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

APPLICATION OF SEGURO OIL AND GAS, LLC FOR APPROVAL OF THE EXPANSION OF THE UNITIZED INTERVAL IN THE WEST SQUARE LAKE UNIT, EDDY COUNTY, NEW MEXICO

Case No. 20253

SEGURO OIL AND GAS, LLC'S PRE-HEARING STATEMENT

Seguro Oil and Gas, LLC ("Seguro") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

Seguro is the applicant in this case. Its business address is Post Office Box 3176, Midland, Texas 79702. Seguro is represented by the undersigned counsel.

STATEMENT OF THE CASE

Seguro's application requests an order approving an expansion of the unitized interval in the West Square Lake Unit ("the Unit"). The Unit is comprised of 3,320 acres, more or less, of Federal and State of New Mexico lands in Eddy County, described as follows:

Township 16 South, Range 30 East, N.M.P.M.

Section 26: SE/4 and S/2 NE/4

Section 32: E/2 SE/4 and SE/4 NE/4

Section 33: All

Section 34: All

Section 35: All

Section 33. An

Section 36: S/2

Township 17 South, Range 30 East, N.M.P.M.

Section 2: N/2 N/2

Section 4: N/2 SE/4, N/2 SW/4, and SE/4 SW/4

The unitized interval extends from 2,818 to 3,150 feet. Seguro seeks to vertically expand the bottom depth of the unitized interval to the stratigraphic equivalent of the base of the San Andres formation at a measured depth of 4,180 feet, as encountered in the Aspen Federal Com #1H well (API No. 30-015-31656) located in Section 31, Township 16 South, Range 31 East.

PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Van Tettleton (Landman)	10 minutes	Approx. 5
Jack Bradley (Geologist)	10 minutes	Approx. 5
Ross Pearson (Engineer)	10 minutes	Approx. 5

Seguro reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

Seguro is not aware of any procedural matters to be resolved prior to the hearing.

Respectfully submitted,

HINKLE SHANOR LLP

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