

Oasis #11H, #20H, #51H, #71H, #72H Wells

Case No. 22466

**NMOCD Exhibits** 

Hearing Date: Jan. 6th, 2022

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-21583, EDDY COUNTY, NEW MEXICO.

**CASE NO. 22466** 

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-21583, EDDY COUNTY, NEW MEXICO.

CASE NO. <u>22466</u>

**APPLICATION** 

Spur Energy Partners, LLC ("Spur" or "Applicant") (OGRID No. 328947) through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend

Order No. R-21583 (the "Order") to allow for a one year extension for drilling the proposed initial

well under the Order. In support of its application, Spur states:

1. Order No. R-21583, entered on January 19, 2021, in Case No. 21583, created a

standard 160-acre horizontal spacing unit in a portion of the Yeso formation, from a depth of 3,001

feet to the base of the Yeso formation, underlying the S/2 S/2 of Section 18, Township 18 South,

Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Applicant as the

operator of the Unit.

2. The Unit was designated to the proposed initial (1) the Oasis #11H well, (2) the

Oasis #20H well, (3) the Oasis #51H well, (4) the Oasis #71H well, and (5) the Oasis #72H well.

3. Order No. R-21583 required the drilling of the initial well by January 19, 2022.

4. There is good cause for Spur's request that the Order be re-opened and

amended to allow Spur additional time to commence drilling the well under the Order.

5. The decline in commodity prices in 2020 caused by the global COVID

pandemic and other economic factors led Spur to reduce its rig count, thereby causing

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico Exhibit No. A

Submitted by: Spur Energy Partners, LLC Hearing Date: January 06, 2022

Case No. 22466

Spur to delay its intended plans to develop the acreage subject to the Order. Spur anticipates being able to drill the initial well required by the Order within the next year.

6. Therefore, Spur requests a one-year extension of time to drill the initial well under the Order, until <u>January 19, 2023</u>.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 6, 2022, and, after notice and hearing as required by law, the Division enter an order granting this application.

Respectfully submitted,

**HOLLAND & HART LLP** 

By:

Michael H. Feldewert Adam G. Rankin Julia Broggi Kaitlyn A. Luck Post Office Box 2208

Post Office Box 2208 Santa Fe, NM 87504

505-998-4421

505-983-6043 Facsimile mfeldewert@hollandhart.com agrankin@hollandhart.com jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR SPUR ENERGY PARTNERS, LLC

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-21583, EDDY COUNTY, NEW MEXICO.

**CASE NO. 22466** 

AFFIDAVIT OF RETT DALTON

Rett Dalton, of lawful age and being first duly sworn, declares as follows:

1. My name is Rett Dalton. I am a landman for Spur Energy Partners, LLC ("Spur").

2. I have previously testified before the New Mexico Oil Conservation Division as an

expert witness in petroleum land matters. My credentials as a petroleum land manager have been

accepted by the Division and made a matter of record.

3. I am familiar with the application filed by Spur in this case, and I am familiar with

the status of the lands in the subject area.

4. None of the pooled parties has indicated opposition to this extension application,

and therefore I do not expect any opposition at the hearing

5. Order No. R-21583, entered on January 19, 2021, in Case No. 21583, created a

standard 160-acre horizontal spacing unit in a portion of the Yeso formation, from a depth of 3,001

feet to the base of the Yeso formation, underlying the S/2 S/2 of Section 18, Township 18 South,

Range 27 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Applicant as the

operator of the Unit.

6. The Unit was designated to the proposed initial (1) the Oasis #11H well, (2) the

Oasis #20H well, (3) the Oasis #51H well, (4) the Oasis #71H well, and (5) the Oasis #72H well.

7. Order No. R-21583 required the drilling of the initial well by January 19, 2022.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B

Submitted by: Spur Energy Partners, LLC

Hearing Date: January 06, 2022

Case No. 22466

- 8. There is good cause for Spur's request that the Order be re-opened and amended to allow Spur additional time to commence drilling the well under the Order.
- 9. The decline in commodity prices in 2020 caused by the global COVID pandemic and other economic factors led Spur to reduce its rig count, thereby causing Spur to delay its intended plans to develop the acreage subject to the Order. Spur anticipates being able to drill the initial well required by the Order within the next year.
- 10. Therefore, Spur requests a one-year extension of time to drill the initial well under the Order, until January 19, 2023.
- 11. Spur provided our outside counsel, Holland and Hart, with a list of the working interest owners that remain subject to each pooling order and instructed them to provide notice of this hearing to these pooled working interest owners.
- 12. None of the working interest owners that remain subject to these pooling orders have been asked at this time to make an election on the applicable well, or to pay their estimated share of the costs to drill, complete and equip the applicable well.

FURTHER AFFIANT SAYETH NOT.

Received by OCD: 1/4/2022 8:44:26 PM

Released to Imaging: 1/5/2022 8:45:26 AM

RETT DALTON

STATE OF TEXAS

COUNTY OF Harris

)

SUBSCRIBED and SWORN to before me this 4th day of January 2022 by

Rett Dalton.

JAMES MARSHALL BURGE Notary Public, State of Texas Comm. Expires 04-27-2023 Notary ID 130205231

NOTARY PUBLIC

My Commission Expires:

4-27-2023

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-21583, EDDY COUNTY, NEW MEXICO.

**CASE NO. 22466** 

#### **AFFIDAVIT**

STATE OF NEW MEXICO	)
	) ss.
COUNTY OF SANTA FE	)

Kaitlyn A. Luck, attorney in fact and authorized representative of Spur Energy Partners LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Application has been provided under the notice letters and proof of receipts attached hereto.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 4th day of January, 2022 by Kaitlyn A. Luck.

