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

APPLICATION OF SPUR ENERGY PARTNERS, LLC, TO POOL AN ADDITIONAL WORKING INTEREST OWNER UNDER THE TERMS OF ORDER NO. R-20642 AND R-20642-B, EDDY COUNTY, NEW MEXICO.

CASE NO. 21581 ORDER NO. R-20642-C

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having heard this matter through a Hearing Examiner on January 7, 2021, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

- 1. On June 24, 2019, OCD issued Order R-20642 to Spur Energy Partners, LLC ("Operator"), to pool the uncommitted oil and gas interests within the specified spacing unit ("Unit"). Division Order No. R-20642-B, entered on July 22, 2020, in Case No. 21254, added the Nirvana #2H well to the spacing unit.
- 2. 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.
- 3. Operator provided evidence that it gave notice of the Application and the hearing to the previously unidentified interest owner.
- 4. Operator presented evidence through affidavits in support of the Application.
- 5. 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. The previously unidentified interest owner has not agreed to commit its interest to the Unit.

- 11. The pooling of the previously unidentified uncommitted interest in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
- 12. This Order affords to the previously unidentified interest owner the opportunity to produce its just and equitable share of the oil or gas in the pool.

<u>ORDER</u>

- 13. The previously unidentified uncommitted interest in the Unit is hereby pooled in the Unit.
- 14. Order R-20642 and R-20642-B shall otherwise remain in full force and effect.
- 15. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION



DIRECTOR AES/kms Date: 1/19/2021