| District I 1625 N. French Drive, Hobbs, NM 88240 | | e of New Mexico | | | Form C-107-B |
|---|---|---|-----------------------|----------------------------|-----------------------------|
| District II | Energy, Minerals and | d Natural Resources De | epartment | Revised . | August 1, 2011 |
| 811 S. First St., Artesia, NM 88210 District III | OIL CONSE | RVATION DIVIS | NON | Submit | the original |
| 1000 Rio Brazos Road, Aztec, NM 87410 | | . St Francis Drive | | application to t | the original he Santa Fe |
| District IV 1220 S. St Francis Dr, Santa Fe, NM | | New Mexico 87505 | | office with one | copy to the |
| 87505 | | | | appropriate Dis | trict Office. |
| | FOR SURFACE | COMMINGLING | G (DIVERSE | OWNERSHIP) | |
| | IR ENERGY PARTNERS LL | | | | |
| OPERATOR ADDRESS: 9655 K APPLICATION TYPE: | ATY FREEWAY, SUIT | E 500, HOUSTON, T. | X 77024 | | |
| | ling Pool and Lease Co | mmingling MOff-Lease | Storage and Measur | ement (Only if not Surface | e Commingled) |
| | State 🛛 Fede | | - | | |
| Is this an Amendment to existing Ord | ler? 🗌 Yes 🕅 No If | "Yes", please include | | | |
| Have the Bureau of Land Management Xes □No | nt (BLM) and State Land | d office (SLO) been no | tified in writing o | of the proposed comm | ingling |
| | (A) POC | OL COMMINGLIN | G | | |
| | Please attach sheet | ts with the following in | nformation | | |
| | Gravities / BTU of | Calculated Gravities / | | Calculated Value of | X7 1 |
| (1) Pool Names and Codes | Non-Commingled Production | BTU of Commingled Production | | Commingled Production | Volumes |
| | | | | | |
| | | - | | | |
| | | | | | |
| | | 7 | | | |
| | | | | | |
| (2) Are any wells producing at top allow | | | | | |
| (3) Has all interest owners been notified(4) Measurement type: Metering | Other (Specify) | oposed commingling? | Yes No. | | |
| (5) Will commingling decrease the value | | □No If "yes", descri | ibe why commingli | ng should be approved | |
| | | | | | |
| | | SE COMMINGLIN | | | |
| (1) Pool Name and Code. | Please attach sheet | s with the following in | nformation | | |
| (2) Is all production from same source of | of supply? Yes N | lo | | | |
| (3) Has all interest owners been notified | | posed commingling? | \Box Yes \Box N | 0 | |
| (4) Measurement type: Metering | Other (Specify) | | | | |
| | | | | | |
| | | LEASE COMMIN | | | |
| (1) Complete Sections A and E. | Please attach sneet | ts with the following in | niormation | | |
| | | | | | |
| | (D) OFF-LEASE ST Please attached she | ORAGE and MEA ets with the following | | | |
| (1) Is all production from same source of | | | mormation | | |
| (2) Include proof of notice to all interes | ··· / - | | | | |
| (F) / | ADDITIONAL INFO | RMATION (for all | annlication to | vnes) | 1 |
| (E) <i>F</i> | | s with the following in | | (hee) | |
| (1) A schematic diagram of facility, inc | luding legal location. | | | | |
| (2) A plat with lease boundaries showin(3) Lease Names, Lease and Well Num | | ions. Include lease numb | ers if Federal or Sta | te lands are involved. | |
| | | | | | |
| I hereby certify that the information above | - | e best of my knowledge ar | nd belief. | | |
| SIGNATURE: Sarah Cha | pman T | ITLE: REGULATR) | / DIRECTOR | DATE: 01/2 | 5/2022 |

TYPE OR PRINT NAME SARAH CHAPMAN

.

E-MAIL ADDRESS: SCHAPMAN@SPURENERGY.COM

APPLICATION FOR OFFLEASE MEASUREMENT AT A COMMON CENTRAL FACILITY

Spur Energy Partners LLC respectfully proposes the five (5) wells associated with the Fat Tire 12 Federal Lease NMLC0028785 and the Communitization Agreement tied to these wells be consolidated into a single production facility known as the Fat Tire 12 Federal Com Facility and is requesting approval for Offlease Measurement as defined by 43 CFR 3173.22.

