

**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. 21993

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

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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 4,225’ MD as observed on the Anderson-Federal 1 well Schlumberger Sidewall Neutron Porosity Log (API No. 30-015-20565)) to a depth of approximately 5,000’ MD in a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 12, Township 17 South, Range 29 East, Eddy County, New Mexico (“HSU”). The HSU will be dedicated to following wells:

- Fat Tire 12 Federal 10H and Fat Tire 12 Federal 51H, which will be horizontally drilled from a surface location in Lot 3 in Section 7, Township 17 South, Range 30 East to a bottom hole location in Unit L in Section 12, Township 17 South, Range 29 East;
- Fat Tire 12 Federal 71H, which will be horizontally drilled from a surface location in Lot 4 in Section 7, Township 17 South, Range 30 East to a bottom hole location in Unit L in Section 12, Township 17 South, Range 29 East; and
- Fat Tire 12 Federal 11H, 22H, and 52H, which will be horizontally drilled from a surface location in Lot 4 in Section 7, Township 17 South, Range 30 East to a bottom hole location in Unit M in Section 12, Township 17 South, Range 29 East (collectively “Wells”).

The completed intervals of the Wells will be orthodox. The completed interval of the Fat Tire 12 Federal 22H will be within 330’ of the line separating the N/2S/2 and S/2S/2 of Section 7 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. The completed intervals of the wells 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 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 3 miles northwest of Loco Hills, New Mexico.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
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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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 33545

QUESTIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 33545
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witness	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>