

**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. \_\_\_\_\_**

**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 1262.72-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 30 and 31, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 approval of the 1262.72-acre non-standard spacing as 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).
3. Avant seeks to dedicate all of Sections 30 and 31, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico to the following wells:

- a. **Speedmaster 30 Fed Com #501H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 30 and a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 31;
- b. **Speedmaster 30 Fed Com #301H** and **Speedmaster 30 Fed Com #601H** wells with proposed first take points in the NW/4 NW/4 (Unit D) of Section 30 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 31;
- c. **Speedmaster 30 Fed Com #502H** well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 30 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 31;
- d. **Speedmaster 30 Fed Com #302H** and **Speedmaster 30 Fed Com #602H** wells with proposed first take points in the NW/4 NE/4 (Unit B) of Section 30 and proposed last take points in the SW/4 SE/4 (Unit O) of Section 31;
- e. **Speedmaster 30 Fed Com #303H** well with a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 30 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and
- f. **Speedmaster 30 Fed Com #304H**, **Speedmaster 30 Fed Com #603H**, and **Speedmaster 30 Fed Com #604H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 30 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 31.

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

5. The pool and pool code for Sections 30 and 31 is the E-K; Bone Spring Pool (Code 21650), which is an oil pool.

6. This proposed horizontal spacing unit will partially overlap with the following spacing units:

- a. A 160-acre Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 30, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 30 BS2 Federal Com #001H well (API 30-025-42701);
- b. A 160-acre Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 31, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 31 BS2 Federal Com #001H well (API 30-025-43884);
- c. An 80-acre Bone Spring vertical spacing unit comprised of the W/2 SE/4 of Section 30, Township 18 South, Range 34 East, dedicated to Kaiser-Francis Oil Co.'s McElvain Federal #001H well (API 30-025-24757);
- d. An 80-acre Bone Spring vertical spacing unit comprised of the W/2 SW/4 of Section 31, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s McElvain Federal #010H well (API 30-025-39520);
- e. A 160-acre Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Section 30, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 30 BS2 Federal Com #002H well (API 30-025-43883); and
- f. An 80-acre Bone Spring vertical spacing unit comprised of the N/2 SE/4 of Section 31, Township 18 South, Range 34 East, dedicated to Earthstone Operating, LLC's Wapiti 31 Federal #001H well (API 30-025-35841).

7. Avant 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.

8. 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.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on October 10, 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 Sections 30 and 31, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
- C. Approving, to the extent necessary, the proposed overlapping spacing unit;
- D. Designating Avant as operator of this unit and the wells to be drilled thereon;
- E. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;
- F. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- G. 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, LLC*

**CASE NO. \_\_\_\_\_: Application of Avant Operating, LLC for approval of a non-standard spacing unit, compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit Lea County, New Mexico.** Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1262.72-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 30 and 31, Township 18 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the following wells: the **Speedmaster 30 Fed Com #501H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 30 and a proposed bottom hole location in the SW/4 SW/4 (Unit M) of Section 31; **Speedmaster 30 Fed Com #301H** and **Speedmaster 30 Fed Com #601H** wells with proposed first take points in the NW/4 NW/4 (Unit D) of Section 30 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 31; **Speedmaster 30 Fed Com #502H** well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 30 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 31; **Speedmaster 30 Fed Com #302H** and **Speedmaster 30 Fed Com #602H** wells with proposed first take points in the NW/4 NE/4 (Unit B) of Section 30 and proposed last take points in the SW/4 SE/4 (Unit O) of Section 31; **Speedmaster 30 Fed Com #303H** well with a proposed surface hole location in the NE/4 NE/4 (Unit A) of Section 30 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 31; and **Speedmaster 30 Fed Com #304H, Speedmaster 30 Fed Com #603H, and Speedmaster 30 Fed Com #604H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 30 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 31. The wells will be drilled at orthodox locations. This proposed horizontal spacing unit will partially overlap with the following spacing units:

- A 160-acre Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 30, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 30 BS2 Federal Com #001H well (API 30-025-42701);
- A 160-acre Bone Spring horizontal spacing unit comprised of the E/2 E/2 of Section 31, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 31 BS2 Federal Com #001H well (API 30-025-43884);
- An 80-acre Bone Spring vertical spacing unit comprised of the W/2 SE/4 of Section 30, Township 18 South, Range 34 East, dedicated to Kaiser-Francis Oil Co.'s McElvain Federal #001H well (API 30-025-24757);
- An 80-acre Bone Spring vertical spacing unit comprised of the W/2 SW/4 of Section 31, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s McElvain Federal #010H well (API 30-025-39520);
- A 160-acre Bone Spring horizontal spacing unit comprised of the W/2 E/2 of Section 30, Township 18 South, Range 34 East, dedicated to Prima Exploration, Inc.'s EK 30 BS2 Federal Com #002H well (API 30-025-43883); and
- An 80-acre Bone Spring vertical spacing unit comprised of the N/2 SE/4 of Section 31, Township 18 South, Range 34 East, dedicated to Earthstone Operating, LLC's Wapiti 31 Federal #001H well (API 30-025-35841).

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 23 miles west of Hobbs, New Mexico.