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. 23828 ORDER NO. R-22385

SPUR ENERGY PARTNERS LLC'S AMENDED PRE-HEARING STATEMENT

Spur Energy Partners LLC ("Spur") (OGRID No. 328947), the applicant in the above-referenced case, submits this Amended Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

<u>APPLICANT</u> <u>ATTORNEY</u>

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APPLICANT'S STATEMENT OF CASE

Spur submits this amendment to its prehearing statement to clarify that it is dropping from its application the request to allow for an extension of time to drill a proposed initial well under the order. Spur has commenced drilling the approved initial wells within the required deadline under Order No. R-22385. Under this application, therefore, Spur now seeks to amend Order No. R-22385 ("Order") to (1) update the initial wells approved under the order, and (2) pool additional parties under the terms of the Order.

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.

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.

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.

Since entry of the Order, Spur has also determined additional interest owners in the Unit whose interests were not pooled by the terms of the Order.

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.

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.

APPLICANT'S PROPOSED EVIDENCE

WITNESS
Name and Expertise

ESTIMATED TIME

EXHIBITS

Drew Oldis, Landman

Self-affirmed statement

Approx. 7

PROCEDURAL MATTERS

As noted above, Spur is dropping the request to extend the deadline to drill an initial well under the order. Spur has already met that deadline. If uncontested at the time of hearing, Spur intends to present this case by self-affirmed statement.

Respectfully submitted,

HOLLAND & HART LLP

By:

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ATTORNEYS FOR SPUR ENERGY PARTNERS LLC

CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2023, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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QUESTIONS

Action 282248

QUESTIONS

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	282248
	Action Type:
	[HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.