

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

APPLICATION OF ADVANCE ENERGY
PARTNERS, LLC FOR APPROVAL OF
APPLICATIONS FOR PERMITS TO DRILL,
LEA COUNTY, NEW MEXICO

Case No. 20795

ADVANCE ENERGY PARTNERS, LLC'S
AMENDED PRE-HEARING STATEMENT

Advance Energy Partners, LLC ("Advance") submits its Amended Pre-Hearing Statement pursuant to the rules of the Oil Conservation Commission.

APPEARANCES

APPLICANT

Advance Energy Partners, LLC

APPLICANT'S ATTORNEYS

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OPPONENTS

Intrepid Potash, Inc. and
Intrepid Potash – New Mexico, LLC

OPPONENT'S ATTORNEY

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STATEMENT OF THE CASE

Advance seeks an order approving its applications for permits to drill six horizontal wells in the SW/4 of Section 17 and the W/2 of Section 20, Township 21 South, Range 33 East in Lea County. The proposed wells are: (1) the Wool Head 20 State Com #601H, which will be horizontally drilled in the Bone Spring formation from a surface location in Unit M in Section 20 to a bottom hole location in Unit L in Section 17; (2) the Wool Head 20 State Com #602H, which will be horizontally drilled in the Bone Spring formation from a surface location in Unit M in Section 20 to a bottom hole location in Unit L in Section 17; (3) the Wool Head 20 State Com #603H, which will be horizontally drilled in the Bone Spring formation from a surface location in Unit N in Section 20 to a bottom hole location in Unit K in Section 17; (4) the Wool Head 20 State Com #604H, which will be horizontally drilled in the Bone Spring formation from a surface location in Unit N in Section 20 to a bottom hole location in Unit K in Section 17; (5) the Wool Head 20 State Com #701H, which will be horizontally drilled in the Wolfcamp formation from a surface location in Unit M in Section 20 to a bottom hole location in Unit L in Section 17; and (6) the Wool Head 20 State Com #702H, which will be horizontally drilled in the Wolfcamp formation from a surface location in Unit N in Section 20 to a bottom hole location in Unit K in Section 17. The completed intervals for the wells will be orthodox.

Advance's proposed wells will be located in the Potash Area established by Oil Conservation Commission Order No. R-111-P. There are no potash leases within one mile of the well locations, and the nearest active potash mine is eight miles away. Advance's proposed wells will not: (i) unduly reduce the total quantity of commercial deposits of potash which may reasonably be recovered in commercial quantities, or (ii) unduly interfere with the orderly

commercial development of potash deposits. Nevertheless, Intrepid Potash has arbitrarily and unreasonably refused to grant a waiver to Advance.

PROPOSED EVIDENCE

A. Witnesses

<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Peter Lellis (Geologist)	10 minutes	6
Paul Burdick (Landman)	20 minutes	15
Braden Harris (Drilling Engineer)	20 minutes	1

Advance reserves the right to call a rebuttal witness(es) if appropriate.

B. Exhibits

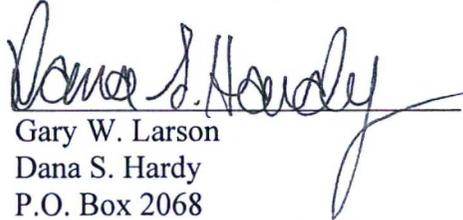
In accordance with Rule 19.15.4.13(B)(2) NMAC, copies of Advance’s hearing exhibits are attached to this Pre-Hearing Statement.

PROCEDURAL MATTERS

Advance is not aware of any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

HINKLE SHANOR, LLP



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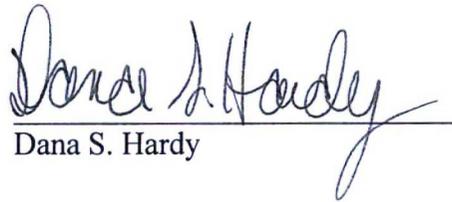
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Counsel for Advance Energy Partners, LLC

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Amended Pre-Hearing Statement was sent to the following counsel of record by electronic mail on December 4, 2019.

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