

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:

CASE NOS: 21675

APPLICATION OF SPUR ENERGY PARTNERS LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
March 4, 2021
Santa Fe, New Mexico

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on
Thursday, March 4, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

KAITLYN LUCK
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 06

REPORTER CERTIFICATE 07

E X H I B I T I N D E X

Admitted

All Exhibits and Attachments 06

1 HEARING EXAMINER ORTH: Let's move to Case 21675,
2 Spur Energy Partners is the applicant. It's a compulsory
3 pooling application. The name of the well is Rose South.
4 Ms. Luck, is that you here for the applicant?

5 MS. LUCK: (Inaudible.)

6 HEARING EXAMINER ORTH: I can't hear you. No.
7 No. You are muted.

8 MS. LUCK: How about now?

9 HEARING EXAMINER ORTH: Yes.

10 MS. LUCK: Yes, I'm here for Spur Energy
11 Partners. Kaitlyn Luck from the Santa Fe office of Holland
12 & Hart.

13 HEARING EXAMINER ORTH: Good morning. And let me
14 pause for a moment in the event there are other entries.

15 (No audible response.)

16 HEARING EXAMINER ORTH: No? I understand you are
17 presenting by affidavit.

18 MS. LUCK: That's correct.

19 HEARING EXAMINER ORTH: Please go ahead.

20 MS. LUCK: Thank you. In this case Spur filed
21 its exhibit packet with the Division on Tuesday because
22 there would be no objection to the case proceeding by
23 affidavit today.

24 So in your exhibit packet you should find
25 Exhibits A through F, starting with the application

1 checklist for this case followed by a copy of the
2 application as Exhibit B.

3 Next you will find the affidavit of Megan Pena
4 who is Spur Energy Partners' landman. She has testified
5 before the Division, and her credentials have been
6 previously accepted.

7 Her affidavit reflects that Spur seeks an order
8 pooling all uncommitted interest in the Yeso formation
9 underlying a standard 320 acre laydown spacing unit
10 comprised of the S/2 of Section 12. This is in Township 19
11 South, Range 25 East in Eddy County, New Mexico.

12 Ms. Pena's affidavit goes on to explain that Spur
13 seeks to dedicate the spacing unit to the Rose South well,
14 that's the Rose South 10H, 50H, 60H, 11H, 51H and 20H wells.
15 The Rose South 20H is the proximity tract well that remains
16 within 330 feet of the quarter-quarter line separating the
17 N/2 of the S/2 from the S/2 of the S/2 of Section 12.

18 Spur included the C-102s for each of the wells as
19 Exhibit C-1, and those C-102s reflect that these wells are
20 located in the Penasco Draw pool, which is Pool Code 50270.

21 Ms. Pena provides with her affidavit a plat
22 outlining the unit being pooled as well as a recap of each
23 of the interest owners and their interest within the spacing
24 unit, as well as each tract within the unit.

25 She also provides a copy of the sample well

1 proposal letter and a chronology of her contacts with the
2 working interest owners that Spur seeks to pool in this
3 case.

4 The next exhibit in your packet is Spur Exhibit
5 D, which is the affidavit of Spur's geologist, C.J.
6 Lipinski. He also previously testified before the Division
7 and had his credentials accepted. He provides with his
8 affidavit the standard geology exhibits including a project
9 locator and cross section map, a structure map, a 3-D
10 diagram of the spacing unit, as well as a cross section.

11 And then finally Spur's Exhibit E and F are the
12 requisite notice exhibits which reflect that notice of this
13 hearing was timely provided to each of the interest owners
14 that Spur seeks to pool in this case.

15 And, with that, I would just move the admission
16 of Spur Exhibits A through F and request that this case be
17 taken under advisement.

18 HEARING EXAMINER ORTH: All right. Thank you,
19 Ms. Luck. Mr. Lamkin, do you have any questions?

20 TECHNICAL EXAMINER LAMKIN: Just one. Spur seems
21 to be the majority interest owner in all the tracts; is that
22 correct?

23 MS. LUCK: That's correct.

24 TECHNICAL EXAMINER LAMKIN: That's all I have.

25 HEARING EXAMINER ORTH: Okay, thank you.

1 Exhibits A through F are admitted and the matter will be
2 taken under advisement. Thank you.

3 (Exhibits admitted.)

4 (Taken under advisement.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 4th day of March 2021.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253
License Expires: 12-31-21

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