STATE OF NEW MEXICO.

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

Application of Spur Energy Partners, LLC, for Compulsory Pooling, Eddy County, New Mexico Case No. 21993

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

JULY 1, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Hearing Examiner, John Garcia, Technical Examiner, on July 1, 2021, via Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources.

Reported by: Mary Therese Macfarlane New Mexico CCR #122 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 A P P E A R A N C E S 1 2 FOR SPUR ENERGY PARTNERS: 3 Dana S. Hardy, Esq. Hinkle Shanor, LLP 4 P.O. Box 2068 Santa Fe, NM 87504-2068 5 (505) 982-4544. dhardy@hinklelawfirm.com. б 7 CONTENTS 8 CASE NO. 21993 PAGE 9 CASE CALLED: 3 TAKEN UNDER ADVISEMENT: 10 4 11 12 EXHIBIT INDEX 13 SPUR ENERGY PARTNERS EXHIBITS: PAGE 14 Α Self-Affirmed Statement of Morgan Landry 4 15 A-1 Application and Proposed Notice of Hearing 4 16 A-2 C-102s 4 17 A-3 Plat of Tracts/ownership/unit recap 4 A-4 Sample Well Proposal Letter & AFEs 4 18 Summary of Communications 19 A-5 4 Hearing Notice Letter and Return Receipts 20 A-7 4 21 В Self-Affirmed Statement of C.J. Lipinski 4 4 22 B-1 Location Map 23 4 B-2 Structure Map 24 B-3 Cross Section 4 25 B-4 Gunbarrel Schematic 4

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1 (Time noted 10:23 a.m.) 2 EXAMINER BRANCARD: Okay. With that I will 3 call the next case, Item to our agenda No. 21, Case No. 4 21993, Spur Energy Partners. This time we have Hinkle, Shanor. 5 MS. HARDY: Yes, Mr. Examiner. Dana Hardy on 6 7 behalf of Spur Energy Partners. 8 EXAMINER BRANCARD: Do we have any other interested persons for Case 21993? (Note: Pause.) 9 10 Hearing none, you may proceed, Ms. Hardy. 11 MS. HARDY: Thank you. 12 In this case Spur seeks an Order pooling all uncommitted mineral interests from the top of the Yeso 13 14 Formation to a depth of approximately 5,000 feet measured 15 depth in a 320-acre, more or less, standard horizontal 16 spacing unit comprised of the south half of Section 12, 17 Township 17 South, Range 29 East in Eddy County. This is a proximity tract spacing unit and the defining well is 18 the Fat Tire 22H. 19 We provided our exhibits through the portal 20 on Tuesday. The compulsory Pooling checklist is included. 21 22 In support of the application we've submitted the affidavit of Landman Morgan Landry and 23 24 geologist C.J. Lipinski. 25 The land ownership information including

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Page 4 the identity of the pooled parties is provided in Exhibit 1 2 A-3 to Mr. Landry's affidavit. 3 With respect to Notice, the Hearing Notice Letters and Certified Mail Return Receipts are included in 4 Exhibit A-6 and the Affidavit of Publication is provided 5 in Exhibit A-7. б 7 Mr. Lipiniski's affidavit includes the standard geology exhibits: Cross-Section, Structure Map, 8 and a Gunbarrel. 9 And with that, unless there are questions I 10 would request that the exhibits be accepted into the 11 12 record and that the case be taken under advisement. 13 EXAMINER BRANCARD: Thank you. Mr. Garcia, questions? 14 15 EXAMINER GARCIA: No questions. 16 EXAMINER BRANCARD: Thank you. Once again, are 17 there any other interested persons in Case 21993, Fat Tire wells? 18 Hearing none, in Case 21993 the exhibits 19 will be admitted into the record and the case will be 20 21 taken under advisement. Thank you. 22 MS. HARDY: Thank you. 23 (Time noted 10:26 a.m.) 24 25

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1	STATE OF NEW MEXICO)
2	: SS
3	COUNTY OF TAOS)
4	
5	REPORTER'S CERTIFICATE
б	I, MARY THERESE MACFARLANE, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday, July 1,
8	2021, the proceedings in the above-captioned matter were
9	taken before me; that I did report in stenographic
10	shorthand the proceedings set forth herein, and the
11	foregoing pages are a true and correct transcription to
12	the best of my ability and control.
13	I FURTHER CERTIFY that I am neither employed by
14	nor related to nor contracted with (unless excepted by the
15	rules) any of the parties or attorneys in this case, and
16	that I have no interest whatsoever in the final
17	disposition of this case in any court.
18	/s/ Mary Macfarlane
19	/S/ Mary Macrariane
20	MARY THERESE MACFARLANE, CCR
21	NM Certified Court Reporter No. 122 License Expires: 12/31/2021
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