

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

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

**Case No. 23587**

**APPLICATION OF FLAT CREEK RESOURCES, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 23588**

**APPLICATION OF FLAT CREEK RESOURCES, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 23589**

**APPLICATION OF FLAT CREEK RESOURCES, LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

**Case No. 23590**

**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

APPLICANT'S ATTORNEY:

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**OTHER PARTY**

None at this time.

## STATEMENT OF THE CASE

**Case No. 23587. Application of Flat Creek Resources, LLC for Compulsory Pooling and Approval of Non-Standard 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 (WC-015 G-04 S232628M; BONE SPRING [98056]) in a non-standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the W/2 of Sections 7 and 18 of Township 23 South, Range 26 East, NMPM, in Eddy County, New Mexico (“HSU”) and, as an alternative, a non-standard 600-acre, more or less, HSU comprised of the W/2 of Section 7, the NW/4 of Section 18, the W/2 of the SW/4 of Section 18, and the NE/4 of the NW/4 of Section 18, if timing issues arise with seeking Bureau of Land Management permits. Applicant also seeks approval of a non-standard HSU. Applicant proposes to drill the following well in the HSU: **Rena 7 Fed Com 601H** well, to be horizontally drilled from an approximate surface hole location 94’ FSL and 646’ FWL of Section 6-T23S-R26E, to an approximate bottom hole location 100’ FSL and 330’ FWL of Section 18-T23S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules 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 completing the well. The wells and lands are located approximately 4 miles South West of Carlsbad, New Mexico.

**Case No. 23588. 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 (WC-015 G-04 S232628M; BONE SPRING [98056]) in a standard 640-acre, more or less, horizontal spacing and

proration unit ("HSU"), with proximity tracts, comprised of the E/2 of Sections 7 and 18 of Township 23 South, Range 26 East, NMPM, in Eddy County, New Mexico ("2-Mile HSU") and, as an alternative, a standard 520-acre HSU comprised of the E/2 of Section 7, the NE/4 of Section 18, and the NW/4 of the SE/4 of Section 18 ("Alternative HSU"), if timing issues arise with seeking Bureau of Land Management permits. Applicant proposes to drill the following well in the 2-Mile HSU: **Rena 7 Fed Com 603H** well, to be horizontally drilled from an approximate surface hole location 309' FSL and 1807' FEL of Section 6-T23S-R26E, to an approximate bottom hole location 100' FSL and 1645' FEL of Section 18-T23S-R26E. In the alternative, Flat Creek proposes to drill the **Rena 7 State Com 603H** well, to an approximate bottom-hole location 1420' FSL and 1645' FEL of Section 18, as a 1.75-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 is approximately 4 miles South West of Carlsbad, New Mexico.

**Case No. 23589. 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 Wolfcamp formation (PURPLE SAGE; WOLFCAMP (GAS) [98220]) in a standard 640-acre, more or less, horizontal spacing and proration unit ("HSU") comprised of the W/2 of Sections 7 and 18, Township 23 South, Range 26 East, NMPM, in Eddy County, New Mexico ("2-Mile HSU") and, as an alternative, a standard 600-acre HSU comprised of the W/2 of Section 7, the NW/4 of Section 18, the W/2 of the SW4 of Section 18, and the NE/4 of the SW/4 of Section 18, Township 23 South, Range 26 East, NMPM,

in Eddy County, New Mexico (“Alternative HSU”), if timing issues arise with seeking Bureau of Land Management (“BLM”) permits. Applicant proposes to drill the following well in the 2-Mile HSU: the **Rena 7 Fed Com 702H** well, to be horizontally drilled from an approximate surface hole location 309’ FSL and 1837’ FEL of Section 6-T23S-R26E, to an approximate bottom hole location 330’ FSL and 1900’ FWL of Section 18-T23S-R26E. In the alternative, Applicant proposes to drill the Rena 7 State Com 702H, with a different bottom-hole location in Section 18, as a 1.75-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 gas wells and applicable special rules for the Purple Sage Wolfcamp. 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 is approximately 4 miles South West of Carlsbad, New Mexico.

**Case No. 23590. 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 interests in the formation (PURPLE SAGE; WOLFCAMP (GAS) [98220]) in a standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the E/2 of Sections 7 and 18, Township 23 South, Range 26 East, NMPM, in Eddy County, New Mexico (“2-Mile HSU”) and, as an alternative, a standard 520-acre HSU comprised of the E/2 of Section 7, the NE/4 of Section 18, and the NW/4 of the SE/4 of Section 18, Township 23 South, Range 26 East, NMPM, in Eddy County, New Mexico (“Alternative HSU”), if timing issues arise with seeking Bureau of Land Management permits. Applicant proposes to drill the following well in the 2-Mile HSU: the **Rena 7 Fed Com 704H** well, to be horizontally drilled from an approximate surface hole location 309’ FSL and 177’ FEL of Section 6-T23S-2R6E, to

an approximate bottom hole location 330' FSL and 330' FEL of Section 18-T23S-R26E. In the alternative, Applicant proposes to drill the **Rena 7 State Com 704H**, with a different bottom-hole location in Section 18, 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 gas wells and applicable special rules for the Purple Sage Wolfcamp. 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 lands are located approximately 4 miles South West of Carlsbad, 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.**

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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 240049

QUESTIONS

Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102	OGRID: 374034
	Action Number: 240049
	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.