

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

**APPLICATIONS OF FLAT CREEK RESOURCES, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case Nos. 23997-23999

PRE-HEARING STATEMENT

Applicant Flat Creek Resources, LLC (“Applicant”) provides this Pre-Hearing Statement as required by the rules of the Division.

APPEARANCES

APPLICANT

FLAT CREEK RESOURCES

APPLICANT’S ATTORNEY:

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OTHER INTERESTED PARTIES

DURANGO PRODUCTION CO.

DURANGO PRODUCTION CO. ATTORNEY:

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STATEMENT OF THE CASE

Case No. 23997: Application of Flat Creek Resources, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit (“HSU”), comprised of the E/2 E/2 of Section 2, Township 25 South, Range 26 East, and the E/2 E/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: **Jawbone Fed Com BS #1H** well, to be horizontally drilled from a surface hole location approximately 200’ FSL and 1,050’ FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100’ FNL and 770’ FEL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23998: Application of Flat Creek Resources for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”), with proximity tracts, comprised of the W/2 E/2 and E/2 W/2 of Section 2, Township 25 South, Range 26 East and the W/2 E/2 and E/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the

following 2-mile well in the HSU: **Jawbone Fed Com BS #2H** well, to be horizontally drilled from a surface hole location approximately 200' FSL and 1,070' FEL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 2,555' FEL of Section 35, T24S-R26E. With the proximity tracts, the completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

Case No. 23999: Application of Flat Creek Resources for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order from the Oil Conservation Division pooling all uncommitted mineral interests in the Bone Spring formation (Cottonwood Draw; Bone Spring (O) [97494]) in a standard 320-acre, more or less, horizontal spacing and proration unit ("HSU"), comprised of the W/2 W/2 of Section 2, Township 25 South, Range 26 East, and the W/2 W/2 of Section 35, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following 2-mile well in the HSU: **Jawbone Fed Com BS #3H** well, to be horizontally drilled from a surface hole location approximately 396' FSL and 1,156' FWL of Section 2, T25S-R26E, to a bottom hole location approximately 100' FNL and 680' FWL of Section 35, T24S-R26E. The completed interval and first and last take points will meet the setback requirements set forth in the statewide rules for horizontal oil wells. Additional considerations will be the cost of drilling and completing the well and allocation of such costs, the designation of Applicant as operator of the HSU and well to be drilled thereon, and

a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 7 miles Southeast of Whites City, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EXHIBITS

Michael Gregory, Landman

12-14 for all cases

Thomas Anderson, Geologist

12-14 for all cases

INTERESTED PARTY

WITNESSES

EXHIBITS

TBD

PROCEDURAL MATTERS

This case is currently on the December 7, 2023 docket and will be presented by affidavit, assuming no opposition at the time of hearing. If there is opposition to hearing on December 7, 2023, Applicant requests that these cases be set for a contested hearing as soon as possible, because it plans to spud these wells in January 2024.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: /s/ Sharon T. Shaheen

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Attorneys for Flat Creek Resources, LLC

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing to be served by electronic mail to the following counsel:

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Deana M. Bennett

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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 289972

QUESTIONS

Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102	OGRID: 374034
	Action Number: 289972
	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>