

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

**APPLICATION OF SPUR ENERGY PARTNERS LLC
FOR COMPULSORY POOLING AND
APPROVAL OF OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Spur” or “Applicant”) applies for an order pooling all uncommitted interests from approximately 3,935’ MD to 5,110’ MD, underlying a 320-acre, more or less, standard, overlapping horizontal spacing unit comprised of the S/2 of Section 29, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of this application, Spur states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following wells (“Wells”):
 - a) **Smithdale 29 Federal Com 50H** well (API No. 30-015-56423), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 29;
 - b) **Smithdale 29 Federal Com 70H** well (API No. 30-015-56424), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 29;
 - c) **Smithdale 29 Federal Com 71H** well (API No. 30-015-56425), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29;
 - d) **Smithdale 29 Federal Com 90H** well (API No. 30-015-56427), which will

be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 29; and

- e) **Smithdale 29 Federal Com 91H** well (API No. 30-015-56428), which will be drilled from a surface hole location in the NE/4 SE/4 (Unit I) of Section 30 to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29.

3. The completed intervals of the Wells will be orthodox.

4. The completed interval of the **Smithdale 29 Federal Com 50H** well will be located within 330' of the quarter-quarter section line separating the N/2 S/2 and the S/2 S/2 of Section 29 to allow for the creation of a 320-acre standard horizontal spacing unit.

5. Applicant seeks only to pool those uncommitted interests from the top of the Blinbry at a stratigraphic equivalent depth of approximately 3,935' MD, as found in the Schlumberger Outlaw State #12 (API No. 30-015-42562) Compensated Neutron LithoDensity log, to 5,110' MD.

6. The Wells partially overlap with the spacing units for the following wells, which produce from the Artesia; Glorieta-Yeso (O) pool (Code 96830):

- a) Williams A Federal #002Q (API No. 30-015-32459), which is located in Unit K of Section 29, Township 17 South, Range 28 East;
- b) Williams A Federal #001Z (API No. 30-015-32554), which is located in Unit N of Section 29, Township 17 South, Range 28 East;
- c) Williams A Federal #004T (API No. 30-015-33130), which is located in Unit L of Section 29, Township 17 South, Range 28 East;
- d) Williams A Federal #005 (API No. 30-015-33232), which is located in Unit M, Section 29, Township 17 South, Range 28 East;

- e) Red Lake 29 I State #001 (API No. 30-015-33579), which is located in Unit I, Section 29, Township 17 South, Range 28 East;
- f) Red Lake 29 I State #002 (API No. 30-015-34003), which is located in Unit I, Section 29, Township 17 South, Range 28 East;
- g) Williams A Federal #006 (API No. 30-015-34200), which is located in Unit L, Section 29, Township 17 South, Range 28 East;
- h) Williams A Federal #003 (API No. 30-015-34614), which is located in Unit L, Section 29, Township 17 South, Range 28 East;
- i) Williams A Federal #007 (API No. 30-015-36512), which is located in Unit K, Section 29, Township 17 South, Range 28 East;
- j) Williams A Federal #008 (API No. 30-015-36513), which is located in Unit N, Section 29, Township 17 South, Range 28 East;
- k) Williams A Federal #010 (API No. 30-015-40480), which is located in Unit M, Section 29, Township 17 South, Range 28 East;
- l) Williams A Federal #012 (API No. 30-015-41890), which is located in Unit N, Section 29, Township 17 South, Range 28 East;
- m) Williams A Federal #014 (API No. 30-015-41891), which is located in Unit L, Section 29, Township 17 South, Range 28 East;
- n) Williams A Federal #015 (API No. 30-015-41892), which is located in Unit M, Section 29, Township 17 South, Range 28 East;
- o) Williams A Federal #011 (API No. 30-015-41983), which is located in Unit K, Section 29, Township 17 South, Range 28 East;
- p) Williams A Federal #016 (API No. 30-015-42116), which is located in Unit

- N, Section 29, Township 17 South, Range 28 East;
- q) Williams A Federal #013 (API No. 30-015-42303), which is located in Unit K, Section 29, Township 17 South, Range 28 East;
 - r) Outlaw State #002 (API No. 30-015-42554), which is located in Unit P, Section 29, Township 17 South, Range 28 East;
 - s) Outlaw State #005 (API No. 30-015-42555), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
 - t) Outlaw State #006 (API No. 30-015-42556), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
 - u) Outlaw State #007 (API No. 30-015-42557), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
 - v) Outlaw State #008 (API No. 30-015-42558), which is located in Unit O, Section 29, Township 17 South, Range 28 East;
 - w) Outlaw State #009 (API No. 30-015-42559), which is located in Unit J, Section 29, Township 17 South, Range 28 East;
 - x) Outlaw State #010 (API No. 30-015-42560), which is located in Unit J, Section 29, Township 17 South, Range 28 East;
 - y) Outlaw State #011 (API No. 30-015-42561), which is located in Unit J, Section 29, Township 17 South, Range 28 East;
 - z) Outlaw State #012 (API No. 30-015-42562), which is located in Unit J, Section 29, Township 17 South, Range 28 East;
 - aa) Outlaw State #001 (API No. 30-015-42563), which is located in Unit P, Section 29, Township 17 South, Range 28 East;

bb) Outlaw State #003 (API No. 30-015-42564), which is located in Unit P, Section 29, Township 17 South, Range 28 East; and

cc) Outlaw State #004 (API No. 30-015-42565), which is located in Unit P, Section 29, Township 17 South, Range 28 East.

7. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

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

9. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 5, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. 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

- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Daniel B. Goldberg

125 Lincoln Ave., Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

dgoldberg@hardymclean.com

COUNSEL FOR SPUR ENERGY PARTNERS LLC