

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

**APPLICATION OF LONGFELLOW
ENERGY, LP TO EXTEND THE DRILLING
DEADLINE UNDER ORDER NO. R-24036,
EDDY COUNTY, NEW MEXICO**

CASE NO. 26328

**APPLICATION OF SPUR ENERGY
PARTNERS LLC TO RE-OPEN ORDER NO.
R-24036, EDDY COUNTY, NEW MEXICO.**

**CASE NO. 26288
ORDER NO. R-24036**

**LONGFELLOW ENERGY, LP'S MOTION IN LIMINE TO LIMIT THE SCOPE OF
SEPTEMBER 15, 2026, HEARING AND TO STRIKE PORTIONS OF SPUR ENERGY
PARTNERS LLC'S PRE-HEARING TESTIMONY AND EXHIBITS**

Longfellow Energy, LP ("Longfellow"), OGRID No. 372210, moves to exclude or limit the portions of Spur Energy Partners LLC's ("Spur") testimony and exhibits identified in Appendix A before their admission at the September 15, 2026, consolidated contested hearing. This motion presents the advance evidentiary objections contemplated by the Pre-hearing Order and the Oil Conservation Division's ("OCD" or "Division") rules governing preliminary motions, evidence, and hearings.¹ **Appendix A** is incorporated into this motion and identifies each challenged passage, its location, and the requested ruling.

The requested relief concerns evidence offered to resolve claims dismissed by the Division's July 17, 2026 Order, technical conclusions that require an adequate factual foundation, and documents that require a limitation on their evidentiary use², attached as **Exhibit B**. Longfellow requests no determination through this motion of the reasonableness of the landing zone change, the remaining development plan, or its requested drilling-deadline extension.

¹ 19.15.4.16 (B)-(C), 19.15.4.17(A), and 19.15.4.19 NMAC.

² *Order Denying in Part and Granting in Part Longfellow Energy, LP's Motion to Dismiss, Setting Case for Hearing, and Lifting Stay of Subpoena*, Case No. 26288 (July 17, 2026) (Ex. B) ("July 17 Order"), Order ¶¶ B-C.

RELEVANT HISTORY AND DIVISION ORDERS

A. The July 17 Order dismissed specified claims and reserved the remaining disputes for hearing.

The Division denied Spur's emergency stay motion on May 19, 2026, and denied reconsideration on May 29, 2026³, attached as **Exhibit C** and **D**, respectively. Those decisions addressed whether Spur had established grounds for emergency relief. The Division's July 17, 2026 Order held that neither decision adjudicated the Paragraph 22 hearing obligation or had preclusive effect as to Spur's application.⁴ The present objections therefore do not depend on treating the stay decisions as final determinations of the technical or compliance issues reserved for hearing.

The July 17 Order granted Longfellow's motion to dismiss in two respects. Order Paragraph B dismissed as moot Spur's request to stay or suspend the 006H application for permit to drill ("APD").⁵ It also dismissed Spur's request to resolve authorization for expenditure ("AFE") or actual well-cost disputes outside Paragraph 26, without prejudice to Spur's right to use that procedure.⁶

Order Paragraph C set the case for an evidentiary hearing on three subjects: (1) Whether the 006H⁷ landing zone shift from the Blinebry bench to the Lower Paddock bench constitutes a reasonable deviation requiring amendment of the Pooling Order under Paragraph 22; (2) Whether Longfellow intends to drill, and will drill, the remaining eight wells in accordance with the

³ *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 Emergency Motion for Stay (N.M. Oil Conservation Div. May 19, 2026) (Ex. C) [hereinafter Stay Denial Order]; *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 (N.M. Oil Conservation Div. May 29, 2026) (Ex. D) [hereinafter "Reconsideration Order"].

⁴ July 17 Order, Findings of Fact ¶¶ 7, 9 & Conclusions of Law ¶¶ 4-5.

⁵ *Id.*, Conclusions of Law ¶ 8 & Order ¶ B.

⁶ *Id.*, Conclusions of Law ¶ 9 & Order ¶ B.

⁷ The Petty Federal Com 31CD 006H well is referred to as the "006H."

Pooling Order's terms and deadlines; and (3) "Such other issues properly raised by the Application and the parties' responsive pleadings."⁸

The third category preserves properly raised issues; it does not reverse the express dismissals in Paragraph B. It includes the June 1, 2026, refusal to file a hearing application, which Conclusion of Law 6 identifies as an operative fact and a distinct controversy properly raised by Spur. The consolidated proceeding also includes Longfellow's extension application in Case No. 26328.⁹ The requested evidentiary rulings must therefore preserve relevant evidence concerning the development plan, compliance, and extension request while excluding adjudication of the dismissed claims.

B. The Pooling Order provides separate procedures for deadlines, deviations, and costs.

The Division entered Order No. R-24036 in Case No. 25572 on December 1, 2025. The order pools the uncommitted interests in the Yeso formation within the S/2 of Section 31, Township 16 South, Range 31 East, N.M.P.M., Eddy County, New Mexico (the "Unit"); designates Longfellow as operator; and dedicates the Unit to the Petty Federal Com 31CD 001H through 009H wells.¹⁰

Paragraph 20 requires Longfellow to commence drilling the authorized wells within one year after the Pooling Order and to complete each well within one year after commencing that well. It does not prescribe a drilling sequence. Paragraph 21 provides for automatic termination upon failure to satisfy those deadlines, subject to its extension procedure. The operator must notify the Division and the parties entitled to notice of the original application. If no objection is

⁸ July 17 Order, ¶ C (1)-(3); *see also* Conclusions of Law ¶ 10.

