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

APPLICATION OF SEP PERMIAN, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 20818

SPUR'S PRE-HEARING STATEMENT

SEP Permian, LLC ("Spur") (OGRID No. 338479), applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

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ATTORNEYS

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APPLICANT'S STATEMENT OF CASE

Spur seeks an order: (1) pooling all uncommitted interests in the Yeso formation within a proposed 320-acre horizontal spacing unit comprised of the W/2 of Section 15, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico, and (2) dedicating the horizontal spacing unit to the following proposed initial wells:

- the Osage Boyd Fed Com #9H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a standard bottom-hole location in the NW/4 NW/4 (Unit D) of Section 15;
- the Osage Boyd Fed Com #10H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a standard bottom-hole location in the NW/4 NW/4 (Unit D) of Section 15;
- the Osage Boyd Fed Com #11H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a standard bottom-hole location in the NW/4 NW/4 (Unit D) of Section 15;
- the Osage Boyd Fed Com #12H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a standard bottom-hole location in the NW/4 NW/4 (Unit D) of Section 15;
- the Osage Boyd Fed Com #13H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a standard bottom-hole location in the NW/4 NW/4 (Unit C) of Section 15;
- the Osage Boyd Fed Com #14H Well, to be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 22 to a standard bottom-hole location in the NW/4 NW/4 (Unit C) of Section 15.

The completed interval for the proposed **Osage Boyd Fed Com #13H Well** will remain within 330 feet of the W/2 W/2 of Section 15 to allow inclusion of these proximity tracts in a standard 320-acre horizontal well spacing unit.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Nash Bell, Landman	Approx. 15 minutes	Approx. 5
CJ Lipinski, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

By

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