

**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

AMENDED PRE-HEARING STATEMENT

Spur Energy Partners LLC (“Applicant”) submits its Amended 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 Blinebry 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

Witness	Occupation	Estimated Time	Exhibits
Markus Wesner	Landman	Affidavit	Approx. 6
Matthew Van Wie	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit due to Energy Investments VI, LLC's, Hilcorp Energy Company's, and Salient Zarvona Energy Fund, LLC's withdrawal of their appearances and objections.

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 496692

QUESTIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 496692
	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.