

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

**APPLICATION OF RIDGE RUNNER
RESOURCES OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 21636

**RIDGE RUNNER RESOURCES OPERATING, LLC'S
PRE-HEARING STATEMENT**

Ridge Runner Resources Operating, LLC ("Ridge Runner") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Ridge Runner Resources Operating, LLC

APPLICANT'S ATTORNEYS

Dana S. Hardy
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com

INTERESTED PARTY

No other parties have entered an appearance.

INTERESTED PARTY'S ATTORNEYS

STATEMENT OF THE CASE

Ridge Runner seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 W/2 of Sections 2 and 11, Township 20 South, Range 35 East in Lea County. The horizontal spacing unit will be dedicated to Ridge Runner's proposed Zeus 2-11 Fed Com #2H well, which will be drilled from a surface location approximately 100' FNL and 2310' FWL in Section 2 to a bottom hole

location approximately 100' FSL & 2310' FWL in Section 11. The completed interval of the well will be orthodox. Also to be considered will be the costs of drilling and completing the well and the allocation of the costs, the designation of Ridge Runner as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The granting of Ridge Runner's application will prevent the drilling of unnecessary wells, protect correlative rights, and prevent waste.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBIT</u>
Robert Shelton (Landman)	10 minutes	Approximately 10
Michael Burke (Geologist)	15 minutes	Approximately 5

Ridge Runner reserves its right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Ridge Runner is not aware of any procedural matters to be resolved prior to the hearing. If there is no opposition to its application, Ridge Runner will present its case by affidavit.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy
Dana S. Hardy
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com

*Counsel for Ridge Runner Resources Operating,
LLC*