

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

**APPLICATION OF SPUR ENERGY  
PARTNERS, LLC FOR COMPULSORY  
POOLING AND OVERLAPPING SPACING UNIT,  
EDDY COUNTY, NEW MEXICO**

**CASE NO. 23462**

**PRE-HEARING STATEMENT**

Spur Energy Partners, LLC (“Spur” or “Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPLICANT**

Spur Energy Partners, LLC

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**INTERESTED PARTY**

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**STATEMENT OF THE CASE**

Applicant applies for an order pooling all uncommitted interests within the Yeso formation from a depth of approximately 3,500' TVD to the base of the formation underlying a 320-acre, more or less, standard overlapping horizontal spacing unit comprised of the S/2 of Section 28, Township 17 South, Range 28 East, Eddy County, New Mexico. The spacing unit will be dedicated to the following wells ("Wells"):

- a. **Welch CD 28 State Com 10H, Welch CD 28 State Com 21H, Welch CD 28 State Com 51H, and Welch CD 28 State Com 91H**, which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 28; and
- b. **Welch CD 28 State Com 20H, Welch CD 28 State Com 50H, Welch CD 28 State Com 70H, and Welch CD 28 State Com 90H**, which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 27 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 28.

The completed interval of the **Welch CD 28 State Com 50H** will be unorthodox.

The completed interval of the **Welch CD 28 State Com 10H** will be located within 330' of the line separating the N/2 S/2 and S/2 S/2 of Section 28 to allow for the formation of a standard 320-acre horizontal spacing unit.

There is a depth severance in the Yeso formation within the Unit. Accordingly, Spur seeks to pool interests from approximately 3,500' TVD to the base of the Yeso formation at a stratigraphic equivalent of approximately 5,624' TVD as shown on the Geronimo 28 State Com

#1: Schlumberger Platform Express Litho-Density / Compensated Neutron Log (API# 30-015-31829).

The Unit will partially overlap with the spacing unit for the Red Lake 28 K State #001 well (API #30-015-33740), Red Lake 28 K State #002 well (API #30-015-34005), Red Lake 28 K State #003 well (API #30-015-35560), Red Lake 28 K State #004 well (API #30-015-35541), Red Lake 28 N State #002 (API #30-015-34002), Red Lake 28 N State #003 well (API #30-015- 34382), and Red Lake 28 N State #004 well (API #30-015-35540) (collectively referred to as the “Red Lake Wells”). The Red Lake Wells are located in the NE/4 SW/4 and SE/4 SW/4 of Section 28, Township 17 South, Range 28 East, Eddy County. These wells produce from the Artesia; Glorieta-Yeso Pool (Code 96830).

The Unit will also partially overlap with the spacing unit for the Tigner State #001 well (API #30-015-31387), Tigner State #002 well (API #30-015-34994), Tigner State #003 well (API #30-015-40067), and Tigner State #004 well (API #30-015-40086) (collectively referred to as the “Tigner State Wells”). The Tigner State Wells are located in the NW/4 SW/4 of Section 28, Township 17 South, Range 28 East. These wells produce from Artesia; Glorieta-Yeso Pool (Code 96830).

Also to be considered in each case will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

The Wells are located approximately 13.19 miles east and 2.70 miles south of Artesia, New Mexico.

**PROPOSED EVIDENCE**

<b>Witness</b>	<b>Occupation</b>	<b>Estimated Time</b>	<b>Exhibits</b>
Scott Hartman	Landman	Affidavit	Approx. 6
Matthew Van Wie	Geologist	Affidavit	Approx. 4

**PROCEDURAL MATTERS**

Applicant will present this matter by affidavit if there is no opposition.

Respectfully submitted,

HINKLE SHANOR, LLP

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*Counsel for Spur Energy Partners, LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that on May 25, 2023, 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**  
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QUESTIONS

Action 220347

**QUESTIONS**

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 220347
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>