# State of New Mexico Energy, Minerals and Natural Resources Department

Dylan M. Fuge, Director

**Oil Conservation Division** 

Michelle Lujan Grisham Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

Ms. Sarah Chapman <u>schapman@spurenergy.com</u>

## NON-STANDARD LOCATION

## Administrative Order NSL - 8593

## Spur Energy Partners, LLC [OGRID 328947] Welch B 28 Federal Well No. 70H API No. 30-015-PENDING

## **Proposed Location**

|                  | <b>Footages</b>    | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|--------------------|----------|------|------|-------|--------|
| Surface          | 1725 FNL & 826 FWL | Е        | 27   | 17S  | 28E   | Eddy   |
| First Take Point | 1505 FNL & 100 FEL | Н        | 28   | 17S  | 28E   | Eddy   |
| Last Take Point  | 1505 FNL & 100 FWL | E        | 28   | 17S  | 28E   | Eddy   |
| Terminus         | 1505 FNL & 50 FWL  | Е        | 28   | 17S  | 28E   | Eddy   |

## **Proposed Horizontal Units**

| Description           | Acres | Pool                     | Pool Code |
|-----------------------|-------|--------------------------|-----------|
| S/2 N/2 of Section 28 | 160   | Artesia; Glorieta - Yeso | 96830     |

Reference is made to your application received on May 30<sup>th</sup>, 2023. The application was protested on June 9<sup>th</sup>, 2023. Protest(s) were resolved.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

This well's completed interval is as close as 185 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 28, encroachment to the N/2 N/2  $\!$ 

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Administrative Order NSL – 8593 Spur Energy Partners, LLC Page 2 of 2

Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells within the Glorieta - Yeso formation. Thereby preventing waste within the formation underlying S/2 N/2 of Section 28.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, Division approves this unorthodox location.

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

**GE** 

Date: 10/9/23

DYLANA. EX DIRECTOR DMF/lrl

*Received by OCD: 2/7/2024 2:42:13 PM* 

| ID NO. 221519  |   | NSL - 8593  | Revi  | ised March 23, 2017   |
|--|---|---|---|---|
| RECEIVED:  | REVIEWER:   | TYPE:   | APP NO: pLEL2315  | 037907  |
|  | - Geolog  | ABOVE THIS TABLE FOR OCD DIVISION<br>CO OIL CONSERVATION<br>Lical & Engineering Bu<br>Francis Drive, Santa Fo   | ON DIVISION   | Envariant man   |
| THIS CHEC  | KLIST IS MANDATORY FOR A  | RATIVE APPLICATION<br>ALL ADMINISTRATIVE APPLICATION<br>REQUIRE PROCESSING AT THE DIVIS   | NS FOR EXCEPTIONS TO DIVISION RULE                        | ës and  |
| Applicant: <u>SPUR ENERG</u>   |   |   | OGRID Number  |   |
| Well Name: WELCH B I<br>Pool: ARTESIA; GLORIETA  |   |   | API: <u>30-015-49272</u> PE<br>Pool Code: <sup>9683</sup> |   |
| A. Location – S<br>NSL<br>B. Check one<br>[1] Commin   | oacing Unit – Simu<br>NSP<br>only for [1] or [1]<br>gling – Storage – N   | Measurement   |   |   |
| <ul> <li>W</li> <li>2) NOTIFICATION RE</li> <li>A. ■ Offset op</li> <li>B. ■ Royalty, o</li> <li>C. ■ Applicati</li> <li>D. ■ Notificati</li> <li>E. ■ Notificati</li> <li>F. ■ Surface o</li> <li>G.■ For all of</li> </ul> | n – Disposal – Press<br>FX PMX S<br><b>QUIRED TO:</b> Check<br>erators or lease ho<br>overriding royalty o<br>on requires publish<br>on and/or concur<br>on and/or concur | sure Increase – Enhanc<br>SWD IPI EOR<br>those which apply.<br>olders<br>owners, revenue owne<br>ned notice<br>rent approval by SLO<br>rent approval by BLM | PPR <u>FC</u><br>Not<br>rs App<br>Cor                     | DR OCD ONLY<br>ice Complete<br>plication<br>ntent<br>mplete |
| 3) CERTIFICATION:  | nereby certify that   |   | itted with this application<br>best of my knowledge. I    |   |

understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

SARAH CHAPMAN

Print or Type Name

Sarah Chapman

Signature

MAY 30, 2023 Date

832-930-8613

Phone Number

SCHAPMAN@SPURENERGY.COM e-mail Address

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May 30, 2023

New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

#### Attention: Leonard Lowe

RE: Application for Administrative Approval of Non- Standard Location Welch B 28 Fed 70H - Artesia; Glorieta-Yeso (O) (96830) Surface Hole - 1725' FNL 826' FWL Unit E Sec 27 T17S R28E First Take Point – 1505' FNL 100' FEL Unit H Sec 28 T17S R28E Last Take Point - 1505' FNL 100' FWL Unit E Sec 28 T17S R28E Bottom Hole - 1505' FNL 50' FWL Unit E Sec 28 T17S R28E Eddy County, New Mexico

