

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mr. Brian Wood
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NON-STANDARD LOCATION

Administrative Order NSL-8339

Avant Operating, LLC [330396]
Golden Tee 31 Federal Com Well No. 304H
API No. 30-025-49327

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 400 FNL & 1514 FWL | B | 31 | 22S | 35E | Lea |
| First Take Point | 100 FNL & 2514 FWL | C | 31 | 22S | 35E | Lea |
| Last Take Point/ Terminus | 2540 FNL & 2514 FWL | F | 06 | 23S | 35E | Lea |

Proposed Horizontal Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|---|--------------|-----------------------------|------------------|
| E/2 W/2 of Section 31 T22S R35E E/2 NW/4 of Section 6, T23S R35E | 240.09 | Antelope Ridge; B.S., North | 2205 |

Reference is made to your application received on March 19th, 2022.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 126 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 31, 22S 35E, encroachment to the W/2 E/2
Section 06, 23S 35E, encroachment to the W/2 NE/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location as your preferred location in order to maximize recovery of reserves within the Bone Spring formation underlying the E/2 W/2 of Section 31, T22S R35E and the E/2 NW/4 of Section 6, R23S R35E.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



ADRIENNE E. SANDOVAL
Division Director

Date: 5/09/2022

AES/lrl