⁹ July 17 Order, Findings of Fact ¶ 10 & Conclusions of Law ¶ 6. *See* Spur Energy Partners LLC's Pre-Hearing Statement (Sept. 9, 2026) ("Spur PHS"), pp. 1, 3, 5; Self-Affirmed Statement of Nash Bell (Sept. 8, 2026) ("Bell Statement"), ¶¶ 41-42, Spur Ex. A, PDF p. 57. "Spur Package" refers to Spur's 172-page exhibit package for the September 15, 2026 hearing; PDF page references count the cover as page 1. The Self-Affirmed Statement of Matthew Van Wie (Sept. 8, 2026) ("Van Wie Statement") is Spur Ex. B, PDF pp. 149-159.

¹⁰ Order No. R-24036, Case No. 25572 (Dec. 1, 2025) ("Pooling Order"), ¶¶ 15-17 & Ex. A; July 17 Order, Findings of Fact ¶ 1.

received within 20 days, an extension of up to one year is automatically granted. A protest prevents automatic approval and requires a hearing.¹¹

Paragraph 22 separately permits reasonable deviations from the development plan on notice to the Division and the parties entitled to notice of the original application. An unprotested deviation is automatically granted after 20 days. A protested deviation is not granted, and the operator must set the case for hearing. The July 17 Order determined that Longfellow's May 1, 2026 notice and Spur's May 5 protest satisfied both conditions for that hearing requirement. The technical significance of the change need not be decided before the hearing obligation arises.¹²

Paragraph 26 governs actual well-cost objections. No later than 180 days after submitting Form C-105, the operator must provide each pooled working-interest owner an itemized actual-cost schedule. An owner has 45 days after receiving the schedule to object in writing. If an owner timely objects, the Division determines reasonable well costs after public notice and hearing. The 180-day provision is a submission deadline; it does not require an owner to wait 180 days before objecting to a schedule already received.¹³

LEGAL STANDARD AND DIVISION'S EVIDENTIARY RULES

19.15.4.17(A) NMAC governs admissibility. It affords the parties an opportunity to present evidence and cross-examine witnesses. Judicial evidence rules may guide the examiner but do not control. The examiner may admit relevant evidence unless it is "immaterial, repetitious or otherwise unreliable."¹⁴ Longfellow therefore identifies the particular evidence challenged and the purpose for which exclusion or limitation is requested. When a document supports one

¹¹ Pooling Order ¶¶ 20-21. *See also* Order Denying Spur Energy Partners LLC's Emergency Motion for Stay, Case No. 25572 (May 19, 2026) ("Stay Denial Order"), Findings of Fact ¶ 4.

¹² Pooling Order ¶ 22; July 17 Order, Conclusions of Law ¶¶ 2-3, 7.

¹³ Pooling Order ¶¶ 26-27. Paragraph 27 addresses payment or reimbursement after the objection period expires or the Division determines reasonable well costs.

¹⁴ 19.15.4.17(A) NMAC.

relevant proposition but lacks a foundation for another, Longfellow requests a limitation on the unsupported use rather than exclusion of the document in full.

The examiner may address these questions before admission. 19.15.4.16(B) NMAC authorizes prehearing conferences to narrow issues and resolve preliminary matters. Subsection (C) authorizes rulings on motions before the merits hearing, after notice and a reasonable opportunity to respond. 19.15.4.19 NMAC authorizes the examiner to receive evidence, rule on objections, and maintain an orderly hearing and a complete record.¹⁵ The Pre-Hearing Order specifically requires advance evidentiary objections and provides for preliminary rulings when the case is called.¹⁶

Two New Mexico expert evidence decisions provide guidance on foundation. In *State v. Downey*, the Supreme Court held that a method's scientific validity does not dispense with reliable application to the facts and that essential factual assumptions must have support in the record.¹⁷ In *State v. Torrez*, the Court explained that experience-based testimony need not satisfy a scientific-testing checklist, but the witness's knowledge and experience must support the particular conclusion.¹⁸ Applied through 19.15.4.17(A) NMAC, these principles support examining the basis of the disputed quantitative and causal opinions without requiring a particular analytical method or excluding otherwise useful geological testimony.

The procedure must also allow each party to respond to the evidence on which the Division may rely. In *Uhden v. New Mexico Oil Conservation Commission*, the Supreme Court recognized that oil-conservation adjudications must satisfy due-process requirements of notice

¹⁵ 19.15.4.16(B)-(C) and 19.15.4.19 NMAC.

¹⁶ Pre-Hearing Order ¶ 6 (requiring evidentiary objections at least 48 hours before the hearing and providing for preliminary rulings when the case is called).

¹⁷ *State v. Downey*, 2008-NMSC-061, ¶¶ 25-34, 145 N.M. 232.

