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

APPLICATION OF AVANT OPERATING, LLC FOR APPROVAL OF A NON-STANDARD UNIT, COMPULSORY POOLING AND, TO THE EXTENT NECESSARY, APPROVAL OF AN OVERLAPPING SPACING UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 24722

AVANT OPERATING, LLC'S PRE-HEARING STATEMENT

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

APPEARANCES

<u>APPLICANT</u> ATTORNEY

Avant Operating, LLC Deana M. Bennett Earl E. DeBrine, Jr.

Yarithza Peña

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OTHER PARTIES ATTORNEY

EGL Resources Michael H. Feldewert

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STATEMENT OF CASE

APPLICANT:

In Case No. 24722, Avant seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the N/2 of Sections 35 and 36, Township 18 South, Range 32 East, N.M.P.M., Lea County, New Mexico. Avant also seeks, to the extent necessary, approval of an overlapping spacing unit. This spacing unit will be dedicated to the following wells: the Lone Wolf 36 Fed Com #304H, Lone Wolf 36 Fed Com #504H, and Lone Wolf 36 Fed Com #604H wells with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 36, and a proposed last take point in the SW/4 NW/4 (Unit E) of Section 35; and the Lone Wolf 36 Fed Com #305H, Lone Wolf 36 Fed Com #306H, Lone Wolf 36 Fed Com #505H, Lone Wolf 36 Fed Com #506H, Lone Wolf 36 Fed Com #605H, and Lone Wolf 36 Fed Com #606H wells with a proposed surface hole location in the SE/4 NE/4 (Unit H) of Section 36, and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 35. The wells will be drilled at orthodox locations. This proposed horizontal spacing unit will partially overlap with a 160-acre Bone Spring horizontal spacing unit comprised of the N/2 N/2 of Section 36, Township 18 South, Range 32 East, dedicated to Mewbourne Oil Company's Lone Wolf 36 B2DM State Com 1H well (API 30-025-42695). Also to be considered will be the cost of drilling and completing said wells, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Avant Operating, LLC as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 10 miles south of Maljamar, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

| WITNESS | ESTIMATED TIME | EXHIBITS |
|------------------------|--------------------|-----------------|
| Landman: Sophia Guerra | Approx. 10 minutes | Approx. 7 |
| Geologist: John Harper | Approx. 10 minutes | Approx. 7 |

PROCEDURAL ISSUES

If there are no objections, Avant intends to present this case by affidavit.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.

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CERTIFICATE OF SERVICE

I hereby certify that on August 1, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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

QUESTIONS

Action 369432

QUESTIONS

| Operator: | OGRID: |
|----------------------|--|
| Avant Operating, LLC | 330396 |
| 1515 Wynkoop Street | Action Number: |
| Denver, CO 80202 | 369432 |
| | 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. | |