

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

**APPLICATION OF SPUR ENERGY  
PARTNERS, LLC TO AMEND  
ORDER NOS. R-20643, R-20643-B, &  
R-20643-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-20643, R-20643-B, and R-20643-C (“Orders”) to pool additional interest owners under the Orders.

In support of its application, Spur states:

1. Division Order No. R-20643, entered June 24, 2019, in Case No. 20263, 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 a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of 4,460 feet measured depth, 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 #3H 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-20643-B, entered on January 19, 2021, in Case No. 21582, pooled additional interest owners under the terms of Order No. R-20643.

4. Division Order No. R-20643-C, entered on June 24, 2021, in Case No. 21939, extended the drilling deadline under the Orders to June 30, 2022.

5. 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.

6. 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.

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

8. 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.

9. 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-20643, R-20643-B, and R-20643-C.

Respectfully submitted,

HOLLAND & HART LLP



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