

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	Case Nos. 22466, 22467
PARTNERS, LLC to amend	22468, 22469,
Orders, Eddy County, New Mexico	22470, 22471

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard Hearing Examiners, John Garcia Technical Examiner, on Thursday, January 6, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane  
New Mexico CCR #122  
PAUL BACA COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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A P P E A R A N C E S

FOR SPUR ENERGY PARTNERS:

Kaitlyn A. Luck, Esq .  
Holland & Hart  
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C O N T E N T S

CASE NOS. 22465, 22467, 22468, 22469, 22470, 22471	PAGE
CASE CALLED:	3
CONTINUED TO JANUARY 20 FOR RECEIPT OF NOTICE DOCUMENTS:	7

I N D E X O F E X H I B I T S

SPUR ENERGY PARTNERS, LLC EXHIBITS	PAGE
A Application	x
B Affidavit or Rett Dalton, landman	x
C Notice Affidavit	x
D Notice of Publication	x

1 (Time noted 11:32 a.m.)

2 EXAMINER BRANCARD: All right. We have a series  
3 of amendments. I don't know whether we want to have the  
4 applicants do them one at a time or as a group.

5 We will start with Case 22466, Spur Energy  
6 Partners.

7 MS. LUCK: Good morning, Mr. Hearing Examiner.  
8 Kaitlyn Luck with the Santa Fe office of Holland & Hart on  
9 behalf of the applicant in all these cases.

10 If we may -- it definitely makes sense to  
11 consolidate them all.

12 EXAMINER BRANCARD: Then I will call Cases 22466  
13 22467, 22468, 22469, 22470 and 22471.

14 Are there any other interested persons for  
15 these cases?

16 Hearing none, you may proceed, Ms. Luck.

17 MS. LUCK: Thank you.

18 It was Spur's understanding before these  
19 cases went to hearing today there would be no opposition  
20 to the case being presented by affidavit, and so Spur  
21 filed its exhibits with the Division on Tuesday. As you  
22 will see, in the exhibit packages Spur includes in each  
23 exhibit packet the application as Exhibit A, and then the  
24 Affidavit of Rett Dalton as Exhibit B.

25 The next exhibit will be Exhibit C, which

1 is the Notice Affidavit showing that our office provided  
2 notice of the hearing today to the pooled working interest  
3 owners.

4 And then finally there is an Exhibit D,  
5 which is the Affidavit of Publication.

6 So just to clarify the dates in each case,  
7 Spur is seeking a one-year extension of the drilling  
8 deadline in each case. So I believe each of the cases  
9 have Orders that were issued on January 19th of 2021,  
10 except for Case Nos. 22470 and 22469, I believe.

11 Sorry, I'm trying to get back to that one.

12 These two cases were pooled on January 21,  
13 2021, so those Orders expire on January 21st of 2022.

14 In each case the affidavit is essentially  
15 the same except for it explains the different details of  
16 each Order and the Units that were pooled in each case.  
17 And Mr. Dalton explains that Spur is seeking a one-year,  
18 extension of drilling just due to the drilling delays that  
19 happened during Covid and the pushback on their drilling  
20 schedule with these wells.

21 So with that I would move the admission of  
22 Exhibits A through D in each of these cases and would  
23 request that each case be taken under advisement, but I  
24 can answer any questions if you have any. Thank you.

25 EXAMINER BRANCARD: Thank you.

1 Mr. Garcia.

2 EXAMINER GARCIA: No questions

3 EXAMINER BRANCARD: Okay. I'm just looking at  
4 the first case here, 22466, and I see that presumably you  
5 sent out your Notice on December 17th.

6 It would be really helpful if you-all could  
7 do -- Ms. Shaheen does this, puts in the affidavit exactly  
8 the day that you mailed it, so not just relying on a date  
9 of top of the letter and assuming that's correct.

10 I just see four parties getting a postal  
11 delivery, and then I see a newspaper publication with a  
12 lot more parties in there. So I assume you're relying on  
13 the newspaper publication, then, Ms. Luck?

14 MS. LUCK: I will need to clarify, but it was my  
15 understanding we would only be noticing the pooled working  
16 interest owners, which would be those four parties that  
17 are identified, but I think it would be best for me to  
18 clarify with Spur. Let me just double check really quick,  
19 because it could be that we inadvertently published to the  
20 pooled working interests -- I mean, excuse me, the pooled  
21 overrides, as well, and not just the pooled working  
22 interests.

23 So that's what I would like to check.

24 EXAMINER BRANCARD: Well, your newspaper  
25 publication says "To all pooled working interest owners"

1 and then lists a whole long string of people who are a lot  
2 more than the people who got mailed Notices.

3 MS. LUCK: Right. I understand. And I think  
4 that we might have accidentally Noticed to the pooled  
5 overrides, but I would need to double check our old  
6 mailing list to see. Let me...

7 Yeah, if I could, I would like to just  
8 clarify with Spur in terms -- and I'm sorry, was that an  
9 issue on all of the cases or just on the Oasis that the  
10 names didn't match up between the Notice of Publication  
11 and our Notice?

12 EXAMINER BRANCARD: You know, I just looked  
13 at --

14 MS. LUCK: That's no problem. I'll check them  
15 all.

16 EXAMINER BRANCARD: There seems to be a lot  
17 more -- on -467 there's a lot more people receiving  
18 newspaper than there is -- sorry, you're confusing me --  
19 than receiving mail Notice.

20 So the question is -- your newspaper  
21 publication is late, so the question is are you relying on  
22 the newspaper publication?

23 MS. LUCK: And when --

24 EXAMINER BRANCARD: Or why are all of these...

25 MS. LUCK: Sorry about that.

1                   No, I will confer with Spur in terms of  
2 whether or not we were Noticing everyone that's on the  
3 Notice of Publication, because there are more parties'  
4 names. I will confirm with the Division and file a  
5 continuance, if necessary.

6                   But I understand a continuance is already  
7 necessary because our Notice of Publication is late, so I  
8 apologize. So I will follow up and file a continuance on  
9 that.

10                   EXAMINER BRANCARD: It looks like this -- I  
11 didn't look -- it looks like the same publication date  
12 here.

13                   Mr. Garcia, did you have any follow up?

14                   EXAMINER GARCIA: I do not.

15                   EXAMINER BRANCARD: So are there any other  
16 interested persons for Cases 22466, -467, -468, -469,  
17 -470, -471?

18                   Hearing none, these cases will be continued  
19 to the January 20th docket for finalization of Notice  
20 requirements. Thank you.

21                   MS. LUCK: Thank you.

22                   (Time noted 11:40 a.m.)

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1 STATE OF NEW MEXICO )

2 : ss

3 COUNTY OF TAOS )

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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,

8

January 6, 2022, the proceedings in the above-captioned

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matter were taken; 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

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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

21

NM Certified Court Reporter No. 122

License Expires: 12/31/2022

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