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 OPERATING AND POOL ADDITIONAL INTERESTS UNDER ORDER NOS. R-22418 AND R-22418-A, EDDY COUNTY, NEW MEXICO.

CASE NO. 24924 ORDER NOS. R-22418 & R-22418-A

HEARING EXHIBITS

Exhibit A	Self-Affirmed Statement of Rett Dalton
A-1	Application & Proposed Notice of Hearing
A-2	Order No. R-22418
A-3	Order No. R-22418-A
A-4	Plat of Tracts, Ownership Interests, and Parties to be Pooled
A-5	Summary of Communications
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Sample Notice Letter to Interested Parties Sent October 10, 2024
B-2	Notice Letter Chart
B-3	Copies of Certified Mail Receipts and Returns
B-4	Affidavit of Publication for October 17, 2024

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. CA

CASE NO. 24924 ORDER NOS. R-22418 & 22418-A

SELF-AFFIRMED STATEMENT OF RETT DALTON

1. I am a Senior Landman with Spur Energy Partners LLC ("Spur"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in the above-reference case. Copies of Spur's application and proposed hearing notice are attached as **Exhibit A-1**.

3. 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. A copy of Order No. R-22418 is attached as **Exhibit A-2**.

4. 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.

Spur Energy Partners LLC Case No. 24924 Exhibit A Released to Imaging: 11/1/2024 9:28:45 AM

5. 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. A copy of Order No. R-22418-A is attached as **Exhibit A-3**.

6. Unfortunately, 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.

7. Spur's current drilling schedule has these Wells slated to be spud August 2025.

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

9. Spur further requests the other provisions of the Order remain in force and effect.

10. Additionally, since the orders were entered, Applicant has identified additional overriding royalty interest owners that should be pooled into the Unit.

11. **Exhibit A-4** provides a plat of the tracts included in the Unit, identifies the interests in each tract included in the Unit, and identifies the additional overriding royalty interest owners to be pooled under the terms of the Orders, which are highlighted in yellow.

12. None of the additional overriding royalty interest owners are unlocatable because Spur was able to use existing contact information that it knows to be accurate to transmit the documents it sent to each additional overriding royalty interest owner it seeks to pool.

13. Spur has undertaken diligent, good faith efforts to obtain voluntary agreements from the additional overriding royalty interest owners to allow for pooling of their interests but

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has been unable to obtain voluntary agreements from some of these overriding royalty interest owners.

14. In my opinion, Spur made a good-faith effort to reach voluntary agreements of these additional overriding royalty interest owners as indicated by the chronology of contact described in **Exhibit A-5**.

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Rett Dalton

10-28-2024 Date

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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. CA

CASE NO. 24924 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.

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.

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.

Spur Energy Partners LLC Case No. 24924 Exhibit A-1 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.

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Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Jaclyn M. McLean Dylan M. Villescas P.O. Box 2068 Santa Fe, NM 87504-2068 Phone: (505) 982-4554 dhardy@hinklelawfirm.com jmclean@hinklelawfirm.com dvillescas@hinklelawfirm.com *Attorneys for Spur Energy Partners LLC*

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		Setting: Hearing by Affidavit
13.	24896	Application of Mewbourne Oil Company for Compulsory Pooling, Lea County, New Mexico. Mewbourne Oil Company ("Applicant") applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 240-acre, more or less, standard horizonal spacing unit comprised of the E/2 E/2 of Section 16 and the E/2 SE/4 of Section 9, Township 18 South, Range 35 East, Lea County, New Mexico ("Unit"). The Unit will be dedicated to the Top Round 16/9 State Com #528H (B2PI) well ("Well"), which will be drilled from a surface hole location in the SE/4 SW/4 (Unit N) of Section 16 to a bottom hole location in the NE/4 SE/4 (Unit I) of Section 9. The completed interval of the Well is expected to be orthodox. Also to be considered will be the cost of drilling and completing the Well and the allocation of the costs, the designation of Applicant as the operator of the Well, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 17 miles west of Hobbs, New Mexico.
14.	24921	Application of MRC Permian Company to Amend Order R-23188 to Additional Pooled Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending pooling Order R-23188 to add additional mineral interest owners to the pooling order. Order R-23188 was issued in Case 24217 and pooled uncommitted mineral interest owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the N2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the Prater Fed Com 113H and Prater Fed Com 123H wells. The subject area is located approximately 3 miles south of Loving, New Mexico.
15.	24922	 Setting: Hearing by Affidavit Application of MRC Permian Company to Amend Order R-23189 to Additional Pooled Parties, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order amending pooling Order R-23189 to add additional mineral interest owners to the pooling order. Order R-23189 was issued in Case 24218 and pooled uncommitted mineral interest owners in the Bone Spring formation [Malaga; Bone Spring, North Pool (42800)] underlying the S2S2 of Sections 9 and 10, Township 24 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard 320-acre horizontal well spacing unit is currently dedicated to the Prater Fed Com 114H and Prater Fed Com 124H wells. The subject area is located approximately 3 miles south of Loving, New Mexico.
16.	24923	 Setting: Hearing by Affidavit Application of MRC Permian Company to Amend Order R-22682 to Add Additional Pooled Parties, Lea County, New Mexico. Applicant in the above-styled cause seeks an order amending pooling Order R-22682 to add additional mineral interest owners to the pooling order. Order R-22682 was issued in Case 23418 and pooled uncommitted mineral interest owners in the Bone Spring formation [Rock Lake; Bone Spring, South Pool (52769) and WC-025 G-06 S233516M; Middle Bone Spring Pool (98246)] underlying the E2SE4 of Section 4, and the E2E2 of Sections 9 and 16, Township 23 South, Range 35 East, NMPM, Lea County, New Mexico. This standard 400-acre horizontal well spacing unit is currently dedicated to the Marlan Downey State Com 124H well. The subject area is located approximately 14 miles southwest of Eunice, New Mexico. Setting: Hearing by Affidavit
17.	24924	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. Spur Energy Partners LLC, ("Applicant") requests that the Division issue an order: (1) granting a one-year extension of time to commence drilling operations under Order No. R-22418-A; and (2) pooling additional uncommitted interests under Order No. R 22418. Order No. R-22418 (issued December 5, 2022): 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"); designated Applicant as operator of the Unit and Wells; and required

