

**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, &
R-20642-D, 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, R-20642-C, and R-20642-D (“Orders”) to pool additional interest owners 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. Division Order No. R-20642-D, entered on June 24, 2021, in Case No. 21938, extended the drilling deadline under the Orders to June 30, 2022.

6. Since the entry of the Orders, Spur has determined that there are additional interest owners in the Unit who were not provided notice of the hearings in the cases resulting in the issuance of the Orders, and as a result, whose interests were not pooled by the terms of the Orders.

7. Spur has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the subject spacing unit.

8. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.

9. In order to permit Spur to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal spacing unit and the proposed initial wells.

10. In order to permit Spur to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interest owners should be pooled in the Unit pursuant to the terms of the Orders.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 5, 2021, and, after notice and hearing as

required by law, the Division pool the additional interest owners pursuant to the terms of Order Nos. R-20642, R-20642-B, R-20642-C, and R-20642-D.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com
jbroggi@hollandhart.com
kaluck@hollandhart.com

ATTORNEYS FOR SPUR ENERGY PARTNERS, LLC