

Smashing Pumpkins #10H, #50H, #70H wells Case No. 22470

NMOCD Exhibits Hearing Date: Jan. 6th, 2022

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-21580, EDDY COUNTY, NEW MEXICO.

CASE NO. 22470

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-21580, EDDY COUNTY, NEW MEXICO.

CASE NO. 22470

APPLICATION

Spur Energy Partners, LLC ("Spur" or "Applicant") (OGRID No. 328947) through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-21580 (the "Order") to allow for a one year extension for drilling the proposed initial

well under the Order. In support of its application, Spur states:

1. Order No. R-21580, entered on January 19, 2021, in Case No. 21587, created a

standard 160-acre horizontal spacing unit in the Yeso formation, from a depth of 3,001 feet to the

base of the Yeso formation, underlying the N/2 S/2 of Section 18, Township 18 South, Range 27

East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Applicant as the operator

of the Unit.

2. The Unit was designated to the proposed initial (1) the Smashing Pumpkins #10H

well, (2) the Smashing Pumpkins #50H well, and (3) the Smashing Pumpkins #70H well.

3. Order No. R-21580 required the drilling of the initial well by January 19, 2022.

4. There is good cause for Spur's request that the Order be re-opened and

amended to allow Spur additional time to commence drilling the well under the Order.

5. The decline in commodity prices in 2020 caused by the global COVID

pandemic and other economic factors led Spur to reduce its rig count, thereby causing

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico

Exhibit No. A
Submitted by: Spur Energy Partners, LLC
Hearing Date: January 06, 2022

Case No. 22470

Spur to delay its intended plans to develop the acreage subject to the Order. Spur anticipates being able to drill the initial well required by the Order within the next year.

6. Therefore, Spur requests a one-year extension of time to drill the initial well under the Order, until January 19, 2023.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and, after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

HOLLAND & HART LLP

By:

Michael H. Feldewert Adam G. Rankin Julia Broggi Kaitlyn A. Luck

Post Office Box 2208 Santa Fe, NM 87504

505-998-4421

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ATTORNEYS FOR SPUR ENERGY PARTNERS, LLC

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND **ORDER NO. R-21580,** EDDY COUNTY, NEW MEXICO.

CASE NO. 22470

AFFIDAVIT OF RETT DALTON

Rett Dalton, of lawful age and being first duly sworn, declares as follows:

1. My name is Rett Dalton. I am a landman for Spur Energy Partners, LLC ("Spur").

2. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum land matters. My credentials as a petroleum land manager have been

accepted by the Division and made a matter of record.

I am familiar with the application filed by Spur in this case, and I am familiar with

the status of the lands in the subject area.

4. None of the pooled parties has indicated opposition to this extension application,

and therefore I do not expect any opposition at the hearing.

5. Order No. R-21579, entered on January 21, 2021, in Case No. 21586, created a

standard 160-acre horizontal spacing unit in the Yeso formation, from the top of the Yeso

formation to a depth of 3,000 feet, underlying the N/2 S/2 of Section 18, Township 18 South,

Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Applicant as the

operator of the Unit.

6. The Unit was designated to the proposed initial Smashing Pumpkins #1H well, to

be drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 13 to bottom hole locations

in the NE/4 SE/4 (Unit I) of Section 18.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B

Submitted by: Spur Energy Partners, LLC Hearing Date: January 06, 2022

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- 7. Order No. R-21579 required the drilling of the initial well by January 21, 2022.
- 8. There is good cause for Spur's request that the Order be re-opened and amended to allow Spur additional time to commence drilling the well under the Order.
- 9. The decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors led Spur to reduce its rig count, thereby causing Spur to delay its intended plans to develop the acreage subject to the Order. Spur anticipates being able to drill the initial well required by the Order within the next year.
- 10. Therefore, Spur requests a one-year extension of time to drill the initial well under the Order, until January 21, 2023.
- 11. Spur provided our outside counsel, Holland and Hart, with a list of the working interest owners that remain subject to each pooling order and instructed them to provide notice of this hearing to these pooled working interest owners.
- 12. None of the working interest owners that remain subject to these pooling orders have been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

FURTHER AFFIANT SAYETH NOT.

Received by OCD: 1/4/2022 8:49:30 PM

REIT DALTON

Released to Imaging: 1/5/2022 8:48:47 AM

STATE OF TEXAS

COUNTY OF Harris

)

SUBSCRIBED and SWORN to before me this 4th day of January 2022 by

Rett Dalton.

JAMES MARSHALL BURGE Notary Public, State of Texas Comm. Expires 04-27-2023 Notary ID 130205231

MOTARY PUBLIC

My Commission Expires:

4-27-2023

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-21580, EDDY COUNTY, NEW MEXICO.