Dear Mr. Lowe:

Spur Energy Partners LLC respectfully requests administrative approval of a non-standard location on Welch B 28 Fed 70H well, API Number 30-015-49272, Property Code 332213. The 70H well is proposed to be completed in the Artesia; Glorieta-Yeso (O), pool, Pool Code 96830. The proposed wellbore is to be completed within 330' feet of the N/2 of the N/2 of Section 28. The proposed interval is projected as follows:

Surface Hole - 1725' FNL 826' FWL Unit E Sec 27 T17S R28E First Take Point - 1505' FNL 100' FEL Unit H Sec 28 T17S R28E Last Take Point - 1505' FNL 100' FWL Unit E Sec 28 T17S R28E Bottom Hole - 1505' FNL 50' FWL Unit E Sec 28 T17S R28E

The adjoining units which the unorthodox location encroaches are located in T17S R28E, Section 28, Units A, B, C and D.

Approval of the unorthodox, completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

To support this request, the following information has been submitted for your review:

- 1. Application Checklist
- 2. C-102 Plat for proposed well and an additional plat with offsetting affected units
- 3. List of affected parties in each of the units in the same pool located closer to the unorthodox well location that the minimum distance prescribed by rule or order, copies of the sign certified return copies will be furnished upon request
- 4. Service List

If you need any additional information, please call me at 832-930-8613.

Sincerely,

Sarah Chapman

**Regulatory Director** 

Attachments CC: Service List

District I 1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District II

District III

District IV

Phone: (575) 393-6161 Fax: (575) 393-0720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

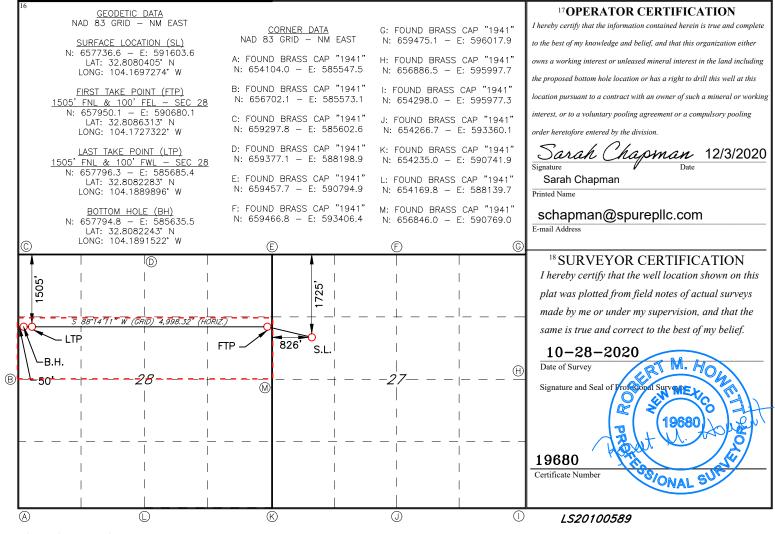
### State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

|  |            | V            | VELL L        | OCATIO                 | N AND ACF                            | REAGE DEDIC      | CATION PLA                             | Т              |                                       |  |  |
|--|------------|--------------|---------------|------------------------|--------------------------------------|------------------|--|----------------|---------------------------------------|--|--|
| 1  | API Number | •            |               | <sup>2</sup> Pool Code | Code <sup>3</sup> Pool Name          |                  |  |                |                                       |  |  |
| 30-015-49272 968   |            |              |               |                        |                                      | Art              | esia; Glorieta                         | -Yeso (O)      |                                       |  |  |
| <sup>4</sup> Property Co<br><b>332213</b>  | de         |              |               |                        | <sup>5</sup> Property N<br>WELCH B 2 |                  | <sup>6</sup> Well Number<br><b>70H</b> |                |                                       |  |  |
| 7 OGRID NO.       8 Operator Name         328947       SPUR ENERGY PARTNERS LLC. |            |              |               |                        |                                      |                  |  |                | <sup>9</sup> Elevation<br><b>3659</b> |  |  |
| <sup>10</sup> Surface Location   |            |              |               |                        |                                      |                  |  |                |                                       |  |  |
| UL or lot no.  | Section    | Township     | Range         | Lot Idn                | Feet from the                        | North/South line | Feet From the                          | East/West line | e County                              |  |  |
| Ε  | 27         | 17S          | 28E           |                        | 1725                                 | NORTH            | 826                                    | WEST           | EDDY                                  |  |  |
|  |            |              | 11 ]          | Bottom H               | Iole Location                        | If Different Fr  | om Surface                             |                | •                                     |  |  |
| UL or lot no.  | Section    | Township     | Range         | Lot Idn                | Feet from the                        | North/South line | Feet from the                          | East/West line | e County                              |  |  |
| Е  | 28         | 17S          | 28E           |                        | 1505                                 | NORTH            | 50                                     | WEST           | WEST EDDY                             |  |  |
| 12 Dedicated Acres   | s 13 Joint | or Infill 14 | Consolidation | Code 15                | Order No.                            |                  |  |                | ·                                     |  |  |
| 160  |            |              |               |                        |                                      |                  |  |                |                                       |  |  |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