OFFLEASE MEASUREMENT

Spur Energy's request for Offlease Measurement will involve the production from a single Communitization Agreement which is currently pending approval and includes the five (5) wells and four (4) Federal leases noted in Tables 1 and 2. [43 CFR 3173.22(a)]

Accurate production accountability will be maintained as only the wells from a single CA will be producing through the OIL and GAS FMPs that will be physically located at the Fat Tire 12 Federal Com Facility. The OIL and GAS FMP meters will be calibrated and maintained to BLM FMP standards. [43 CFR 3173.22(b)]

Spur Energy Partners LLC believes it is in the public's best interest from an environmental perspective to allow the oil, gas, and water production from the five (5) wells contained with the Communitization Agreement noted in <u>Table 1 – Lease and Well Info</u> to be consolidated into a single production facility. [43 CFR 3173.22(c)]

The Oil and Gas FMPs will be physically located at the Facility and will be specifically designated on the Site Facility Diagram upon submittal within 30 days of startup. [43 CFR 3173.22(d)]

Spur Energy Partners LLC believes it is in the public's best interest from an environmental perspective to allow the oil, gas, and water production from the five (5) wells contained with the Communitization Agreement noted in <u>Table 1 – Lease and Well Info</u> to be consolidated into a single production facility. Spur Energy intends to drill additional wells within Section 12 besides the five (5) wells referenced herein and is negotiating with perspective hydrocarbon pipeline companies and utility providers to construct a single centralized facility to encompass all surface production and sales operations. The Fat Tire 12 Federal Com Facility will involve multiple construction phases as various Federal wells are successfully developed. The initial phase will only involve constructing the facilities associated with the production for the five (5) wells and Communization Agreement referenced herein. Each subsequent phase will have separate production and sales operations and no surface commingling operations are anticipated.

The required land usage footprint, additional production equipment, and the amount of surface disturbance associated with installing and operating multiple, separate production facilities for each lease is significantly greater than the proposed single, consolidated production facility. The additional requirements would include multiple, separate:

- Production facilities areal, land footprints and right-of-ways (ROWs),
- Access roads to each facility and ROWs,
- Electric power line installations to each facility and ROWs,
- Gas sales pipeline installations to each facility and ROWs,
- Water disposal pipeline installations from each facility and ROWs,

Spur Energy believes the additional land usage, equipment, and surface disturbance requirements associated with installing multiple, separate production facilities is undesirable and not in the public's best interest from an environmental perspective and would recommend that the BLM approve consolidating the production into a single facility utilizing this Offlease Measurement Request as defined by 43 CFR 3173.22. [43 CFR 3173.23(b)]

The attached <u>Federal Lease Plat</u> shows the boundary of the Communitization Agreement from which the production will originate. The plat will also show the location of the Fat Tire 12 Federal Com Facility, the surface and bottomhole locations of all the wells, and the flowlines from the wells to the facility. The location of the Fat Tire 12 Federal Com Facility is physically offlease with respect to Federal Lease NMLC0028785 and the associated Communitization Agreement that is currently being processed by the BLM. The OIL FMP and GAS FMP sales points will be located at the Fat Tire 12 Federal Com Facility and are considered offlease with respect to the Communitization Agreement boundary. [43 CFR 3173.23(c)]

The Fat Tire 12 Federal Com Facility will be located in the NENE Sec 12 T17S R29E on Federal Lease NMNM007752. The surface location of the facility and the land associated with the flowlines from the wells to the facility are completely on Federal property managed by the BLM Carlsbad Office. [43 CFR 3173.23(d)]

The location of the proposed Fat Tire Federal Com Facility is not located on a pipeline. New surface disturbance is being proposed and Spur Energy will obtain any required Federal ROW grants associated with the construction of this facility. [43 CFR 3173.23(f)]

The location of the proposed Fat Tire Federal Com Facility is not on Indian land or associated with any BIA office. [43 CFR 3173.23(g)]

The location of the facility and the land associated with the flowlines from the wells to the facility are completely on Federal property managed by the BLM Carlsbad Office. [43 CFR 3173.23(h)]

Spur Energy is requesting Royalty-Free Beneficial Usage for the purpose of initial hydrocarbon separation and production purposes exclusively at the Fat Tire 12 Federal Com Facility for the allocated fuel assigned to all the wells listed in <u>Table 1 – Lease and Well Info.</u> The purpose of the requested Royalty Free Beneficial Use will include fuel to heat and separate production and fuel for future compression to achieve marketable conditions as defined by 43 CFR 3178.4(a)(4&6).