¹⁸ *State v. Torrez*, 2009-NMSC-029, ¶¶ 21-22, 146 N.M. 331. These decisions concern judicial application of Rule 11-702 NMRA; they are cited as guidance under 19.15.4.17(A) NMAC.

and an opportunity to be heard.¹⁹ Longfellow accordingly requests disclosure and an opportunity to examine any additional material offered to establish a missing foundation or support a new claim.

ARGUMENT

A. AFE and cost evidence may not be used to adjudicate the cost disputes dismissed by the July 17 Order.

Section IV of the Van Wie Statement in Spur's PHS addresses "AFE Cost Increases and Proper Remedy." Paragraph 29 asserts that the 006H AFE increased by approximately \$1 million, attributes much of the increase to drilling one well, and states that Spur will bear approximately \$380,000 of the increase. Paragraph 30 argues that Paragraph 26 applies only to a well drilled as approved and does not address the challenged redesign and participation election. These passages concern the availability of the cost procedure and Spur's asserted payment obligation. The July 17 Order directs those disputes to Paragraph 26 and not ripe for this proceeding.²⁰

The Division should exclude Section IV from the admitted written testimony, together with the related cost passages identified in Appendix A, Item A-1. The same ruling should govern any request to invalidate Longfellow's well proposal on cost grounds. The application itself should remain in the record, but its dismissed cost allegations should not be adjudicated at this hearing.²¹ The objection does not extend to non-cost discrepancies in the proposal or to the fact that Spur elected to participate under protest.

¹⁹ *Uhden v. N.M. Oil Conservation Comm'n*, 1991-NMSC-089, ¶¶ 10-13, 112 N.M. 528. (*Uhden* concerned notice to an affected interest owner, rather than the evidentiary objections presented here); *See also* 19.15.4.16(C) and 19.15.4.17(A) NMAC.

²⁰ Van Wie Statement ¶¶ 28-30, Spur Package PDF pp. 156-157; July 17 Order, Conclusions of Law ¶ 9 & Order ¶ B.

²¹ Van Wie Statement ¶¶ 10, 35(a), Spur Package PDF pp. 151, 158; Spur Application to Re-Open Order No. R-24036 (June 9, 2026), ¶¶ 14-15 & prayer for relief, PDF pp. 8-9. *See* Appendix A, Item A-1.

A separate use of economic evidence may be relevant to development feasibility or the requested extension. A party seeking that use should first identify the remaining issue, the specific proposition, and the supporting foundation. Any resulting admission should exclude a determination of reasonable well costs, allocation of the disputed increase, payment or reimbursement, or cost-based invalidation of an election outside Paragraph 26. This limitation should apply equally to both parties. No finding on the status of a particular cost objection is needed to apply the July 17 Order.

The cost testimony also describes nonparticipation as requiring Spur to “forfeit its interest.” Paragraphs 25 and 31 instead address non-consenting status and recovery of costs and risk charges from an owner’s share of production. They do not prescribe forfeiture of ownership.²² The Division should apply those provisions rather than the testimony’s broader characterization.

B. The APD-stay dismissal must be distinguished from the remaining compliance issues.

Conclusion of Law 8 of the July 17 Order determined that no effectual APD-stay relief could be granted because the 006H had been drilled to total depth and was in pre-frac operations. Order Paragraph B dismissed that request. Van Wie’s Paragraph 16 recites the earlier stay request, but Paragraph 17 describes the dismissal motion only as having been denied.²³ The Division may receive an accurate account of that history, subject to the partial dismissal. It should not receive the dismissed APD-stay request as a matter still awaiting decision. Appendix A, Item A-2 states the requested limitation.

That dismissal does not, by itself, dispose of the separate request concerning suspension of the Pooling Order. A party pursuing a stay under 19.15.4.23(B) NMAC must file and serve a

²² Van Wie Statement ¶ 30, Spur Package PDF p. 157; Pooling Order ¶¶ 25, 31; 19.15.13.8(A) NMAC.

²³ Van Wie Statement ¶¶ 16-17.

motion with a proposed stay order. The rule requires notice and an opportunity to respond and permits a stay when necessary to prevent waste, protect correlative rights, protect public health or the environment, or prevent gross negative consequences to an affected party.²⁴ The technical merits of a reasonable deviation and the extension request remain distinct from that stay standard.

C. Exhibit B-4 requires an accurate calculation and a foundation for its asserted technical conclusions.

Exhibit B-4 compares five-year cumulative oil production from parent and child wells in the Pan Head/Flat Head development. It displays a parent-well average of 114.7 MBO, a child-well average of 87.1 MBO, and a 31.7% “impact.” Van Wie describes the difference as approximately a 30% reduction and a reduction of nearly one-third.²⁵ The reduction from the displayed parent average to the child average is approximately 24.1%:

$$(114.7 - 87.1) / 114.7 \times 100 = 24.1\%.$$

Dividing the same difference by the child average produces approximately 31.7%. That calculation measures the percentage increase needed for the child average to reach the parent average, not the reduction from parent to child. Before the comparison is received for a quantitative purpose, the percentage and related testimony should be corrected or supported by a different calculation that accurately identifies its baseline. The arithmetic correction does not determine the significance or cause of the production difference.