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### Spur Energy Partners LLC Welch B 28 Fed 70H Section 27 Township 17 South, Range 28 East Eddy County, New Mexico

| NWNW<br>(D)            | NENW<br>(C) | NWNE<br>(B) | ed Lake Rd     | NWNW<br>(D)                               | NENW<br>(C) | NWNE<br>(B) | NENE<br>(A) |
|------------------------|-------------|-------------|----------------|---|-------------|-------------|-------------|
| LTP<br>BHL SWNW<br>(E) | SENW<br>(F) | SWNE<br>(G) | SENE<br>(H)    | SHL<br>SWNW<br>(E)                        | SENW<br>(F) | SWNE<br>(G) | SENE<br>(H) |
| NWSW<br>(L)            | NESW<br>(K) | NWSE<br>(J) | NESSE:<br>*(1) | NWSW<br>(L) <sup>3680 ft</sup><br>17S 28E | NESW<br>(K) | NWSE<br>(J) | NESE<br>(1) |
| swsw<br>(M)            | SESW<br>(N) | SWSE<br>(0) | SESE<br>(P)    | SWSW<br>(M)                               | SESW<br>(N) | SWSE<br>(0) | SESE<br>(P) |
|                        |             |             |                |   |             | [82]        |             |

Red Outline – Affected Tracts

Blue Outline – Horizontal Spacing

| Intent X As Drilled      |                |             |
|--------------------------|----------------|-------------|
| API #<br>30-015-49272    |                |             |
| Operator Name:           | Property Name: | Well Number |
| SPUR ENERGY PARTNERS LLC | WELCH B 28 FED | 70H         |

Kick Off Point (KOP)

| Ē                   | Section 27          | Township<br>175 | Range<br>28E | Lot | Feet<br><b>1521</b> | From N/S | <sup>Feet</sup><br>854 | From E/W | EDDY         |
|---------------------|---------------------|-----------------|--------------|-----|---------------------|----------|------------------------|----------|--------------|
| Latitu<br><b>32</b> | . <sup>de</sup> 808 | 6015            |              |     | -104.1              | 69640    | )4                     |          | NAD<br>NAD83 |

First Take Point (FTP)

| UL<br><b>H</b>          | Section 28      | Township<br>175 | Range<br>28E | Lot | Feet<br><b>1505</b> | From N/S | Feet<br><b>100</b> | From E/W<br>EAST | EDDY         |
|-------------------------|-----------------|-----------------|--------------|-----|---------------------|----------|--------------------|------------------|--------------|
| <sup>Latitu</sup><br>32 | . <sup>de</sup> | 6313            |              |     | Longitude<br>-104.1 | 72732    | 22                 |                  | NAD<br>NAD83 |

Last Take Point (LTP)

| UL<br>E          | Section 28         | Township<br>175 | Range<br>28E | Lot | Feet<br>1505 | From N/S | Feet<br><b>100</b> | From E/W |              |
|------------------|--------------------|-----------------|--------------|-----|--------------|----------|--------------------|----------|--------------|
| Latitu <b>32</b> | <sup>de</sup> .808 | 2283            |              |     | Longitud     | 1889     | 9896               |          | NAD<br>NAD83 |

Is this well the defining well for the Horizontal Spacing Unit?

Is this well an infill well?

