

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

**APPLICATIONS OF FLAT CREEK RESOURCES, LLC
FOR APPROVAL OF A NON-STANDARD HORIZONTAL
SPACING UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case Nos. 25255-25256

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

FLAT CREEK RESOURCES, LLC

ATTORNEY

Sharon T. Shaheen
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OTHER PARTIES

None at this time

STATEMENT OF THE CASE

Case No. 25255: In this case, Applicant seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation (WILLOW LAKE; BONE SPRING, WEST [96415]) in a non-standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the N/2 of Sections 22 and 23, Township 24 South, Range 26 East, in Eddy County, New Mexico, or in the alternative, a non-standard 560-acre, more or less, HSU, comprised of the N/2 N/2 of Section 22 and the N/2 NW/4 of Section 23, and the S/2 N/2 of Sections 22 and

23, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant initially proposed to drill the following wells in the HSU: **Jurnegan Fed Com BS2 #1H** well, to be horizontally drilled from a surface hole location approximately 948' FNL and 713' FWL of Section 22, T24S-R26E to a bottom hole location approximately 421' FNL and 15' FEL of Section 23, T24S-R26E or, in the alternative, from a surface hole location approximately 948' FNL and 713' FWL of Section 22, T24S-R26E to a bottom hole location approximately 421' FNL and 2,607' FWL of Section 22, T24S-R26E to a bottom hole location approximately 440' FNL and 2,540' FWL of Section 23, T24S-R26E; and **Jurnegan Fed Com BS2 #2H** well, to be horizontally drilled from a surface hole location approximately 978' FNL and 713' FWL of Section 22, T24S-R26E to a bottom hole location approximately 1,870' FNL and 15' FEL of Section 23, T24S-R26E.

On April 30, 2025, Flat Creek learned that the Bureau of Land Management will be reinstating the lease necessary to drill the 2-mile alternative for the Jurnegan Fed Com BS2 #1H well, and therefore proposes to drill the first alternative stated in the application for this well.

Case No. 25256: In this case, Applicant seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation down to 8,062' (being 300' above the top of the Wolfcamp Formation, or 8,362') (WILLOW LAKE; BONE SPRING, WEST [96415]) in a non-standard 640-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the S/2 of Sections 22 and 23, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following wells in the HSU: **Jurnegan Fed Com BS2 #3H** well, to be horizontally drilled from a surface hole location approximately 1,106' FSL and 733' FWL of Section 22, T24S-R26E to a bottom hole location approximately 1,900' FSL and 15' FEL of Section 23, T24S-R26E; and **Jurnegan Fed Com BS2 #4H** well, to be horizontally drilled

from a surface hole location approximately 1,087' FSL and 757' FWL of Section 22, T24S-R26E to a bottom hole location approximately 440' FSL and 15' 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.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

Landman Michael Gregory

Geologist Thomas M. Anderson

EXHIBITS

8-10

5-6

PROCEDURAL MATTERS

Applicant will be seeking administrative approval for the non-standard units. Assuming no opposition at the time of hearing, the cases for compulsory pooling will be presented by affidavit.

Respectfully submitted,

SPENCER FANE LLP

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 457839

QUESTIONS

Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102	OGRID: 374034
	Action Number: 457839
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	2
Testimony time (in minutes)	Not answered.