The exhibit also labels its table “EUR Impact - Post Infill,” although the displayed data concern five-year cumulative production and the comparison graph ends at 60 months. Neither the slide nor Paragraphs 25-26 disclose an estimated-ultimate-recovery calculation.²⁶ A finding

²⁴ 19.15.4.23(B) NMAC; July 17 Order, Conclusions of Law ¶¶ 5 & Order ¶¶ B-C.

²⁵ Spur Ex. B-4, PDF p. 165; Van Wie Statement ¶¶ 25-26, PDF pp. 155-156. Calculations in the text use the displayed averages, without assuming that the underlying data have been established.

²⁶ Spur Ex. B-4, PDF p. 165 (table headed “EUR Impact - Post Infill”; graph headed “Panhead Flathead Parent Child Comparison”); Van Wie Statement ¶¶ 25-26, PDF pp. 155-156

of quantified ultimate-recovery loss therefore requires an explanation connecting the historical production comparison to that conclusion. A difference between selected well averages likewise does not, without further analysis, establish a reduction in aggregate Unit recovery rather than a change in the distribution of production among wells.

The causal opinion requires a related foundation. Van Wie states that the wells had comparable spacing and completion designs and that the comparison “isolates the variable” of delayed development.²⁷ He identifies the analog as approximately ten miles east-southeast of Petty.²⁸ The accompanying slide does not explain which wells were included in each average, how the averages were calculated, or how other material differences were considered. Spur should establish those facts and explain the basis for attributing the measured difference to depletion and applying the comparison to Petty. Appendix A, Item A-4 identifies the requested foundational subjects.

Longfellow requests a preliminary examination of those matters before admission of the disputed quantitative, causal, or ultimate-recovery conclusions. No particular simulator, publication, or complete identity between fields is required. An adequately explained comparison may be admitted, with remaining differences addressed through cross-examination. Without the necessary foundation, the Division should exclude the unsupported use or receive the comparison only as an accurately described historical illustration of a potential parent-child concern.²⁹ These objections do not seek exclusion of Van Wie’s qualifications, the gun-barrel diagrams, or supported testimony concerning bench differences, spacing, or prospective effects merely because the 006H has been completed.

²⁷ Van Wie Statement ¶¶ 25-26, Spur Package PDF pp. 155-156; Spur Ex. B-4, PDF p. 165. See Appendix A, Items A-3 and A-4.

²⁸ *Id.*

²⁹ 19.15.4.17(A) NMAC; Downey, 2008-NMSC-061, ¶¶ 30-34; Torrez, 2009-NMSC-029, ¶¶ 21-22.

D. Documentary inferences must be supported by the communications and distinguished from legal conclusions.

The lease correspondence illustrates the need for a specific foundation. Bell's Paragraph 36 states that, as of May 18, 2026, BLM had informed Longfellow that the lease would not expire until May 2027 at the earliest. Exhibit A-11, however, is an email to Bell stating: "If we do terminate the unit, the leases will be extended until May 31st 2027." Exhibit A-10 records English's April 15 account of possible May 2025 sales and a possible later deadline, while also describing continued uncertainty.³⁰ The correspondence may bear on development timing and credibility. Exhibit A-11 itself, however, does not establish that Longfellow received the May 18 email or that BLM had made a final determination concerning the relevant lease. Longfellow's receipt of separate February and March 2026 advice may be established through other evidence.³¹

Spur should establish those matters before Bell's conclusions are received as facts proved by the emails. The Division should otherwise limit their use as specified in Appendix A, Item A-5. This request preserves examination of the lease chronology and reasonable inferences from additional evidence. It does not treat the May reconsideration findings concerning lease uncertainty as a conclusive merits determination.³²

The Division should also distinguish evidence about conduct from opinions about governing law. For example, Bell's Paragraph 32 characterizes Longfellow's conduct as a direct violation, while Van Wie's Paragraph 27 assigns the legal burden of proof.³³ The factual chronology and properly supported technical opinions may be admitted. The legal

³⁰ Bell Statement ¶¶ 34-36, 39, Spur Package PDF pp. 55-56; Spur Exs. A-10 and A-11, PDF pp. 107-110.

³¹ See also Reconsideration Order, Findings of Fact ¶¶ 10-13, 18-19 (finding the BLM communications "uncertain, conditional, and conflicting" with "no final determination or Last Production Memo" issued, and the May 18, 2026, BLM email "not material" because the denial rested on grounds "wholly independent of lease timing").

³² 19.15.4.17(A) NMAC. See Reconsideration Order, Findings of Fact ¶¶ 11-12, 18-20 (addressing conditional communications in the stay proceedings); July 17 Order, Conclusions of Law ¶ 5 (limiting the preclusive effect of those proceedings). See Appendix A, Item A-5.

³³ Bell Statement ¶ 32, Spur Package PDF p. 54; Van Wie Statement ¶ 27, PDF p. 156; July 17 Order, Conclusions of Law ¶¶ 2-3, 6-7. See Appendix A, Item A-6

characterizations should be considered as argument, rather than independent expert evidence establishing the meaning of the Pooling Order or the applicable burden. The June 1 correspondence remains relevant under the July 17 Order.

