

**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**

ORDER DENYING SPUR ENERGY PARTNERS LLC'S MOTION FOR RECONSIDERATION

This matter came before the Hearing Examiner upon Spur Energy Partners LLC's ("Spur") Motion for Reconsideration of the Division's Order Denying Spur's Emergency Motion for Stay. The Division, having reviewed Spur's Motion, Longfellow Energy LP's ("Longfellow") Response, the previously issued Stay Denial Order, and the entire record, issues the following findings and conclusions:

FINDINGS OF FACT

I. Procedural Background

1. On May 12, 2026, Spur filed an Emergency Motion for Stay requesting the suspension of Order No. R-24036 and the approved Application for Permit to Drill ("APD") for the Petty 31CD 006H well.
2. On May 19, 2026, the Division denied Spur's Emergency Motion for Stay.
3. Spur filed its Motion for Reconsideration on May 22, 2026, again seeking stays of the Order and the approved APD.
4. Spur's Motion for Reconsideration did not include the proposed stay order required by 19.15.4.23(B) NMAC, rendering the renewed stay request procedurally defective.

II. Findings Supporting the Original Stay Denial

5. The original Stay Denial Order correctly found that Paragraph 20 of Order No. R-24036 does not prescribe drilling sequence.
6. The Petty 31CD 006H well remains within the Yeso formation and there has been no change to the well count authorized under the Order.

7. Spur did not demonstrate irreparable, non-economic harm; its arguments relied on speculative subsurface concerns and economic objections that are addressable under Paragraph 26 (well-cost procedures).
8. Spur cited no procedural mechanism authorizing a stay of an approved APD.
9. Longfellow demonstrated that a stay would cause immediate and substantial operational harm, including risks to wellbore integrity, disruption to service contracts, and unsafe interruption of drilling operations.

III. Findings Addressing Spur's Assertions of Error

10. Spur alleges that the Division erred in accepting Longfellow's statement regarding an imminent BLM lease expiration.
11. Longfellow's Response provides a detailed chronology of uncertain, conditional, and conflicting BLM communications, confirming that no final determination or Last Production Memo has been issued. English further explains that Longfellow acted prudently under this uncertainty and did not misrepresent BLM's position.
12. Regardless of lease timing, the original stay denial rested on multiple independent grounds unaffected by the lease-expiration issue.
13. Spur asserts that Longfellow intends to drill only one initial well.
14. The April 2 email cited by Spur was in its possession before the Emergency Motion was filed. Longfellow's sworn evidence clarifies the phrase "only drilling one initial well" referred to sequencing, not abandonment. English affirms that Longfellow remains committed to drilling all nine wells under the Order.
15. Because Spur possessed this information before the stay hearing, it cannot serve as new evidence warranting reconsideration.

IV. Findings Regarding Spur's "New Evidence"

A. Evidence Previously Available to Spur

16. Spur's Motion for Reconsideration relies heavily on internal email correspondence from March and April 2026, as well as internal geoscience interpretations.
17. All such information was already in Spur's possession before the May 12 Emergency Motion filing and therefore does **not** constitute newly discovered evidence.

B. Evidence First Available After the Emergency Motion

18. Spur's sole newly-available evidence is the May 18, 2026 BLM email.
19. This email is not material to the stay outcome, because the original denial was based on grounds wholly independent of lease timing, including lack of irreparable harm, lack of procedural authority, lack of Order violations, and substantial operational harm.

C. Spur's Self-Affirmed Statements

20. The Nash Bell statement largely relies on April 2026 communications, which Spur already had. English's testimony shows Bell's interpretation overstates BLM certainty and omits important conditional language.
21. The Matthew Van Wie statement contains technical opinions available to Spur prior to the emergency motion and does not include quantitative analysis establishing imminent, irreparable drainage or correlative-rights harm.

D. Longfellow's Sworn Evidence

22. English testifies that Longfellow continues to advance infrastructure for all nine wells and has not removed any well from development.
23. DeHamer testifies that the 006H landing-zone adjustment is intra-formational, spacing remains within accepted Yeso practice, and parent-child interference concerns are theoretical and unsupported by analytics.
24. Mitchell testifies that drilling was completed on May 24, 2026; pre-frac operations are underway; and halting operations would cause over \$1.38 million in operational, contractual, and logistical harm.
25. This evidence reinforces the correctness of the original denial and demonstrates no emergency requiring suspension of operations.

V. Determination Under the Reconsideration Standard

26. Reconsideration is reserved for correction of clear error, prevention of manifest injustice, or consideration of newly discovered evidence previously unavailable despite due diligence.
27. Spur has not identified any clear factual or legal error in the Stay Denial Order.

28. Spur's proffered evidence was either previously available or newly discovered but not material to the outcome.
29. Spur has again failed to show that a stay is necessary to prevent waste, protect correlative rights, or avoid gross negative consequences.

CONCLUSIONS OF LAW

1. Spur has not satisfied the requirements for reconsideration recognized by the Division.
2. Spur failed to comply with the procedural requirement of 19.15.4.23(B) NMAC to attach a proposed stay order.
3. Spur has not shown that a stay is necessary under 19.15.4.23(B) NMAC.
4. The original Stay Denial Order remains correct on both the law and the facts.
5. Spur's Motion for Reconsideration must therefore be denied.

ORDER

IT IS ORDERED THAT:

1. Spur Energy Partners LLC's Motion for Reconsideration is DENIED.
2. The Division's Order denying Spur's Emergency Motion for Stay remains in full force and effect.
3. This Order is without prejudice to any party seeking relief through ordinary procedures available under Division rules.

GREGORY CHAKALIAN
HEARING EXAMINER
NM OIL CONSERVATION DIVISION