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

APPLICATION OF SPUR ENERGY PARTNERS, LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NO. 21930

PRE-HEARING STATEMENT

Spur Energy Partners, LLC ("Applicant") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT ATTORNEYS

Spur Energy Partners, LLC 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 ATTORNEYS

ConocoPhillips Company Michael H. Feldewert

Adam G. Rankin Julia Broggi

Julia Broggi Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504

(505) 988-4421

mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com kaluck@hollandhart.com

STATEMENT OF THE CASE

In Case No. 21930, Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 16, Township 17 South, Range 32 East, Lea County, New Mexico ("Unit"). The horizontal spacing unit will be dedicated to following wells:

- **JG State Com 20H** and **JG State Com 60H**, which will be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 16 to bottom hole locations in the NW/4NW/4 (Unit D) of Section 16; and
- **JG State Com 21H**, which will be horizontally drilled from a surface location in the SE/4NE/4 (Unit H) of Section 16 to a bottom hole location in the SW/4NW/4 (Unit E) of Section 16 (collectively the "Wells").

The completed intervals of the Wells are orthodox. The completed interval of the JG State Com 60H will be within 330' of the line separating the N/2N/2 and S/2N/2 of Section 16 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit.

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 wells are located approximately one (1) mile south of Maljamar, 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 intends to present the above-referenced case by affidavit.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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
Counsel for Spur Energy Partners, LLC

CERTIFICATE OF SERVICE

I hereby certify that on June 10, 2021, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

Michael H. Feldewert Adam G. Rankin Julia Broggi Kaitlyn A. Luck Post Office Box 2208 Santa Fe, New Mexico 87504 Attorneys for ConocoPhillips Company

> /s/ Dana S. Hardy Dana S. Hardy

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II 811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. **Santa Fe, NM 87505**

QUESTIONS

Action 31406

QUESTIONS

| Operator: | OGRID: | | |
|--------------------------|--|--|--|
| Spur Energy Partners LLC | 328947 | | |
| 9655 Katy Freeway | Action Number: | | |
| Houston, TX 77024 | 31406 | | |
| | Action Type: | | |
| | [HEAR] Prehearing Statement (PREHEARING) | | |

QUESTIONS

| Testimony | | |
|---|---|--|
| Please assist us by provide the following information about your testimony. | | |
| Number of witness | 2 | |
| Testimony time (in minutes) | 0 | |