

From: [Sandoval, Stacy, EMNRD](#)
To: [Dana S. Hardy](#)
Cc: [Goetze, Phillip, EMNRD](#); [Harris, Anthony, EMNRD](#); [Chavez, Carl, EMNRD](#); [Doug, Delilah, EMNRD](#); [Cordero, Gilbert, EMNRD](#); [Wrinkle, Justin, EMNRD](#)
Subject: Signed Extension of Injection Authority_SWD-1270_Skelly Unit No. 51_SEP Legacy LLC
Date: Wednesday, July 29, 2026 9:56:00 AM
Attachments: [SWD-1270_SEP Legacy LLC Skelly Unit No. 51 EOT Signed.pdf](#)
[image001.png](#)

Greetings Ms. Hardy,

Attached is the signed Extension of Injection Authority for the subject administrative order. Ensure that you understand the provisions of the extension order. Don't hesitate to contact the UIC team with any questions about the extension order or its content.

Thank you,

Stacy Sandoval

Petroleum Specialist

Stacy.Sandoval@emnrd.nm.gov



From: [Dana S. Hardy](#)
To: [Sandoval, Stacy, EMNRD](#); [Engineer, OCD, EMNRD](#); [Goetze, Phillip, EMNRD](#)
Cc: [ypena@hardymclean.com](#); [Harris, Anthony, EMNRD](#); [Doug, Delilah, EMNRD](#); [Wrinkle, Justin, EMNRD](#)
Subject: RE: [EXTERNAL] SEP Legacy LLC/Spur Energy Partners Injection Extension Request
Date: Thursday, July 9, 2026 5:28:34 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

Thank you!



Dana S. Hardy
Senior Managing Partner

Phone: 505-230-4426

Email: dhardy@hardymclean.com

Web www.hardymclean.com

125 Lincoln Avenue, Suite 223, Santa Fe, NM 87501



This message (including attachments) constitutes a confidential attorney-client or is otherwise a confidential communication from the law firm, Hardy McLean LLC, that is covered by the Electronic Communications Privacy Act, 18 U.S.C. Sections 2510-2521, and is intended solely for the use of the individual(s) or entity to whom it is addressed. It is not intended for transmission to, or receipt by, any unauthorized person. If you are not the intended recipient or received these documents by mistake or error, please do not read it and immediately notify us by collect telephone call to (505) 230-4410 for instructions on its destruction or return. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, action or reliance upon the contents of the documents is strictly prohibited.

From: Sandoval, Stacy, EMNRD <Stacy.Sandoval@emnrd.nm.gov>
Sent: Thursday, July 9, 2026 4:48 PM
To: Dana S. Hardy <dhardy@hardymclean.com>; Engineer, OCD, EMNRD <OCD.Engineer@emnrd.nm.gov>; Goetze, Phillip, EMNRD <phillip.goetze@emnrd.nm.gov>
Cc: Yarithza Peña <ypena@hardymclean.com>; Harris, Anthony, EMNRD <Anthony.Harris@emnrd.nm.gov>; Doug, Delilah, EMNRD <Delilah.Doug@emnrd.nm.gov>; Wrinkle, Justin, EMNRD <Justin.Wrinkle@emnrd.nm.gov>
Subject: RE: [EXTERNAL] SEP Legacy LLC/Spur Energy Partners Injection Extension Request

Good afternoon Ms. Hardy,

Your extension request for the Skelly Unit No.51 and Skelly Unit No. 902 has been received. Your submission was timely and maintains injection authority while the OCD completes an extension order for Director's approval.

Thank you,

Stacy Sandoval
Petroleum Specialist
Stacy.Sandoval@emnrd.nm.gov



From: Dana S. Hardy <dhardy@hardymclean.com>
Sent: Monday, June 29, 2026 8:58 AM
To: Engineer, OCD, EMNRD <OCD.Engineer@emnrd.nm.gov>; Goetze, Phillip, EMNRD <Phillip.Goetze@emnrd.nm.gov>
Cc: Dana S. Hardy <dhardy@hardymclean.com>; ypena@hardymclean.com; Harris, Anthony, EMNRD <Anthony.Harris@emnrd.nm.gov>
Subject: [EXTERNAL] SEP Legacy LLC/Spur Energy Partners Injection Extension Request

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Good morning,

I'm attaching correspondence requesting an injection extension for Skelly Unit Well No. 51 (API No. 30-15-05348) (Order No. SWD-1270) and Skelly Unit Well No. 902 (API No. 30-015-29322) (Order No. R-13388).

Please let me know if you need any additional information. Thank you for your consideration of this request.

