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

APPLICANT	ATTORNEY
-----------	----------

Avant Operating, LLC Deana M. Bennett

Earl E. DeBrine, Jr. Yarithza Peña

MODRALL, SPERLING, ROEHL,

HARRIS & SISK, P.A.

P. O. Box 2168

Albuquerque, New Mexico 87103-2168

(505) 848-1800

OTHER PARTIES ATTORNEY

EGL Resources Michael H. Feldewert

Adam G. Rankin Paula M. Vance PO Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

Eagle Natural Resources, LLC Sharon T. Shaheen

Daniel B. Goldberg Spencer Fane LLP

Post Office Box 2307 Santa Fe, New Mexico 87504-2307 (505) 986-2678

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. 10
Reservoir Engineer: Shane Kelly	Approx. 5 minutes	Approx. 3

PROCEDURAL ISSUES

On October 23, 2024, EGL Resources withdrew its objection to this case proceeding by affidavit and dismissed its competing case. Thus, there are no objection to this case proceeding by affidavit and Avant intends to present this case by affidavit on October 31, 2024.

Respectfully submitted,

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

Deana M. Bennett

Earl E. DeBrine, Jr.

Yarithza Peña

Post Office Box 2168

500 Fourth Street NW, Suite 1000

Albuquerque, New Mexico 87103-2168

Telephone: 505.848.1800

 $\underline{Deana.bennett@modrall.com}$

Earl.debrine@modrall.com

Yarithza.pena@modrall.com

CERTIFICATE OF SERVICE

I hereby certify that on October 24, 2024, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Michael H. Feldewert Adam G. Rankin Paula M. Vance HOLLAND & HART, LLP Post Office Box 2208 Santa Fe, New Mexico 87504 (505) 988-4421 mfeldewert@hollandhart.com agrankin@hollandhart.com pmvance@hollandhart.com Attorneys for EGL Resources

Sharon T. Shaheen
Daniel B. Goldberg
Spencer Fane LLP
Post Office Box 2307
Santa Fe, New Mexico 87504-2307
(505) 986-2678
sshaheen@spencerfane.com
dgoldberg@spencerfane.com
Attorneys for Eagle Natural Resources, LLC

Deana M. Bennett

Degra M. Bennett

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 395647

QUESTIONS

Operator:	OGRID:	
Avant Operating, LLC	330396	
1515 Wynkoop Street	Action Number:	
Denver, CO 80202	395647	
	Action Type:	
	[HEAR] Prehearing Statement (PREHEARING)	

QUESTIONS

Testimony		
Please assist us by provide the following information about your testimony.		
Number of witnesses	3	
Testimony time (in minutes)	Not answered.	