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		Applicant to commence drilling the wells within one year unless an extension is obtained. Order No. R-22418-A extended the deadline to commence drilling the Wells until December 5, 2024. Applicant requests the Division extend the deadline to commence drilling the Wells until December 5, 2025. Additionally, since the Orders were entered, Applicant has identified additional uncommitted interests in the Unit that should be pooled under the terms of Order No. R-22418. The Wells are located approximately 14.92 miles south and approximately 3.07 miles west of Artesia, New Mexico.
18.	24927	Application of Manzano LLC for Approval of a Permanent Pressure Maintenance Project, Lea County, New Mexico. Applicant seeks an order approving the Jenkins San Andres Pressure Maintenance Project ("Project") as a permanent pressure maintenance project for the injection of produced gas through the Vince BGH #1 well into the San Andres formation in Section 30, Township 9 South, Range 35 East, Lea County, New Mexico. On March 22, 2022, the Division entered Order No. R-22076 ("Order") approving the Project as a pilot project. The Order: (1) authorizes Manzano to inject produced gas into the San Andres formation [Jenkins San Andres pool (Code 33950)] at a true vertical depth interval from approximately 4,840 feet to approximately 4,850 feet below the surface; (2) approves a Project Area of 320 acres, more or less, in the E/2 SE/4 of Section 19 and the SE/4 and E/2 NE/4 of Section 30, Township 9 South, Range 35 East, Lea County, New Mexico; (3) designates Manzano LLC as operator of the Project; and (4) approves Manzano's request to convert the Vince BGH No. 1 (API No. 30-025- 37104) ("Well") from a vertical producing well to an injection well. The Order states that the authorizations provided therein shall terminate three (3) years after approval unless the Oil Conservation Division approves of the Project as a permanent pressure maintenance project following a hearing. In accordance with the Order, Manzano requests that the Division issue an order approving the Project as a permanent pressure maintenance project is located approximately 18.1 miles north of Tatum, New Mexico.
		Setting: Hearing by Affidavit
19.	24928	Application of Devon Energy Production Company, L.P. to Amend Order R-23414 to Pool an Overlapping Horizontal Gas Spacing Unit Rather Than an Oil Spacing Unit, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Order R-23414 to pool an 800-acre overlapping horizontal gas spacing unit rather than a horizontal oil spacing unit in an interval of the Bone Spring formation underlying the S2 of Section 9, the S2 of Section 10, and the SW4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. Order R-23414, issued in Case 24428, pooled an overlapping horizontal oil spacing unit in an interval of the Bone Spring formation underlying the S2S2 of Section 9, the S2S2 of Section 10, and the S2SW4 of Section 11, Township 21 South, Range 27 East, NMPM, Eddy County, New Mexico. This oil spacing unit is currently dedicated to the proposed Bent Tree 9-11 State Com 224H, to be horizontally drilled from a surface location in the SW4 of Section 9, with a first take point in the SW4SW4 (Unit M) of Section 9 and a last take point in SE4SW4 (Unit N) of Section 11. Devon seeks to amend the pooling order to accommodate the placement of the well in a gas pool rather than the anticipated oil pool. This proposed 800-acre gas spacing unit will overlap the 800-acre spacing unit approved under Order R-23415 for the Bent Tree 9-11 State 337H and 338H wells to be drilled in a deeper interval of the Bone Spring formation. Said area is located approximately 5 miles northeast of Carlsbad, New Mexico.
20.	24930	Application of MRC Permian Company for Compulsory Pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling a standard 320-acre, mor or less, horizontal well spacing unit in the Bone Spring formation underlying the W2W2 of W2W2 of Sections 3 and 10, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico. Applicant seeks to initially dedicate the above-referenced spacing unit the proposed Tony La Russa State Com 111H, Tony La Russa State Com 121H and Tony La Russa State Com 131H wells to be horizontally drilled from a surface location in the NW4 of Section 3, with first take points in the NW4NW4 (Unit D) of Section 3 and last take points in the SW4SW4 (Unit M) of Section 10. Also, to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, actual operating costs and charges for supervision, designation of Matador Production Company as operator of the proposed spacing unit, and a 200% charge for risk involved in drilling the proposed well. The subject area is located approximately 6 miles west