My Commission Expires:

Nov. 12,2023

OFFICIAL SEAL
Carla Garcia
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 1000 12, 2023

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Spur Energy Partners, LLC
Hearing Date: January 06, 2022
Case No. 22466



Kaitlyn A. Luck Phone (505) 954-7286 KALuck@hollandhart.com

December 17, 2021

#### <u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Application of Spur Energy Partners, LLC for to Amend Order No. R-21583,

**Eddy County, New Mexico.** 

Oasis #11H, #20H, #51H, #71H, #72H wells

Ladies & Gentlemen:

This letter is to advise you that Spur Energy Partners, LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 6, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <a href="http://www.emnrd.state.nm.us/OCD/announcements.html">http://www.emnrd.state.nm.us/OCD/announcements.html</a>.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Rett Dalton at (832) 930-8529 or radalton@spurepllc.com.

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR SPUR ENERGY PARTNERS, LLC

for

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Colorado

Montana Nevada New Mexico Utah Washington, D.C. Wyoming

#### Spur\_Oasis- R-21583 deep Case No. 22466 Postal Delivery Report

						Your package will arrive later than expected, but is
						still on its way. It is currently in transit to the next
9414811898765845501396	Richard E. Johnson	140 N. Edaylya Rd	Winfield	MO	63389	facility.
						Your package will arrive later than expected, but is
						still on its way. It is currently in transit to the next
9414811898765845501341	Tessie Wellman Darnell and Carolyn L. Sauer	5101 River Rd Apt 1812	Bethesda	MD	20816-157	facility.
						Your item was delivered to the front desk, reception
						area, or mail room at 7:07 am on December 20,
9414811898765845501389	Yates Industies LLC	104 S 4th St	Artesia	NM	88210-212	2021 in ARTESIA, NM 88210.
						Your item was picked up at the post office at 10:30
9414811898765845501334	Sharbro Energy LLC	PO Box 840	Artesia	NM	88211-084	am on December 20, 2021 in ARTESIA, NM 88210.

### Carlsbad Current Argus.

### Affidavit of Publication Ad # 0005056903 This is not an invoice

HOLLAND & HART POBOX 2208

SANTA FE, NM 87504

I, a legal clerk of the Carlsbad Current Argus, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

12/26/2021

Subscribed and sworn before me this December 26,

2021:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0005056903 PO #: Case No. 22466 # of Affidavits 1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. D
Submitted by: Spur Energy Partners, LLC
Hearing Date: January 06, 2022
Case No. 22466

# STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, January 6, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at https://www.emnrd.nm.gov/ocd/hearing-info/ or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at https://ocdimage.emnrd.nm.gov/lmaging/Default.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than December 26, 2021.

Persons may view and participate in the hearings through the following link:

https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID =ea32683a0cd6466aedc002b940813ad68 Event number: 2499 136 6690 Event password: 3qyGqNJ3N63

Join by video: 24991366690@nmemnrd.webex.com Numeric Password: 162064 You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free Access code: 2499 136 6690

> STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All pooled working interest owners, including: Christian J. Thearle, his heirs and devisees; Heirs and devisees of Johnnie Rogers c/o Micheline Claunch; Heirs and devisees of Louise Cleary, Deceased; Hill Family Trust u/w/o William J. Hill; James A. Davidson, his heirs and devisees; Mabel C. Hansen, her heirs and devisees; Patricia Boyle Young Mgmt Trust c/o First Nat'l Bank & Trust Co.- Trustee; Patricia Price Roberson, her heirs and devisees; Richard D. Jones, Jr. c/o Texas Commerce Bank Nat'l Assoc.- Trustee; Richard E. Johnson, his heirs and devisees; Tessie Wellman Darnell and Carolyn L. Sauer, their heirs and devisees; Yates Industries LLC; Sharbro Energy LLC; Legacy Royalty LLC; Laura Jane Perry, her heirs and devisees; Mark Holomon Tolliver, his heirs and devisees; Citizen's Bank & Trust of Ardmore, OK, Successor Trustee of Risiduary Trust of T.C. Stromberg & June B. Stromberg Rev. Tr.; Heirs and devisees of June Stromberg c/o of Ann Stromberg; Sara S. Zeleny, her heirs and devisees; Ann S. Yates, her heirs and devisees; Dianne Cahoon Magee, her heirs and devisees; Heirs and devisees of Mary Lutz Cahoon Grantham, Deceased; Edward Charles Cahoon, his heirs and devisees; Great Western Drilling Company c/o GW Holdings INC; and Davoil INC;

Case No. 22466: Application of Spur Energy Partners, LLC for to Amend Order No. R-21583, Eddy County, New Mexico. Applicant in the above-styled cause seeks an extension of time for drilling the initial well under Order No. R-21583. Order No. R-21583 created a standard 160-acre horizontal spacing unit in a portion of the Yeso formation, from a depth of 3,001 feet to the base of the Yeso formation, underlying the S/2 S/2 of Section 18, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, and pooled all uncommitted interests in the pooled portion of the Yeso formation. Order No. R-21583 dedicated the spacing unit to the ((1) the Oasis #11H well, (2) the Oasis #20H well, (3) the Oasis #51H well, (4) the Oasis #71H well, and (5) the Oasis #72H well. Applicant seeks a drilling extension until January 21, 2023. Said area is located approximately 13 miles south of Artesia, New Mexico.