

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

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

CASE NO. 25767

PRE-HEARING STATEMENT

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

APPLICANT

Spur Energy Partners LLC

ATTORNEYS

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INTERESTED PARTY

None.

ATTORNEYS

STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted interests in the Yeso formation underlying a 320.79-acre, more or less, standard, overlapping horizontal spacing unit comprised of the E/2 of Section 2, Township 18 South, Range 27 East, Eddy County, New Mexico (“Unit”). The Unit to the following wells (“Wells”): **Cheshire Cat State Com 1H, Cheshire Cat State Com 20H, and Cheshire Cat State Com 50H**, to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 11 to a bottom hole location in Lot 2 (NW/4 NE/4 equivalent) of Section

2; and **Cheshire Cat State Com 21H** and **Cheshire Cat State Com 51H**, to be drilled from a surface hole location in NE/4 NE/4 (Unit A) of Section 11 to a bottom hole location in Lot 1 (NE/4 NE/4 equivalent) of Section 2. The completed intervals of the Wells will be orthodox. The completed interval of the **Cheshire Cat State Com 1H** well will be located within 330' of the quarter-quarter section line separating the W/2 E/2 and E/2 E/2 of Section 2 to allow for the creation of a 320.79-acre standard horizontal spacing unit.

The spacing unit for the Wells partially overlaps with the spacing units for the following wells, which produce from the Red Lake; Glorieta-Yeso, Northeast Pool (Code 96836):

- a. State H #002 (API No. 30-015-35814) located in the SE/4 NE/4 (Unit H) of Section 2, Township 18 South, Range 27 East; and
- b. SCBP STATE #001 (API No. 30-015-32946) located in the NW/4 SE/4 (Unit J) of Section 2, Township 18 South, Range 27 East.

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

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Markus Wesner	Landman	Affidavit	Approx. 6
Matthew Van Wie	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no opposition to its application.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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QUESTIONS

Action 529708

QUESTIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 529708
	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.