

**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

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Spur” or “Applicant”) applies for an order pooling all uncommitted interests in the San Andres formation underlying a 327.43-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 31, 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) **Marley State Com 31 CD 110H**, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 32 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 31;
 - b) **Marley State Com 31 CD 111H**, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 32 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 31; and
 - c) **Marley State Com 31 CD 112H**, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 32 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 31.
3. The completed intervals of the Wells will be orthodox.

4. The completed interval of the **Marley State Com 31 CD 111H** 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 31 to allow for the creation of a 327.43-acre standard horizontal spacing unit.

5. 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.

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

7. 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 September 11, 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

Jaime R. Kennedy

125 Lincoln Ave., Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

jkennedy@hardymclean.com

COUNSEL FOR SPUR ENERGY PARTNERS LLC