

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

**APPLICATION OF SPUR ENERGY
PARTNERS LLC FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Applicant”) applies for an order pooling all uncommitted interests from the top of the Yeso formation to 5,000’ MD, underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 12, Township 17 South, Range 29 East, Eddy County, New Mexico (“Unit”). In support of this application, Spur states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the **Fat Tire 12 Federal Com 20H, Fat Tire 12 Federal Com 50H, and Fat Tire 12 Federal Com 70H** wells (“Wells”), to be drilled from surface hole locations in the NE/4 NW/4 (Unit C) of Section 7, Township 17 South, Range 30 East, to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 12, Township 17 South, Range 29 East.
3. The completed intervals of the Wells will be orthodox.
4. The completed interval of the **Fat Tire 12 Federal Com 50H** well will be located within 330’ of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 12 to allow for the creation of a 320-acre standard horizontal spacing unit.

5. Due to a depth severance within the Unit, Applicant seeks to pool only those uncommitted interests from the top of the Yeso formation at a stratigraphic equivalent of 4,257' MD, as found in the Chica Cat Federal Com #1 (API No. 30-015-26094) well log to 5,000' MD.

6. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

7. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

8. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 9, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and

- F. Imposing a 200% penalty for the risk assumed by Applicant in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy _____

Dana S. Hardy

Jaclyn M. McLean

Dylan M. Villescascas

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 98208623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

dvillescascas@hinklelawfirm.com

Counsel for Spur Energy Partners LLC