

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

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

Case No. 26110

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

FLAT CREEK RESOURCES, LLC

ATTORNEY

Sharon T. Shaheen
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OTHER PARTIES

None at this time

STATEMENT OF THE CASE

Applicant in the above-styled cause seeks an order from the Division pooling all uncommitted mineral interests in the Bone Spring formation, down to 8,062’ (being 300’ above the top of the Wolfcamp Formation, or 8,362’) (WILLOW LAKE; BONE SPRING, WEST [96415]) Bone Spring formation (WILLOW LAKE; BONE SPRING, WEST [96415]) in a non-standard 640-acre, more or less, horizontal spacing and proration unit (“HSU”) comprised of the N/2 of Sections 22 and 23, Township 24 South, Range 26 East, in Eddy County, New Mexico. Applicant proposes to drill the following wells in the HSU: **Jurnegan Fed Com BS2 #1H** well,

to be horizontally drilled from a surface hole location approximately 948’ FNL and 713’ FWL of Section 22, T24S-R26E to a bottom hole location approximately 440’ FNL and 15’ FEL of Section 23, T24S-R26E; and **Jurnegan Fed Com BS2 #2H** well, to be horizontally drilled from a surface hole location approximately 978’ FNL and 713’ FWL of Section 22, T24S-26E to a bottom hole location approximately 1,870’ FNL and 15’ FEL of Section 23, T24S-R26E. The completed intervals and first and last take points will meet statewide setback requirements for horizontal oil wells. Also to be considered will be the cost of drilling and completing the well and the allocation of the costs, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The wells and land are approximately 5 miles Northeast of Whites City, New Mexico.

This application proposes a spacing unit that is similar to, and would replace, the spacing unit proposed by Flat Creek in pending Case No. 25255, wherein Flat Creek proposed to pool the entire Bone Spring formation across a depth severance that exists at 8,062’ (being 300’ above the top of the Wolfcamp Formation, or 8,362’). The application in Case No. 25255 was first heard May 8, 2025. Supplemental evidence was submitted on March 19, 2026 at the Division’s request and the case was again heard on March 26, 2026. Flat Creek has a farmout agreement with an imminent deadline for production. Flat Creek is therefore filing the instant application in an effort to obtain an order in sufficient time to satisfy the deadline in the farmout agreement, in the event an order approving the application in Case No. 25255 is not issued in the next 30-45 days.

PROPOSED EVIDENCE

APPLICANT:

WITNESSES

Landman Michael Gregory

Geologist Marshall D. Davis

EXHIBITS

5-6

5-6

PROCEDURAL MATTERS

Assuming no opposition at the time of hearing, this case will be presented by affidavit.

Respectfully submitted,

SHAHEEN LAW NM LLC

By: /s/Sharon T. Shaheen

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

Action 580941

QUESTIONS

Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102	OGRID: 374034
	Action Number: 580941
	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>