

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

**APPLICATION OF LONGFELLOW ENERGY LP
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 25572
ORDER NO. R-24036**

EMERGENCY MOTION FOR STAY

Pursuant to 19.15.4.23.B NMAC, Spur Energy Partners LLC (“Spur”) (OGRID 328947), through its undersigned attorneys, hereby files this (1) emergency motion to stay Oil Conservation Division Order No. R-24036 (“Order”) as well as to stay the effect Division approval of the APD for the Petty 31CD Fed Com Well (API No. 30-015-58054) under 19.17.7.9 NMAC, and (2) proposed order granting the same, attached as Exhibit “A”. To maintain the status quo and prevent irreparable injury to Spur, the Division should issue an order instituting the requested stays until Longfellow Energy, LP (“Longfellow”) complies with the terms and requirements of the Order and/or amends the Order to reflect its actual drilling and development plans. In support of its motion, Spur states:

1. Division Order No. R-24036, entered on December 1, 2025, in Case No. 25572, created a standard 320-acre, more or less, horizontal spacing unit comprised of the S/2 of Section 31, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico (the “Unit”), and designated Longfellow (OGRID 372210) operator of the Unit.

2. Order No. R-24036 further pooled the uncommitted interests in the Yeso formation in the Unit and dedicated the Unit to the proposed initial following wells:

- **Petty Federal Com 31CD 001H well**, to be horizontally drilled from a surface hole location approximately 441’ FWL and 1,717’ FSL of Section 32-16S-31E and a bottomhole location approximately 20’ FWL & 2,628’ FSL of Section 31-16S-31E;

- **Petty Federal Com 31CD 002H well**, to be horizontally drilled from a surface hole location approximately 441' FWL and 1,697' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 2,319' FSL of Section 31-16S-31E;
 - **Petty Federal Com 31CD 003H well**, to be horizontally drilled from a surface hole location approximately 441' FWL and 1,677' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 2,159' FSL of Section 31-16S-31E;
 - **Petty Federal Com 31CD 004H well**, to be horizontally drilled from a surface hole location approximately 441' FWL and 1,657' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 1,785' FSL of Section 31-16S-31E;
 - **Petty Federal Com 31CD 005H well**, to be horizontally drilled from a surface hole location approximately 441' FWL and 1,637' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 1,410' FSL of Section 31-16S-31E;
 - **Petty Federal Com 31CD 006H well**, to be horizontally drilled from a surface hole location approximately 1,085' FWL and 676' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 1,250' FSL of Section 31-16S-31E;
 - **Petty Federal Com 31CD 007H well**, to be horizontally drilled from a surface hole location approximately 1,086' FWL and 656' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 875' FSL of Section 31-16S-31E;
 - **Petty Federal Com 31CD 008H well**, to be horizontally drilled from a surface hole location approximately 1,086' FWL and 636' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 500' FSL of Section 31-16S-31E; and
 - **Petty Federal Com 31CD 009H well**, to be horizontally drilled from a surface hole location approximately 1,087' FWL and 616' FSL of Section 32-16S-31E and a bottomhole location approximately 20' FWL & 340' FSL of Section 31-16S-31E.
3. Spur owns a 37.511173% interest in the Unit—a substantial interest.
 4. Under its initial well proposal, Longfellow proposed to drill these nine initial wells

it dedicated to the Unit “back to back.” *See* Case No. 25572, Exhibit A-4 at 1 (“Longfellow hereby proposes to drill and complete the following wells ‘back to back.’”)(emphasis added).

5. Under the terms of the Order, Longfellow is required to drill all nine of these initial wells within the one-year deadline established under the Order and to complete all nine wells within one year of drilling each well. *See* Order No. R-24036, ¶ 20.

6. The Division has made clear in its guidance that where multiple initial wells are proposed, operators are required to actually drill each well to comply with the terms of the Order. *See* NOTICE—OCD Clarification of Compulsory Pooling Processes Updates, July 12, 2024.

7. Division rules are not discretionary. “Paragraph twenty, as seen above, is intended to mean that all wells the operator proposed in Exhibit A shall be spudded within one (1) year **total** from the date of the OCD Director signature. Each well is then to be completed within one (1) year calculated of its own spud date. The above paragraph does **not** grant an operator permission to drill only what the Operator may deem as the defining well within this timeline.” *Id.* (Emphasis retained).

8. The Division also provided subsequent additional guidance for operators to follow “on the process for uncontested applications for minor deviations from development plans associated with compulsory pooling orders,” and specified that it is applicable to “uncontested” matters “where an operator needs to deviate from the development plan to accommodate scheduling issues with well(s) drilling or completion schedule, or to remove less than 20% of the proposed wells from the development plan.” *Id.*

9. The Division’s forgoing guidance on compulsory pooling orders does not authorize an operator to completely overhaul its drilling and development plan, well sequencing, unit spacing, or to drop 90% of its proposed initial wells that had been authorized and approved under the pooling order.

