

**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 (“Spur”) applies for an order pooling all uncommitted mineral interests from the top of the Yeso formation to a depth of approximately 3,500’ in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 36, Township 17 South, Range 27 East, Eddy County, New Mexico (“Unit”). In support of its application, Spur states the following:

1. Spur (OGRID No. 328947) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to following well:
 - **Waukee A 36 State Com 3H**, which will be horizontally drilled from a surface location in the NW/4NW/4 (Unit D) of Section 31 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 36 (“Well”).
3. The completed interval of the Well is orthodox.
4. The completed interval for the Well will be within 330’ of the line separating the N/2N/2 and S/2N/2 of Section 36 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit.
5. A depth severance exists in the Yeso formation in the horizontal spacing unit. Accordingly, Spur seeks to pool uncommitted interests from the top of the Yeso formation (at a

stratigraphic equivalent of approximately 3,065' MD as observed on the NO Bluff State Com #1 Schlumberger Dual Laterolog (API No. 30-015-30907)) to a depth of approximately 3,500'.

6. Spur has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all of the mineral interest owners.

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

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

WHEREFORE, Spur requests this application be set for hearing on June 3, 2021 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Spur as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Spur to recover its costs of drilling, equipping and completing the Well;
- 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 Spur in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

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