

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

**APPLICATION OF AVANT OPERATING, LLC
FOR COMPULSORY POOLING, AND, TO THE
EXTENT NECESSARY, APPROVAL OF AN
OVERLAPPING SPACING UNIT,
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 N/2 of Sections 14 and 15, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. 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 N/2 of Sections 14 and 15, 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 following wells:
 - a. **Shinnery Oak 15 Fed Com #301H, Shinnery Oak 15 Fed Com #302H, Shinnery Oak 15 Fed Com #501H, Shinnery Oak 15 Fed Com #502H, Shinnery Oak 15 Fed Com #601H and Shinnery Oak 15 Fed Com #602H** wells with proposed surface hole locations in the SW/4NW/4 (Unit E) of

Section 15 and proposed last take points in the NE/4NE/4 (Unit A) of Section 14; and

- b. **Shinnery Oak 15 Fed Com #303H, Shinnery Oak 15 Fed Com #503H, and Shinnery Oak 15 Fed Com #603H** wells with proposed surface hole locations in the SW/4NW/4 (Unit E) of Section 15 and proposed last take points in the SE/4NE/4 (Unit H) of Section 14.

4. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox.

5. This proposed horizontal spacing unit will partially overlap with the following spacing units:

- a. A 160-acre Bone Spring horizontal spacing unit comprised of the N/2N/2 of Section 14, Township 18 South, Range 32 East, dedicated to RAYBAW Operating, LLC's Shinnery 14 Federal #010H well (API 30-025-40072);
- b. A 160-acre Bone Spring horizontal spacing unit comprised of the N/2N/2 of Section 15, Township 18 South, Range 32 East, dedicated to RAYBAW Operating, LLC's West Shinnery 15 Federal #002H well (API 30-025-39956);
and
- c. A 160-acre Bone Spring horizontal spacing unit comprised of the N/2S/2 of Section 15, Township 18 South, Range 32 East, dedicated to Cimarex Energy Co. of Colorado's West Shinnery 15 Federal #003H well (API 30-025-40066).

6. The completed intervals for the Shinnery Oak 15 Fed Com #302H, Shinnery Oak 15 Fed Com #502H, Shinnery Oak 15 Fed 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.

7. 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.

8. 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 October 10, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Approving, to the extent necessary, the proposed overlapping spacing unit;
- B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within the N/2 of Sections 14 and 15, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico
- C. Designating Avant as operator of this 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 compulsory pooling, and, to the extent necessary, approval of an overlapping spacing unit 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 N/2 of Sections 14 and 15, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the **Shinnery Oak 15 Fed Com #301H, Shinnery Oak 15 Fed Com #302H, Shinnery Oak 15 Fed Com #501H, Shinnery Oak 15 Fed Com #502H, Shinnery Oak 15 Fed Com #601H and Shinnery Oak 15 Fed Com #602H** wells with proposed surface hole locations in the SW/4NW/4 (Unit E) of Section 15 and proposed last take points in the NE/4NE/4 (Unit A) of Section 14; and **Shinnery Oak 15 Fed Com #303H, Shinnery Oak 15 Fed Com #503H, and Shinnery Oak 15 Fed Com #603H** wells with proposed surface hole locations in the SW/4NW/4 (Unit E) of Section 15 and proposed last take points in the SE/4NE/4 (Unit H) of Section 14. The wells will be drilled at orthodox locations. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. This proposed horizontal spacing unit will partially overlap with the following spacing units:

- A 160-acre Bone Spring horizontal spacing unit comprised of the N/2N/2 of Section 14, Township 18 South, Range 32 East, dedicated to RAYBAW Operating, LLC's Shinnery 14 Federal #010H well (API 30-025-40072);
- A 160-acre Bone Spring horizontal spacing unit comprised of the N/2N/2 of Section 15, Township 18 South, Range 32 East, dedicated to RAYBAW Operating, LLC's West Shinnery 15 Federal #002H well (API 30-025-39956); and
- A 160-acre Bone Spring horizontal spacing unit comprised of the N/2S/2 of Section 15, Township 18 South, Range 32 East, dedicated to Cimarex Energy Co. of Colorado's West Shinnery 15 Federal #003H well (API 30-025-40066).

The completed intervals for the Shinnery Oak 15 Fed Com #302H, Shinnery Oak 15 Fed Com #502H, Shinnery Oak 15 Fed 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 7 miles south of Maljamar, New Mexico.