

**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. 23347

PRE-HEARING STATEMENT

Spur Energy Partners LLC (“Spur” or “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 PARTIES

None.

ATTORNEYS

STATEMENT OF THE CASE

Applicant applies for an order pooling all uncommitted interests within the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the E/2 of Section 10, Township 17 South, Range 32 East, Lea County, New Mexico. The spacing unit will be dedicated to the following wells (collectively “Wells”):

- **Nelson 10 Federal #10H** well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 15, Township 17 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 10, Township 17 South, Range 32 East;
- **Nelson 10 Federal #11H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 15, Township 17 South, Range 32 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 10, Township 17 South, Range 32 East;
- **Nelson 10 Federal #20H** well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 15, Township 17 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 10, Township 17 South, Range 32 East;
- **Nelson 10 Federal #60H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 15, Township 17 South, Range 32 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 10, Township 17 South, Range 32 East;
- **Nelson 10 Federal #70H** well, to be drilled from a surface hole location in the NW/4 NE/4 (Unit B) of Section 15, Township 17 South, Range 32 East, to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 10, Township 17 South, Range 32 East; and
- **Nelson 10 Federal #71H** well, to be drilled from a surface hole location in the NE/4 NE/4 (Unit A) of Section 15, Township 17 South, Range 32 East, to a bottom hole location in the NE/4 NE/4 (Unit A) of Section 10, Township 17 South, Range 32 East.

The completed interval of the Nelson 10 Federal #20H well will be located within 330' of the quarter-quarter section line separating the E/2 E/2 and E/2 W/2 of Section 10 to allow for the creation of a 320-acre standard horizontal spacing unit.

Also to be considered in each case will be the cost of drilling and completing the Wells and the allocation of the costs, the designation of Applicant as the operator of the Unit and the Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

The Wells are located approximately 1.25 miles south-southeast of Maljamar, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Lance Young	Landman	Affidavit	Approx. 5
Matthew Van Wie	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant will present this matter by affidavit if there is no opposition.

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.
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QUESTIONS

Action 190076

QUESTIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 190076
	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>