

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

**APPLICATION OF SPUR ENERGY
PARTNERS, LLC TO AMEND ORDER
NOS. R-20642, R-20642-B, & R-20642-C,
EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Spur Energy Partners, LLC (“Spur”) (OGRID No. 328947), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order Nos. R-20642, R-20642-B and R-20642-C (“Orders”) for an extension of time for drilling the proposed initial well under the Orders. In support of its application, Spur states:

1. Division Order No. R-20642, entered June 24, 2019, in Case No. 20191, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the “Unit”). An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. The Order limited the pooled vertical depths from a stratigraphic equivalent of the top of the San Andres-Yeso formation at 2279 feet measured depth to a depth of 3,200 feet, as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926). The Order dedicated the spacing unit, subject to the pooled vertical limits, to the proposed initial **Nirvana #1H well** to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29.

3. Division Order No. R-20642-B, entered on July 22, 2020, in Case No. 21254, added the **Nirvana #2H well**, to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29, to the approved spacing unit pooled under the terms of Order No. R-20642.

4. Division Order No. R-20642-C, entered on January 19, 2021, in Case No. 21581, pooled additional interest owners under the terms of Order Nos. R-20642 and R-20642-B.

5. Spur requests that the Orders be re-opened and amended to allow Spur additional time to commence drilling the well under the Orders.

6. There is good cause for Spur's request for an extension of time to drill. Specifically, the decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors led to Spur reducing its rig count, thereby causing Spur to delay its intended plans to develop the acreage subject to the Orders.

7. Under the Orders, Spur would be required to commence drilling the well by June 30, 2021, and therefore, asks for the deadline to commence drilling the well be extended for a year, to June 30, 2022.

WHEREFORE, Spur requests that this application be set for hearing before an Examiner of the Oil Conservation Division on June 3, 2021, and, after notice and hearing as required by law, the Division enter an order extending the time for Spur to commence drilling the proposed initial well under the Orders.

Respectfully submitted,

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