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY SPUR ENERGY PARTNERS, LLC

CASE NO. 23012 ORDER NO. R-22418

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on September 1, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Spur Energy Partners, LLC ("Operator") submitted an application ("Application") to compulsory pool the uncommitted oil and gas interests within the spacing unit ("Unit") described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
- 2. Operator will dedicate the well(s) described in Exhibit A ("Well(s)") to the Unit.
- 3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
- 4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
- 5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 7. Operator is the owner of an oil and gas working interest within the Unit.
- 8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
- 10. Operator has the right to drill the Well(s) to a common source of supply at the

Spur Energy Partners LLC Case No. 24924 Exhibit A-2

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depth(s) and location(s) in the Unit described in Exhibit A.

- 11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
- 12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
- 13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

<u>ORDER</u>

- 15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
- 16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
- 17. Operator is designated as operator of the Unit and the Well(s).
- 18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
- 19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
- 20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
- 21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
- 22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
- 23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

CASE NO. 23012 ORDER NO. R-22418 well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

- 24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
- 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs that exceed the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
- 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
- 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
- 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

CASE NO. 23012 ORDER NO. R-22418 of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.



Date: <u>12/05/2022</u>

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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	23012
Hearing Date:	9/1/2022
Applicant	Spur Energy Partners LLC
Designated Operator & OGRID	OGRID # 328947
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Spur Energy Partners, LLC for Compulsory Pooling,
	Eddy County, New Mexico
Entries of Appearance/Intervenors	None
Well Family	Darko
Formation/Pool	
Formation Name(s) or Vertical Extent	Yeso
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Yeso
Pool Name and Pool Code	North Seven Rivers; Glorieta-Yeso Pool (Code 97565)
Well Location Setback Rules	Statewide
Spacing Unit Size	320-acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acre
Building Blocks	
	quarter-quarter
Orientation	West/East
Description: TRS/County	S/2 of Section 25, Township 19 South, Range 25 East, Eddy Country
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	Yes, the completed interval of the Darko 25 Federal 30H well will
	located within 330' of the quarter-quarter section line separating
	the N/2 S/2 and S/2 S/2 of Section 25 to allow for the creation of
	320-acre standard horizontal spacing unit.
Proximity Defining Well: if yes, description	Darko 25 Federal 30H
Well(s)	
Name & API (if assigned), surface and bottom hole location,	Add wells as needed
footages, completion target, orientation, completion status	
(standard or non-standard)	
Well #1	Darko 25 Federal 20H (API # pending)
	SHL: 1795' FSL & 620' FEL (Unit I), Section 26, T19S-R25E
	BHL: 2292' FSL & 50' FEL (Unit I), Section 25, T19S-R25E
	Completion Target: Yeso formation (Approx. 3137' TVD)
Well #2	Darko 25 Federal 21H (API # pending)
	SHL: 650' FSL & 390' FEL (Unit P), Section 26, T19S-R25E
	BHL: 330' FSL & 50' FEL (Unit P), Section 25, T19S-R25E
	Completion Target: Yeso formation (Approx. 3125' TVD)
Well #3	Darko 25 Federal 30H (API # pending)
	SHL: 1795' FSL & 600' FEL (Unit I), Section 26, T19S-R25E
	BHL: 1333' FSL & 50' FEL (Unit I), Section 25, T195-R25E
	Completion Target: Yeso formation (Approx. 3287' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
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Completion Target (Formation, TVD and MD)	IEvhibit A A

CASE NO. 23012 ORDER NO. R-22418

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Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing) Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-1, C-2, C-3 Exhibit C-4
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information	
provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	8/29/2022
	0/ = 0/ = 0/ = 0/ = 0/ = 0/ = 0/ = 0/ =

Released to Imaging: 8/30/2022 11:01:29 AM

CASE NO. 23012 ORDER NO. R-22418

Page 6 of 6

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

IN THE MATTER OF APPLICATION FOR COMPULSORY POOLING SUBMITTED BY SPUR ENERGY PARTNERS, LLC

CASE NO. 23871 ORDER NO. R-22418-A

ORDER

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on November 2, 2023, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. Spur Energy Partners, LLC ("Operator") submitted an application ("Application") requesting an extension to drill the well(s) as required by Order R-22418 as amended ("Order").
- 2. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice of the Application was given.
- 3. Operator has demonstrated good cause to extend the deadlines in the Order.
- 4. The Application was heard by the Hearing Examiner, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

- 5. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
- 6. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
- 7. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.

