

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

**APPLICATION OF FLAT CREEK RESOURCES, LLC
FOR COMPULSORY POOLING AND NOTICE OF
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

Case No. 24259

**APPLICATION OF FLAT CREEK RESOURCES, LLC
FOR COMPULSORY POOLING AND NOTICE OF
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

Case No. 24260

**APPLICATION OF FLAT CREEK RESOURCES, LLC
FOR COMPULSORY POOLING AND NOTICE OF
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

Case No. 24262

**APPLICATION OF FLAT CREEK RESOURCES, LLC
FOR COMPULSORY POOLING AND NOTICE OF
OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

Case No. 24263

PRE-HEARING STATEMENT

Applicant FLAT CREEK RESOURCES, LLC ("Flat Creek") provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

FLAT CREEK RESOURCES, LLC

ATTORNEY

Sharon T. Shaheen
Montgomery & Andrews, P.A.
P.O. Box 2307
Santa Fe, New Mexico 87504-2307
(505) 986-2678
sshaheen@montand.com
ec:wmcginnis@montand.com

OTHER PARTY

COTERRA ENERGY, INC.
 CIMAREX ENERGY CO.
 MAGNUM HUNTER PRODUCTION, INC.

Darin C. Savage
 Andrew D. Schill
 William E. Zimsky
 Abadie & Schill, PC
 214 McKenzie Street
 Santa Fe, NM 87501
 970.385.4401
 970.385.4901 (fax)
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

CIVITAS PERMIAN OPERATING, LLC
 (Case Nos. 24262-24263)

Ocean Munds-Dry
 Michael Rodriguez
 309 Johnson St.
 Santa Fe, NM 87501
 505-592-0521
 303-312-8518
omundsdry@civiresources.com
mdrodriguez@civiresources.com

STATEMENT OF THE CASE

Case No. 24259: *Application of Flat Creek Resources, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (WILLOW LAKE; BONE SPRING, WEST [96415]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”), comprised of the N/2 N/2 of Sections 22 and 23 (“2-Mile HSU”), Township 24 South, Range 26 East, in Eddy County, New Mexico and, as an alternative, a standard 240-acre, more or less, HSU, comprised of the N/2 N/2 of Section 22 and the N/2 NW/4 of Section 23 (“Alternative HSU”), Township 24 South, Range 26 East, in Eddy County, New Mexico, if timing issues arise with securing the Bureau of Land Management lease for the N/2 NE/4 of Section 23. Applicant proposes to drill the following 2-mile well in the HSU: **Jurnegan Fed Com BS2 #1H** well, to be horizontally drilled from a surface

hole location approximately 965' FNL and 610' FWL of Section 22, T24S-R26E to a bottom hole location approximately 440' FNL and 100' FEL of Section 23, T24S-R26E. In the alternative, Flat Creek proposes to drill the **Jurnegan Fed Com BS2 #1H** well, from a surface hole location approximately 965' FNL and 610' FWL of Section 22, T24S-R26E to a bottom hole location approximately 440' FNL and 2540' FWL of Section 23, T24S-R26E as a 1.5-mile lateral in the Alternative HSU. The completed intervals and first and last take points in either HSU will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and land are approximately 6 miles North East of Whites City, New Mexico.

Case No. 24260: *Application of Flat Creek Resources, LLC for Compulsory Pooling and Notice of Overlapping Spacing Unit, Eddy County, New Mexico* Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (WILLOW LAKE; BONE SPRING, WEST [96415]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the S/2 N/2 of Sections 22 and 23, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: **Jurnegan Fed Com BS2 #2H** well, to be horizontally drilled from a surface hole location approximately 995' FNL and 610' FWL of Section 22, T24S-R26E to a bottom hole location approximately 1,870' FNL and 100' FEL of Section 23, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the

well, and a 200% charge for the risk involved in drilling and completing the well. The well and land are approximately 6 miles North East of Whites City, New Mexico.

Case No. 24262: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (WILLOW LAKE; BONE SPRING, WEST [96415]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the N/2 S/2 of Sections 22 and 23, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: Jurnegan Fed Com BS2 #3H well, to be horizontally drilled from a surface hole location approximately 1,400' FSL and 725' FWL of Section 22, T24S-R26E to a bottom hole location approximately 1,900' FSL and 100' FEL of Section 23, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and land are approximately 6 miles North East of Whites City, New Mexico.

Case No. 24263: *Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico.* Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (WILLOW LAKE; BONE SPRING, WEST [96415]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the S/2 S/2 of Sections 22 and 23, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: **Jurnegan Fed Com BS2 #4H** well, to be horizontally drilled from a surface hole location

approximately 1,370' FSL and 725' FWL of Section 22, T24S-R26E to a bottom hole location approximately 440' FSL and 100' FEL of Section 23, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and land are approximately 6 miles North East of Whites City, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

Landman Michael Gregory

Geologist Thomas M. Anderson

EXHIBITS

7-8

7-8

PROCEDURAL MATTERS

Assuming no opposition at the time of hearing, these cases will be presented by affidavit.

Respectfully submitted,

MONTGOMERY & ANDREWS, PA.

By: /s/Sharon T. Shaheen

Sharon T. Shaheen

Post Office Box 2307

Santa Fe, NM 87504-2307

(505) 986-2678

sshaheen@montand.com

ec: wmcginnis@montand.com

Attorney for Flat Creek Resources, LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record, by electronic mail on April 11, 2024:

Darin C. Savage
Andrew D. Schill
William E. Zimsky
ABADIE & SCHILL, PC
214 McKenzie Street
Santa Fe, NM 87501
(970) 385-4401
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

*Attorneys for Coterra Energy, Inc., and its
subsidiaries, including Cimarex Energy Co.
and Magnum Hunter Production, Inc.*

Ocean Munds Dry
Michael Rodriguez
309 Johnson St.
Santa Fe, NM 87501
505-592-0521
303-312-8518
omundsdry@civiresources.com
mdrodriguez@civiresources.com

Attorneys for Civitas Permian Operating, LLC

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 332744

QUESTIONS

| | |
|--|--|
| Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102 | OGRID: 374034 |
| | Action Number: 332744 |
| | Action Type: [HEAR] Prehearing Statement (PREHEARING) |

QUESTIONS

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