

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

**APPLICATION OF SPUR ENERGY
PARTNERS, LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NO. 22532

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

Spur Energy Partners, LLC

ATTORNEYS

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INTERESTED PARTIES

No other parties of record.

ATTORNEYS

STATEMENT OF THE CASE

Applicant seeks to pool all uncommitted mineral interests from a depth of approximately 4,000' MD to the base of the Yeso formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2S/2 and S/2N/2 of Section 27, Township 17 South, Range 28 East in Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the following wells ("Wells"): Halberd 27 State Com 50H to be horizontally drilled from a surface location in the SW/4NW/4 (Unit E) of Section 26 to a bottom hole location in the SW/4NW/4 (Unit E) of Section

27, Halberd 27 State Com 71H to be horizontally drilled from a surface location in the SW/4NW/4 (Unit E) of Section 26 to a bottom hole location in the NW/4SW/4 (Unit L) of Section 27, and Halberd 27 State Com 51H to be horizontally drilled from a surface location in the SW/4SW/4 (Unit M) of Section 26 to a bottom hole location in the NW/4SW/4 (Unit L) of Section 27. The completed interval of the Halberd 27 State Com 71H will be within 330' of the interior Unit line separating the N/2S/2 and the S/2N/2 of Section 27 to allow for the creation of a standard 320-acre horizontal spacing unit. The completed interval of the Halberd 27 State Com 50H and the Halberd 27 State Com 51H will be unorthodox. The completed interval of the Halberd 27 State Com 71H will be orthodox. A depth severance exists in the Yeso formation within the proposed Unit. Accordingly, Spur seeks to pool all uncommitted interests from a depth of approximately 4,000' MD to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,682' MD as observed on the Geronimo '27' State Com #1 Platform Express, Azimuthal Laterolog (API No. 30-015-31173). Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 10 miles west of Loco Hills, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Blair Brummell	Landman	Affidavit	Approx. 7
C. J. Lipinski	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant will present the above-referenced case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/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 76125

QUESTIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 76125
	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.