Spur Energy believes this request meets the requirements of CFR 3178.6(a) as no oil or gas will be added or removed from the production stream as it is moved off the Comm A unit boundary to the Fat Tire 12 Federal Com Facility and only the gas originally produced from the Comm A unit wells will be used as fuel to process the production to achieve marketable conditions. [43 CFR 3173.23(i)]

The request to perform Offlease Measurement includes all of the oil, gas, and water production and sales from the five (5) wells on the Fat Tire 12 Federal Lease NMLC0028785 and the associated Communitization Agreement tied to these wells. [43 CFR 3173.23(j)]

<u>Table 1 – Lease and Well Info</u> provides a list of the five (5) wells associated with the Fat Tire 12 Federal Com Facility and their associated Communitization Agreement tied to these wells. Spur Energy Partners, LLC has obtained written approval from all Working Interest Owners to pool their respective interests into a single 320 acre drilling, Communitization Agreement and have submitted the agreement for Federal Approval. The final approval of this agreement is still pending. In the interim, the Communitization Agreement shown in <u>Table 1 – Lease and Well</u> Info and Table 2 - Federal Royalty Rate will be referred to as Comm A herein.

| Table 1 – LEASE AND WEL | L INFO | | |
|---------------------------|------------|----------------------|-------------------------------------|
| Well | ΑΡΙ | Location | Pool |
| COMM A Fed Lse# NMLC00282 | 785 | | |
| Fat Tire 12 Federal 10H | 3001548708 | NWSW Sec 7 T17S R30E | [96610] EMPIRE; GLORIETA-YESO, EAST |
| Fat Tire 12 Federal 11H | 3001548707 | SWSW Sec 7 T17S R30E | [96610] EMPIRE; GLORIETA-YESO, EAST |
| Fat Tire 12 Federal 22H | 3001548703 | SWSW Sec 7 T17S R30E | [96610] EMPIRE; GLORIETA-YESO, EAST |
| Fat Tire 12 Federal 51H | 3001548893 | NWSW Sec 7 T17S R30E | [96610] EMPIRE; GLORIETA-YESO, EAST |
| Fat Tire 12 Federal 52H | 3001548706 | SWSW Sec 7 T17S R30E | [96610] EMPIRE; GLORIETA-YESO, EAST |