Best regards,
Dana



Dana S. Hardy
Senior Managing Partner

Phone: 505-230-4426

Email: dhardy@hardymclean.com

Web www.hardymclean.com

125 Lincoln Avenue, Suite 223, Santa Fe, NM 87501



This message (including attachments) constitutes a confidential attorney-client or is otherwise a confidential communication from the law firm, Hardy McLean LLC, that is covered by the Electronic Communications Privacy Act, 18 U.S.C. Sections 2510-2521, and is intended solely for the use of the individual(s) or entity to whom it is addressed. It is not intended for transmission to, or receipt by, any unauthorized person. If you are not the intended recipient or received these documents by mistake or error, please do not read it and immediately notify us by collect telephone call to (505) 230-4410 for instructions on its destruction or return. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, action or reliance upon the contents of the documents is strictly prohibited.



June 29, 2026

VIA EMAIL

Phillip Goetze
Engineering Underground Injection Control Group
Oil Conservation Division
Energy, Minerals and Natural Resources Department
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

**Re: SEP Legacy LLC's (as successor-in-interest to Spur Energy Partners LLC)
Request for Extension of Injection Authority for Skelly Unit Well No. 51 (API
No. 30-15-05348) (Order No. SWD-1270) and Skelly Unit Well No. 902 (API
No. 30-015-29322) (Order No. R-13388)**

Dear Mr. Goetze,

In accordance with Division Rule 19.15.26.12(C)(2) NMAC, I am writing on behalf of SEP Legacy LLC (OGRID No. 333683) (as successor-in-interest to Spur Energy Partners LLC (OGRID No. 328947)) ("SEP") to respectfully request an extension of injection authority for the Skelly Unit Well No. 51 and Skelly Unit Well No. 902 wells ("Wells"), currently permitted under Order Nos. SWD-1270 and R-13388, respectively.

The Oil Conservation Division ("Division") issued Administrative Order SWD-1270 on March 29, 2011, granting injection authority for the Skelly Unit Well No. 51, located 1980 feet from the South line and 660 feet from the East line, Unit Letter I of Section 22, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

The Division issued Order No. R-13388 on May 5, 2011, granting injection authority for the Skelly Unit Well No. 902, located 1650 feet from the North line and 990 feet from the West line, Unit E of Section 15, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

Under both orders and Division Rule 19.15.26.12(C)(1) NMAC, a continuous one-year period of non-injection causes the Division to consider the well or project abandoned, and the injection authority to terminate. However, for good cause shown, the Director may grant one or more administrative extensions of injection authority as an exception to this requirement, provided

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMcClean.com

Writer:
Dana S. Hardy
Senior Managing Partner
dhardy@hardymcClean.com

Hardy McLean LLC
June 29, 2026

Page 2

such extension is granted prior to the expiration of the one-year period of non-injection or during the term of a previously granted extension in accordance with 19.15.26.12(C)(2) NMAC.

SEP ceased injection into the Wells in 2025 due to mechanical integrity concerns. Specifically:

- The Skelly Unit Well No. 51 was found to have pressure on the annulus on or around July 22, 2025, at which time injection operations were immediately ceased; and
- The Skelly Unit Well No. 902 was found to have pressure on the annulus on or around October 23, 2025, at which time injection operations were likewise ceased.

At the time the pressure conditions were identified, SEP evaluated the Wells and determined that it was not economic to rework them. At that time, other saltwater disposal wells within SEP's system were capable of handling the Skelly Unit produced water volumes. As a result, SEP elected to defer remedial work on the Wells.

Since that time, operational conditions have changed. SEP has voluntarily curtailed disposal operations within the Dagger Draw area, which has reduced overall disposal capacity across the system. As a result, the Wells are now needed to ensure sufficient produced water handling capacity. Based on current conditions, SEP has determined that repairing and returning these Wells to service is now economically viable and operationally necessary.

SEP intends to perform the appropriate workover and repairs required to restore mechanical integrity and return the Wells to injection service in compliance with Division regulations and permit conditions. However, additional time is required to plan, schedule, and complete this work.

Because injection has been inactive for nearly one year, SEP understands that the current injection authority would lapse absent an extension. Accordingly, SEP respectfully requests that the Division grant an extension of the injection authority for the Wells for an additional year (until July 22, 2027 for the Skelly Unit Well No. 51 and until October 23, 2027 for the Skelly Unit Well No. 902), or such time as deemed appropriate by the Division, to allow SEP to complete the necessary work and safely return the Wells to service. Good cause exists for the requested extensions.

Thank you for your attention to this matter. Please let me know if you require additional information.

Hardy McLean LLC
June 29, 2026

Page 3

Very truly yours,

HARDY McLEAN LLC

/s/ Dana S. Hardy
Dana S. Hardy

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/oed/contact-us>

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 609111

CONDITIONS

Operator: NEW MEXICO ENERGY MINERALS & NATURAL RESOURCE 1220 S St Francis Dr Santa Fe , NM 87504	OGRID: 264235
	Action Number: 609111
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
stacy.sandoval	None	7/29/2026