

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

**APPLICATION OF SPUR ENERGY
PARTNERS LLC FOR APPROVAL
OF A NON-STANDARD WELL LOCATION,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Spur Energy Partners LLC (“Spur” or “Applicant”) (OGRID No. 328947), through undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-12(B)(10) and 19.15.16.15.C NMAC, for an order approving a non-standard well location. In support of its application, Spur states:

1. Attached is a complete non-standard well location application for Spur’s proposed **Welch B 28 Fed 70H well** (API No. 30-015-49272) that contains the information necessary for approval. It was filed with the Division administratively on May 30, 2023. *See* Administrative Application, attached as **Exhibit A**, and incorporated herein.

2. The spacing unit for this Yeso well is comprised of a 160-acre, more or less, standard horizontal well spacing unit underlying the S/2 N/2 of Section 28, Township 17 South, Range 28 East, Eddy County, New Mexico.

3. The completed interval for this well is unorthodox because it is closer than 330 feet to the outer boundary of the spacing unit and therefore encroaches on the spacing unit to the north, which is operated by Spur. *See* 19.15.16.15.C(1)(a) NMAC.

4. The administrative application was protested by Longfellow Energy LLC. The parties have been unable to resolve Longfellow’s protest. Spur therefore requests that its application be set for hearing pursuant to 19.15.4.12(E) NMAC.

WHEREFORE, Spur Energy Partners LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 3, 2023, and, after notice and hearing as required by law, the Division enter an order approving this application and granting such other relief as the evidence supports.

Respectfully submitted,

HOLLAND & HART LLP

By: 

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ATTORNEYS FOR SPUR ENERGY PARTNERS LLC

CASE _____: **Application of Spur Energy Partners LLC for Approval of a Non-Standard Well Location, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order approving a non-standard location well location for its **Welch B 28 Fed 70H well** (API No. 30-015-49272). The spacing unit for this Yeso well is comprised of a 160-acre, more or less, standard horizontal well spacing unit underlying the S/2 N/2 of Section 28, Township 17 South, Range 28 East, Eddy County, New Mexico. The completed interval for this well is unorthodox because it is closer than 330 feet to the outer boundary of the spacing unit and therefore encroaches on the spacing unit to the north, which is operated by Spur. *See* 19.15.16.15.C(1)(a) NMAC. Said area is located approximately 16 miles southwest of Loco Hills, New Mexico.

EXHIBIT A

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND
 REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION
 INDICATED BELOW**

1) **TYPE OF APPLICATION:** Check those which apply for [A]

A. Location – Spacing Unit – Simultaneous Dedication

☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]

[I] Commingling – Storage – Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
2) **NOTIFICATION REQUIRED TO:** Check those which apply.

- A. ☐ Offset operators or lease holders
 B. ☐ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☐ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☐ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required

FOR OCD ONLY

- ☐ Notice Complete
☐ Application
 Content
 Complete

- 3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also 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.

 Print or Type Name

 Date

 Phone Number

 Signature

 e-mail Address

Sarah Chapman



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
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-49272	² Pool Code 96830	³ Pool Name Artesia; Glorieta-Yeso (O)
⁴ Property Code 332213	⁵ Property Name WELCH B 28 FED	⁶ Well Number 70H
⁷ OGRID NO. 328947	⁸ Operator Name SPUR ENERGY PARTNERS LLC.	⁹ Elevation 3659'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
E	27	17S	28E		1725	NORTH	826	WEST	EDDY

