

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

**APPLICATION OF SPUR ENERGY PARTNERS LLC
FOR COMPULSORY POOLING AND APPROVAL
OF NON-STANDARD SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Applicant”) applies for an order pooling all uncommitted interests in the Yeso formation underlying a 640-acre, more or less, non-standard horizontal spacing unit comprised of all of Section 11, Township 19 South, Range 25 East, Eddy County, New Mexico (“Unit”). In support of this application, Spur states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following wells (“Wells”):
 - a. **Arrow Federal Com 20H** and **Arrow Federal Com 50H** wells, which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 12 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 11;
 - b. **Arrow Federal Com 21H** well, which will be drilled from a surface hole location in the NW/4 NW/4 (Unit D) of Section 12 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 11;
 - c. **Arrow Federal Com 22H** and **Arrow Federal Com 51H** wells, which will be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 12 to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 11;

- d. **Arrow Federal Com 52H** well, which will be drilled from a surface hole location in the SW/4 NW/4 (Unit E) of Section 12 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 11;
 - e. **Arrow Federal Com 23H** well, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 12 to a bottom hole location in the NW/4 SW/4 (Unit L) of Section 11; and
 - f. **Arrow Federal Com 24H** well, which will be drilled from a surface hole location in the NW/4 SW/4 (Unit L) of Section 12 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 11.
3. The completed intervals of the Wells will be orthodox.
 4. Applicant requests approval of a non-standard horizontal spacing unit pursuant to Rule 19.15.16.15(B)(5) NMAC, which will create cost efficiencies, prevent waste, and protect correlative rights.
 5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
 6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
 7. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 8, 2026, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Approving the non-standard spacing Unit;
- D. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- E. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- F. 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
- G. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HARDY McLEAN LLC

/s/ Dana S. Hardy

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