

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

**APPLICATION OF SPUR ENERGY PARTNERS, LLC
TO AMEND ORDER R-20642 TO ADD AN
ADDITIONAL WELL TO THE APPROVED
HORIZONTAL WELL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21254
ORDER NO. R-20642-B**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 25, 2020, 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 (“Spur”) to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. Subsequent to the issuance of Order R-20642, Spur Energy Partners, LLC (“Operator”) succeeded to the interest of Percussion in the Unit.
3. Subsequent to the issuance of Order R-20642 Operator decided to add the Nirvana No. 2H Well (“Well”) to the Unit as described in Exhibit A.
4. Operator provided evidence that it gave notice of the Application and the hearing to the previously pooled interest owners.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. 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. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.

11. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

12. The Well will now be dedicated to the Unit established by Order R-20642.

13. If the location of the well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.

14. The Operator shall commence drilling the Well within one year after the date of this Order, and complete the Well no later than one (1) year after the commencement of drilling the Well.

15. This Order shall terminate automatically if Operator fails to comply with Paragraph 14 unless Operator obtains an extension by an amendment of this Order for good cause shown.

16. Order R-20642 shall remain in full force and effect.

17. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/tgw

Date: 7/22/2020

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21254	APPLICANT'S RESPONSE
Date June 25, 2020	
Applicant	Spur Energy Partners, LLC
Designated Operator & OGRID (affiliation if applicable)	Spur Energy Partners, LLC
Applicant's Counsel:	Holland & Hart LLP
Case Title:	AMENDED APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-20642 TO ADD AN ADDITIONAL WELL TO THE APPROVED HORIZONTAL WELL SPACING UNIT, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	None
Well Family	Nirvana
Formation/Pool	
Formation Name(s) or Vertical Extent:	San Andres-Yeso formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	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).
Pool Name and Pool Code:	SE/4 SE/4 Sec. 29, T 18 S, R 26 E, is in the Penasco Draw; San Andres Yeso Pool (50270). S/2 S/2 Sec. 28, T 18 S, R 26 E, is in the Atoka; Glorieta Yeso Pool (3250).
Well Location Setback Rules:	Statewide Oil Rules
Spacing Unit Size:	200 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	200 acres, more or less
Building Blocks:	40 acres
Orientation:	East to West
Description: TRS/County	S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes; Depth severance exists at 3,200 feet as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926).
Proximity Tracts: If yes, description	None
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Yes
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	'Nirvana No. 1H Well (API No. pending): SHL: 520 FSL, 665 FWL (Unit M), Sec. 27, T 18 S, R 26 E, NMPM, Eddy County, New Mexico BHL: 360 FSL, 1306 FEL (Unit P), Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. Standard location.
Well #2	Nirvana No. 2H Well (API No. pending): SHL: 560 FSL, 665 FWL (Unit M), Sec. 27, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. BHL: 913 FSL, 1306 FEL (Unit P), Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. Standard location.
Horizontal Well First and Last Take Points	Nirvana No. 1H Well: FTP: 360 FSL, 100 FEL Sec. 28, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. LTP: 360 FSL, 1226 FEL, Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. Nirvana No. 2H Well: FTP: 910 FSL, 100 FEL FSL Sec. 28, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. LTP: 913 FSL, 1227 FEL, Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico.
Completion Target (Formation, TVD and MD)	San Andres-Yeso formation
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Order R-20642
Requested Risk Charge	200%; Order R-20642
Notice of Hearing	
Proposed Notice of Hearing	See Amended Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibit A-3
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-3
Overhead Rates In Proposal Letter	Exhibit A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	N/A

Spacing Unit Schematic	N/A
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	N/A
Target Formation	N/A
HSU Cross Section	N/A
Depth Severance Discussion	See Order R-20642
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	N/A
Well Bore Location Map	N/A
Structure Contour Map - Subsea Depth	N/A
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	N/A
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	9-Jul-20