

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

**APPLICATION OF AVANT OPERATING, LLC
FOR APPROVAL OF A 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, for an order (1) approving a non-standard unit, and (2) pooling all uncommitted mineral interests within a non-standard 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 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 approval of the 1280-acre non-standard spacing as approval of this application will allow Avant to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing, which is consistent with Division rules. *See, e.g.*, Rule 19.15.16.7(P) NMAC; Rule 19.15.16.15(B)(8) NMAC; Rule 19.15.16.15(C)(7)(NMAC).
3. Avant seeks to dedicate all of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico to the following wells:
 - a. **Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H**

wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23;

- b. **Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H** wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23;
- c. **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23;
- d. **Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23;
- e. **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23;
- f. **Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H** wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and
- g. **Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23.

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

5. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool.

6. 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.

7. 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 3, 2024, and after notice and hearing as required by law, the Division enter its order:

- A. Approving the non-standard spacing unit;
- B. Pooling all uncommitted interests in the Bone Spring formation underlying a horizontal spacing unit within Sections 14 and 23, Township 19 South, Range 33 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.

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CASE NO. _____: Application of Avant Operating, LLC for approval of a non-standard spacing unit and compulsory pooling, Lea County, New Mexico. Applicant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1280-acre, more or less, Bone Spring horizontal spacing unit comprised of Sections 14 and 23, Township 19 South, Range 33 East, N.M.P.M., Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the **Sapphire 14 Federal Com #301H, Sapphire 14 Federal Com #302H, Sapphire 14 Federal Com #501H, Sapphire 14 Federal Com #502H, Sapphire 14 Federal Com #601H, and Sapphire 14 Federal Com #602H** wells with proposed surface hole locations in the NW/4 NW/4 (Unit D) of Section 14 and proposed bottom hole locations in the SW/4 SW/4 (Unit M) of Section 23; **Sapphire 14 Federal Com #303H and Sapphire 14 Federal Com #603H** wells with proposed first take points in the NE/4 NW/4 (Unit C) of Section 14 and proposed last take points in the SE/4 SW/4 (Unit N) of Section 23; **Sapphire 14 Federal Com #513H** well with a proposed surface hole location in the NW/4 NW/4 (Unit D) of Section 14 and a proposed bottom hole location in the SE/4 SW/4 (Unit N) of Section 23; **Sapphire 14 Federal Com #304H, and Sapphire 14 Federal Com #604H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SW/4 SE/4 (Unit O) of Section 23; **Sapphire 14 Federal Com #514H** well with a proposed surface hole location in the NW/4 NE/4 (Unit B) of Section 14 and a proposed bottom hole location in the SW/4 SE/4 (Unit O) of Section 23; **Sapphire 14 Federal Com #505H, and Sapphire 14 Federal Com #506H** wells with proposed surface hole locations in the NW/4 NE/4 (Unit B) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23; and the **Sapphire 14 Federal Com #305H, Sapphire 14 Federal Com #306H, Sapphire 14 Federal Com #605H, and Sapphire 14 Federal Com #606H** wells with proposed surface hole locations in the NE/4 NE/4 (Unit A) of Section 14 and proposed bottom hole locations in the SE/4 SE/4 (Unit P) of Section 23. The wells will be drilled at orthodox locations. The pool and pool code for Sections 14 and 23 is the Gem; Bone Spring, East Pool (Code 27230), which is an oil pool. 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 23 miles west of Hobbs, New Mexico.