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

APPLICATIONS OF AVANT OPERATING, LLC FOR COMPULSORY POOLING AND APPROVAL OF NON-STANDARD SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NOS. 24543-24544

# AVANT OPERATING, LLC'S CONSOLIDATED PRE-HEARING STATEMENT

Avant Operating, LLC, ("Avant"), submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

# **APPEARANCES**

| APPLICANT | ATTORNEY |
|-----------|----------|
| AFFLICANI | ATIONNET |

Avant Operating, LLC James P. Parrot

Miguel A. Suazo Sophia A. Graham Beatty & Wozniak, P.C. 500 Don Gaspar Ave., Santa Fe, NM 87505

(505) 946-2090 Fax: 800-886-6566

msuazo@bwenergylaw.com jparrot@bwenergylaw.com sgraham@bwenergylaw.com

#### INTERESTED PARTY ATTORNEY

COG Operating LLC Michael H. Feldewert

Adam G. Rankin Paula M. Vance Post Office Box 2208 Santa Fe, NM 87504

(505) 988-4421

mfeldewert@hollandhart.com agrankin@hollandhart.com pmvance@hollandhart.com

EOG Resources, Inc. Jordan L. Kessler

125 Lincoln Ave., Suite 213

Santa Fe, NM 87501 (432) 488-6108 jordan\_kessler@eogresources.com

Prima Exploration, Inc.

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, NM 87501
(970) 385.4401
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

# **APPLICANT'S STATEMENT OF CASE**

In these consolidated cases, Avant seeks orders to approve non-standard 1,280-acre, more or less, horizontal spacing units ("HSUs") composed of all of Sections 25 and 36, Township 18 South, Range 33 East, N.M.P.M., Lea County, New Mexico (the "Application Lands"), and to pool all uncommitted mineral interests in the Bone Spring and Wolfcamp formations, designated as oil pools, underlying said HSUs.

Under Case 24543, Avant seeks to pool the Wolfcamp formation underlying the Application Lands and seeks dedicate the HSU to the following proposed wells:

- A. **Royal Oak 25 Fed Com #006H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 25 to a bottom hole location in the Wolfcamp Formation in the SW/4SW/4 (Unit M) of Section 36:
- B. **Royal Oak 25 Fed Com #007H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 25 to a bottom hole location in the Wolfcamp Formation in the SE/4SW/4 (Unit N) of Section 36;

- C. **Royal Oak 25 Fed Com #008H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4NE/4 (Unit B) of Section 25 to a bottom hole location in the Wolfcamp Formation in the SE/4SW/4 (Unit O) of Section 36; and
- D. Royal Oak 25 Fed Com #009H, which is an oil well that will be horizontally drilled from a surface location in the NW/4NE/4 (Unit B) of Section 25 to a bottom hole location in the Wolfcamp Formation in the SE/4SE/4 (Unit P) of Section 36.

  Under Case 24544, Avant seeks to pool the Bone Spring formation underlying the Application Lands and seeks dedicate the HSU to the following proposed wells:
  - E. **Royal Oak 25 Fed Com #501H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 25 to a bottom hole location in the Bone Spring Formation in the SW/4SW/4 (Unit M) of Section 36;
  - F. **Royal Oak 25 Fed Com #502H**, which is an oil well that will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 25 to a bottom hole location in the Bone Spring Formation in the SE/4SW/4 (Unit N) of Section 36;
  - G. Royal Oak 25 Fed Com #301H and Royal Oak 25 Fed Com #601H, which are oil wells that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit C) of Section 25 to a bottom hole location in the Bone Spring Formation in the SW/4SW/4 (Unit M) of Section 36;
  - H. Royal Oak 25 Fed Com #302 and Royal Oak 25 Fed Com #602H, which are oil wells that will be horizontally drilled from a surface location in the NE/4NW/4 (Unit

C) of Section 25 to a bottom hole location in the Bone Spring Formation in the SE/4SW/4 (Unit N) of Section 36;

- I. Royal Oak 25 Fed Com #303H, Royal Oak 25 Fed Com #503H, and Royal Oak 25 Fed Com #603H, which are oil wells that will be horizontally drilled from a surface location in the NW/4NE/4 (Unit B) of Section 25 to a bottom hole location in the Bone Spring Formation in the SE/4SW/4 (Unit O) of Section 36; and
- J. Royal Oak 25 Fed Com #304H, Royal Oak 25 Fed Com #504H, and Royal Oak 25 Fed Com #604H, which are oil wells that will be horizontally drilled from a surface location in the NW/4NE/4 (Unit B) of Section 25 to a bottom hole location in the Bone Spring Formation in the SE/4SE/4 (Unit P) of Section 36.

The wells are orthodox in their location as defined by 19.15.16.15.(C) NMAC, and the take points and laterals comply with Statewide Rules for setbacks under 19.15.16.15.(C) NMAC. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, 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 and lands are located approximately 28 miles west from Hobbs, New Mexico.

### **APPLICANT'S PROPOSED EVIDENCE**

| WITNESS Name and Expertise    | ESTIMATED TIME | EXHIBITS  |
|-------------------------------|----------------|-----------|
| Sophia Guerra, Senior Landman | Affidavit      | Approx. 5 |
| John Harper, Geologist        | Affidavit      | Approx. 5 |

## **PROCEDURAL MATTERS**

If uncontested at the hearing, Avant intends to present these cases by affidavit. Dated this 20th day of June, 2023.

Respectfully submitted,

BEATTY & WOZNIAK, P.C.

By:\_

James P. Parrot
Miguel A. Suazo
Sophia A. Graham
Kaitlyn A. Luck
500 Don Gaspar Ave.,
Santa Fe, NM 87505
(505) 946-2090
msuazo@bwenergylaw.com
jparrot@bwenergylaw.com
sgraham@bwenergylaw.com
kluck@bwenergylaw.com

Attorneys for Avant Operating, LLC

## **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the forgoing was served to counsel of record by electronic mail this 20th day of June 2024, as follows:

Michael H. Feldewert
Adam G. Rankin
Paula M. Vance
Post Office Box 2208
Santa Fe, NM 87504
505-988-4421
mfeldewert@hollandhart.com
agrankin@hollandhart.com
pmvance@hollandhart.com

Attorneys for COG Operating LLC

Jordan L. Kessler 125 Lincoln Ave., Suite 213 Santa Fe, NM 87501 (432) 488-6108 jordan\_kessler@eogresources.com

Attorney for EOG Resources, Inc.

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, NM 87501
(970) 385.4401
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

Attorney for Prima Exploration, Inc.

Rachael Ketchledge

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

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 356350

#### **QUESTIONS**

| Operator:            | OGRID:                                   |
|----------------------|--|
| Avant Operating, LLC | 330396                                   |
| 1515 Wynkoop Street  | Action Number:                           |
| Denver, CO 80202     | 356350                                   |
|                      | Action Type:                             |
|                      | [HEAR] Prehearing Statement (PREHEARING) |

#### QUESTIONS

| Testimony   |               |  |
|---|---------------|--|
| Please assist us by provide the following information about your testimony. |               |  |
| Number of witnesses   | 2             |  |
| Testimony time (in minutes)   | Not answered. |  |