Development communications should be considered in context. Exhibit A-12 describes drilling one well from each identified pad and drilling the remaining wells later in 2026 or 2027. The Petty discussion in Exhibit A-13 describes changed landing zones while retaining nine wells.³⁴ Those statements may support Spur's objection to timing, but the stated plan for later wells is part of the same evidence. Whether the remaining wells will be drilled is a merits question. An application under Paragraph 21 neither grants an extension nor, by itself, removes wells from the plan. Appendix A, Item A-6 preserves that distinction.

E. Other unit evidence requires an identified connection to an issue in this proceeding.

Exhibit A-15 is the Allman application for a separate 480-acre unit in the S/2 of Section 29 and SE/4 of Section 30, Township 16 South, Range 31 East. Paragraph 6 proposes eight wells on one, three, and five-year schedules. Bell's Paragraphs 46-48 rely on that filing to compare Longfellow's approach at Allman with its approach at Petty and to support a conclusion about Longfellow's earlier Petty intentions.³⁵ The exhibit establishes what Longfellow proposed for Allman. It is not an entered approval and does not independently establish what Longfellow intended when it presented the Petty plan or which schedule is appropriate for Petty.

Longfellow does not dispute the availability of phased planning. Spur should identify any additional material purpose for the Allman evidence. Absent that showing, the Division should exclude Exhibit A-15 and the associated testimony identified in Appendix A, Item A-8.

³⁴ Spur Ex. A-12, PDF pp. 111-112; Spur Ex. A-13, PDF pp. 113-114; Bell Statement ¶¶ 18, 44-45, PDF pp. 51, 57; Pooling Order ¶¶ 20-22. The drilling schedule is stamped Spur Ex. A-2b at PDF p. 67.

³⁵ Spur Ex. A-15, Application in Case No. 26252, ¶¶ 2, 6, PDF pp. 142, 145; Bell Statement ¶¶ 46-48, PDF pp. 57-58.

Alternatively, it should limit admission to the facts and content of the proposal, with enough context for the permitted comparison. The separate Van Halen AB discussion in Exhibit A-13 should similarly require a demonstrated connection before use as proof of a Petty violation.³⁶

CONCLUSION AND RELIEF REQUESTED

Longfellow requests rulings before the challenged passages are adopted or admitted as written testimony. Where additional foundation is necessary, the examiner may receive a focused proffer or preliminary examination, identify the permitted use, and allow a reasonable response. Any supplementation should be disclosed in time for meaningful examination. A limited recess or other appropriate accommodation may address the need without continuing the merits hearing.³⁷

Longfellow requests that the Division grant the rulings specified in Appendix A: exclude adjudication of the dismissed cost and APD-stay claims; require an accurate calculation and an adequate foundation for the disputed technical conclusions; limit documentary and other-unit evidence to supported, relevant uses; and preserve the parties' opportunities to respond and the complete record. The remaining technical, development, compliance, and extension issues should proceed to hearing under the governing orders.

³⁶ 19.15.4.17(A) NMAC; Spur Ex. A-13, PDF pp. 113-114 (separate "Van Halen AB" discussion). *See* Appendix A, A-7.

³⁷ 19.15.4.16(C), 19.15.4.17(A), and 19.15.4.19 NMAC

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 12th day of September 2026, as follows:

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APPENDIX A
SCHEDULE OF REQUESTED EVIDENTIARY RULINGS

Item	Challenged Material (Location)	Requested Ruling
A-1	VW § IV, ¶¶ 28–30 (pp. 156–57); AFE clause in VW ¶ 10 (p. 151); “...\$1,000,000 AFE increase” in VW ¶ 35(a) (p. 158); Spur Appl. ¶¶ 14–15 & proposal-invalidation request (pp. 8–9).	Not received to resolve authorization-for-expenditure or actual-well-cost disputes, which Paragraph 26 of the Pooling Order reserves for a separate procedure. Non-cost proposal issues and the participation-under-protest history remain available.
A-2	APD-stay request in Appl. prayer (p. 9); VW ¶ 16 recital of that request & ¶ 17’s statement that the dismissal motion “was denied” (p. 152).	The dismissed permit-to-drill stay request is not re-adjudicated, and any account of the prior proceedings should reflect that partial dismissal. The separate request to suspend the Pooling Order is unaffected.
A-3	Ex. B-4 31.7% table value, graph callout & “EUR Impact – Post Infill” heading (p. 165); VW ¶ 25 “~30% reduction” & ¶ 26 “nearly one-third” (pp. 155–56).	The 31.7% figure is not received as the reduction from the parent to the child average, which is approximately 24.1%. The five-year comparison is not received as a quantified ultimate-recovery loss absent a connecting explanation.
A-4	Ex. B-4 (p. 165) and VW ¶¶ 25–26 portions attributing the difference to depletion, asserting comparability, and “isolat[ing] the variable” of delayed development (pp. 155–56).	The depletion, comparability, and application-to-Petty opinions are received only on a supporting foundation; otherwise, the comparison is received as an illustrative historical example. Supported geologic and prospective testimony is unaffected.
A-5	Exs. A-10 & A-11 (pp. 107–10); Bell ¶ 36 (May 18 email “informed Longfellow”) & “manufactured”-urgency conclusions in ¶¶ 36, 39 (pp. 55–56).	The lease chronology and credibility evidence are received. The conclusions that Longfellow received the May 18 email or had earlier knowledge require support connecting the correspondence to Longfellow and to the relevant lease.
A-6	Bell ¶ 32 “direct violation” (p. 54), ¶ 18 ~90% “dropping” (p. 51), ¶¶ 44–45 (p. 57); VW ¶ 27 legal-burden (p. 156); Exs. A-12 & A-13 incl. Van Halen AB (pp. 111–14); Ex. A-2b (p. 67).	Facts and supported technical testimony are received; characterizations of legal violation or the burden of proof are treated as argument for the Division. An extension application is not, by itself, treated as removing wells.
A-7	Ex. A-15 (pp. 142–48), esp. Appl. ¶ 6 schedule (p. 145); Bell ¶¶ 46–48 (pp. 57–58).	The Allman application is received for the fact and content of that proposal only, not as an entered order, a binding standard for Petty, or proof of Longfellow’s earlier Petty intent, absent an identified further purpose.

