

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

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

Case No. 24544

PREHEARING STATEMENT

Prima Exploration, Inc. ("Prima"), through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division").

APPEARANCES

ATTORNEY

OPPOSING PARTY

Prima Exploration, Inc.

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.om
andrew@abadieschill.com
bill@abadieschill.com

APPLICANT

Avant Operating, LLC

Miguel A. Suazo
James P. Parrot
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

INTERESTED PARTIES

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
agrarkin@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

BTA Oil Producers, LLC

Dana S. Hardy
Jaclyn McLean
P.O. Box 2068
Santa Fe, NM 87504
(505) 982-8623
dhardy@hinklelawfirm.com
jmclean@hinklelawfirm.com

PRIMA'S STATEMENT OF THE CASE

In Case No. 24544, Avant Operating, LLC (“Avant”) seeks an order (1) approving a 1280-acre, more or less non-standard spacing unit comprised of all of Sections 25 and 36, Township 18 South, Range 33 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted interests in the Bone Spring formation, designated as an oil pool, underlying said unit. Avant

proposes and dedicates to the spacing unit twelve (12) Royal Oak 25 Fed Com Wells, as initial wells, to be drilled to a sufficient depth to test the Bone Spring formation.

PRIMA'S OBJECTIONS

After review of the Division's Order Denying Motion to Dismiss Application dated August 13, 2024, Prima recognizes that the question regarding a limit to the number of initial wells to address the perfection of a pooling order or unit has been diminished as an issue to pursue and therefore Prima will not raise an objection at the hearing related to that question.

For purposes of the hearing, Prima objects to Avant's pooling application on the grounds that Avant's proposed development plan of drilling twelve (12) wells will overproduce the Bone Spring in the Subject Lands. Prima submits that such overdevelopment will result in waste and the drilling of unnecessary wells which will burden working interest owners with extra costs for which they could be required to make early payments. It is Prima's position that nine (9) wells would be the optimal number of wells to avoid the drilling of unnecessary wells, prevent waste, maximize the ultimate recovery of hydrocarbons, and provide the owners with their just and equitable share of production without excessive burdens and costs.

Prima respectfully requests that the Division deny Avant's application if after review of the exhibits and evidence submitted at the hearing, the Division finds that the well count for the unit is too high and would overproduce the unit to the detriment of the working interest owners

Finally, given the high number of wells proposed, Prima requests that in order to mitigate the financial burden of simultaneous cash calls, the Division include the special provision attached hereto as Exhibit 1 in any Order approving Avant's Application. Prima's Landman, Ron Solt, will be available at the hearing to answer any questions the Division may have about the special provision as it relates to land matters.

PRIMA’S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Ron Silt	Approx. 5	None
Engineer: David Rhodes	Approx. 15 min	Approx. 1

PROCEDURAL MATTERS

None.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage
Darin C. Savage

Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

Attorneys for Prima Exploration, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on August 13, 2024:

James P. Parrot – jparrot@bwenergylaw.com
Miguel A. Suazo – msuazo@bwenergylaw.com
Sophia A. Graham – sgraham@bwenergylaw.com
Attorneys for Avant Operating, LLC

Michael H. Feldewert – mfeldewert@hollandhart.com
Adam G. Rankin – agrankin@hollandhart.com
Paula M. Vance – pmvance@hollandhart.com
Attorneys for COG Operating LLC

Jordan L. Kessler – jordan_kessler@eogresources.com
Attorneys for EOG Resources, Inc.

Dana S. Hardy – dhardy@hinklelawfirm.com
Jaclyn McLean – jmclean@hinklelawfirm.com
Attorneys for BTA Oil Producers, LLC

James Bruce – jamesbruc@aol.com
Attorney for Kaiser-Francis Oil Company

/s/ Darin C. Savage

Darin C. Savage

Exhibit 1

Special Provision to the Pooling Order

Operator shall submit an election to participate as well as the Estimated Well Costs (“AFE”) for each well proposed no sooner than 60 days before the commencement of the drilling of each well, and the non-operating owner of the Pooled Working Interest (“Non-Operator”) shall have 30 days upon receipt of the AFE to make an election to participate or not participate in the drilling, completing and equipping of each well. In the event Non-Operator elects to participate in any well proposed by Operator, in lieu of prepaying its proportionate share of the entire well costs, Operator shall invoice Non-Operator for its proportionate share of the actual well costs associated with each well Non-Operator so elected to participate. Such invoices shall be submitted on a monthly basis by industry standard joint interest billing procedures as such costs are actually incurred. Non-Operator shall pay such invoices within 30 days of receipt.



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 373612

QUESTIONS

Operator: Prima Exploration, Inc. 250 Fillmore Street, Ste. 500 Denver, CO 80206	OGRID: 329344
	Action Number: 373612
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	20