<u>ORDER</u>

- 8. The period to drill the well(s) is extended until December 5, 2024.
- 9. This Order shall terminate automatically if Operator fails to comply with Paragraph 7 unless prior to termination Operator applies, and OCD grants, to amend the Order for good cause shown.

Spur Energy Partners LLC Case No. 24924 Exhibit A-3

- 10. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.
- 11. The remaining provisions of the Order remain in force or effect.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Date: <u>12/1/2023</u>

DYLAN M FUGE DIRECTOR (ACTING) DMF/hat

CASE NO. 23871 ORDER NO. R-22418-A

.

EXHIBIT A-4 (11.7.2024 Hearing)

LAND OWNERSHIP OF DARKO SPACING UNIT

DARKO - TRACT OWNERSHIP SUMMARY						
TRACT NUMBER LOCATION STR ACRES DSU PARTICIPATION FAC						
1	W2W2W2SE	25-19S-25E	20	6.25%		
2	E2W2W2SE	25-19S-25E	20	6.25%		
3	W2E2W2SE	25-19S-25E	20	6.25%		
4	E2E2W2SE	25-19S-25E	20	6.25%		
5	E2SE	25-19S-25E	80	25.00%		
6	SW	25-19S-25E	160	50.00%		
			320	100.00%		

DARKO DSU - WORKING INTEREST SUMMARY					
WI OWNER	NET DSU ACRES	DSU WI			
SEP PERMIAN LLC	267.5000	0.83593750			
SPIRAL INC. (HEYCO					
Development Corporation)	25	0.078125			
SANTO LEGADO LLC	25	0.078125			
HEIRS OF JULIA MCKINLEY	2.5000	0.00781250			
TOTAL	320.00	1.0000			

DARKO DSU - OVERRIDING ROYALTY INTERESTS					
ORRI OWNER TRACT DSU INT					
Apollo Permian LLC	6	0.01500000			
Charles R. Wiggins et ux	6	0.005000			
Douglas A. Fiske	6	0.00093750			
Patricia A. Fiske	6	0.00093750			
Edward B. Parma	6	0.00140625			
Petro-Quest Oil & Gas, LP	6	0.002812500			
Teton Petroleum Corporation	6	0.001406250			
TOTAL		0.027500000			

en Rivers NWNW (D)	NENW (C)	NWNE (B)	NENE (A)	
SWNW (E)	SENW (F)	SWNE (G)	3430 ft SENE (H)	
NWSW (L)	NESW (K)	NVISE (+)	NESE (1)	~
swsw (M)	SESW (N)	SW6E (0)	SESE (P)	

TRACT 1
TRACT 2
TRACT 3
TRACT 4
TRACT 5
TRACT 6

6

1

SPACING UNIT OWNERSHIP BY TRACT

TRACT 1 - ALL DEPTHS	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	0.87500000	20.00	17.50	17.50	0.0546875
HEIRS OF JULIA MCKINLEY	UMI	0.12500000	20.00	2.50	2.50	0.0078125
		1.000000	20.00	20.00	20.00	0.0625

TRACT 2 - ALL DEPTHS	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	1.0000	20.00	20.00	20.00	0.0625
		1.0000	20.00	20.00	20.00	0.0625
TRACT 3 - ALL DEPTHS	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	0.50000	20	10.00	10.0000	0.03125
SANTO LEGADO LLC	WI	0.2500	20	5.00	5.00	0.01562500
SPIRAL INC. (HEYCO						
Development Corporation)	UMI	0.2500	20	5.00	5.00	0.01562500
		1.0000	20	20	20	0.0625
TRACT 4 - ALL DEPTHS	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	1.0000	20.00	20.00	20.00	0.0625
		1.0000	20.00	20.00	20.00	0.0625
TRACT 5 - ALL DEPTHS	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	0.50000	80.00	40.0000	40.0000	0.12500000
SANTO LEGADO LLC	WI	0.25	80.00	20.00	20.00	0.06250000
SPIRAL INC. (HEYCO			1			
	UMI	0.25	80.00	20.00	20.00	0.06250000
Development Corporation)	UIVII					

TRACT 6 - ALL DEPTHS	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	1.0000	160.00	160.00	160.00	0.50
		1.0000	160.00	160.00	160.00	0.50

