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

AMENDED APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-20642 TO ADD AN ADDITIONAL WELL TO THE APPROVED HORIZONTAL WELL SPACING UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO. 21254 ORDER NO. R-20642

SPUR ENERGY PARTNERS, LLC'S PRE-HEARING STATEMENT

Spur Energy Partners, LLC ("Spur") (OGRID No. 328947), the applicant in the above-referenced case, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

Spur Energy Partners, LLC

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APPLICANT'S STATEMENT OF CASE

Spur seeks an order to amend Order R-20642 to add an additional well to the approved horizontal spacing unit. Division Order No. R-20642, entered February 7, 2019, in Case No.

20263, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270), comprised of the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. The Order dedicated the above-described spacing unit, subject to the pooled vertical limits, to the following initial proposed well: **Nirvana No. 1H Well** (API No. pending), which will be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a standard bottom-hole location in the SE/4 SE/4 (Unit P) of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

Since entry of Order No. R-20642, Spur, as successor operator to Percussion Petroleum, LLC, has determined that prior to the commencement of drilling it is prudent to add the following additional wells to the approved spacing unit: The **Nirvana 2H Well** (API No. pending), which will be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a standard bottom-hole location in the SE/4 SE/4 (Unit P) of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|----------------------------|----------------|-----------|
| Megan Peña, Landman | Affidavit | Approx. 4 |

PROCEDURAL MATTERS

If uncontested at the time of hearing, Spur intends to present this case by affidavit.

Respectfully submitted,

HOLLAND & HART LLP

By:

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