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

APPLICATION OF RIDGE RUNNER RESOURCES OPERATING, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 21477

RIDGE RUNNER RESOURCES OPERATING, LLC'S PRE-HEARING STATEMENT

Ridge Runner Resources Operating, LLC ("Ridge Runner") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT'S ATTORNEYS

Ridge Runner Resources Operating, LLC Dana S. Hardy

P.O. Box 2068

Santa Fe, NM 87504-2068 Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com

INTERESTED PARTY INTERESTED PARTY'S ATTORNEYS

XTO Energy, Inc. Michael H. Feldewert

Adam G. Rankin Kaitlyn A. Luck P.O. Box 2208

Santa Fe, NM 87504-2208 Phone: (505) 988-4421 Facsimile: (505) 983-6043 <u>mfeldewert@hollandhart.com</u> <u>agrankin@hollandhart.com</u> <u>kaluck@hollandhart.com</u>

STATEMENT OF THE CASE

Ridge Runner seeks an order pooling all uncommitted mineral interests in the Bone Spring formation in a standard proximity tract 480-acre horizontal spacing unit comprised of the SW/4 of Section 3 and the W/2 of Section 10, Township 20 South, Range 35 East in Lea County. The horizontal spacing unit will be dedicated to the following wells: (1) Thunderbird 3-10 Fed Com B #1H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; (2) Thunderbird 3-10 Fed Com B #2H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10; (3) Thunderbird 3-10 Fed Com B #3H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit M in Section 10; and (4) Thunderbird 3-10 Fed Com B #4H, which will be drilled from a surface location in Unit L in Section 3 to a bottom hole location in Unit N in Section 10. The completed intervals of the wells will be orthodox. Also to be considered will be the costs of drilling and completing the wells and the allocation of the costs, the designation of Ridge Runner as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The granting of Ridge Runner's application will protect correlative rights and prevent waste.

PROPOSED EVIDENCE

WITNESSES	EST. TIME	<u>EXHIBIT</u>
Robert Shelton (Landman)	10 minutes	Approximately 12
Michael Burke (Geologist)	15 minutes	Approximately 5

Ridge Runner reserves its right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Ridge Runner is not aware of any procedural matters to be resolved prior to the hearing. If there is no opposition to its application, Ridge Runner will present its case by affidavit.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy
Dana S. Hardy
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com

Counsel for Ridge Runner Resources Operating, LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 12th day of November 2020, I sent a true and correct copy of Ridge Runner Resources, Operating LLC's Pre-Hearing Statement via email to:

Adam G. Rankin
Kaitlyn A. Luck
P.O. Box 2208
Santa Fe, NM 87504-2208
Phone: (505) 988-4421
Facsimile: (505) 983-6043
mfeldewert@hollandhart.com
agrankin@hollandhart.com
kaluck@hollandhart.com

Michael H. Feldewert

Attorneys for XTO Energy, Inc.

/s/ Dana S. Hardy