

**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. 23677**

**TABLE OF CONTENTS**

**TAB A:** Compulsory Pooling Checklist

**TAB B:** Self Affirmed Declaration of Tiffany Sarantinos, Landman

- Exhibit B.1: Application
- Exhibit B.2: C-102s
- Exhibit B.3: Lease Tract Maps/Parties to Be Pooled
- Exhibit B.4: Summary of Contacts
- Exhibit B.5 : Sample Proposal Letter
- Exhibit B.6 : AFEs
- Exhibit B.7: Adjacent Operators Tract Map
- Exhibit B.8: Notice Affidavit

**TAB C:** Self Affirmed Declaration of John Harper, Geologist

- Exhibit C.1: Regional Locator Map
- Exhibit C.2: Wellbore Schematic
- Exhibit C.3: Wolfcamp Structure Map
- Exhibit C.4: Cross-Section Reference Map
- Exhibit C.5: Stratigraphic Cross-Section
- Exhibit C.6: Structural Cross-Section

**Tab D:** Self Affirmed Declaration of Shane Kelly, Reservoir Engineer

- Exhibit D.1: Facilities Comparison Map
- Exhibit D.2: Non-Standard Unit Financial and Surface Impact Comparison
- Exhibit D.3: Resume of Shane Kelly

**COMPULSORY POOLING APPLICATION CHECKLIST****ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

<b>Case: 23677</b>	<b>APPLICANT'S RESPONSE</b>
<b>Hearing Date:</b>	<b>October 5, 2023</b>
Applicant	<b>Avant Operating, LLC</b>
Designated Operator & OGRID (affiliation if applicable)	<b>330396</b>
Applicant's Counsel:	Modrall, Sperling, Roel, Harris & Sisk, P.A.
Case Title:	Application of Avant Operating, LLC for Approval of Non-Standard Unit and Compulsory Pooling, Lea County, New Mexico.
Entries of Appearance/Intervenors:	EOG Resources, Inc. XTO Energy, Inc.
Well Family	Sandra Jean
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp
Pool Name and Pool Code:	HAT MESA; WOLFCAMP Pool (Code 96438)
Well Location Setback Rules:	Statewide Rules
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	640-acres
Building Blocks:	40-acre
Orientation:	North/South
Description: TRS/County	Section 23, Township 20 South, Range 33 East, N.M.P.M., Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	No. Approval of non-standard unit is being requested.
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	Yes. The completed interval for the Sandra Jean 23 Fed Com #753 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.
Proximity Defining Well: if yes, description	Sandra Jean 23 Fed Com #753H
Applicant's Ownership in Each Tract	Exhibit B.3
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1: Sandra Jean 23 Fed Com #751H	API (Not yet assigned) <b>SHL:</b> 200' FSL & 772' FEL Section 23, T20S, R33E <b>BHL:</b> 100' FNL & 792' FEL Section 23, T20S, R33E Completion Target: Wolfcamp (Approx. 11,800' TVD)
Well #2: Sandra Jean 23 Fed Com #752H	API (Not yet assigned) <b>SHL:</b> 200' FSL & 2017' FEL Section 23, T20S, R33E <b>BHL:</b> 100' FNL & 1716' FEL Section 23, T20S, R33E Completion Target: Wolfcamp (Approx. 11,800' TVD)
Well #3: Sandra Jean 23 Fed Com #753H	API (Not yet assigned) <b>SHL:</b> 200' FSL & 2117' FEL Section 23, T20S, R33E <b>BHL:</b> 100' FNL & 2640' FEL Section 23, T20S, R33E Completion Target: Wolfcamp (Approx. 11,800' TVD)
Well #4: Sandra Jean 23 Fed Com #754H	API (Not yet assigned) <b>SHL:</b> 200' FSL & 1808' FWL Section 23, T20S, R33E <b>BHL:</b> 100' FNL & 1716' FWL Section 23, T20S, R33E Completion Target: Wolfcamp (Approx. 11,800' TVD)
Well #5: Sandra Jean 23 Fed Com #755H	API (Not yet assigned) <b>SHL:</b> 200' FSL & 1187' FWL Section 23, T20S, R33E <b>BHL:</b> 100' FNL & 792' FWL Section 23, T20S, R33E Completion Target: Wolfcamp (Approx. 11,800' TVD)
Horizontal Well First and Last Take Points	Exhibit B.2
Completion Target (Formation, TVD and MD)	Exhibit B.5
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$10,000
Production Supervision/Month \$	\$1,000
Justification for Supervision Costs	See Exhibit B, Para 27; see Exhibit B.6 (AFEs)
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	See Exhibit B.8
Proof of Mailed Notice of Hearing (20 days before hearing)	See Exhibit B.8
Proof of Published Notice of Hearing (10 days before hearing)	See Exhibit B.8
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	See Exhibit B.3
Tract List (including lease numbers and owners)	See Exhibit B.3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	Exhibit B.3 and Exhibit B.7
Pooled Parties (including ownership type)	OCD Examiner Hearing 10/05/23 See Exhibit B.3
Unlocatable Parties to be Pooled	No. 23677 2 N/A

Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	See Exhibit B.5
List of Interest Owners (ie Exhibit A of JOA)	See Exhibit B.3
Chronology of Contact with Non-Joined Working Interests	See Exhibit B.4
Overhead Rates In Proposal Letter	See Exhibit B.5
Cost Estimate to Drill and Complete	See Exhibit B.6
Cost Estimate to Equip Well	See Exhibit B.6
Cost Estimate for Production Facilities	See Exhibit B.6
<b>Geology</b>	
Summary (including special considerations)	Exhibit C
Spacing Unit Schematic	Exhibit C.1
Gunbarrel/Lateral Trajectory Schematic	Exhibit C.2
Well Orientation (with rationale)	See Exhibit C, Paragraph 12
Target Formation	Exhibit C.5 & C.6
HSU Cross Section	Exhibit C.5 & C.6
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit B.2
Tracts	Exhibit B.3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit B.3
General Location Map (including basin)	Exhibit C.1
Well Bore Location Map	Exhibit C.2
Structure Contour Map - Subsea Depth	Exhibit C.3
Cross Section Location Map (including wells)	Exhibit C.4
Cross Section (including Landing Zone)	Exhibit C.5 & C.6
<b>Additional Information</b>	
Special Provisions/Stipulations	With respect to XTO Energy, Inc.'s (XTO) interests only: "Commence Drilling" under this Order shall mean the actual drilling or re-entry of a well with a drilling rig capable of drilling to total depth. Avant will not submit to XTO E the Estimated Well Costs for any well authorized by this Order until no sooner than 30 days of spudding of the well, and XTO shall have 30-days after receipt of the Estimated Well Costs for a particular well to elect to participate in that well. In the event XTO elects to participate under this Order in any well, XTO will not be required to pay its share of Estimated Wells Costs and Avant will instead submit joint interest billings to XTO as operations take place.
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name (Attorney or Party Representative):</b>	Deana M. Bennett
<b>Signed Name (Attorney or Party Representative):</b>	<i>Deana M. Bennett</i>

**Date:**

10/3/2023