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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF ASCENT ENERGY, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 21507

APPLICATION OF ASCENT ENERGY, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

Case No. 21508

AMENDED PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Ascent Energy, LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Ascent Energy, LLC

Attention:

Lee Zink

APPLICANT'S ATTORNEY

James Bruce

P.O. Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

OPPONENT

Phillip White

Marathon Oil Permian LLC

OPPONENT'S ATTORNEY

Deana Bennett

STATEMENT OF THE CASES

APPLICANT

Case No. 21507: Ascent Energy, LLC seeks an order pooling all mineral interest owners in the Bone Spring formation underlying a horizontal spacing unit comprised of Lot 3, SE/4NW/4, and E/2SW/4 (the E/2W/2) of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well Nos. 503H and 602H, with first take points in the SE/4SW/4 of Section 9 and last take points in Lot 3 of Section 4.

Case No. 21508: Ascent Energy, LLC seeks an order pooling all mineral interest owners in the Wolfcamp formation underlying a horizontal spacing unit comprised of Lot 3, SE/4NW/4, and E/2SW/4 (the E/2W/2) of Section 4 and the E/2W/2 of Section 9, Township 20 South, Range 33 East, NMPM. The unit will be dedicated to the Silver Fed. Com. Well No. 702H, with a first take point in the SE/4SW/4 of Section 9 and a last take point in Lot 3 of Section 4.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the wells, and a 200% charge for the risk involved in drilling, completing, and equipping the wells.

These cases were originally set for November 5, 2020. Phillip White, a working interest owner in the proposed wells, desired additional time for discussions between the parties and he obtained continuances to the January 21, 2021 docket. Negotiations have been conducted, but the parties cannot agree on terms.

OPPONENT

PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Lee Zink (landman)	15 min.	Approx. 10
William Metz (geologist)	15 min.	Approx. 10

OPPONENT

<u>WITNESSES</u> <u>EST. TIME</u> <u>EXHIBITS</u>

PROCEDURAL MATTERS

Respectfully submitted

James Bruce

Post Office Box 1056

Santa Fe, New Mexico 87504

(505) 982-2043

Attorney for Ascent Energy, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this ____/the day of January, 2021 by e-mail:

Deanna Bennett dmb@modrall.com

James Bruce