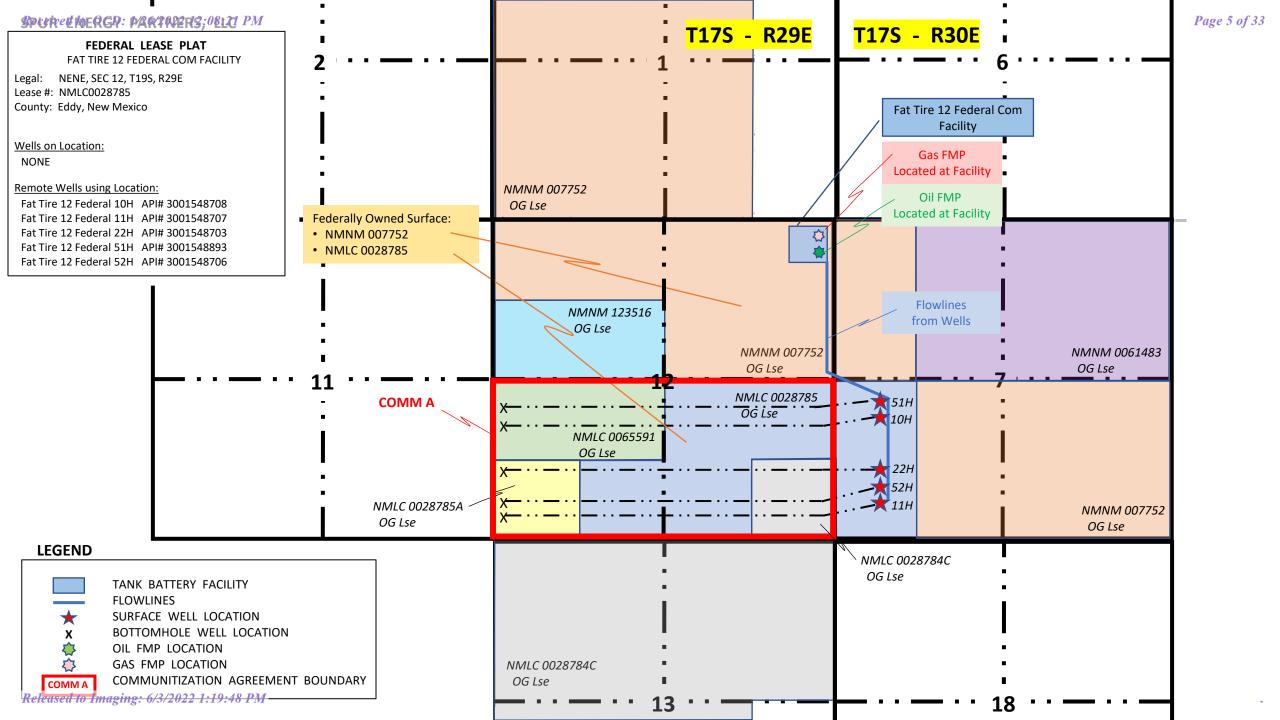
<u>Table 2 - Federal Royalty Rates</u> reflects the Federal revenue interest and royalty rate for all the wells in the proposed Fat Tire 12 Federal Com Facility and indicates all wells and leases have the same Schedule B Federal Royalty Rate as encompassed within the Comm A boundary.

| | | Federal Revenue Interest | | | | | | | | | | | |
|-------------------------|---------|--------------------------|---------|-------------------------|---------|----------------|--------------------------|-------|--|--|--|--|--|
| | | Fed Lse# NMLC0028785 | | Fed Lse# NMLC0065591 | | _se# 28784C | Fed Lse# NMLC0028785A | | | | | | |
| | Fed Roy | Owner | Fed Roy | Owner | Fed Roy | Owner | Fed Roy | Owner | | | | | |
| Lease / Well | % | % | % | % | % | % | % | % | | | | | |
| COMM A | | | | | | | | | | | | | |
| Fat Tire 12 Federal 10H | Sch B | 50.00% | Sch B | 50% | n/a | n/a | n/a | n/a | | | | | |
| Fat Tire 12 Federal 11H | Sch B | 50.00% | n/a | n/a | Sch B | 25% | Sch B | 25% | | | | | |
| Fat Tire 12 Federal 22H | Sch B | 50.00% | n/a | n/a | Sch B | 25% | Sch B | 25% | | | | | |
| Fat Tire 12 Federal 51H | Sch B | 50.00% | Sch B | 50% | n/a | n/a | n/a | n/a | | | | | |
| Fat Tire 12 Federal 52H | Sch B | 50.00% | n/a | n/a | Sch B | 25% | Sch B | 25% | | | | | |

ATTACHMENTS

<u>Federal Lease Plat</u> shows the surface and bottomhole locations of all the wells and the location of the Fat Tire 12 Federal Com Facility is physically located offlease with respect to Federal Lease NMLC0028785 and the associated Communitization Agreement that is currently being processed by the BLM. The OIL FMP and GAS FMP sales points will all be located at the Fat Tire 12 Federal Com Facility.

<u>Flow Diagram</u> provides information on the flow, measurement, storage, and disposition of oil, gas, and water production from all wells and the designated Oil and Gas FMPs. The diagram will also provide information on the relationship of the well test equipment and the final metered disposition of all production and sales.