CASE NO. 22470

AFFIDAVIT

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Kaitlyn A. Luck, attorney in fact and authorized representative of Spur Energy Partners LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 4th day of January, 2022 by Kaitlyn A. Luck.

My Commission Expires:

Nov. 12,2023

OFFICIAL SEAL
Carla Garcia
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: NOV 12, 2023

Notary Public

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Spur Energy Partners, LLC
Hearing Date: January 06, 2022
Case No. 22470



Kaitlyn A. Luck Phone (505) 954-7286 KALuck@hollandhart.com

December 17, 2021

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Spur Energy Partners, LLC for to Amend Order No. R-21580,

Eddy County, New Mexico.

Smashing Pumpkins #10H, #50H, #70H wells

Ladies & Gentlemen:

This letter is to advise you that Spur Energy Partners, LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 6, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Rett Dalton at (832) 930-8529 or radalton@spurepllc.com.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR SPUR ENERGY PARTNERS,

for

LLC

Received by OCD: 1/4/2022 8:49:30 PM

Spur_Smashing Pumpkins 10H 50H R-21580 deep Case No. 22470 Postal Delivery Report

						Your item arrived at the SANTA FE, NM 87504 post office
						at 10:12 am on December 27, 2021 and is ready for
9414811898765845739980	Pecos Oil and Gas LLC	1455 West Loop S Ste 230	Houston	TX	77027-9521	
						This is a reminder to arrange for redelivery of your item
9414811898765845739935	Dianne Cahoon Magee	19 John Dyer Way	Doylestown	PA	18902-9615	or your item will be returned to sender.
						Your item was delivered to an individual at the address at
9414811898765845739973	Edward Charles Cahoon	151 Wharton Row	Groton	MA	01450-4244	2:49 pm on December 22, 2021 in GROTON, MA 01450.
						Your item was delivered to an individual at the address at
9414811898765845739614	Heirs of Johnnie Rogers	4404 Taos St	Carlsbad	NM	88220-9069	9:38 am on December 28, 2021 in CARLSBAD, NM 88220.
						Your item arrived at the SANTA FE, NM 87501 post office
9414811898765845739652	Heirs of Mary Lutz Cahoon Grantham, Deceased	2703 N Montana Ave	Roswell	NM	88201-3450	at 7:37 am on December 28, 2021 and is ready for pickup.
	, , , , ,					, , , ,
						Your item was delivered to an individual at the address at
9414811898765845739669	Scott TrustSayre, OK 73662	1303 N 1st St Apt B	Sayre	OK	73662-1811	12:59 pm on December 20, 2021 in SAYRE, OK 73662.
0.41.401.10007650.45720621	Robby Unvilka/a Hanninghausan & Olean H.B.	PO Box 1415	Roswell	NM	00202 1415	Your item was picked up at a postal facility at 10:32 am on
9414611696/05645/59021	Bobby Hnulikc/o Henninghausen & Olsen, LLP	PO BOX 1415	Rosweii	INIVI	88202-1415	December 20, 2021 in ROSWELL, NM 88202.
						Your item was delivered to an individual at the address at
9414811898765845739607	Patricia Price Roberson	1516 S Lamar St	Amarillo	TX	79102-2318	8:45 am on December 21, 2021 in AMARILLO, TX 79102.
						Your package will arrive later than expected, but is still on
9414811898765845739690	Richard E. Johnson	140 N. Edaylya Rd	Winfield	МО	63389	its way. It is currently in transit to the next facility.
0444044000765045720645	Dadas, Kaisar	1107 W 9th St	\A/:lasiaataa	DE	10000 4012	Your package will arrive later than expected, but is still on
9414811898765845739645	Rodney Kaiser	1107 W 9th St	Wilmington	DE	19806-4613	its way. It is currently in transit to the next facility.
						Your item was delivered to an individual at the address at
9414811898765845739683	Glenn A. Kaiser	2133 Horace Ave	Abington	PA	19001-3605	1:08 pm on December 22, 2021 in ABINGTON, PA 19001.
						Your package will arrive later than expected, but is still on
9414811898765845739638	Tessie Wellman Darnell and Carolyn L. Sauer,	5101 River Rd Apt 1812	Bethesda	MD	20816-1574	its way. It is currently in transit to the next facility.
9414811898765845739676	Sharbro Engrav II C	PO Box 840	Artesia	NM	99211_0940	Your item was picked up at the post office at 10:30 am on December 20, 2021 in ARTESIA, NM 88210.
9414011030703043733070	Sharbro Lifetgy LLC	FO BOX 840	Aitesia	INIVI	88211-0840	We attempted to deliver your package at 7:30 am on
						December 21, 2021 in ARTESIA, NM 88210 but could not
						access the delivery location. We will redeliver on the next
9414811898765845739119	Yates Industies LLC	104 S 4th St	Artesia	NM	88210-2123	business day.
						Vous item departed our ALISTIN TV DISTRIBUTION CENTER
						Your item departed our AUSTIN TX DISTRIBUTION CENTER destination facility on December 29, 2021 at 6:38 pm. The
9414811898765845739157	Laura Jane Perry	3001 Del Curto Rd Unit 4	Austin	TX	78704-5155	item is currently in transit to the destination.
3					3.11.1230	Your item was picked up at a postal facility at 10:54 am on
9414811898765845739126	Great Western Drilling Company	PO Box 1659	Midland	TX	79702-1659	December 27, 2021 in MIDLAND, TX 79701.
						Your item was delivered at 6:44 am on December 21,
9414811898765845739102	Davoil INC	PO Box 122269	Fort Worth	TX	76121-2269	2021 in FORT WORTH, TX 76121.
9414811898765845730105	Billy C. Norwood & Betty N. Norwood	503 W Royall Blvd	Malakoff	TX	75148	Your package will arrive later than expected, but is still on its way. It is currently in transit to the next facility.
3 .14011030703043733133	Billy C. NOI WOOD & Betty N. NOI WOOD	300 W Noyali biva	i i i i i i i i i i i i i i i i i i i	117	, , , , , , ,	