EXHIBIT B

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

**APPLICATION OF SPUR ENERGY PARTNERS LLC
TO RE-OPEN ORDER NO. R-24036,
EDDY COUNTY, NEW MEXICO.**

CASE NO. 26288

**ORDER DENYING IN PART AND GRANTING IN PART LONGFELLOW ENERGY,
LP'S MOTION TO DISMISS, SETTING CASE FOR HEARING,
AND LIFTING STAY OF SUBPOENA**

THIS MATTER comes before the Oil Conservation Division ("Division") on Longfellow Energy, LP's ("Longfellow") Motion to Dismiss Spur Energy Partners LLC's ("Spur") Application to Re-Open Order No. R-24036 ("Motion"), and Spur's Response in Opposition thereto ("Response"). The Division, having reviewed the Motion, the Response, the record in this case and in Case No. 25572, and being otherwise fully advised, FINDS and CONCLUDES as follows:

FINDINGS OF FACT

1. On December 1, 2025, following notice and hearing in Case No. 25572, the Division entered Order No. R-24036, creating a horizontal spacing unit in the Yeso formation comprising the S/2 of Section 31, Township 16 South, Range 31 East, N.M.P.M., Eddy County, New Mexico, approving a nine-well development plan, and designating Longfellow as operator.
2. Spur (OGRID 328947) holds a 37.5% working interest in the spacing unit, having acquired the interest formerly held by Oxy. Longfellow holds a 28% working interest and is the Division-designated operator.
3. Paragraph 22 of Order No. R-24036 provides that the operator may propose reasonable deviations from the approved development plan by notice to the Division and all parties entitled to notice of the original compulsory pooling application. If no objection is

EXHIBIT B

received within twenty (20) days, the deviation is automatically granted. If a protest is received, the deviation is not granted, and the operator must set the matter for hearing.

4. On May 1, 2026, Longfellow issued a notice proposing to shift the landing zone for the Petty Federal Com 31CD 006H well ("006H") from the Blinbry bench to the Lower Paddock bench (the "Deviation Notice").

5. On May 5, 2026, Spur timely submitted a written protest to the Deviation Notice.

6. On May 12, 2026, Spur filed an Emergency Motion for Stay of Order No. R-24036 and the Division-approved Application for Permit to Drill ("APD") for the 006H well.

7. On May 19, 2026, the Division entered its Order Denying Spur Energy Partners LLC's Emergency Motion for Stay ("Stay Denial Order"), finding, among other things, that Paragraph 20 of Order No. R-24036 does not prescribe a drilling sequence; that Longfellow commenced the 006H within the one-year period required by the Order; that the 006H remains within the Yeso formation with no change to the authorized well count; that Spur had not demonstrated irreparable, non-economic harm; that Paragraph 26 of the Order supplies the mechanism for resolving well-cost disputes after completion; and that determinations regarding deviations from the development plan lie with the Division, not individual working-interest owners. The Stay Denial Order did not address, and was not asked to address, whether Longfellow's May 1, 2026 Deviation Notice and Spur's May 5, 2026 protest triggered the hearing obligation of Paragraph 22.

8. On May 22, 2026, Spur filed a Motion for Reconsideration of the Stay Denial Order.

9. On May 29, 2026, the Division entered its Order Denying Spur Energy Partners LLC's Motion for Reconsideration ("Reconsideration Order"), finding Spur's renewed stay request procedurally defective for failure to attach a proposed stay order as required by

EXHIBIT B

19.15.4.23(B) NMAC; reaffirming the findings in the Stay Denial Order; finding that Spur's proffered correspondence and technical interpretations were previously available or immaterial; and crediting Longfellow's evidence that it remained committed to the nine-well development, that the 006H landing-zone adjustment is intra-formational, and that drilling of the 006H was completed on May 24, 2026, with pre-frac operations underway. The Reconsideration Order, like the Stay Denial Order, did not adjudicate whether the Paragraph 22 hearing obligation had been triggered.