FEDERAL LEASE PLAT FAT TIRE 12 FEDERAL COM FACILITY

Legal: NENE, SEC 12, T19S, R29E Lease #: NMLC0028785 PENDING CA#:

County: Eddy, New Mexico

Wells on Location:

LEGEND

- MIXED LINE

GAS LINE

- - FLARE LINE

FUEL LINE

Spring, TX

OIL LINE

WATER LINE

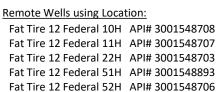
ORIFICE

TURBINE **OIL METER**

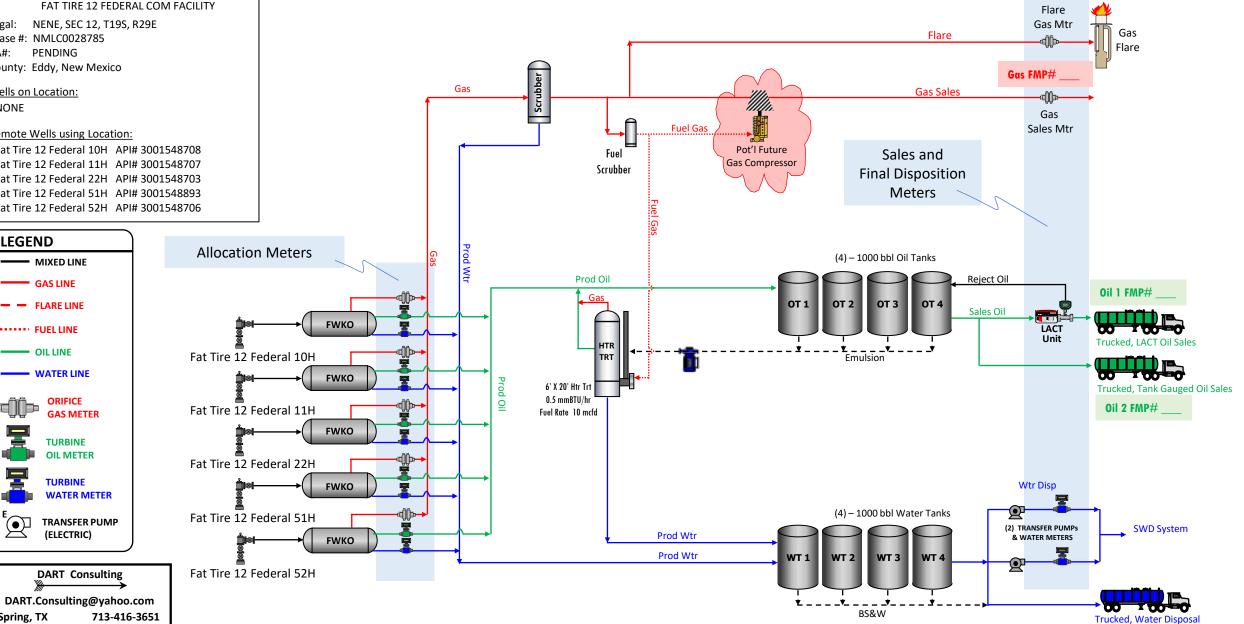
TURBINE

(ELECTRIC)

NONE







Affidavit of Publication Ad # 0005073416 This is not an invoice

SPUR ENERGY PARTNERS LLC 9655 KATY FWY STE 500

HOUSTON, TX 77024

I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof in editions dated as follows:

01/07/2022

lindà Legal Clerk

Subscribed and sworn before me this January 7, 2022:

State of WI, County of B ծաո

NOTARY PUBLIC

My commission expires

VICKY FELTY Notary Public State of Wisconsin

Ad # 0005073416 PO #: 5073416 # of Affidavits1

Received by OCD: 1/26/2022 12:08:21 PM

This is not an invoice

NOTICE OF APPLICATION FOR OFFLEASE MEASUREMENT: Spur Energy Partners LLC located at 9655 Katy Freeway, Suite 500, Houston, TX 77024 is applying with the NMOCD for an offlease measurement at a common central facility permit for oil and gas production at the Fat Tire 12 Federal Com Tank Battery. The facility is located in Eddy County in Section 12 T175 R39E and are drilled through Section 12 T175 R29E. Production is from the Empire; Glorieta-Yeso, East pool. Pursuant to Statewide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days of publication, or the application.

