

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

CASE NO. _____

APPLICATION

Avant Operating II, LLC (“AO II”), OGRID Number 332947, 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 interests within a non-standard 960-acre, more or less, Wolfcamp horizontal spacing unit comprised of all of Section 21 and the N/2 of Section 28, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. In support of this application, AO II states as follows:

1. AO II has an interest in the subject lands and has a right to drill and operate a well thereon.
2. AO II seeks to dedicate all of Section 21 and the N/2 of Section 28, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico to form a non-standard 960-acre, more or less, Wolfcamp horizontal spacing unit (the “Unit”) in the Lea; Penn (Gas) pool (Pool code 80040) (the “Unit”)
3. AO II seeks approval of the 960-acre non-standard spacing unit because approval of this application will allow AO II to efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks, and pipelines, and promote effective well spacing.
4. AO II seeks to dedicate the Unit to the following wells, to be horizontally drilled:

- **Paloma 28 21 Fed Com #801H** well with a proposed surface hole location in the SE/4 NW/4 (Unit F) of Section 28, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 21;
- **Paloma 28 21 Fed Com #802H and Paloma 28 21 Fed Com #803H** wells with a proposed surface hole location in the SE/4 NW/4 (Unit F) of Section 28, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 21;
- **Paloma 28 21 Fed Com #804H** well with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 28, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 21; and
- **Paloma 28 21 Fed Com #805H** well with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 28, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 21.

5. The Lea; Penn (Gas) pool (Pool code 80040) is a gas pool which requires 330' setbacks for first and last take points, and 660' setbacks for the completed interval. AOII will request non-standard location approval to the extent necessary.

6. AO II sought, but has been unable to obtain, a voluntary agreement from all interest owners in the Wolfcamp 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 Wolfcamp formation underlying the proposed unit and approving, to the extent necessary, the overlapping spacing unit will prevent the drilling of unnecessary wells, prevent waste and protect correlative rights.

8. Approval of a non-standard spacing unit will allow AO II to efficiently locate surface facilities for the recovery of oil and gas underlying the subject lands and reduce surface disturbance.

WHEREFORE, AO II requests this application be set for hearing before an Examiner of the Oil Conservation Division on March 5, 2026, 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 Wolfcamp formation underlying a horizontal spacing unit within all of Section 21 and the N/2 of Section 28, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico;
- C. Designating AO II as operator of this unit and the wells to be drilled thereon;
- D. Authorizing AO II 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 II, 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 960-acre, more or less, Wolfcamp horizontal spacing unit and pooling all uncommitted interests in Section 21 and the N/2 of Section 28, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico, within the Lea; Penn (Gas) pool (Pool code 80040). This spacing unit will be dedicated to the following wells, to be horizontally drilled: **Paloma 28 21 Fed Com #801H** well with a proposed surface hole location in the SE/4 NW/4 (Unit F) of Section 28, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 21; **Paloma 28 21 Fed Com #802H and Paloma 28 21 Fed Com #803H** wells with a proposed surface hole location in the SE/4 NW/4 (Unit F) of Section 28, and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 21; **Paloma 28 21 Fed Com #804H** well with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 28, and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 21; and **Paloma 28 21 Fed Com #805H** well with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 28, and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 21, Lea; Penn (Gas) pool (Pool code 80040). AOII will request non-standard location approval for the wells to the extent necessary. 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 24.3 miles southeast of Hobbs, New Mexico.