

**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. 21676

PRE-HEARING STATEMENT

Spur Energy Partners, LLC (“Applicant”) submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Spur Energy Partners, LLC

ATTORNEYS

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INTERESTED PARTIES

ConocoPhillips Company

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STATEMENT OF THE CASE

Applicant seeks an order pooling all uncommitted mineral interests in the Yeso formation (from the stratigraphic equivalent of 4,225' MD to 5,000' MD as observed on the Anderson-Federal 1 well Schlumberger Sidewall Neutron Porosity Log (API No. 30-015-20565)) in a 315-acre, more or less, standard (proximity tract) horizontal spacing unit comprised of the S/2 of Section 7, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to following wells: (1) Merak 7 Federal 10H well, which will be horizontally drilled from a surface location in Unit L of Section 8 to a bottom hole location in Lot 3 of Section 7; (2) Merak 7 Federal 11H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7; (3) Merak 7 Federal 22H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 3 of Section 7; (4) Merak 7 Federal 51H well, which will be horizontally drilled from a surface location in Unit L of Section 8 to a bottom hole location in Lot 3 of Section 7; and (5) Merak 7 Federal 52H well, which will be horizontally drilled from a surface location in Unit M of Section 8 to a bottom hole location in Lot 4 of Section 7. The completed intervals of the wells will be orthodox.

Also to be considered in both matters will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC 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 3 miles northwest of Loco Hills, New Mexico.

PROPOSED EVIDENCE

<u>Witness</u>	<u>Occupation</u>	<u>Estimated Time</u>	<u>Exhibits</u>
Morgan Landry	Landman	Affidavit	Approx. 7
C. J. Lipinski	Geologist	Affidavit	Approx. 5

PROCEDURAL MATTERS

Applicant will present its case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

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Counsel for Spur Energy Partners, LLC

CERTIFICATE OF SERVICE

I hereby certify that on April 15, 2021, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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