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. 23412

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 ATTORNEYS

Spur Energy Partners LLC Dana S. Hardy

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INTERESTED PARTY ATTORNEYS

None.

STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted interests within the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 19 South, Range 25 East, Eddy County, New Mexico. The spacing unit will be dedicated to the following wells (collectively "Wells"):

Patrick Federal Com 1H, Patrick Federal Com 10H, and Patrick Federal Com
 50H, which will be horizontally drilled from a surface location in the SW/4 NW/4

(Unit E) of Section 11 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 10; and

Patrick Federal Com 11H, Patrick Federal Com 51H, and Patrick Federal
 Com 71H, which will be horizontally drilled from a surface location in the NW/4
 NW/4 (Unit D) of Section 11 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 10.

The completed intervals of the Wells will be orthodox. The completed interval of the Patrick Federal Com 1H well will be within 330' of the line separating the N/2 N/2 and S/2 N/2 of Section 10 to allow for the formation of a standard 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 two miles southwest of Artesia, 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. **Santa Fe, NM 87505**

QUESTIONS

Action 216150

QUESTIONS

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	216150
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony			
Please assist us by provide the following information about your testimony.			
Number of witnesses	Not answered.		
Testimony time (in minutes)	Not answered.		