

**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
HORIZONTAL UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Avant Operating II, LLC (“Avant”) (OGRID No. 332947), through its undersigned attorney, 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 in the Bone Spring formation, from the base of the Second Bone Spring formation at an approximate depth of 9,338’ to the base of the Bone Spring formation, within a non-standard 960-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 8, and all of Section 17, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico (the “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 minimize cost and surface disturbance by consolidating facilities and commingling production from existing and future wells in the proposed non-standard spacing unit.
3. To allow the proposed wells to be dedicated to a state Communitization Agreement, Avant seeks approval of a corresponding non-standard horizontal well spacing unit in the Bone Spring formation.

4. Avant is proposing a Joint Operating Agreement covering the subject area and seeks approval of this non-standard horizontal well spacing unit to match a corresponding Communitization Agreement for the state leases within the subject area.

5. If the proposed non-standard spacing unit is approved by the Division, then Avant understands that the New Mexico State Land Office will issue a corresponding Communitization Agreement for the state leases within the subject area to allow commingling and the corresponding reduction of the necessary surface facilities.

6. Avant seeks to dedicate the Unit to the following wells:

- the Moonwatch 17 8 State Com #601H well with a proposed surface hole location in the SW/4 SW/4 (Unit M) of Section 17, and a proposed last take point in the NW/4 SW/4 (Unit L) of Section 8;
- the Moonwatch 17 8 State Com #602H well with a proposed surface hole location in the SW/4 SE/4 (Unit O) of Section 17, and a proposed last take point in the NW/4 SE/4 (Unit J) of Section 8;
- the Moonwatch 17 8 State Com #603H well with a proposed surface hole location in the SW/4 SE/4 (Unit O) of Section 17, and a proposed last take point in the NW/4 SE/4 (Unit J) of Section 8; and
- the Moonwatch 17 8 State Com #604H well with a proposed surface hole location in the SE/4 SE/4 (Unit P) of Section 17, and a proposed last take point in the NE/4 SE/4 (Unit I) of Section 8.

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

8. This proposed horizontal spacing unit will overlap the following existing spacing units in the Bone Spring formation:

- a. A 40-acre spacing unit in the NW/4 SW/4 of Section 17, and dedicated to the Deep Jack 1 well (API 30-025-41499) [Pool code 97930];
- b. A 40-acre spacing unit in the SWSE of Section 17, and dedicated to the Barbara State 2 well (API 30-025-41757) [Pool code 97930]; and
- c. A 40-acre spacing unit in the SESW of Section 17, and dedicated to the Hustle State 1 well (API 30-025-53096) [Pool code 97930].

9. Avant sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Bone Spring formation underlying the proposed Unit to participate in the drilling of the wells or to otherwise commit their interests to the wells.

10. Approval of this non-standard spacing unit and the pooling of interests therein will allow Avant to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands, reduce surface disturbance, lower operating costs, avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Avant requests this application be set for a hearing before an Examiner of the Oil Conservation Division, to be consolidated with Case Nos. 26062-26065, and after notice and hearing as required by law, the Division enter an order:

- A. Approving the proposed non-standard horizontal spacing unit and pooling all uncommitted interests in the Bone Spring formation, from the base of the Second Bone Spring formation at an approximate depth of 9,338' to the base of the Bone Spring formation, within a non-standard 960-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 8, and all of Section 17, Township 18 South, Range 35 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,

A handwritten signature in blue ink, appearing to read "Kaitlyn Luck", is written over a horizontal line.

Kaitlyn A. Luck

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Attorney for Avant Operating II, LLC

CERTIFICATE OF SERVICE

I certify that on this 15th of April 2026, the foregoing pleading was electronically filed with the New Mexico Oil Conservation Division Clerk and served on all parties of record through counsel as follows:

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/s/ Kaitlyn A. Luck

CASE NO. _____: Application of Avant Operating II, LLC for approval of a non-standard horizontal unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Bone Spring formation, from the base of the Second Bone Spring formation at an approximate depth of 9,338' to the base of the Bone Spring formation, within a non-standard 960-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 8, and all of Section 17, Township 18 South, Range 35 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the Moonwatch 17 8 State Com #601H well with a proposed surface hole location in the SW/4 SW/4 (Unit M) of Section 17, and a proposed last take point in the NW/4 SW/4 (Unit L) of Section 8; the Moonwatch 17 8 State Com #602H well with a proposed surface hole location in the SW/4 SE/4 (Unit O) of Section 17, and a proposed last take point in the NW/4 SE/4 (Unit J) of Section 8; the Moonwatch 17 8 State Com #603H well with a proposed surface hole location in the SW/4 SE/4 (Unit O) of Section 17, and a proposed last take point in the NW/4 SE/4 (Unit J) of Section 8; and the Moonwatch 17 8 State Com #604H well with a proposed surface hole location in the SE/4 SE/4 (Unit P) of Section 17, and a proposed last take point in the NE/4 SE/4 (Unit I) of Section 8. The wells will be drilled at orthodox locations. This proposed horizontal spacing unit will overlap the following existing spacing units in the Bone Spring formation: a 40-acre spacing unit in the NW/4 SW/4 of Section 17, and dedicated to the Deep Jack 1 well (API 30-025-41499) [Pool code 97930]; a 40-acre spacing unit in the SWSE of Section 17, and dedicated to the Barbara State 2 well (API 30-025-41757) [Pool code 97930]; and a 40-acre spacing unit in the SESW of Section 17, and dedicated to the Hustle State 1 well (API 30-025-53096) [Pool code 97930]. 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 20 miles west of Hobbs, New Mexico.