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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF ASCENT ENERGY, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT, COMPULSORY POOLING, AND ONE UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

Case No. 16232

APPLICATION OF ASCENT ENERGY, LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT COMPULSORY POOLING, AND ONE UNORTHODOX WELL LOCATION, LEA COUNTY, NEW MEXICO.

Case No. 16233

AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Ascent Energy, LLC ("applicant" or "Ascent") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Ascent Energy, LLC

Attention: Lee Zink

APPLICANT'S ATTORNEY

James Bruce P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT

OPPONENT'S ATTORNEY

OTHER PARTIES

COG Operating LLC

OTHER PARTIES' ATTORNEY

Ocean Munds-Dry William F. Carr Elizabeth A. Ryan

Marathon Oil Permian LLC

Jennifer L. Bradfute

STATEMENT OF THE CASES

APPLICANT

Case No. 16232: Applicant seeks an order approving a 320-acre non-standard spacing and proration unit (project area) in the Wolfcamp formation comprised of the W/2W/2 of Section 28 and the W/2W/2 of Section 33, Township 20 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the Gavilon Fed. Com. Well No. 703H and Gavilon Fed. Com. Well No. 704H, horizontal Wolfcamp wells with surface locations in the SW/4SW/4 of Section 33, and botomhole locations in the NW/4NW/4 of Section 28. The producing interval of the Gavilon Fed. Com. Well No. 703H will be orthodox, while the Gavilon Fed. Com. Well No. 704H, which will be at an unorthodox location encroaching upon the E/2W/2 of Section 28 and the E/2W/2 of Section 33. Also to be considered will be the cost of drilling and completing the wells and the allocation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

Case No. 16233: Applicant seeks an order approving a 320-acre non-standard spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2W/2 of Section 28 and the W/2W/2 of Section 33, Township 20 South, Range 33 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard spacing and proration unit. The unit will be dedicated to the Gavilon Fed. Com. Well No. 201H, Gavilon Fed. Com. Well No. 303H, Gavilon Fed. Com. Well No. 304H, Gavilon Fed. Com. Well No. 503H, Gavilon Fed. Com. Well No. 504H, and Gavilon Fed. Com. Well No. 602H, horizontal Bone Spring wells with surface locations in the SW/4SW/4 of Section 33, and botomhole locations in the NW/4NW/4 of Section 28. The producing interval of each well will be orthodox, except for the Gavilon Fed. Com. Well No. 504H, which will be at an unorthodox location encroaching upon the E/2W/2 of Section 28 and the E/2W/2 of Section 33. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

OPPONENT

OTHER PARTIES

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
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Lee Zink 15 min. Approx. 10 (landman)

William Metz 20 min. Approx. 10 (geologist)

Alex Yancey 20 min. Approx. 5 (engineer)

OPPONENT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

OTHER PARTIES

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

PROCEDURAL MATTERS

Respectfully submitted,

James Bruce

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Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Ascent Energy, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this ______ day of June, 2018 via e-mail:

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