

**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 HORIZONTAL
SPACING 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 960-acre, more or less, non-standard horizontal spacing unit in the Bone Spring formation, Pool: Lea; Bone Spring, South, Pool Code: 37580, and comprised of all of Section 21 and the N/2 of Section 28, Township 20 South, Range 34 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 all of Section 21 and the N/2 of Section 28, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a non-standard 960-acre, more or less, Bone Spring horizontal spacing unit (the “Unit”) in the Lea; Bone Spring, South, Pool Code: 37580 (the “Unit”)
3. AO II seeks approval of the 960-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:

- **Paloma 28 21 Fed Com #201H well, Paloma 28 21 Fed Com #202H well, Paloma 28 21 Fed Com #301H well, Paloma 28 21 Fed Com #501H well, and Paloma 28 21 Fed Com #502H well**, with proposed surface hole locations in the SE/4 NW/4 (Unit F) of Section 28, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 21;

- **Paloma 28 21 Fed Com #203H well, Paloma 28 21 Fed Com #302H well, Paloma 28 21 Fed Com #303H well, and Paloma 28 21 Fed Com #503H well** with proposed surface hole locations in the SE/4 NW/4 (Unit F) of Section 28, and proposed last take points in the NE/4 NW/4 (Unit C) of Section 21;

- **Paloma 28 21 Fed Com #204H well, and Paloma 28 21 Fed Com #504H well** with proposed surface hole locations in the SE/4 NW/4 (Unit F) of Section 28, and a proposed last take points in the NW/4 NE/4 (Unit B) of Section 21;

- **Paloma 28 21 Fed Com #304H well** with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 28, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 21; and

- **Paloma 28 21 Fed Com #205H well, Paloma 28 21 Fed Com #206H well, Paloma 28 21 Fed Com #305H well, Paloma 28 21 Fed Com #505H well, and Paloma 28 21 Fed Com #506H well**, with proposed surface hole locations in the SE/4 NE/4 (Unit H) of Section 28, and proposed last take points in the NE/4 NE/4 (Unit A) of Section 21.

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 June 4, 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 Bone Spring formation, Pool: Lea; Bone Spring, South, Pool Code: 37580, in a non-standard horizontal spacing unit underlying all of Section 21 and the N/2 of Section 28, Township 20 South, Range 34 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,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", written over a horizontal line.

Kaitlyn A. Luck

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Attorney for Avant Operating II, LLC

CASE NO. _____: 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 960-acre, more or less, non-standard horizontal spacing unit in the Bone Spring formation, Pool: Lea; Bone Spring, South, Pool Code: 37580, and pooling all uncommitted interests in Section 21 and the N/2 of Section 28, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico, This spacing unit will be dedicated to the following wells: Paloma 28 21 Fed Com #201H well, Paloma 28 21 Fed Com #202H well, Paloma 28 21 Fed Com #301H well, Paloma 28 21 Fed Com #302H well, Paloma 28 21 Fed Com #501H well, and Paloma 28 21 Fed Com #502H well, with proposed surface hole locations in the SE/4 NW/4 (Unit F) of Section 28, and proposed last take points in the NW/4 NW/4 (Unit D) of Section 21; Paloma 28 21 Fed Com #203H well, Paloma 28 21 Fed Com #302H well, Paloma 28 21 Fed Com #303H well, and Paloma 28 21 Fed Com #503H well with proposed surface hole locations in the SE/4 NW/4 (Unit F) of Section 28, and proposed last take points in the NE/4 NW/4 (Unit C) of Section 21; Paloma 28 21 Fed Com #204H well, and Paloma 28 21 Fed Com #504H well with proposed surface hole locations in the SE/4 NW/4 (Unit F) of Section 28, and a proposed last take points in the NW/4 NE/4 (Unit B) of Section 21; Paloma 28 21 Fed Com #304H well with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 28, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 21; and Paloma 28 21 Fed Com #205H well, Paloma 28 21 Fed Com #206H well, Paloma 28 21 Fed Com #305H well, Paloma 28 21 Fed Com #505H well, and Paloma 28 21 Fed Com #506H well, with proposed surface hole locations in the SE/4 NE/4 (Unit H) of Section 28, and proposed last take points in the NE/4 NE/4 (Unit A) of Section 21. 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 24.3 miles southeast of Hobbs, New Mexico.