Spur Energy Partners LLC Case No. 24924 Exhibit A-4

EXHIBIT A-5 (11.7.2024 Hearing) Darko DSU ORRI Correspondence Tracker for SW/4 Sec 25, T19S, R25E, Eddy County, NM

		Date Mailed and How	Tracking	Date Received	Comments
1	Charles R. Wiggins ("Bob") P. O. Box 10862 Midland, TX 79702	10.9.2024 USPS	9407 1118 9876 5480 8911 12	10.22.2024 by email	Spoke to Bob 10.22.2024 and emailed him the documents that were mailed to him. Amended doc to inlcude his wife's name. 10.23.2024, received signed copy of amendment by email. 10.28.2024, received signed amendment via UPS.
2	Douglas A. Fiske 1831 Dukes Drive Midland, TX 79705	10.9.2024 FedEx	7791 3539 3587	10.11.2024	
3	Patricia A. Fiske 3500 Bluebird Lane Midland, TX 79705	10.9.2024 FedEx	7791 3545 0212	10.11.2024	10.28.2024. received signed amendment in mail.
4	Edward B. Parma P. O. Box 294687 Kerrville, TX 78029 Petro-Quest Oil & Gas, LP P. O. Box 294151	10.9.2024 USPS	9407 1118 9876 5480 8913 41		10.22.2024. received signed amendment by email. 10.28.2024, received signed
5 6	Kerrville, TX 78029 Teton Petroleum Corporation 222 Sidney Baker S., Suite 209 Kerrville, TX 78028	10.9.2024 USPS 10.9.2024 FedEx	9407 1118 9876 5480 8914 33 7791 3551 5956	10.17.2024	amendment by mail.

Spur Energy Partners LLC Case No. 24924 Exhibit A-5

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. 24924 ORDER NOS. R-22418 & 22418-A

SELF-AFFIRMED STATEMENT OF DANA S. HARDY

1. I am attorney in fact and authorized representative of Spur Energy Partners LLC., the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit B-1** and caused the Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached

as Exhibit B-2.

3. Exhibit B-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit B**-

3 as supporting documentation for proof of mailing and the information provided on Exhibit B-2.

5. On October 17, 2024, I caused a notice to be published in the Carlsbad Current – Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current – Argus along with a copy of the notice publication, is attached as **Exhibit B-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

<u>/s/ Dana S. Hardy</u> Dana S. Hardy October 28, 2024 Date

> Spur Energy Partners LLC Case No. 24924 Exhibit B



HINKLE SHANOR LLP

ATTORNEYS AT LAW P.O. BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER: Dana S. Hardy, Partner dhardy@hinklelawfirm.com

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

October 10, 2024

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24924 – 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.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **November 7, 2024**, beginning at 8:30 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <u>https://www.emnrd.nm.gov/ocd/hearing-info/</u>. 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.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (https://www.apps.emnrd.nm.gov/ocd/ocdpermitting/) or via e-mail to ocd.hearings@emnrd.nm.gov 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 application, please contact Rett Dalton, landman at Spur Energy Partners LLC, via e-mail at rdalton@spurenergy.com if you have any questions regarding this matter.

Sincerely,

<u>∕s∕ Dana S. Hardy</u> Dana S. Hardy

Spur Energy Partners LLC Case No. 24924 Exhibit B-1

PO BOX 10 ROSWELL, NEW MEXICO 88202 (575) 622-6510 FAX (575) 623-9332 7601 JEFFERSON ST NE · SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321 PO BOX 2068 SANTA FE, NEW MEXICO 87504 (505) 982-4554 FAX (505) 982-8623

Enclosure

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.

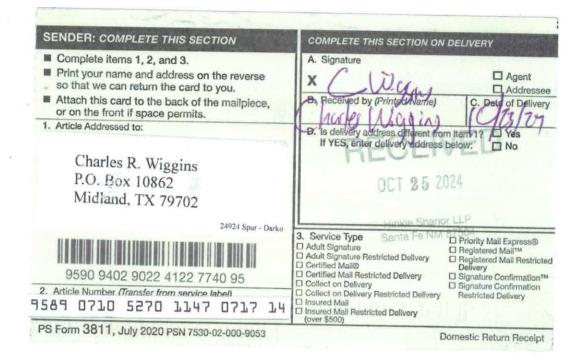
CASE NO. 24924 ORDER NOS. R-22418 & R-22418-A

