

**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. 23872

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 PARTY

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 N/2 of Section 10, Township 18 South, Range 27 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the following wells (“Wells”):

- a. **Red Skies 10 Federal Com 10H** and **Red Skies 10 Federal Com 50H** wells, to be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 10; and

- b. **Red Skies 10 Federal Com 11H, Red Skies 10 Federal Com 51H, and Red Skies 10 Federal Com 12H** wells, to be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 11 to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 10.

The completed intervals of the Wells will be orthodox. The completed interval of the **Red Skies 10 Federal Com 11H** well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/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 Wells, and a 200% charge for the risk involved in drilling and completing the Wells.

The Wells are located approximately 9.59 miles southeast 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

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 279511

QUESTIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 279511
	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>