

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

**APPLICATION OF AVANT OPERATING, LLC
FOR COMPULSORY POOLING AND
OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22895

**APPLICATION OF AVANT OPERATING, LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 22896

CONSOLIDATED PRE-HEARING STATEMENT

Avant Operating, LLC (“Avant” or “Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

Avant Operating, LLC

ATTORNEYS

Dana S. Hardy
Jaclyn McLean
Hinkle Shanor LLP
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

INTERESTED PARTY

Marathon Oil Permian LLC

ATTORNEYS

Jennifer Bradfute
Marathon Oil Permian LLC
990 Town & Country Blvd.
Houston, TX 77024
Phone: (505) 264-8740
jbradfute@marathonoil.com

STATEMENT OF THE CASE

In **Case No. 22895**, Applicant applies for an order: (1) approving a 640-acre, more or less, standard overlapping spacing unit in the Bone Spring formation underlying the E/2 of Section 36, Township 19 South, Range 32 East and the E/2 of Section 1, Township 20 South, Range 32 East, Lea County, New Mexico (“Unit”); and (2) pooling all uncommitted interests in the Unit. The Unit will be dedicated to following wells:

- **Cutbow 36 1 Fed Com #604H**, which will be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 25, Township 19 South, Range 32 East, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 1, Township 20 South, Range 32 East;
- **Cutbow 36 1 Fed Com #605H**, which will be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 25, Township 19 South, Range 32 East, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 1, Township 20 South, Range 32 East; and
- **Cutbow 36 1 Fed Com #606H**, which will be horizontally drilled from a surface hole location in the SE/4 SE/4 (Unit P) of Section 25, Township 19 South, Range 32 East, to a bottom hole location in the SE/4SE/4 (Unit P) of Section 1, Township 20 South, Range 32 East.

The completed intervals of the wells will be orthodox. The completed interval of the Cutbow 36 1 Fed Com #605H well will be located within 330’ of the quarter-quarter section line separating the E/2 E/2 and W/2 E/2 of Sections 1 and 36 to allow for the creation of a standard 640-acre horizontal spacing unit. The Unit will partially overlap with the spacing unit for the Maroon Bells Federal Com 16 32 36 SB 001H well (API# 30-025-40827), which is dedicated to

the W/2 E/2 of Section 1, Township 20 South, Range 32 East and the W/2 SE/4 of Section 36, Township 19 South, Range 32 East.

In **Case No. 22896**, Applicant applies for an order pooling all uncommitted interests within the Bone Spring formation underlying a 640-acre, more or less, standard horizontal spacing unit comprised of the W/2 of Section 36, Township 19 South, Range 32 East and the W/2 of Section 1, Township 20 South, Range 32 East, Lea County, New Mexico. The Unit will be dedicated to the following wells:

- **Cutbow 36 1 Fed Com #601H**, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 36, Township 19 South, Range 32 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1, Township 20 South, Range 32 East;
- **Cutbow 36 1 Fed Com #602H**, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 36, Township 19 South, Range 32 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 1, Township 20 South, Range 32 East; and
- **Cutbow 36 1 Fed Com #603H**, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 36, Township 19 South, Range 32 East, to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 1, Township 20 South, Range 32 East.

The completed intervals of the wells will be orthodox. The completed interval of the Cutbow 36 1 Fed Com #602H well will be located within 330' of the quarter-quarter section line separating the W/2 W/2 and E/2 W/2 of Sections 1 and 36 to allow for the creation of a standard 640-acre horizontal spacing unit.

Also to be considered in each case will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

The Wells are located approximately 35 miles southwest of Hobbs, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Shelley Albrecht	Vice President of Land	Affidavit	Approx. 5
John Harper	Vice President of Geosciences	Affidavit	Approx. 7

PROCEDURAL MATTERS

Applicant requests Case Nos. 22895 and 22896 be consolidated for hearing. Applicant will present its cases by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

Counsel for Avant Operating, LLC

Certificate of Service

I hereby certify that the foregoing Pre-Hearing Statement was sent to the following counsel of record on this 11th day of August, 2022.

Jennifer Bradfute
Marathon Oil Permian LLC
990 Town & Country Blvd.
Houston, TX 77024
Phone: (505) 264-8740
jbradfute@marathonoil.com

/s/ Dana S. Hardy

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 133251

QUESTIONS

Operator: Avant Operating, LLC 1515 Wynkoop Street Denver, CO 80202	OGRID: 330396
	Action Number: 133251
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>