

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 pool additional interest owners under
Orders R-22049 and R-22060, Eddy County,
New Mexico

Case Nos. 22736
22737

TRANSCRIPT OF PROCEEDINGS

May 5, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq., Hearing Examiner, Dean McClure, Technical Examiner, on May 5th, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

REPORTED BY: SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC
CCR No. 275
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

For Spur Energy Partners, LLC:

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BY: DANA S. HARDY

I N D E X

Cases called	3:1
Summary of case and exhibits	3:10
Taken under advisement	6:2
Court Reporter's Certificate	7:1

1 (Time noted as 9:44 a.m.)

2 EXAMINER BRANCARD: All right. Let's do the last
3 two cases before a break, then. So Items 50, 51, these are
4 Cases 22736, 22737, Spur Energy Partners.

5 MS. HARDY: Dana Hardy, with the Santa Fe office
6 of Hinkle Shanor, on behalf of Spur Energy Partners.

7 EXAMINER BRANCARD: Thank you. Are there any
8 other interested persons in Cases 22736, 22737?

9 Hearing none, Ms. Hardy, you may proceed.

10 MS. HARDY: Thank you. In Case Number 22736, Spur
11 seeks an order pooling additional interest owners under the
12 terms of Order Number R-22049, which pooled uncommitted
13 interest from a depth of approximately 4,000 feet to the
14 base of the Yeso formation in a 160-acre standard horizontal
15 spacing unit comprised of the S/2 of the S/2 of Section 27,
16 Township 17 South, Range 28 East, in Eddy County. That
17 order dedicated the unit to the Halberd 27 State Com 72H and
18 90H wells.

19 In Case Number 22737, Spur seeks an order pooling
20 additional interest owners under the terms of Order Number
21 R-22060. That order pooled uncommitted interest from a
22 depth of approximately 4,000 feet to the base of the Yeso in
23 a 320-acre standard horizontal spacing unit comprised of the
24 N/2 of the S/2 and the S/2 of the N/2 of Section 27,
25 Township 17 South, Range 28 East. That order dedicated the

1 unit to the Halberd 27 State Com 50H, 51H and 71H wells.

2 Our exhibits in each case include the affidavit of
3 landman Blair Brummell. Exhibit A3 to Mr. Brummell's
4 affidavit is a plat of the tracts and the ownership
5 interest. The additional parties being pooled are
6 highlighted in yellow. And Exhibit A5 to Mr. Brummell's
7 affidavit is his chronology of contacts that discusses his
8 communications with the parties. Exhibit B is my notice
9 affidavit and includes the hearing notice letter, a chart
10 summarizing the mailing information, the certified mail
11 receipts, and the affidavits of publication.

12 With that, unless there are questions, I request that
13 the exhibits be admitted into the record and that the cases
14 be taken under advisement. Thank you.

15 EXAMINER BRANCARD: Thank you.

16 Mr. McClure, any questions?

17 TECHNICAL EXAMINER McCLURE: No, sir, I don't
18 think I have any questions on either of these amendments.

19 EXAMINER BRANCARD: So, Ms. Hardy, looking at your
20 Exhibit A3, so is Occidental the only interest owner being
21 added here?

22 MS. HARDY: So that is correct in Case
23 Number 22736, and then in Case Number 22737, there are a
24 couple. There -- it is Occidental, Permian Limited
25 Partnership, Kerr-McGee, and then one overriding royalty

1 interest, which is The Wright Company.

2 EXAMINER BRANCARD: Okay. So I guess you can -- I
3 don't know if you know the answer, but these are not small
4 interests that you're adding here. These are fairly
5 significant interests that both Occidental and Kerr-McGee
6 have. I didn't know Kerr-McGee still existed, but how --
7 were they missed? Or what happened in the first round?

8 MS. HARDY: You know, Mr. Examiner, what happened
9 the first round was that a different Oxy entity was named,
10 so it ended up that a different entity owned this interest,
11 but it took Oxy time also to figure out which of its
12 entities owned the interest. So we went back to re-pool the
13 additional Oxy entity. And Kerr-McGee is also an affiliate
14 of Oxy, so it was just a matter of which Oxy entity owned
15 the interest, and we went back to pool them to clarify that
16 they were pooled.

17 EXAMINER BRANCARD: Okay. All right. Because
18 I -- yes, I see that there's an Oxy USA that must have been
19 previously pooled here.

20 MS. HARDY: That's correct.

21 EXAMINER BRANCARD: Okay. Well, get your land
22 people, find all these things out the first time.

23 MS. HARDY: They do their best, Mr. Examiner.

24 EXAMINER BRANCARD: All right. Are there any
25 other -- Mr. McClure, anything else?

1 TECHNICAL EXAMINER McCLURE: No, sir. No, sir.

2 EXAMINER BRANCARD: Thank you. And, once again,
3 any other interested persons in Cases 22736, 22737?

4 Hearing none, the exhibits will be admitted into the
5 record and these cases will be taken under advisement.

6 MS. HARDY: Thank you.

7 EXAMINER BRANCARD: All right. I think it's a
8 good time for a little break here. Ten minutes will get us
9 exactly to 10:00 a.m. Are you okay with that, Ms. Myers?

10 THE COURT REPORTER: I am. Thank you very much.

11 EXAMINER BRANCARD: We'll see everybody back here
12 at 10:00 a.m.

13 (Recess taken, 9:49 to 10:00 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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6 REPORTER'S CERTIFICATE

7 I, SHANON R. MYERS, New Mexico Certified Court
8 Reporter, CCR #275, do hereby certify that I reported the
9 foregoing virtual proceedings in stenographic shorthand and
10 that the foregoing pages are a true and correct transcript
11 of those proceedings to the best of my ability.

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

16 I FURTHER CERTIFY that the virtual proceeding was
17 of extremely poor to good quality.

18 Dated this 2nd day of June 2022.

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/s/ Shanon R. Myers

SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC
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