Affidavit of Publication Ad # 0005056913 This is not an invoice

HOLLAND & HART POBOX 2208

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

12/26/2021

Subscribed and sworn before me this December 26,

2021:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

PO #: Case No. 22470 # of Affidavits 1

Ad # 0005056913

This is not an invoice

KATHLEEN ALLEN Notary Public State of Wisconsin

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Spur Energy Partners, LLC
Hearing Date: January 06, 2022
Case No. 22470

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, January 6, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at https://www.emnrd.nm.gov/ocd/hearing-info/ or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at https://locdimage.emnrd.nm.gov/lmaging/Default.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than December 26, 2021.

Persons may view and participate in the hearings through the following link:

https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID=ea32683a0cd6466aedc002b940813ad68 Event number: 2499 136 6690 Event password: 3qyGqNJ3N63

Join by video: 24991366690@nmemnrd.webex.com Numeric Password: 162064 You can also dial 173.243.2.68 and enter your meeting numher

Join by audio: 1-844-992-4726 United States Toll Free Access code: 2499 136 6690

> STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All pooled working interest owners, including: Pecos Oil and Gas LLC; Dianne Cahoon Mageev, her heirs and devisees; Edward Charles Cahoon, his heirs and devisees; Heirs and devisees of Johnnie Rogers; Heirs and devisees of Mary Lutz Cahoon Grantham, Deceased; Scott Trust, his heirs and devisees; Bobby Hnulik c/o Henninghausen & Olsen, LLP; Patricia Price Roberson, her heirs and devisees; Richard E. Johnson, his heirs and devisees; Rodney Kaiser, his heirs and devisees; Glenn A. Kaiser, his heirs and devisees; Tessie Wellman Darnell and Carolyn L. Sauer, as JT, their heirs and devisees; Sharbro Energy LLC; Yates Industries LLC; Laura Jane Perry, her heirs and devisees; Mark Holomon Tolliver, his heirs and devisees; Great Western Drilling Company C/O GW Holdings INC; Davoil INC; Billy C. Norwood & Betty N. Norwood c/o Norwood Oil Company; Citizen's Bank & Trust of Ardmore, OK. Successor Trustee of Residuary Trust of T.C. Stromberg & June B. Stromberg Rev. Tr.; Sara S. Zeleny, her heirs and devisees; and Ann S. Yates, her heirs and devisees.

Case No. 22470: Application of Spur Energy Partners, LLC for to Amend Order No. R-21580, Eddy County, New Mexico. Applicant in the above-styled cause seeks an extension of time for drilling the initial well under Order No. R-21580. Order No. R-21580 created a standard 160-acre horizontal spacing unit in the Yeso formation, from a depth of 3,001 feet to the base of the Yeso formation, underlying the N/2 5/2 of Section 18, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, and pooled all uncommitted interests in the pooled portion of the Yeso formation. Order No. R-21580 dedicated the spacing unit to the (1) the Smashing Pumpkins #10H well, (2) the Smashing Pumpkins #50H well, and (3) the Smashing Pumpkins #70H well. Applicant seeks a drilling extension until January 21, 2023. Said area is located approximately 13 miles south of Artesia, New Mexico.