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

APPLICATION OF SPUR ENERGY PARTNERS LLC TO AMEND ORDER NO. R-22385 TO UPDATE INITIAL WELLS, EXTEND THE DRILLING DEADLINE, AND POOL ADDITIONAL PARTIES, EDDY COUNTY, NEW MEXICO.

CASE NO. ORDER NO. R-22385

APPLICATION

Spur Energy Partners LLC ("Spur" or "Applicant") (OGRID 328947), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to amend Order No. R-22385 ("Order") to (1) update the initial wells approved under the order, (2) allow for an extension of time for drilling a proposed initial well under the Order, and (3) to pool additional parties under the terms of the Order. In support of its application, Spur states:

- 1. Division Order No. R-22385, entered on November 17, 2022, in Case No. 21733, created a standard 480-acre, more or less, horizontal spacing unit comprised of the NE/4 of Section 14 and the N/2 of Section 13, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico (the "Unit"), and designated Spur as operator of the Unit.
- 2. Order No. R-22385 further pooled the uncommitted interests in the Yeso formation (Empire; Glorieta-Yeso Pool [96210]) in the Unit and dedicated the Unit to the proposed initial following wells:
 - The **Aid North #10H** well, and the **Aid North #50H**, each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 13; and

- The Aid North #11H well, the Aid North #12H well, the Aid North #51H well, and the Aid North #70H well each of which will be horizontally drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14 to bottom hole locations in the SE/4 NE/4 (Unit H) of Section 13.
- 3. Since entry of the Order, Applicant has updated the wells and locations of its proposed initial wells in the Unit to the following:
 - The Aid 14-13 State 10H well and the Aid 14-13 State 20H and Aid 14-13 and the State 60H well, to be drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 13; and
 - The **Aid 14-13 State 21H** well and the **Aid 14-13 State 61H**, to be drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole locations in the NE/4 NE/4 (Unit H) of Section 13.
- 4. Since entry of the Order, Spur has determined there are additional interest owners in the Unit whose interests were not pooled by the terms of the Order.
- 5. Spur has sought and been unable to obtain a voluntary agreement for the development of these lands from the subject interest owners in the Unit, and Spur seeks to pool these additional interest owners in the Unit under the terms of the Order.
- 6. The pooling of these interest owners under the terms of the Order will prevent waste, protect correlative rights, and promote administrative efficiency. In order to permit Spur to obtain its just and fair share of the oil and gas underlying the subject Unit, the additional interest owners should be pooled pursuant to the terms of Order No. R-22385.

- 7. In addition, Applicant requests that Order No. R-22385 be re-opened and amended to allow Applicant additional time to commence drilling an initial well under the Order.
 - 8. There is good cause for Applicant's request for an extension of time to drill.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 5, 2022, and, after notice and hearing as required by law, the Division enter an order updating the initial wells, pooling additional uncommitted interest owners, and extending the time for Spur to commence drilling an initial well under the Order.

Respectfully submitted,

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ATTORNEYS FOR SPUR ENERGY PARTNERS LLC

CASE :

Application of Spur Energy Partners LLC to Amend Order No. R-22385 to Update the Initial Wells, Extend the Drilling Deadline, and Pool Additional Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order No. R-22385 ("Order") to (1) update the initial wells approved under the order, (2) allow for an extension of time for drilling the proposed initial well under the Order, and (3) to pool additional parties under the terms of the Order. Since entry of the Order, Applicant has updated the wells and locations of its proposed initial wells in the Unit to the following:

- The Aid 14-13 State 10H well and the Aid 14-13 State 20H and Aid 14-13 State 60H well, to be drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole locations in the NE/4 NE/4 (Unit A) of Section 13; and
- The Aid 14-13 State 21H well and the Aid 14-13 State 61H well, to be drilled from a common surface location in the NW/4 NE/4 (Unit B) of Section 14, to bottom hole locations in the NE/4 NE/4 (Unit H) of Section 13.

Said area is located approximately 13 miles south of Artesia, New Mexico.