

**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
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 spacing unit, and (2) pooling all uncommitted interests within a non-standard 960-acre, more or less Pennsylvanian (Cisco) horizontal spacing unit comprised of the S/2 Section 24 and all of Section 25, Township 17 South, Range 35 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 S/2 of Section 24 and all of Section 25, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico to form a 960-acre, more or less, Pennsylvanian (Cisco) horizontal spacing unit (the “Unit”) in the Cisco-Canyon; Northeast pool (pool code 97202).
3. AO II seeks approval of the 960-acre non-standard spacing unit to 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:

- **Posse East 24 25 State Com #821H** and **Posse East 24 25 State Com #831H** wells with proposed first take points in the NE/4 SW/4 (Unit K) of Section 24, and proposed last take points in the SW/4 SW/4 (Unit M) of Section 25;
- **Posse East 24 25 State Com #822H, Posse East 24 25 State Com #832H, and Posse East 24 25 State Com #833H** wells with proposed first take points in the NE/4 SW/4 (Unit K) of Section 24, and proposed last take points in the SE/4 SW/4 (Unit N) of Section 25;
- **Posse East 24 25 State Com #823H** well with a proposed first take point in the NE/4 SW/4 (Unit K) of Section 24, and a proposed last take point in the SW/4 SE/4 (Unit O) of Section 25;
- **Posse East 24 25 State Com #834H** well with a proposed first take point in the NE/4 SE/4 (Unit I) of Section 24, and a proposed last take point in the SW/4 SE/4 (Unit O) of Section 25; and
- **Posse East 24 25 State Com #824H** and **Posse East 24 25 State Com #835H** wells with proposed first take points in the NE/4 SE/4 (Unit I) of Section 24, and proposed last take points in the SE/4 SE/4 (Unit P) of Section 25.

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 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 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 August 6, 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. Designating AO II as operator of the 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,

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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 960-acre, more or less, Pennsylvanian (Cisco) horizontal spacing unit and pooling all uncommitted interests in the S/2 of Section 24 and all of Section 25, Township 17 South, Range 35 East, N.M.P.M., Lea County, New Mexico in the Cisco-Canyon; Northeast pool (pool code 97202). This spacing unit will be dedicated to the following wells: **Posse East 24 25 State Com #821H** and **Posse East 24 25 State Com #831H** wells with proposed first take points in the NE/4 SW/4 (Unit K) of Section 24, and proposed last take points in the SW/4 SW/4 (Unit M) of Section 25; **Posse East 24 25 State Com #822H, Posse East 24 25 State Com #832H, and Posse East 24 25 State Com #833H** wells with proposed first take points in the NE/4 SW/4 (Unit K) of Section 24, and proposed last take points in the SE/4 SW/4 (Unit N) of Section 25; **Posse East 24 25 State Com #823H** well with a proposed first take point in the NE/4 SW/4 (Unit K) of Section 24, and a proposed last take point in the SW/4 SE/4 (Unit O) of Section 25; **Posse East 24 25 State Com #834H** well with a proposed first take point in the NE/4 SE/4 (Unit I) of Section 24, and a proposed last take point in the SW/4 SE/4 (Unit O) of Section 25; and **Posse East 24 25 State Com #824H and Posse East 24 25 State Com #835H** wells with proposed first take points in the NE/4 SE/4 (Unit I) of Section 24, and proposed last take points in the SE/4 SE/4 (Unit P) of Section 25. 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 10 miles southwest of Lovington, New Mexico.