

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

**APPLICATION OF SPUR ENERGY  
PARTNERS, LLC FOR COMPULSORY  
POOLING, LEA COUNTY, NEW MEXICO**

Case No. \_\_\_\_\_

**APPLICATION**

Pursuant to NMSA § 70-2-17, Spur Energy Partners, LLC (“Applicant”) applies for an order pooling all uncommitted mineral interests within the Yeso formation in a 480-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10 and NW/4 of Section 11, Township 17 South, Range 33 East, Lea County, New Mexico (“Unit”). In support of its application, Spur states the following:

1. Applicant (OGRID No. 328947) is a working interest owner in the Unit and has the right to drill wells thereon.
2. The Unit will be dedicated to following wells:
  - **Oakmont 10H** and **Oakmont 60H** which will be horizontally drilled from a surface location in the SW/4NE/4 (Unit G) of Section 11 to a bottom hole location in the SW/4NW/4 (Unit E) of Section 10; and
  - **Oakmont 11H** and **Oakmont 20H** which will be horizontally drilled from a surface location in the NW/4NE/4 (Unit B) of Section 11 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 10 (collectively the “Wells”).
3. The completed intervals of the Wells will be orthodox.
4. The completed interval of the **Oakmont 20H** will be within 330’ of the line separating the N/2N/2 and S/2N/2 of Section 10 and the N/2NW/4 and S/2NW/4 of Section 11 to allow inclusion of this acreage into a standard 480-acre horizontal spacing unit.

5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all of the mineral interest owners.

6. The pooling of uncommitted mineral 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 mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests this application be set for hearing on January 6, 2022 and after notice and hearing the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. 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
- F. 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,

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