

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

**APPLICATION OF AVANT OPERATING, LLC
FOR APPROVAL OF NON-STANDARD UNIT
AND 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 and Rule 19.15.16.15(B)(5) NMAC, for an order (1) approving a non-standard spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 23, Township 20 South, Range 33 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 Section 23, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico to form a 640-acre, more or less, Bone Spring horizontal spacing unit (“Unit”).
3. Avant seeks to dedicate the following proposed wells to the Unit:
 - a. The **Sandra Jean 23 Fed Com #301H; Sandra Jean 23 Fed Com #302H; Sandra Jean 23 Fed Com #501H; Sandra Jean 23 Fed Com #502H; Sandra Jean 23 Fed Com #503H; Sandra Jean 23 Fed Com #601H; Sandra Jean 23 Fed Com #602H; and Sandra Jean 23 Fed Com #603H** wells to be drilled in the E/2 of Section 23, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico; and

- b. The **Sandra Jean 23 Fed Com #303H; Sandra Jean 23 Fed Com #304H; Sandra Jean 23 Fed Com #305H; Sandra Jean 23 Fed Com #504H; Sandra Jean 23 Fed Com #505H; Sandra Jean 23 Fed Com #506H; Sandra Jean 23 Fed Com #604H; Sandra Jean 23 Fed Com #605H; and Sandra Jean 23 Fed Com #606H wells** to be drilled in the W2 of Section 23, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico.

4. The wells will be drilled to a depth sufficient to test the Bone Spring formation. The wells will be horizontally drilled, and, if the non-standard unit application is approved the producing areas for all of the wells are expected to be orthodox.

5. The completed intervals for the Sandra Jean 23 Fed Com #302H; Sandra Jean 23 Fed Com #502H, and Sandra Jean 23 Fed Com #602H wells, to be drilled in the E/2 of Section 23, are each 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.

6. The completed intervals for the Sandra Jean 23 Fed Com #304H, Sandra Jean 23 Fed Com #505H; and Sandra Jean 23 Fed Com #605H wells, to be drilled in the W/2 of Section 23, are each 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.

7. The completed interval for the Sandra Jean 23 Fed Com #303H well is expected to be less than 330 feet from the adjoining tracts, which will be a standard location if the non-standard unit application is approved.

8. 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.

9. 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.

10. Approval of a non-standard spacing unit is necessary to prevent waste and protect correlative rights.

WHEREFORE, Avant requests this application be set for hearing before an Examiner of the Oil Conservation Division on August 3, 2023, and after notice and hearing as required by law, the Division enter its order:

A. Approving a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5);

B. Pooling all uncommitted interests in the Unit;

C. Designating Avant as operator of the Unit and the wells to be drilled thereon;

D. Authorizing Avant 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,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

By: /s/ Deana M. Bennett

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CASE NO. _____: Application of Avant Operating, LLC for approval of a non-standard unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division (1) approving a non-standard 640-acre spacing unit, and (2) pooling all uncommitted mineral interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of Section 23, Township 20 South, Range 33 East, N.M.P.M, Lea County, New Mexico. This spacing unit will be dedicated to the **Sandra Jean 23 Fed Com #301H; Sandra Jean 23 Fed Com #302H; Sandra Jean 23 Fed Com #501H; Sandra Jean 23 Fed Com #502H; Sandra Jean 23 Fed Com #503H; Sandra Jean 23 Fed Com #601H; Sandra Jean 23 Fed Com #602H; Sandra Jean 23 Fed Com #603H; Sandra Jean 23 Fed Com #303H; Sandra Jean 23 Fed Com #304H; Sandra Jean 23 Fed Com #305H; Sandra Jean 23 Fed Com #504H; Sandra Jean 23 Fed Com #505H; Sandra Jean 23 Fed Com #506H; Sandra Jean 23 Fed Com #604H; Sandra Jean 23 Fed Com #605H; and the Sandra Jean 23 Fed Com #606H wells** to be horizontally drilled. The producing area for the wells are expected to be orthodox. The completed intervals for the Sandra Jean 23 Fed Com #302H; Sandra Jean 23 Fed Com #502H, Sandra Jean 23 Fed Com #602H; Sandra Jean 23 Fed Com #304H, Sandra Jean 23 Fed Com #505H; and the Sandra Jean 23 Fed Com #605H 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 22 miles west-southwest of Monument, New Mexico.