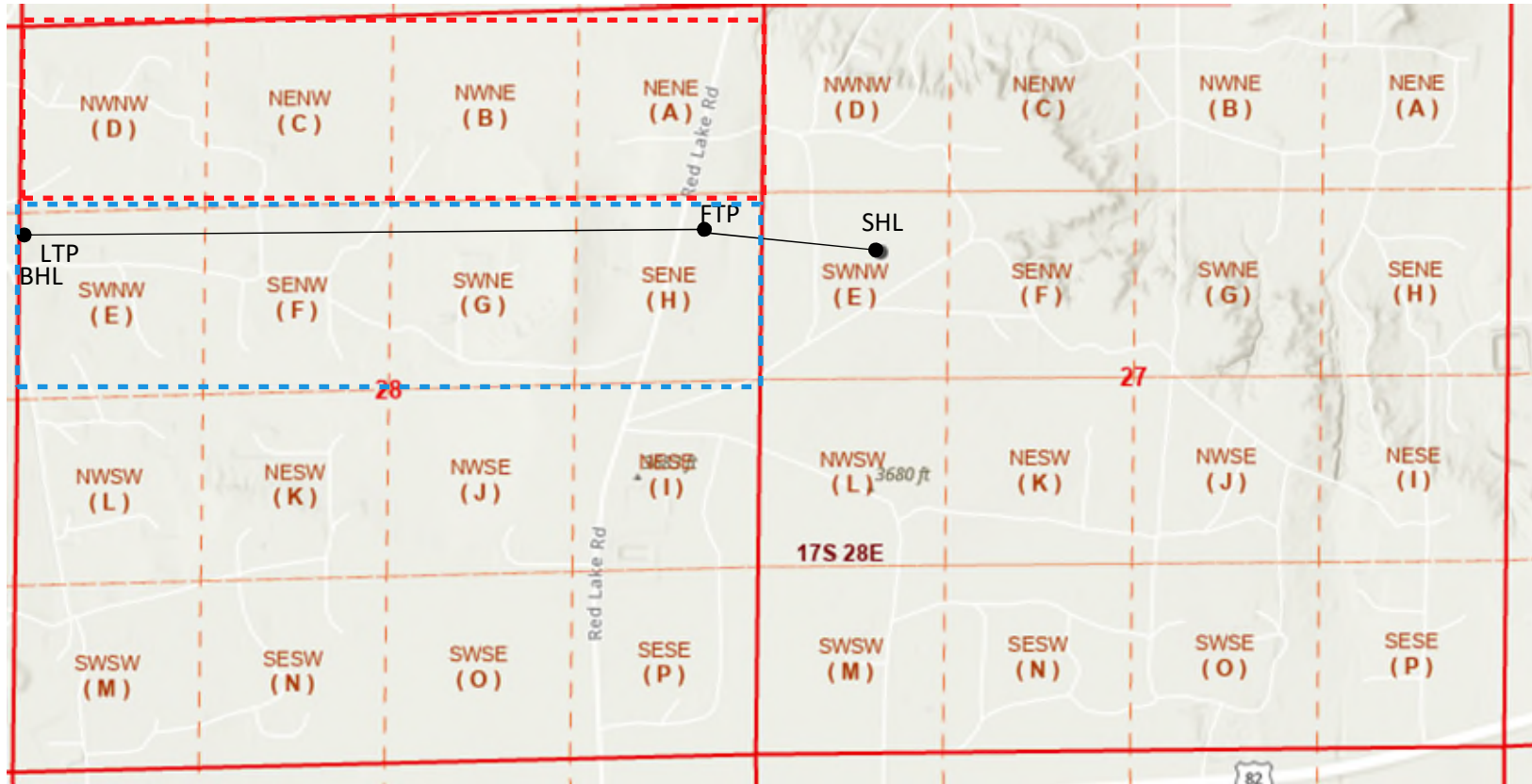
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	28	17S	28E		1505	NORTH	50	WEST	EDDY
¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

<p>¹⁶ GEODETIC DATA NAD 83 GRID - NM EAST</p> <p>SURFACE LOCATION (SL) N: 657736.6 - E: 591603.6 LAT: 32.8080405° N LONG: 104.1697274° W</p> <p>FIRST TAKE POINT (FTP) 1505' FNL & 100' FEL - SEC 28 N: 657950.1 - E: 590680.1 LAT: 32.8086313° N LONG: 104.1727322° W</p> <p>LAST TAKE POINT (LTP) 1505' FNL & 100' FWL - SEC 28 N: 657796.3 - E: 585685.4 LAT: 32.8082283° N LONG: 104.1889896° W</p> <p>BOTTOM HOLE (BH) N: 657794.8 - E: 585635.5 LAT: 32.8082243° N LONG: 104.1891522° W</p> <p>CORNER DATA NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1941" N: 654104.0 - E: 585547.5</p> <p>B: FOUND BRASS CAP "1941" N: 656702.1 - E: 585573.1</p> <p>C: FOUND BRASS CAP "1941" N: 659297.8 - E: 585602.6</p> <p>D: FOUND BRASS CAP "1941" N: 659377.1 - E: 588198.9</p> <p>E: FOUND BRASS CAP "1941" N: 659457.7 - E: 590794.9</p> <p>F: FOUND BRASS CAP "1941" N: 659466.8 - E: 593406.4</p> <p>G: FOUND BRASS CAP "1941" N: 659475.1 - E: 596017.9</p> <p>H: FOUND BRASS CAP "1941" N: 656886.5 - E: 595997.7</p> <p>I: FOUND BRASS CAP "1941" N: 654298.0 - E: 595977.3</p> <p>J: FOUND BRASS CAP "1941" N: 654266.7 - E: 593360.1</p> <p>K: FOUND BRASS CAP "1941" N: 654235.0 - E: 590741.9</p> <p>L: FOUND BRASS CAP "1941" N: 654169.8 - E: 588139.7</p> <p>M: FOUND BRASS CAP "1941" N: 656846.0 - E: 590769.0</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Sarah Chapman</i> 12/3/2020 Signature Date</p> <p>Sarah Chapman Printed Name</p> <p>schapman@spurepllc.com E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>10-28-2020 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p> <p>PROF. ROBERT M. HOWETT NEW MEXICO 19680 PROFESSIONAL SURVEYOR</p> <p>LS20100589</p>
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Spur Energy Partners LLC
Welch B 28 Fed 70H



Red Outline – Affected Tracts

Blue Outline – Horizontal Spacing

Intent ☐ As Drilled ☐

API #		
Operator Name:	Property Name:	Well Number

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

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

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

Jalapeno Corporation
Kathryn J. Reese
P.O. Box 1608
Albuquerque, NM 87103
9407 1118 9876 5428 5779 24

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

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

Sarah Chapman

Spur Energy Partners LLC