

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

**APPLICATION OF SPUR ENERGY PARTNERS LLC
TO EXTEND TIME TO COMMENCE
DRILLING OPERATIONS,
EDDY COUNTY, NEW MEXICO.**

**Case No. _____
Order No. R-21859-A**

APPLICATION

Spur Energy Partners LLC (“Spur”) (OGRID No. 328947) files this application with the Oil Conservation Division (“Division”) requesting a one-year extension of time to commence drilling the wells authorized by Order No. R-21859-A until October 7, 2024. In support of its application, Spur states the following.

1. The Division issued Order No. R-21859 in Case No. 21676 on October 7, 2021, approving 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 (“Unit”), and designating Spur as operator of the Unit.

2. The Order further pooled all uncommitted interests within the Yeso formation at a depth of 4,225’ to 5,000’ in the Loco Hills; Glorieta-Yeso Pool (96718) underlying the Unit and dedicated the Unit to the Merak 7 Federal 10H well; Merak 7 Federal 11H well; Merak 7 Federal 22H well; Merak 7 Federal 51H well; and the Merak 7 Federal 52H well (collectively “Wells”).

3. The Order required Spur to commence drilling the Wells within one (1) year of the date of the Order unless Spur obtained a time extension from the Division Director for good cause shown.

4. The Division entered Order No. R-21859-A on October 28, 2022, extending the deadline to commence drilling the Wells until October 7, 2023.

5. Paragraph 8 of Order No. R-21859-A provides that the Order shall terminate automatically if Operator fails to commence drilling the Wells by October 7, 2023 unless good cause is shown.

6. Spur's ability to commence drilling the Wells has been delayed by offset development and Spur's need to avoid potential conflicts with simultaneous drilling operations.

7. Good cause exists for the requested extension.

8. Accordingly, Applicant requests that the Division extend the deadline to commence drilling the Wells to October 7, 2024.

WHEREFORE, Spur requests that this application be set for hearing on September 7, 2023, and after notice and hearing, the Division extend the deadline for Spur to commence drilling the Wells until October 7, 2024.

Respectfully submitted,

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