

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

**APPLICATION OF SPUR ENERGY
PARTNERS, LLC TO POOL ADDITIONAL
INTEREST OWNERS UNDER THE TERMS
OF ORDER NOS. R-20642 & R-20642-B,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. _____
ORDER NOS. R-20642 & R-20642-B**

APPLICATION

Spur Energy Partners, LLC (“Spur”) (OGRID No. 328947), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional interest owners under the terms of Order Nos. R-20642 and R-20642-B. In support of its application, Spur states:

1. Division Order No. R-20642, entered June 24, 2019, in Case No. 20191, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the “Unit”). An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. The Order limited the pooled vertical depths from a stratigraphic equivalent of the top of the San Andres-Yeso formation at 2279 feet measured depth to a depth of 3,200 feet, as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926). The Order dedicated the spacing unit, subject to the pooled vertical limits, to the proposed initial **Nirvana #1H well** to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29.

3. Division Order No. R-20642-B, entered on July 22, 2020, in Case No. 21254, added the **Nirvana #2H well**, to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29, to the approved spacing unit pooled under the terms of Order No. R-20642.

4. Since the entry of Order Nos. R-20642 and R-20642-B, Spur has determined that there are additional interest owners in the Unit who were not provided notice of the either hearing in Case Nos. 20191 and 21254, and as a result, whose interests were not pooled by the terms of Order Nos. R-20642 and R-20642-B.

5. Spur has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

6. The pooling of the additional interest owners under the terms of Order Nos. R-20642 and R-20642-B will prevent waste, will protect correlative rights, and will promote administrative efficiency.

7. In order to permit Spur to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interest owners should be pooled in the Unit pursuant to the terms of Order Nos. R-20642 and R-20642-B.

8. In order to provide proper notice to these additional interest owners and to bring their interests under the terms of Order Nos. R-20642 and R-20642-B, Spur requests that this case called for hearing at the next available examiner docket.

WHEREFORE, Spur requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division pool the additional interest owners pursuant to the terms of Division Order Nos. R-20642 & R-20642-B.

Respectfully submitted,

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