

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

APPLICATION OF AVANT OPERATING, LLC
FOR COMPULSORY POOLING,
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 pooling all uncommitted interests within a standard 640-acre, more or less, Bone Spring horizontal spacing unit comprising the S/2 of Sections 35 and 36, Township 18 South, Range 32 East, N.M.P.M., Lea 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 S/2 of Sections 35 and 36, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico to form a standard 640-acre, more or less, Bone Spring horizontal spacing unit.
3. Avant plans to drill the **Alpha Wolf 36 Federal Com 301H; Alpha Wolf 36 Federal Com 302H; Alpha Wolf 36 Federal Com 303H; Alpha Wolf 36 Federal Com 501H; Alpha Wolf 36 Federal Com 502H; Alpha Wolf 36 Federal Com 503H; Alpha Wolf 36 Federal Com 601H; Alpha Wolf 36 Federal Com 602H; and Alpha Wolf 36 Federal Com 603H wells** to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

4. The completed intervals for the Alpha Wolf 36 Federal Com 302H, Alpha Wolf 36 Federal Com 502H, Alpha Wolf 36 Federal Com 602H wells are expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC.

5. 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.

6. The creation of a standard horizontal spacing unit and the pooling of all interests in the Bone Spring 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 January 5, 2023, and after notice and hearing as required by law, the Division enter its order:

A. Pooling all uncommitted interests in Bone Spring formation underlying a horizontal spacing unit within the S/2 of Sections 35 and 36, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico;

B. Designating Avant as operator of this unit and the wells to be drilled thereon;

C. Authorizing Avant to recover its costs of drilling, equipping and completing the wells;

D. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

E. 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.

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CASE NO. _____: Application of Avant Operating, LLC for compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division pooling all uncommitted interests within a standard 640-acre, more or less, Bone Spring horizontal spacing unit comprising the S/2 of Sections 35 and 36, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the Alpha Wolf 36 Federal Com 301H; Alpha Wolf 36 Federal Com 302H; Alpha Wolf 36 Federal Com 303H; Alpha Wolf 36 Federal Com 501H; Alpha Wolf 36 Federal Com 502H; Alpha Wolf 36 Federal Com 503H; Alpha Wolf 36 Federal Com 601H; Alpha Wolf 36 Federal Com 602H; and Alpha Wolf 36 Federal Com 603H wells, to be horizontally drilled. The producing area for the wells are expected to be orthodox. The completed intervals for the Alpha Wolf 36 Federal Com 302H, Alpha Wolf 36 Federal Com 502H, Alpha Wolf 36 Federal Com 602H wells are expected to be less than 330 feet from the adjoining tracts, thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit. 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 10.8 miles south of Maljamar, New Mexico.