NOTICE LETTER CHART

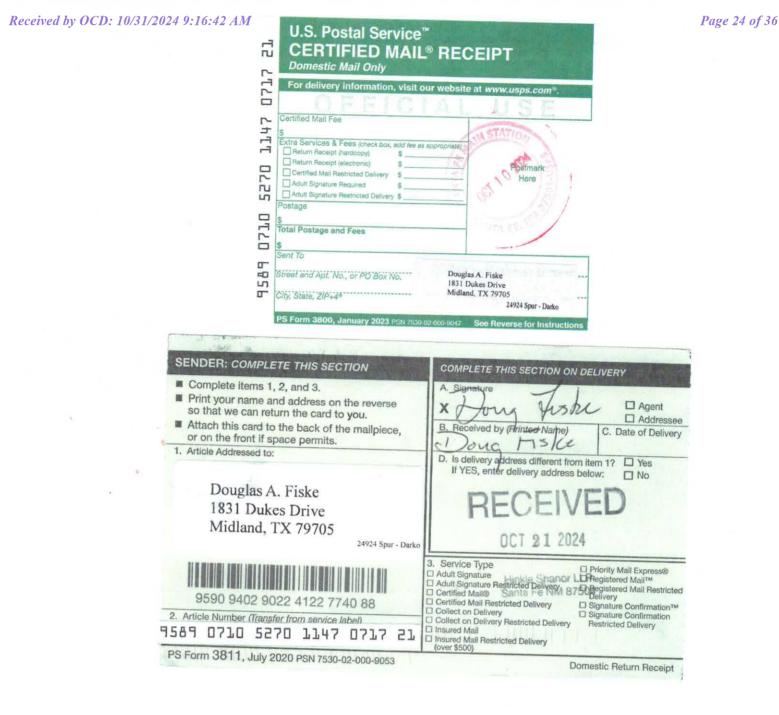
PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Charles R. Wiggins	10/10/2024	10/25/2024
P.O. Box 10862	9589071052701147071714	
Midland, TX 79702		
Douglas A. Fiske	10/10/2024	10/21/2024
1831 Dukes Drive	9589071052701147071721	
Midland, TX 79705		
Edward B Parma	10/10/2024	10/21/2024
Po Box 294687	9589071052701147071738	
Kerrville, TX 78029		
Heyco Energy Group, Inc.	10/10/2024	10/21/2024
P.O. Box 1933	9589071052701147071745	
Roswell, NM 88202		
Hollyhock LTD	10/10/2024	Per USPS Tracking on
12855 Westella Drive	9589071052701147071752	10/28/2024: Item
Houston, TX 77077		delivered on 10/17/2024
Patricia A Fiske	10/10/2024	10/18/2024
3500 Bluebird Lane	95890710527011470717	
Midland, TX 79705		
Petro-Quest Oil & Gas, Lp	10/10/2024	10/21/2024
P. O. Box 294151	9589071052701147071776	
Kerrville, TX 78029		
Santo Legado LLLP	10/10/2024	10/18/2024
P.O. Box 1020	9589071052701147071783	
Artesia, NM 88211		
Spiral, Inc.	10/10/2024	10/21/2024
P.O. Box 1933	9589071052701147071790	
Roswell, NM 88202		
Teton Petroleum Corporation	10/10/2024	10/18/2024
222 Sidney Baker S., Suite 209	9589071052701147071806	
Kerrville, TX 78028		
XPLOR Resources LLC	10/10/2024	10/18/2024
1104 North Shore Drive	9589071052701147071813	
Carlsbad, NM 88220		

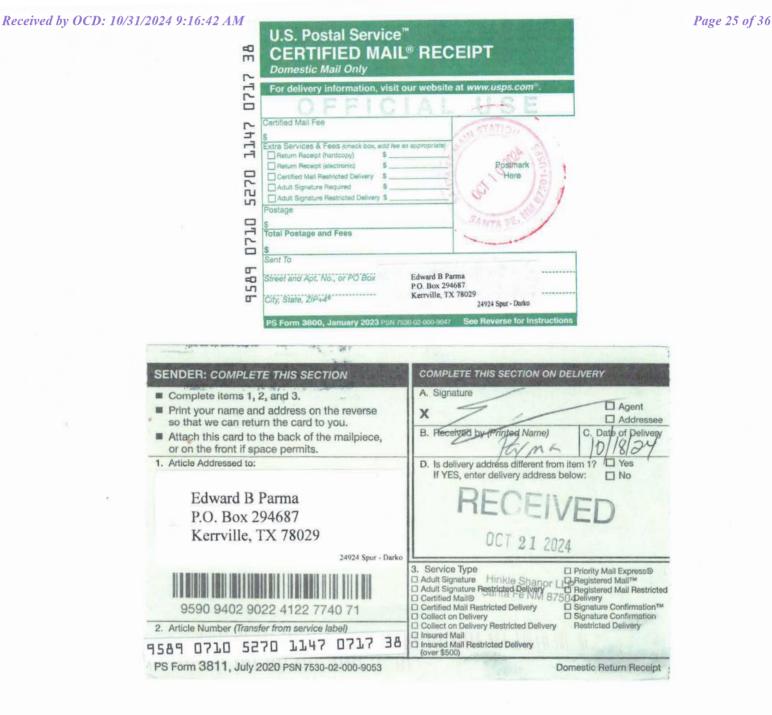
Spur Energy Partners LLC Case No. 24924 Exhibit B-2 Received by OCD: 10/31/2024 9:16:42 AM





