

**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. _____

APPLICATION

Spur Energy Partners, LLC (“Spur” or “Applicant”) (OGRID No. 338479) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in a portion of the Yeso formation, from the top of the Atoka; Glorieta Yeso Pool (3250) to a depth of 3200 feet, underlying a standard 200-acre, more or less, horizontal spacing unit comprised of the N/2 S/2 of Section 28, and the NE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of its application, Spur states:

1. An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced spacing unit to the proposed initial wells: (1) the **Radiohead #1H well**, and (2) the **Radiohead #2H well**, to be drilled from a common surface location in the NW/4 SW/4 (Unit L) of Section 27 to bottom hole locations in the NE/4 SE/4 (Unit I) of Section 29.
3. The completed intervals of the wells will comply with Statewide rules for oil wells.
4. A depth severance exists in the Yeso formation within the proposed the horizontal spacing unit, and Spur seeks to pool only a portion of the Atoka; Glorieta Yeso Pool from the top of the pool at a stratigraphic equivalent of 2,279 feet measured depth, as defined in the Gamma Ray-Neutron Log of the Len Mayer 1 Well (API No. 30-015-05926), to a depth of 3200 feet. Spur

will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

5. Spur has sought and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit.

6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

7. In order to permit Spur to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this proposed unit should be pooled, and Spur should be designated the operator of the proposed horizontal spacing unit and the proposed initial wells.

WHEREFORE, Spur requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Yeso formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- E. Imposing a 200% charge for the risk assumed by Applicant in drilling and completing the well against any working interest owner who does not voluntarily participate in the drilling of the wells.

Respectfully submitted,

HOLLAND & HART LLP

A handwritten signature in blue ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

By: _____

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