

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

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC
TO POOL ADDITIONAL INTEREST OWNERS
EDDY COUNTY, NEW MEXICO

Case No. 22738

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 2, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing
before the New Mexico Oil Conservation Division,
HEARING OFFICER WILLIAM BRANCARD and TECHNICAL
HEARING OFFICER JOHN GARCIA on Thursday, June 2,
2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
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1 A P P E A R A N C E S

2 For Spur Energy Partners, LLC:

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 4 PO Box 2068
 Santa Fe, New Mexico 87504-2068
 5 505-982-4554
 BY: DANA HARDY
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1 HEARING OFFICER BRANCARD: With that, I'm
2 calling Case 22738, Spur Energy Partners.

3 MS. HARDY: Dana Hardy with Hinkle Shanor
4 on behalf of Spur Energy Partners.

5 HEARING OFFICER BRANCARD: Are there any
6 other parties for Case 22738?

7 Hearing none, Ms. Hardy, you may proceed.

8 MS. HARDY: Thank you.

9 Spur seeks an order pooling additional
10 interest owners under the terms of Order
11 Number R-22602, which pooled uncommitted interest
12 from the top of the Yeso formation to a depth of
13 approximately 4,000 feet in a 160-acre standard
14 horizontal spacing unit comprised of the north half
15 of the south half of Section 27, Township 17 South,
16 Range 28 East in Eddy County.

17 That order dedicated the unit to Halbred
18 27 State Com 21H well and designated Spur as
19 operator of the unit and the well.

20 Since the order was entered, Spur
21 identified additional interest owners that should be
22 pooled under the terms of the order.

23 We have provided the affidavit of landman
24 Blair Brummell with our exhibits.

25 The tract ownership information and pooled

1 parties are identified in Exhibit A3.

2 We are pooling two additional parties, one
3 working interest owner, which is Kerr-McGee and one
4 override which is the Wright Company.

5 Exhibit B is my notice affidavit and we've
6 included a chart the shows the mailing dates and
7 included the certified receipts. We did not receive
8 a return for Kerr-McGee but the Postal Service
9 tracking shows that they did pick up the envelope.

10 We also timely published and we actually
11 published twice because we were adding parties.

12 So with that, unless there are questions,
13 I request the exhibits be admitted and the case be
14 taken under advisement.

15 HEARING OFFICER BRANCARD: Thank you.

16 Mr. Garcia?

17 TECHNICAL HEARING OFFICER GARCIA: Are you
18 going to ask questions, Bill?

19 HEARING OFFICER BRANCARD: Yeah.

20 TECHNICAL HEARING OFFICER GARCIA: I
21 believe I'll pass to you because I believe it's the
22 same question.

23 HEARING OFFICER BRANCARD: All right.

24 Well, I'll come back to you if I missed yours.

25 So I'm just a little puzzled here,

1 Ms. Hardy. You're saying you just discovered that
2 Kerr-McGee owns a hundred percent of Tract 1?

3 MS. HARDY: No, Mr. Examiner. Actually
4 what happened is that Kerr-McGee is an Oxy entity
5 and so a different Oxy entity was initially pooled.
6 And out of an abundance of caution to make sure we
7 covered everyone, we filed this application to
8 specifically include Kerr-McGee.

9 HEARING OFFICER BRANCARD: Thank you.

10 I was wondering where Kerr-McGee was these
11 days.

12 As your notice to Kerr-McGee, I thought it
13 was interesting that your folks sent the AFE to two
14 Kerr-McGee addresses but you only sent the notice to
15 one Kerr-McGee address, maybe why you had a little
16 problem getting it picked up there.

17 MS. HARDY: You know, they did pick it up,
18 actually a month ago, according to the Postal
19 Service tracking, but we just didn't receive a green
20 card. I don't know why.

21 HEARING OFFICER BRANCARD: Okay.

22 Mr. Garcia, I'm sure I missed your
23 question.

24 TECHNICAL HEARING OFFICER GARCIA: You did
25 not. I was curious about how you missed 25 percent

1 working interest but ... so no further questions.

2 HEARING OFFICER BRANCARD: In the first
3 application you did pool a party for that
4 25 percent, it just wasn't the correct party?

5 MS. HARDY: That's correct.

6 HEARING OFFICER BRANCARD: Okay.

7 Are there any other interested persons,
8 then, for Case 22738?

9 Hearing none, Case 2273 will be taken
10 under advisement.

11 MS. HARDY: Thank you.

12 (Matter concluded.)

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REPORTER'S CERTIFICATE

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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