

**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. 25376**

**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 from approximately 3,935’ MD to 5,110’ MD, underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 of Section 29, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the following wells (“Wells”): **Smithdale 29 Federal Com 50H** well (API No. 30-015-56423), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 29;

**Smithdale 29 Federal Com 70H** well (API No. 30-015-56424), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 29; **Smithdale 29 Federal Com 71H** well (API No. 30-015-56425), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29; **Smithdale 29 Federal Com 90H** well (API No. 30-015-56427), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 29; and **Smithdale 29 Federal Com 91H** well (API No. 30-015-56428), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29. The completed intervals of the Wells will be orthodox.

The completed interval of the **Smithdale 29 Federal Com 50H** well will be located within 330' of the quarter-quarter section line separating the N/2 S/2 and the S/2 S/2 of Section 29 to allow for the creation of a 320-acre standard horizontal spacing unit.

Applicant seeks only to pool those uncommitted interests from the top of the Blinbry at a stratigraphic equivalent depth of approximately 3,935' MD, as found in the Schlumberger Outlaw State #12 (API No. 30-015-42562) Compensated Neutron LithoDensity log, to 5,110' MD.

The Wells partially overlap with the spacing units for the following wells, which produce from the Artesia; Glorieta-Yeso (O) pool (Code 96830):

- Williams A Federal #002Q (API No. 30-015-3249), which is located in Unit K of Section 29, Township 17 South, Range 28 East;
- Williams A Federal #001Z (API No. 30-015-32459), which is located in Unit N of Section 29, Township 17 South, Range 28 East;

- Williams A Federal #004T (API No. 30-015-33130), which is located in Unit L of Section 29, Township 17 South, Range 28 East;
- Williams A Federal #005 (API No. 30-015-33232), which is located in Unit M, Section 29, Township 17 South, Range 28 East;
- Red Lake 29 I State #001 (API No. 30-015-33579), which is located in Unit I, Section 29, Township 17 South, Range 28 East;
- Red Lake 29 I State #002 (API No. 30-015-34003), which is located in Unit I, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #006 (API No. 30-015-34200), which is located in Unit L, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #003 (API No. 30-015-34614), which is located in Unit L, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #007 (API No. 30-015-36512), which is located in Unit K, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #008 (API No. 30-015-40480), which is located in Unit K, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #010 (API No. 30-015-40480), which is located in Unit M, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #012 (API No. 30-015-41890), which is located in Unit N, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #014 (API No. 30-015-41891), which is located in Unit L, Section 29, Township 17 South, Range 28 East;

- Williams A Federal #015 (API No. 30-015-41892), which is located in Unit M, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #011 (API No. 30-015-41983), which is located in Unit K, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #016 (API No. 30-015-42116), which is located in Unit N, Section 29, Township 17 South, Range 28 East;
- Williams A Federal #013 (API No. 30-015-42303), which is located in Unit K, Section 29, Township 17 South, Range 28 East;
- Outlaw State #002 (API No. 30-015-4255), which is located in Unit P, Section 29, Township 17 South, Range 28 East;
- Outlaw State #005 (API No. 30-015-42555), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
- Outlaw State #006 (API No. 30-015-42556), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
- Outlaw State #007 (API No. 30-015-42557), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
- Outlaw State #008 (API No. 30-015-42558), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
- Outlaw State #009 (API No. 30-015-42559), which is located in Unit J, Section 29, Township 17 South, Range 28 East;
- Outlaw State #010 (API No. 30-015-42560), which is located in Unit J, Section 29, Township 17 South, Range 28 East;

- Outlaw State #011 (API No. 30-015-42561), which is located in Unit J, Section 29, Township 17 South, Range 28 East;
- Outlaw State #012 (API No. 30-015-42562), which is located in Unit J, Section 29, Township 17 South, Range 28 East;
- Outlaw State #001 (API No. 30-015-42563), which is located in Unit P, Section 29, Township 17 South, Range 28 East;
- Outlaw State #003 (API No. 30-015-42564), which is located in Unit P, Section 29, Township 17 South, Range 28 East; and
- Outlaw State #004 (API No. 30-015-42565), which is located in Unit P, Section 29, Township 17 South, Range 28 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**

| <b>Witness</b>     | <b>Occupation</b> | <b>Estimated Time</b> | <b>Exhibits</b> |
|--------------------|-------------------|-----------------------|-----------------|
| Markus Wesner      | Landman           | Affidavit             | Approx. 6       |
| Matthew Van<br>Wie | Geologist         | Affidavit             | Approx. 4       |

#### **PROCEDURAL MATTERS**

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

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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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 468479

QUESTIONS

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|---|--|
| Operator:<br>Spur Energy Partners LLC<br>9655 Katy Freeway<br>Houston, TX 77024 | OGRID:<br>328947   |
|   | Action Number:<br>468479                                 |
|   | Action Type:<br>[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. |