

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

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

**Case No. 25046**

**PRE-HEARING STATEMENT**

Applicant Flat Creek Resources, LLC (“Applicant”) provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

FLAT CREEK RESOURCES

APPLICANT’S ATTORNEY:

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**OTHER INTERESTED PARTIES**

None at this time.

**STATEMENT OF THE CASE**

Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a non-standard 1280-acre, more or less, horizontal spacing and proration unit (“HSU”), comprised of Section 2, Township 25 South, Range 26 East, and Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes that the following 2-mile wells be included in the HSU: **Jawbone BS Fed Com #1H** well, horizontally drilled from a surface hole location approximately 200’ FSL and 1,020’ FEL of Section 2, T25S-

R26E, to a bottom hole location approximately 19' FNL and 769' FEL of Section 35, T24S-R26E; **Jawbone BS Fed Com #2H** well, horizontally drilled from a surface hole location approximately 200' FSL and 1,050' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 22' FNL and 2,580' FEL of Section 35, T24S-R26E; and **Jawbone BS Fed Com #3H** well, horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 23' FNL and 690' FWL of Section 35, T24S-R26E. The completed intervals and first and last take points meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

These wells were previously pooled in separate standard spacing units in Order Nos. R-23053, R-23054, and R-23055 issued in Case Nos. 23997, 23998, and 23999, respectively ("Previous Orders"). The wells were drilled under the Previous Orders. Thereafter, Flat Creek determined that a larger non-standard spacing unit would be required to construct and use common facilities in compliance with the regulatory requirements of the Bureau of Land Management. On December 11, 2024, the Division issued NSP-2231, which administratively approved the non-standard spacing unit. All working interest owners have committed to a joint operating agreement. Flat Creek now seeks to pool certain overriding royalty and royalty owners in the non-standard spacing unit.

**PROPOSED EVIDENCE**

**APPLICANT**

WITNESSES

Michael Gregory, Landman

Thomas Anderson, Geologist

EXHIBITS

5-6

5-6

**INTERESTED PARTY**

None at this time.

**PROCEDURAL MATTERS**

This case is currently on the January 9, 2025 docket and will be presented by affidavit, assuming no opposition at the time of hearing.

Respectfully submitted,

**SPENCER FANE LLP**

By:     /s/ Sharon T. Shaheen    

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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 416691

**QUESTIONS**

Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102	OGRID: 374034
	Action Number: 416691
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>