10. Here, in conflict with Order No. R-24036 and the Division's plain guidance, Longfellow is proposing to do just that. In addition, on March 30, 2026, Longfellow issued a well proposal for a single initial well under Order No. R-24036 that does not reflect (as stated in subsequent communications) the well that it actually intends to drill, which will have a different target bench within the Yeso and different footages, spacing, and sequencing than what was applied for and approved in Order No. R-24036.

11. Moreover, the estimated costs for the single proposed initial well has grown—without explanation—by approximately \$1 million over what Longfellow originally estimated in its July 9, 2025 AFE, presented at the hearing on September 16, 2025.

12. Due to the potential for the imposition of a 200% risk charge against its more than one-third interest in this Unit, Spur timely elected to participate in the initial proposed well, but did so under protest on the basis that the well proposal was not in compliance with the requirements of Order No. R-24036.

13. On May 1, 2026, Longfellow filed with the Division its notice of “minor deviation” and Spur timely objected, in writing, on May 5, 2026. *See* Exhibits B and C, respectively. As of the date of this Motion, Longfellow has already begun setting up drilling operations, including standing up its rig. *See* Exhibit D. It is clear to Spur that Longfellow intends to begin drilling imminently despite Spur's unresolved objection to Longfellow's deviation notice and in contravention of the plan approved under Order No. R-24036, and therefore will cause irreparable harm to Spur, impairing Spur's correlative rights and causing waste.

14. Under the Division's rules, the Division Director has authority to issue stays to prevent waste and protect correlative rights. 19.15.4.23.B NMAC. The Division also has authority to impose conditions of approval on approved APDs. 19.15.14.10.B NMAC (“The division may

impose conditions on an approved permit to drill, deepen or plug back.”). These provisions authorize the Division to stay Longfellow’s APD pending its compliance with or amendment of the Order. And the Division or Commission is also authorized to issue an order staying an APD without a hearing if it finds an emergency exists. 19.15.2.11.B NMAC.

15. Spur has grave concerns that Longfellow’s uncertain and improperly modified plans—that have not been approved by the Division and are not incorporated into any compulsory pooling order—will adversely impact its correlative rights and result in waste due to improper spacing, well sequencing, and parent-child effects.

16. While Longfellow only just served its notice of deviation a few days ago, based on the directional plan submitted with its APD application (generated October 28, 2025), Longfellow appears to have altered its proposed drilling plan before the Division even issued the Order. This indicates to Spur that Longfellow never intended to comply with the terms of the Order. A stay is necessary to ensure that no harm comes to Spur or any of the other working interest owners, and will similarly protect the public interest, as allowing Longfellow to drill the well as it would be in direct violation of the Division’s Order. Longfellow has known of its intent to deviate from the applied for and approved plan for more than six months. Any urgency it has in drilling this well now is manufactured, as it could have easily presented this deviation for consideration months ago. *See Tenneco Oil Co. v. N.M. Water Quality Control Comm’n*, 1986-NMCA-033, 736 P.2d 986.

17. Adherence to the Division rules and requirements that govern pooling and the prevention of waste and impairment of correlative rights is critical and failure to do so directly impacts Spur’s 37% working interest in this Unit, causing irreparable harm. Longfellow should be required to comply with the express provisions of Order No. R-24036 and/or follow the Division’s guidance on compulsory pooling orders and file an application to amend Order No. R-24036 to

correctly reflect its updated drilling and development plan, and the Order and the effect of the Division's approval of Longfellow's APD should both be stayed until those requirements are met. A proposed order is being submitted along with this motion as provided under 19.15.4.23.B NMAC.

18. Spur conferred with counsel for Longfellow on May 11, 2025 and May 12, 2025. Counsel for Longfellow was not able to confirm Longfellow's position but indicated it likely would oppose the motion and relief request. Accordingly, Spur assumes Longfellow opposes.

WHEREFORE, Spur requests that this emergency motion be granted or, in the alternative, be set for hearing before an Examiner of the Oil Conservation Division, and, after notice and hearing as required by law, the Division enter an order granting this motion and:

- Staying the effect of Division-approved APD;
- Staying the effect of Order No. R-24036 until Longfellow complies with its terms or files an application to amend the Order to reflect its actual drilling and development plans;
- Ruling that Longfellow's March 30, 2026 well proposal under Order No. R-24036 is invalid; and
- Such other relief as the evidence supports and the Division deems advisable.

Respectfully submitted,

HOLLAND & HART LLP

By:  _____

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CERTIFICATE OF SERVICE

I hereby certify that on May 12, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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