Spur Energy Partners LLC Case No. 24924 Exhibit B-3











7-36-13

Domestic Return Receipt

Page 28 of 36



Page 29 of 36

Received by OCD: 10/31/2024 9:16:42 AM	U.S. Postal Service [™] CERTIFIED MAIL [®] RECEIPT Domestic Mail Only	Page 30 of 36
T20 24	For delivery information, visit our website at www.usps.com*	
	Extra Services & Fees (check box, add fee as appropriate)	
589 07	Total Postage and Fees Bent To Street and Apt. P.O. Box 1933 Roswell, NM 88202 24924 Spur - Darko	
SENDER: COMPLETE	PS Form 3800, January 2023 PSN 7590-82-000-9047 See Reverse for Instru	
 Complete items 1, 2, a Print your name and as so that we can return t Attach this card to the or or the front if space Article Addressed to: 	A. Signature A. Signature X X X X X X X X X X	C. Date of Delivery
Spiral, Inc. P.O. Box 193 Roswell, NM		IVED
9590 9402 9022 2. Article Number (Transfer fro 9589 0710 5270	3. Service Type Adult Signature Adult Signature Adult Signature Certified Mail@ Certified Mail@ Certified Mail@ Collect on Delivery Collect on Delivery Collect on Delivery ILL47 07L7 90	 □ Priority Mai Express □ Registered Mail™ □ Registered Mail Restricted Delivery □ Signature Confirmation™ □ Signature Confirmation Restricted Delivery
PS Form 3811, July 2020	PSN 7529.00.000 0050	omestic Return Receipt

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D714 Certified Mail Fee ~ = Extra Services & Fees Ichack box, add TT fee as an Return Receipt (hardcopy) Return Receipt (electronic Certified Mail Restricted De 5271 Adult Signature Required Adult Signature Restricted D Postage 0770 Total Postage and Fees Sent To Teton Petroleum Corporation 222 Sidney Baker S., Suite 209 Kerrville, TX 78028 50 Street and Apt. No. 5 City, State, 21P+4 24924 Spur - Darko T PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instru **SENDER:** COMPLETE THIS SECTION COMPLETE THIS SECTION ON DELIVERY A. Signature Complete items 1, 2, and 3. Agent Print your name and address on the reverse X □ Addressee so that we can return the card to you. B. Received by (Printed Name) C. Date of Delivery Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: D. Is delivery address different from item 17 I Yes If YES, enter delivery address b D No Teton Petroleum Corporation 222 Sidney Baker S., Suite 209 OCT 1 8 2024 Kerrville, TX 78028 24924 Spur - Darko 3. Service Type Santa Fe NM 87 Entriority Mail Express® Registered Mail™ estricted Delivery Bignature Confirmation™ □ Adult Signature C Adult Signature Restricted Delivery Certified Mail@ 9590 9402 8912 4064 8970 57 Certified Mail Restricted Delivery Collect on Delivery
Collect on Delivery Restricted Delivery Signature Confirmation 2. Article Number (Transfer from service label) Restricted Delivery Onest on Dervery Restricted D
 Insured Mail
 Insured Mail Restricted Delivery (over \$500) 9589 0710 5270 1147 0718 06

U.S. Postal Service"

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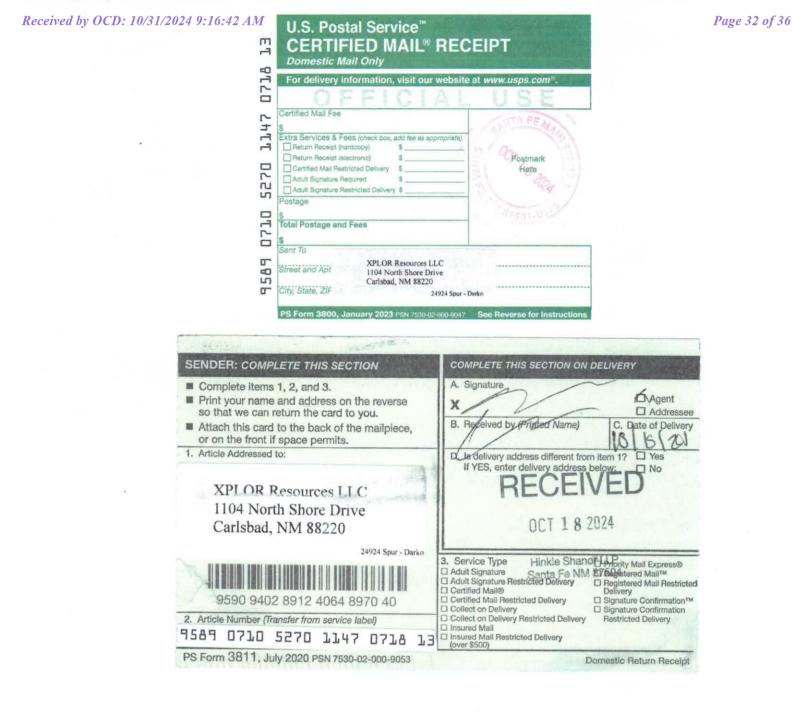
CERTIFIED MAIL® RECEIPT

