

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

**APPLICATION OF SPUR ENERGY PARTNERS LLC
TO EXTEND TIME TO COMMENCE DRILLING
OPERATIONS AND POOL ADDITIONAL INTERESTS
UNDER ORDER NOS. R-22418 AND R-22418-A,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. _____
ORDER NOS. R-22418 & 22418-A**

APPLICATION

Spur Energy Partners LLC (OGRID No. 328947) (“Applicant”), files this application with the Oil Conservation Division (“Division”) requesting: (1) a one-year extension of time to commence drilling operations under Order No. R-22418-A; and (2) to pool additional uncommitted interests under the terms of Order No. R-22418. In support of this application, Applicant states the following.

1. The Division entered Order No. R-22418 in Case No. 23012 on December 5, 2022. The order: pooled uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the S/2 of Section 25, Township 19 South, Range 25 East, Eddy County, New Mexico (“Unit”); dedicated the Unit to the Darko 25 Federal 20H, Darko 25 Federal 21H, and Darko 25 Federal 30H wells (“Wells”); and designated Applicant as operator of the Unit and Wells.

2. Order No. R-22418 required Applicant to commence drilling the Wells within one (1) year of the date of the order unless Applicant obtained a time extension from the Division Director for good cause shown.

3. The Division entered Order No. R-22418-A in Case No. 23871 on December 1, 2023, extending the deadline to commence drilling the Wells until December 5, 2024.

4. Spur's ability to commence drilling the Wells has been further delayed by a lack of water takeaway capacity in the area. Spur is in the process of constructing a water recycling facility that will serve this and other units to address the water takeaway constraint and prevent economic and environmental waste. Spur expects that the recycling facility will be operational during the first quarter of 2025.

5. Accordingly, Spur requests that the Division extend the deadline to commence drilling the Wells until December 5, 2025.

6. Good cause exists for the requested extension.

7. Additionally, since the orders were entered, Applicant has identified additional uncommitted interests that should be pooled into the Unit.

8. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

9. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled into the Unit pursuant to the terms of Order No. R-22418.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on November 7, 2024, and, after notice and hearing, the Division extend the deadline to commence drilling the Wells under the Orders until December 5, 2025, and pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22418.

Respectfully submitted,

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