10. On June 1, 2026, counsel for Longfellow advised Spur by email that Longfellow did not agree its drilling schedule for the 006H constitutes a proposed deviation requiring an application for hearing and declined to file the hearing application contemplated by Paragraph 22, notwithstanding the Division hearing clerk's prior written direction that such an application was required.

11. On June 9, 2026, Spur filed its Application to Re-Open Order No. R-24036 in this case, seeking, among other relief: a hearing on its protest of Longfellow's Deviation Notice; an order compelling Longfellow to comply with Order No. R-24036 or to seek its amendment; suspension of Order No. R-24036 and a stay of the 006H APD; and a declaration invalidating Longfellow's March 30, 2026 well proposal on cost grounds.

12. On June 24, 2026, Spur issued a subpoena to Longfellow seeking document production concerning, among other things, sequencing and timing for all nine wells, planning and drilling of the 006H, and potential future amendments to the Order.

13. Longfellow thereafter moved to dismiss the Application, and an Interim Order was entered staying Spur's subpoena and holding proceedings in this case in abeyance pending resolution of the Motion.

EXHIBIT B

14. It is undisputed that the 006H well has been drilled to total depth at the Lower Paddock bench and is in pre-frac operations.
15. It is disputed whether the Blinbry and Lower Paddock benches are operationally interchangeable for purposes of the approved development plan, and whether the landing-zone shift for the 006H affects spacing considerations for the remaining eight wells authorized under Order No. R-24036.
16. It is disputed whether Longfellow intends to drill, and will drill, the remaining eight wells authorized under Order No. R-24036 within the timeframes the Order requires. Longfellow's Motion does not commit to drilling all nine wells or to a timetable for doing so, while Spur represents that Longfellow has separately indicated the 006H will be the only initial well drilled.
17. Longfellow does not dispute that a deviation which has been protested cannot be approved administratively under Order No. R-24036.

CONCLUSIONS OF LAW

1. The Division has jurisdiction over the parties and the subject matter of this case pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-1 et seq., and Paragraph 37 of Order No. R-24036, which reserves the Division's jurisdiction over matters arising under the Order.
2. Paragraph 22 of Order No. R-24036 conditions the operator's obligation to set a proposed deviation for hearing on two, and only two, events: (a) issuance of a deviation notice by the operator, and (b) receipt of a timely protest. Paragraph 22 does not require the Division, the operator, or any party to first determine the materiality, technical significance, or merit of the proposed deviation before the hearing obligation attaches.

EXHIBIT B

3. Longfellow's May 1, 2026 notice constituted a deviation notice under Paragraph 22, and Spur's May 5, 2026 response constituted a timely protest. Both conditions precedent to Paragraph 22's hearing requirement were therefore satisfied. Having itself invoked the Paragraph 22 notice mechanism, Longfellow may not now disclaim, as a basis for dismissal, that the underlying change constitutes a "deviation" within the meaning of that paragraph; whether the landing-zone shift is within the scope of the development plan approved in Case No. 25572 is a disputed question reserved for hearing, not a threshold pleading defect.
4. Collateral estoppel bars relitigation of an issue only where the issue was actually litigated and necessarily determined in a prior proceeding that resulted in a final adjudication on the merits, following a full and fair opportunity to litigate. *Silva v. State*, 1987-NMSC-107, ¶ 7, 745 P.2d 380; *Amoco Production Co. v. Heimann*, 904 F.2d 1405, 1414–19 (10th Cir. 1990).
5. The Stay Denial Order and the Reconsideration Order resolved only whether Spur satisfied the extraordinary-relief standard for emergency injunctive relief under 19.15.4.23(B) NMAC. That standard is analytically distinct from, and its resolution was not necessary to, the question whether Longfellow's Deviation Notice and Spur's protest triggered the mandatory hearing obligation of Paragraph 22. Neither prior order adjudicated the Paragraph 22 question, and neither therefore has preclusive effect as to the Application.
6. Longfellow's June 1, 2026 refusal to file the hearing application required by Paragraph 22 is an operative fact that post-dates, and could not have been litigated in, the proceedings culminating in the Stay Denial Order and the Reconsideration Order. It presents a distinct and previously unadjudicated controversy properly raised by the Application.

EXHIBIT B

- 7.Paragraph 22 of Order No. R-24036 itself supplies the procedural vehicle for Spur's request to compel a hearing on its protest of the Deviation Notice. Longfellow's contention that no rule or order provision authorizes the Application is unpersuasive as to that relief, particularly where Longfellow does not dispute that a protested deviation cannot be approved administratively; if administrative approval is foreclosed, a hearing under Paragraph 22 is the only avenue Order No. R-24036 provides.
- 8.A request for relief becomes moot where no effectual relief can be granted. Because the 006H has been drilled to total depth and is in pre-frac operations, Spur's request to stay or suspend the 006H APD is moot and should be dismissed on that basis.
- 9.To the extent the Application seeks resolution of disputes over Authorization-for-Expenditure or actual well costs, Paragraph 26 of Order No. R-24036 supplies the specific post-completion mechanism for such disputes. Those aspects of the Application should be dismissed without prejudice to Spur's right to invoke Paragraph 26.
- 10.Genuine, material factual disputes exist as to (a) whether the Blinebry and Lower Paddock benches are operationally interchangeable within the meaning of Order No. R-24036, (b) whether the 006H landing-zone shift affects spacing considerations for the remaining eight wells, and (c) whether Longfellow intends to drill, and will drill, the remaining eight wells consistent with the Order's terms and deadlines. These disputes cannot be resolved on the pleadings and are properly reserved for an evidentiary hearing.
- 11.Because the Application survives the Motion except as to the moot APD-stay request, no basis remains for continuing the stay of Spur's June 24, 2026 subpoena to Longfellow or for holding this case in abeyance.

