

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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. 21581
ORDER NOS. R-20642 & R-20642-B**

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-20643, EDDY COUNTY, NEW MEXICO.

**CASE NO. 21582
ORDER NO. R-20643**

SPUR ENERGY PARTNERS, LLC'S CONSOLIDATED PRE-HEARING STATEMENT

Spur Energy Partners, LLC ("Spur") (OGRID No. 328947), the applicant in the above-referenced cases, submits this Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Spur Energy Partners, LLC

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

In **Case No. 21581**, Spur seeks to pool additional interest owners under the terms of Order Nos. R-20642 and R-20642-B. 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"). 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. 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. 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.

In **Case No. 21582**, Spur seeks to pool additional interest owners under the terms of Order No. R-20643. Division Order No. R-20643, entered June 24, 2019, in Case No. 20263, 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”). The Order limited the pooled vertical depths from a stratigraphic equivalent of a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of 4,460 feet measured depth, 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 #3H 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. Since the entry of Order No. R-20643, Spur has determined that there are additional interest owners in the Unit who were not provided notice of the hearing in Case No. 20263, and as a result, whose interests were not pooled by the terms of Order No. R-20643.

Spur intends to file sundries reflecting changes to the surface and bottom hole location sfor each of the wells in these cases.

APPLICANT’S PROPOSED EVIDENCE

<u>WITNESS</u> Name and Expertise	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Megan Peña, Landman	Affidavit	Approx. 4

PROCEDURAL MATTERS

If uncontested at the time of hearing, Spur intends to present these consolidated cases by affidavit.

Respectfully submitted,

HOLLAND & HART LLP



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