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

| API #          |                |             |
|----------------|----------------|-------------|
| Operator Name: | Property Name: | Well Number |
|                |                |             |

KZ 06/29/2018

Application of Non-Standard Location - Service List Spur Energy Partners LLC WELCH CD 28 STATE COM 50H

New Mexico Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505 Uploaded online

Section 28 T17S R28E, Units A, B, C and D, Eddy County Operator of Record

Spur Energy Partners LLC 9655 Katy Freeway, Suite 500 Houston, TX 77024

Section 28 T17S R28E, Units A, B, C and D, Eddy County Interest Owners

SEP Permian LLC 9655 Katy Freeway, Suite 500 Houston, TX 77024

SEP Permian Holding Corp 9655 Katy Freeway, Suite 500 Houston, TX 77024

WPX Energy Permian, LLC Attn: Andy Bennett 333 West Sheridan Ave Oklahoma City, OK 73102 9407 1118 9876 5428 5777 71

Copies of the application were mailed to the above individuals, companies and organizations May 30, 2023

Sarah Chapman

Spur Energy Partners LLC

Sharbro Energy, LLC Attn: Elizabeth Baker P.O. Box 840 Artesia, NM 88211 9407 1118 9876 5428 5779 55

Jalapeno Corporation

Albuquerque, NM 87103

9407 1118 9876 5428 5779 24

Kathryn J. Reese

P.O. Box 1608

`

Longfellow LH, LLC Attn: Ryan Reynolds 8115 Preston Rd, Suite 800 Dallas, TX 75225 9407 1118 9876 5428 5779 62

Marathon Oil Company Attn: Stephen Thompson 990 Town and Country Blvd Houston, TX 88024 9407 1118 9876 5428 5779 17

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| From:        | Lowe, Leonard, EMNRD                      |
|--------------|---|
| To:          | <u>"Sarah Chapman"</u>                    |
| Subject:     | RE: [EXTERNAL] Welch B 28 Federal 70H NSL |
| Date:        | Wednesday, February 7, 2024 4:07:00 PM    |
| Attachments: | image001.png<br>image002.png              |
| Importance:  | High                                      |

Ms. Sarach Chapman,

Spur Energy Partners, LLC will NOT need to submit another NSL application for this situation. The previously approved NSL order is still valid, NSL - 8593.

As long as the perforated zone of the well did not change, as you indicated below, FTP & LTP:

### **Proposed Location**

|                  | Footages           | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|--------------------|----------|------|------|-------|--------|
| Surface          | 1725 FNL & 826 FWL | Е        | 27   | 17S  | 28E   | Eddy   |
| First Take Point | 1505 FNL & 100 FEL | Н        | 28   | 17S  | 28E   | Eddy   |
| Last Take Point  | 1505 FNL & 100 FWL | E        | 28   | 17S  | 28E   | Eddy   |
| Terminus         | 1505 FNL & 50 FWL  | E        | 28   | 17S  | 28E   | Eddy   |

Condition of approval to move forward.

- 1. Update the OCD on all Pending API wells that have an approved NSL order. OCD can link all the NSL Orders to their associated API number.
- 2. Update the OCD when this well has its approved APD. The OCD can link the API number to NSL 8593 at that time.

Thank you,

Leonard R. Lowe

Engineering Bureau OCD - EMNRD 8801 Horizon Blvd NE Albuquerque, N.M. 87113 CELL NUMBER: 505-930-6717 http://www.emnrd.state.nm.us/ocd/

From: Sarah Chapman <schapman@spurenergy.com>
Sent: Monday, February 5, 2024 2:51 PM
To: Lowe, Leonard, EMNRD <Leonard.Lowe@emnrd.nm.gov>
Subject: [EXTERNAL] Welch B 28 Federal 70H NSL

CAUTION: This email originated outside of our organization. Exercise caution prior to clicking on links or opening attachments.

Leonard:

Since Spur lost the permit for the Welch B 28 Federal 70H, we are in the process of sundry-ing the Welch B 28 Federal 90H APD; the Welch 90H will now become Spur's 70H well. We are even sundry-ing the 90H well number to change to the 70H. That being said, the attached approved NSL will have the incorrect API number, however everything else will remain the same. The SHL, FTP, LTP and BHL will not be changing—it's quite confusing but attached is what was submitted to the BLM on our behalf.

I'm hoping that since nothing but the API number is changing, we won't be required to do anything but please let me know.

Sarah Chapman

Regulatory Director **SPUR ENERGY PARTNERS LLC** 9655 Katy Freeway, Suite 500 | Houston, TX 77024 Cell: (281) 642-5503 Direct: (832) 930-8613 Office: (832) 930-8502 <u>schapman@spurenergy.com</u>



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811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

# **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

| Operator:                | OGRID:   |
|--------------------------|--|
| Spur Energy Partners LLC | 328947   |
| 9655 Katy Freeway        | Action Number:                                 |
| Houston, TX 77024        | 274110   |
|                          | Action Type:                                   |
|                          | [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

#### CONDITIONS

| Created<br>By | Condition | Condition Date |
|---------------|-----------|----------------|
| llowe         | None      | 10/10/2023     |

Page 11 of 11

Action 274110