livery information, visit our website at www.usps.com*

PS Form 3811, July 2020 PSN 7530-02-000-9053

Domestic Return Receipt

Received by OCD: 10/31/2024 9:16:42 AM



Received by OCD: 10/31/2024 9:16:42 AM

52	U.S. Postal Service [™] CERTIFIED MAIL [®] REC Domestic Mail Only	EIPT
7170	For delivery information, visit our website	e at www.usps.com®.
5270 II47	Certified Mall Fee S Extra Services & Fees (check box, add fee as appropriate) Return Receipt (hardcopy) Return Receipt (electronic) Return Receipt (electronic) Certified Mail Restricted Delivery Adult Signature Required Adult Signature Restricted Delivery Postage	Postmark Here OCT 1 0 2024
9589 0710	\$ Total Postage and Fees \$ Sent To Street and Apt. No., or PO Box No. Holl: 1285	yhock LTD 55 Westella Drive ston, TX 77077 24924 Spur - Darko

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app=UspsTools&ref=ho nepageBanner&appURL=https%3A%2F%2Finformeddelivery.usps.com/box/pages/intro/start.action)

Page 34 of 36

Tracking Number:

9589071052701147071752

Copy Add to Informed Delivery (https://informeddelivery.usps.com/)

Latest Update

Your item was delivered to an individual at the address at 1:20 pm on October 17, 2024 in HOUSTON, TX 77077.

Get More Out of USPS Tracking:

USPS Tracking Plus[®]

Delivered Delivered, Left with Individual
HOUSTON, TX 77077 October 17, 2024, 1:20 pm
In Transit to Next Facility October 15, 2024
Arrived at USPS Regional Facility SOUTH HOUSTON PROCESSING CENTER October 12, 2024, 1:37 pm
Departed USPS Facility ALBUQUERQUE, NM 87101 FAQs >

(https://reg.usps.com/xsell?

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS PO BOX 507 HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS COUNTY OF EDDY }

Account Number: 94

Ad Number:	17860		
Description:	Spur - Darko		
Ad Cost:	\$117.28		

Sharon Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

October 17, 2024

That said newspaper was regularly issued and circulated on those dates. SIGNED:

Sherry Dance

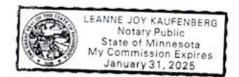
Agent

Subscribed to and sworn to me this 28th day of October 2024.

Coupenbin

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

> CARA DOUGLAS HINKLE SHANOR, LLP PO BOX 2068 Santa Fe, NM 87504 cdouglas@hinklelawfirm.com



Spur Energy Partners LLC Case No. 24924 Exhibit B-4

PUBLIC NOTICE

This is to notify all interested parties, including; Charles R. Wiggins; Douglas A. Fiske; Edward B. Parma; Heirs of Julia Mcklinley; Heyco Energy Group, Inc.; Hollyhock LTD; Patricia A. Fiske; Petro-Quest Oil & Gas, LP; Santo Legado LLLP; Spiral, Inc.; Teton Petroleum Corporation; XPLOR Resources, LLC; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on applications submitted by Spur Energy Partners, LLC. The hearing will be conducted on November 7, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: https://www. emnrd.nm.gov/ocd/hearinginfo/. Spur Energy Partners LLC, ("Applicant") requests that the Division issue an order: (1) granting a one-year extension of time to commence drilling operations under Order No. R-22418-A; and (2) pooling additional uncommitted interests under Order No. R-22418. Order No. R-22418 (issued December 5, 2022): pooled uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacless, standard horizontal spac-ing 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 20H, wells ("Wells"); designated Applicant as operdesignated Applicant as oper-ator of the Unit and Wells; and required Applicant to com-mence drilling the wells within one year unless an extension is obtained. Order No. R-22418-A extended the deadline to commence drilling the Wells until December 5, 2024. Applicant requests the Division extend the deadline to com-mence drilling the Wells until December 5, 2025. Addition-ally, since the Orders were entered. Applicant has iden-tified additional uncommitted interests in the Unit that should be pooled under the terms of Order No. R-22418. The Wells are located approximately 14.92 miles south and approximately 3.07 miles west of Artesia, New Mexico.

Published in the Carlsbad Current-Argus October 17, 2024 #17860