

**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 NOS. 21935-21936**

**CONSOLIDATED 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

**COUNSEL**

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**INTERESTED PARTIES**

Contango Resources, Inc.

**COUNSEL**

Scott S. Morgan  
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**STATEMENT OF THE CASE**

In **Case No. 21935**, Applicant seeks an order pooling all uncommitted mineral interests from the top of the Yeso formation to a depth of approximately 3,500’ in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 36, Township 17 South, Range

27 East, Eddy County, New Mexico (“Unit”). The horizontal spacing unit will be dedicated to the Waukee A 36 State Com 3H, which will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 31 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 36 (“Well”). The completed interval of the Well will be orthodox. The completed interval of the Well will be within 330’ of the line separating the N/2N/2 and S/2N/2 of Section 36 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. A depth severance exists in the Yeso formation in the horizontal spacing unit. Accordingly, Spur seeks to pool uncommitted interests from the top of the Yeso formation (at a stratigraphic equivalent of approximately 3,065’ MD as observed on the NO Bluff State Com #1 Schlumberger Dual Laterolog (API No. 30-015-30907)) to a depth of approximately 3,500’.

In **Case No. 21936**, Applicant seeks an order pooling all uncommitted mineral interests from a depth of approximately 3,500’ to the base of the Yeso formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 36, Township 17 South, Range 27 East, Eddy County, New Mexico (“Unit”). The horizontal spacing unit will be dedicated to following wells:

- Waukee A 36 State Com 13H and Waukee A 36 State Com 70H, which will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 31 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 36; and
- Waukee B 36 State Com 12H and Waukee B 36 State Com 52H, which will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 31 to a bottom hole location in the SW/4NW/4 (Unit E) of Section 36 (collectively the “Wells”).

The completed intervals of the Wells will be orthodox. The completed interval of the Waukee B 36 State Com 52H will be within 330’ of the line separating the N/2N/2 and S/2N/2 of Section 36 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. A depth severance exists in the Yeso formation in the horizontal spacing unit. Accordingly, Spur seeks to pool uncommitted interests from a depth of approximately 3,500’ to the base of the Yeso formation (at a stratigraphic equivalent of approximately 5,192’ MD as observed on the NO Bluff State Com #1 Schlumberger Dual Laterolog (API No. 30-015-30907)).

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 proposed wells are located approximately four (4) miles southeast of Riverside, New Mexico.

**PROPOSED EVIDENCE**

<b><u>Witness</u></b>	<b><u>Occupation</u></b>	<b><u>Estimated Time</u></b>	<b><u>Exhibits</u></b>
Morgan Landry	Landman	Affidavit	Approx. 7
C. J. Lipinski	Geologist	Affidavit	Approx. 5

**PROCEDURAL MATTERS**

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

Respectfully submitted,

HINKLE SHANOR, LLP

*/s/ Dana S. Hardy*

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**CERTIFICATE OF SERVICE**

I hereby certify that on May 27, 2021, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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*/s/ Dana S. Hardy*

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