

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:

Application of Spur Energy Partners, LLC,
to Amend Order R-20642, R-20642-B and
R-20642-C, Eddy County, New Mexico Case No. 21938

Application of Spur Energy Partners, LLC,
to Amend Order R-20643, R-20643-A and
R-20642-C, Eddy County, New Mexico Case No. 21939

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MOTION TO AMEND

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, Legal
Examiner William Brancard, Technical Examiner
Leonard Lowe, on Thursday, June 17, 2021, via
the Webex virtual Conferencing platform.

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

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1 (Time noted 8:28 a.m.)

2 EXAMINER BRANCARD: With that I would like to
3 start a few hearings today. And I think we start with
4 case No. 4, 21938, Spur Energy Partners. And I believe
5 combined with 21939, also Spur Energy Partners. These are
6 amendment cases.

7 For Holland & Hart?

8 MS. LUCK: Good morning. Kaitlyn Luck with the
9 Santa Fe office of Holland & Hart on behalf of the
10 Applicant in these cases, Spur Energy Partners.

11 EXAMINER BRANCARD: Okay. We have an entry of
12 appearance that COG Operating and Concho Oil & Gas.

13 MS. MUNDS-DRY: Mr. Hearing Examiner, Ocean
14 Munds-Dry with COG Operating, LLC, and Concho Oil & Gas.

15 EXAMINER BRANCARD: Ms. Munds-Dry, do you have
16 any objection to this case going forward by affidavit?

17 MS. MUNDS-DRY: No objection.

18 EXAMINER BRANCARD: Any more interested parties
19 in Cases 21938 and 21939? (Note: Pause.)

20 Hearing none, Ms. Luck you may proceed.

21 MS. LUCK: Thank you.

22 In both of these cases we filed exhibits
23 for Spur on Tuesday; however, after our exhibit packet was
24 filed we noticed that the Notice information for all of
25 the parties was incomplete, and so yesterday we filed a

1 supplemental replacement packet of exhibits that includes
2 the complete Notice information, including both NOPs for
3 both cases, as well as the Notice information for all of
4 the parties.

5 Starting out with Exhibit A, those are
6 copies of the application for Case Nos 21938 and 21939.

7 Exhibit B is the affidavit of Megan Pena,
8 who is the landman for Spur in these cases. Her affidavit
9 explains the background of the Orders in these cases and
10 the requests that Spur is making in those cases to extend
11 the drilling deadline to June 30th of 2022.

12 Just as a brief recap, the first Case,
13 21938 relates to Order No. R-20642 and the accompanying
14 subsequent Orders, and that Order created a standard
15 200-acre horizontal spacing unit in the south half/south
16 half of Section 28 and the southeast/southeast of 29,
17 Township 19 South, Range 26 East in Eddy County.

18 This Order is limited to the pooled
19 vertical depth from the top of the San
20 Andres-Yeso formation to a depth of 3200 feet, and that
21 Order is dedicated to the Nirvana 1H and 2H wells.

22 So again in the first case Spur is seeking
23 an extension to June 30th of 2020.

24 In the second case, Case 21939, Spur is
25 seeking to amend Orders No. R-20643 and the subsequent

1 Orders related to that original Order. And again it's the
2 same acreage as the first case that I just mentioned;
3 however, this second case pools the deeper depths of the
4 Yeso Formation so it pools the depth 3201 feet to the base
5 of the Yeso Formation, as shown in that log. This set of
6 Orders is dedicated to the Nirvana 3H wells.

7 And again, Spur is seeking to extend the
8 drilling deadline to June 30, 2022.

9 And then Finally in the exhibit packet are
10 the Notice Letters and Notice information for both cases
11 reflecting that Notice was timely provided to each of the
12 pooled interest owners, and letting them know that spur
13 sought an extension of this drilling deadline for both
14 cases.

15 With that I would move the admission of
16 Exhibits A through D and request these cases be taken
17 under advisement.

18 EXAMINER BRANCARD: Thank you.

19 Ms. Munds-Dry, any questions or objections?

20 MS. MUNDS-DRY: No questions or objections.

21 Thank you, Mr. Hearing Examiner.

22 EXAMINER BRANCARD: Mr. Lowe, any questions?

23 EXAMINER LOWE: Hi. Good morning.

24 I just wanted to find out: You are
25 requesting an extension request for one year, correct?

1 MS. LUCK: That's correct.

2 EXAMINER LOWE: For both wells?

3 MS. LUCK: It's three wells total but there is
4 two Pooling Orders, so one for the shallower depth and
5 then one for the deeper, and both of them we'd like to
6 extend to June 30th, 2022.

7 EXAMINER LOWE: Is this request the first
8 extension request for these wells or these cases?

9 MS. LUCK: No, this is the second extension
10 request. Spur had previously had these on the drill
11 scheduled earlier in 2020, but again due do Covid the
12 drilling project had been pushed out, so that's why Spur
13 is requiring a second extension of these Orders.

14 EXAMINER LOWE: I'm looking -- okay. That's all
15 I have. Thank you.

16 MS. LUCK: Thank you.

17 EXAMINER BRANCARD: Thank you. And I think the
18 first requests were approved by Administrative Letters, is
19 that correct, not by Orders.

20 MS. LUCK: That's right.

21 And in one of the filed cases there was an
22 Order entered extending, and then the other one there was
23 a Letter. So we just went ahead and filed for the hearing
24 on these so that they would all be straightforward as to
25 what we were requesting.

1 EXAMINER BRANCARD: Right. That's standard now.

2 And I mean this is the second extension, so
3 I have to ask these questions: So your causes for the
4 second extension are?

5 MS. LUCK: Again, was Spur was not able to begin
6 the drilling project in 2020 due to Covid, and so their
7 drilling time frame has been pushed out into the latter
8 part of 2021 or early 2022, and that's why Spur has asked
9 for these extensions on these wells. But Spur does intend
10 to drill these Nirvana wells.

11 EXAMINER BRANCARD: Thank you.

12 There being no objection, your exhibits are
13 admitted into the record and we will take Cases 21938 and
14 21939 under advisement.

15 Ms. Luck, you have all the exhibits filed,
16 right? You just replaced some yesterday; is that correct?

17 MS. LUCK: That's right. So there were two sets
18 of Notices that went out, and so we had to include
19 tracking for both of those. And then there were two NOPS,
20 and the first time we filed one of the NOPS wasn't
21 complete, and we were able to get the second page from the
22 newspaper and resubmit it yesterday.

23 EXAMINER BRANCARD: We are just trying to make
24 sure we are not waiting for anything, that's all.

25 MS. LUCK: It should be complete at this time.

1 Thank you.

2 EXAMINER BRANCARD: Thank you.

3 Okay. That case is taken under advisement.

4 (Time noted 8:32 a.m.)

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1 STATE OF NEW MEXICO)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

7

CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 17,

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2021, the proceedings in the above-captioned matter were

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taken before me; that I did report in stenographic

10

shorthand the proceedings set forth herein, and the

11

foregoing pages are a true and correct transcription to

12

the best of my ability and control.

13

I FURTHER CERTIFY that I am neither employed by

14

nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

16

that I have no interest whatsoever in the final

17

disposition of this case in any court.

18

/s/ Mary Macfarlane

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

License Expires: 12/31/2021

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