

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

**APPLICATION OF SPUR ENERGY
PARTNERS, LLC FOR COMPULSORY
POOLING AND OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. 23471

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

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INTERESTED PARTY

Apache Corporation

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STATEMENT OF THE CASE

Applicant applies for an order pooling all uncommitted mineral interests within the San Andres formation, as limited below, underlying a 120-acre, more or less, standard overlapping horizontal spacing unit comprised of the N/2 SE/4 and NE/4 SW/4 of Section 28, Township 17 South, Range 28 East, Eddy County, New Mexico. The spacing unit will be dedicated to the **Welch CD 28 State Com SA 10H** well (“Well”), which will be horizontally drilled from a surface location in the NW/4 SW/4 (Unit L) of Section 27 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 28.

The completed interval of the Well will be orthodox. There is a depth severance in the San Andres formation within the Unit. Accordingly, Spur seeks to pool interests from approximately 2,099’ TVD to approximately 3,109’ TVD.

The Unit will partially overlap with the spacing unit for the Red Lake 28 K State #002 well (API #30-015-34005), which is located in the NE/4 SW/4 of Section 28, Township 17 South, Range 28 East, Eddy County and produces from the Artesia; Glorieta-Yeso Pool (Code 96830) and the Red Lake; Queen-Grayburg-San Andres Pool (Code 51300).

The Unit will also partially overlap with the spacing unit for the Maloof State #001 well (API #30-015-41019), which is located in the NE/4 SE/4 of Section 28, Township 17 South, Range 28 East and produces from the Red Lake; Queen-Grayburg-San Andres Pool (Code 51300).

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

The Well is located approximately 13.19 miles east and 2.70 miles south of Artesia, New Mexico.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Scott Hartman	Landman	Affidavit	Approx. 6
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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Counsel for Spur Energy Partners, LLC

CERTIFICATE OF SERVICE

I hereby certify that on May 25, 2023, I served a copy of the foregoing document to the following counsel of record via electronic mail to:

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QUESTIONS

Action 220348

QUESTIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 220348
	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>