

**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. 21759

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

Dana S. Hardy
Michael Rodriguez
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
dhardy@hinklelawfirm.com
mrodriguez@hinklelawfirm.com

INTERESTED PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted mineral interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 4,375’ MD as observed on the Federal 1 Com #1 well Schlumberger Dual Laterolog (API No. 30-015-22456)) to a depth of 5,000’ in a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 2, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to following wells: Shorty 2 State Com #10H well, which will be horizontally

drilled from a surface location in Unit E of Section 2 to a bottom hole location in Unit H of Section 2; and Shorty 2 State Com #20H well, which will be horizontally drilled from a surface location in Unit E of Section 2 to a bottom hole location in Unit H of Section 2. The completed interval of the Shorty 2 State Com #10H well will be unorthodox and the completed interval of the Shorty 2 State Com #20H well will be orthodox.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Applicant 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 3 miles north-northeast of Loco Hills, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Morgan Landry	Landman	Affidavit	Approx. 7
C. J. Lipinski	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

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

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy _____

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Counsel for Spur Energy Partners, LLC