EXHIBIT B

12. Longfellow's Motion to Dismiss should be denied in part and granted in part, as set forth below.

ORDER

IT IS THEREFORE ORDERED THAT:

A. Longfellow's Motion to Dismiss is DENIED, except as set forth in Paragraph B below.

B. Spur's request to stay or suspend the Application for Permit to Drill for the Petty Federal Com 31CD 006H well is DISMISSED AS MOOT. Spur's request to resolve Authorization-for-Expenditure or actual well-cost disputes outside the procedure of Paragraph 26 of Order No. R-24036 is DISMISSED WITHOUT PREJUDICE to Spur's right to proceed under Paragraph 26.

C. This case is SET FOR EVIDENTIARY HEARING before a Division Hearing Examiner on the next available hearing docket to address: (1) whether the shift of the Petty Federal Com 31CD 006H well's landing zone from the Blinebry bench to the Lower Paddock bench constitutes a reasonable deviation from the development plan requiring amendment of Order No. R-24036 under Paragraph 22; (2) whether Longfellow intends to drill, and will drill, the remaining eight wells authorized under Order No. R-24036 in accordance with its terms and deadlines; and (3) such other issues properly raised by the Application and the parties' responsive pleadings.

D. The Interim Order Staying Subpoena and Holding Proceedings in Abeyance is VACATED. The stay of Spur's June 24, 2026 subpoena to Longfellow is LIFTED. Longfellow shall respond to the subpoena within twenty (20) days of the date of this Order, without prejudice to Longfellow's right to timely move to quash, stay, or seek a protective order

EXHIBIT B

as to any portion of the subpoena on grounds of burden, relevance, privilege, confidentiality, or other applicable basis.

E. This Order is entered without prejudice to either party's right to seek de novo review before the Oil Conservation Commission pursuant to NMSA 1978, Section 70-2-13, following a hearing and order on the merits.

DONE at Santa Fe, New Mexico, on July 17, 2026.

Gregory Chakalian

**GREGORY CHAKALIAN
HEARING OFFICER
OIL CONSERVATION DIVISION**

EXHIBIT C

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 EMERGENCY MOTION FOR STAY

This matter came before the Hearing Examiner of the Oil Conservation Division ("Division") upon the Emergency Motion for Stay ("Motion") filed by Spur Energy Partners LLC ("Spur") on May 12, 2026, seeking to stay (1) Order No. R-24036 and (2) the Division-approved Application for Permit to Drill ("APD") for the Petty 31CD 006H well (API No. 30-015-58054).

The Division, having reviewed Spur's Motion, Longfellow Energy LP's ("Longfellow") Response filed May 15, 2026, and being otherwise fully informed in the premises, makes the following findings and conclusions:

FINDINGS OF FACT

1. Order No. R-24036 was issued on December 1, 2025, after notice and hearing, creating a horizontal spacing unit in the Yeso formation and dedicating nine proposed wells.
2. Longfellow Energy LP is the designated operator of the unit.
3. Spur owns a 37.511173% working interest in the unit.
4. Paragraph 20 of the Order requires all wells to be spudded within one year; it does not prescribe drilling sequence.
5. Longfellow commenced drilling the Petty 31CD 006H well within the required one-year period.
6. The 006H well remains in the Yeso formation with no change to the well count.
7. Spur has not demonstrated irreparable non-economic harm.
8. Order ¶ 26 supplies a mechanism to resolve well-cost disputes after completion.
9. Halting drilling would impose substantial operational and leasehold risks, including a looming BLM lease expiration.

EXHIBIT C

10. Spur identifies no procedural rule authorizing an emergency stay of both a pooling order and APD.

CONCLUSIONS OF LAW

1. The Division has jurisdiction over the parties and subject matter.
2. Rule 19.15.4.23(B) NMAC allows a stay only when necessary to prevent waste or protect correlative rights.
3. Spur has not demonstrated irreparable harm or noncompliance by Longfellow.
4. Deviation determinations lie with OCD, not individual interest owners.
5. Granting a stay would risk waste, operational harm, and lease expiration.
6. Spur has not established a procedural or legal basis for the requested stay.

ORDER

1. Spur's Emergency Motion for Stay is DENIED.
2. Order No. R-24036 and the Division-approved APD for the Petty 31CD 006H well remain in full force and effect.
3. Parties may seek future relief under standard Division procedures.
4. This Order is without prejudice to future OCD action as warranted.

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GREGORY CHAKALIAN
Hearing Examiner,
Oil Conservation Division

EXHIBIT D

**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.

EXHIBIT D

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.

EXHIBIT D

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.

EXHIBIT D

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.

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HEARING EXAMINER
NM OIL CONSERVATION DIVISION