

**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,
COMPULSORY POOLING, AND,
TO THE EXTENT NECESSARY, APPROVAL
OF AN OVERLAPPING SPACING UNIT
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 640-acre, more or less, Second Bone Spring horizontal spacing unit defined as the stratigraphic equivalent of 9,519' to 10,172' found on the gamma ray log of the Sam H Snoddy Federal #1 (30-025-27812), underlying all of Section 23, Township 20 South, Range 32 East, N.M.P.M., Lea County, New Mexico, and (3) approving, to the extent necessary, an overlapping spacing unit. 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 all of Section 23, Township 20 South, Range 32 East, N.M.P.M., Lea County New Mexico to form a non-standard 640-acre, more or less, Second Bone Spring horizontal spacing unit defined as the stratigraphic equivalent of 9,519' to 10,172' found on the gamma ray log of the Sam H Snoddy Federal #1 (30-025-27812) in the Salt Lake; Bone Spring pool (Pool code 53560) (the "Unit").

3. AO II seeks approval of the 640-acre non-standard spacing Unit to allow AO II to efficiently locate surface facilities, reduce surface disturbances, consolidate roads, tracks, and pipelines, and promote effective well spacing.

4. AO II seeks to dedicate the Unit to the following wells:

- **Spicy Chicken 23 Fed Com #501H** well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 23, and a proposed last take point in the SW/4 SW/4 (Unit M) of Section 23;
- **Spicy Chicken 23 Fed Com #502H and Spicy Chicken 23 Fed Com #503H** wells with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 23, and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
- **Spicy Chicken 23 Fed Com #504H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 23, and a proposed last take point in the SW/4 SE/4 (Unit O) of Section 23; and
- **Spicy Chicken 23 Fed Com #505H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 23, and a proposed last take point in the SE/4 SE/4 (Unit P) of Section 23.

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

6. This proposed Unit will partially overlap a 40-acre spacing unit dedicated to the Baetz 23 Federal #001 well (API 30-025-26414) located in the NE/SW of Section 23 operated by Fasken Oil & Ranch LTD.

7. AO II sought, but has been unable to obtain, a voluntary agreement from all interested owners in the 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 Unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

9. 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 January 8, 2026, 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 Unit;
- C. Approving, to the extent necessary, the proposed overlapping spacing unit;
- D. Designating AO II as operator of the Unit and the wells to be drilled thereon;
- E. Authorizing AO II 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 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.

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CASE NO. _____ : Application of Avant Operating II, 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 640-acre, more or less, Second Bone Spring horizontal spacing unit defined as the stratigraphic equivalent of 9,519' to 10,172' found on the gamma ray log of the Sam H Snoddy Federal #1 (30-025-27812) in the Salt Lake; Bone Spring pool (Pool code 53560) and pooling all uncommitted interests in all of Section 23, 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: **Spicy Chicken 23 Fed Com #501H** well with a proposed surface hole location in the NE/4 NW/4 (Unit C) of Section 23, and a proposed last take point in the SW/4 SW/4 (Unit M) of Section 23; **Spicy Chicken 23 Fed Com #502H and Spicy Chicken 23 Fed Com #503H** wells with proposed surface hole locations in the NE/4 NW/4 (Unit C) of Section 23, and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; **Spicy Chicken 23 Fed Com #504H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 23, and a proposed last take point in the SW/4 SE/4 (Unit O) of Section 23; and **Spicy Chicken 23 Fed Com #505H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 23, and a proposed last take point in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. Applicant also seeks approval of an overlapping spacing unit, to the extent necessary. This proposed Unit will partially overlap a 40-acre spacing unit dedicated to the Baetz 23 Federal #001 well (API 30-025-26414) located in the NE/SW of Section 23 operated by Fasken Oil & Ranch LTD. 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 the risk involved in drilling said wells. Said area is located approximately 36 miles southwest of Hobbs, New Mexico.