed last take point in the SW/4SW/4 (Unit M) of Section 1, Township 22 South, Range 31 East; and
- b. **Wolf Tank 1 Fed Com 702H** well with a proposed surface hole location in the SE/4SW/4 (Unit N) of Section 36, Township 21 South, Range 31 East, and a proposed last take point in the SE/4SW/4 (Unit N) of Section 1, Township 22 South, Range 31 East.

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

8. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp formation underlying the proposed spacing unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

9. The pooling of all interests in the Wolfcamp formation underlying the proposed unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on June 13, 2024, 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 the Wolfcamp formation underlying a horizontal spacing unit within the W/2 of Section 1, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico;
- C. Designating Avant as operator of this unit and the wells to be drilled thereon;
- D. Authorizing Avant 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

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CASE NO. _____: Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Eddy County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 320-acre, more or less, Wolfcamp horizontal spacing unit comprising the W/2 of Section 1, Township 22 South, Range 31 East, N.M.P.M., Eddy County, New Mexico. This spacing unit will be dedicated to the **Wolf Tank 1 Fed Com 7011H** well with a proposed surface hole location in the SE/4SW/4 (Unit N) of Section 36, Township 21 South, Range 31 East, and a proposed last take point in the SW/4SW/4 (Unit M) of Section 1, Township 22 South, Range 31 East; and the **Wolf Tank 1 Fed Com 702H** well with a proposed surface hole location in the SE/4SW/4 (Unit N) of Section 36, Township 21 South, Range 31 East, and a proposed last take point in the SE/4SW/4 (Unit N) of Section 1, Township 22 South, Range 31 East. 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, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 39 miles northwest of Jal, New Mexico.