

**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. 25979

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 in the Yeso formation, from approximately 2,500’ to 4,000’ TVD, underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 23, Township 18 South, Range 26 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the following wells (“Wells”): **Margaret 23 Fee 10H, Margaret 23 Fee 20H, and Margaret 23 Fee 90H** wells, to be drilled from surface hole locations in the NE/4 NE/4 (Unit A) of Section 22 to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 23; and **Margaret 23 Fee 11H and Margaret 23 Fee 60H** wells, to be drilled from

surface hole locations in the NE/4 NE/4 (Unit A) of Section 22 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 23.

The completed intervals of the Wells will be orthodox. The completed interval of the **Margaret 23 Fee 20H** well will be located within 330’ of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 23 to allow for the creation of a standard 320-acre horizontal spacing unit.

Due to a depth severance within the Unit, Applicant seeks to pool only those uncommitted interests in the Yeso formation from a stratigraphic equivalent of 2,500’ to 4,000’ TVD as observed on the C.R. Martin #3 well Schlumberger Gamma Ray – Neutron log (API No. 30-015-00227).

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
Drew Oldis	Landman	Affidavit	Approx. 6
Matthew Van Wie	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

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

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Dana S. Hardy

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QUESTIONS

Action 564131

QUESTIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 564131
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<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>