NMOCD may approved the application. Any questions concerning this application should be directed to Sarah Chapman, Regulatory Director at 832-930-8613. #5073416, Current Argus, Jan. 7, 2022

Application for Off Lease Measurement and Storage Spur Energy Partners LLC Fat Tire 12 Federal Com Tank Battery Address Name City 620 E. Greene St. United States of America Carslbad SEP Permian Holding Corp. 9655 Katy Freeway, Suite 500 Houston Great Western Drilling Ltd. P.O. Box 1659 Midland P.O. Box 122269 Davoil Oil & Gas Limited Partnership Ft. Worth Joanna L. McDermott, SSP (As a Married Person) 6625 East Cypress Street Scottsdale 320 Oak Brook Lane Mary Carolyn Johnson, SSP Greenwood RRA Minerals, LLC c/o Ann Smith, Manager 2214 Toll Gate Road SE Hunstville Root Family Holdings, LLC c/o Bryan Root P.O. Box 403 Rosemount James Warren Hanson and Kathie A. Hanson, Trustees of the Warren and Kathie Hanson Trust dated May 12, 2011 P.O. Box 2304 Ruidoso James Chester Bethel, Jr., SSP 524 Pittman St. Richardson 4308 NW 49th St. Edward Louis Carson, Jr., SSP Oklahoma City Diane Louise Carson Kostka, SSP 14320 Edmond Lake Road Jones Valarie Rose Carson Ryckman, SSP 1621 Seattle Hill Road, Apt J5 Bothell 619 Rolling Mill Road Gayle Angela Carson, SSP Sugar Land David Rhea Carson and Karen J. Douglas, Trustees of the Nashoba Revocable Trust dated November 25, 2019 P.O. Box 3068 Taos P.O. Box 781 Cleveland Leslie Lee Bayouth Richard M Lowery, SSP 137 Apollo Dr, Burnet Jackie Lee Kemp Jones, SSP 5205 New Orleans Odessa New Mexico Baptist Foundation Inc., Trustee for the New Mexico Baptist Children's Home, Inc. 2511 Wyoming Blvd. Northeast Albuquerque 98 Allston St. Providence Karla L. Hayes, SSP Darla Howard, SSP 1711 E 28th St. Lubbock Elnita Ostrom Evans, SSP 6675 Collidge St. Groves Carolyn Ostrom Evans, SSP 6915 Blandford Ln. Houston Dennis Eldred Ostrom, SSP 10634 E. Fernwood Ln. Scottsdale Heirs or Devisees of Delbert Coyne 215 W. Grand St. Borger 49 Santa Ynez Cir. James Michael Coyne, SSP Novato 3416 Thurman St. Gayle Lynn Coyne Eudy, SSP Amarillo Breck Minerals, LP P.O. Box 911 Breckenridge Alice Mainello, SSP 1004 W. Avenue N Lovington John Bedingfield, SSP P.O. Box 630 Artesia Pitch Energy Corporation P.O. Box 304 Artesia Leland Price, Inc. 1511 Northgate Place Artesia Shelton Michael McDowell, SSP 326 South 5th St. Russell Sanford Gates, SSP 23 Stafford Square Boyertown William Allen Gates, SSP 208 Wren Drive Greensburg 706 West Grand St. John W. Gates, LLC Artesia Midland Gates Properties, Ltd. P.O. Box 81119 Susan Shope, for life, remainder to Sara Meredith Stevenson, Peter N. Maxwell, Jonathan V. Maxwell, and David L. Maxwell, as their separate property in equal shares Ashville 34 Fariview Street 1108 Dahlia Court Nancy Helen Castillo, SSP Calexico Kenneth William Irish, SSP 227 Rheem Boulevard Moraga 15155 Northwest Valley Road Yamhill Robert Morley Irish, SSP 2401 Wessynton Way John Erick Anderson, SSP Alexandria Aaron Anderson, SSP 30777 Rancho Cal Road Temecula 14317 Mocho Avenue NE Lynn Barker, SSP Albuquerque Raymond Russell, custodian for Shaffer Harrison Russell under the Texas Uniform Transfer to Minors Act P.O. Box 373 Longview Sarah Sue Lilly, Michael R. Lilly, and Elizabeth Keir Lilly, Co-Trustees of the Sarah Sue Lilly Revocable Management P.O. Box 81538 Fairbanks Trust James Russell Lilly, Michael R. Lilly, and Elizabeth Keir Lilly, Co-Trustees of the James Russell Lilly Revocable Trust P.O. Box 81538 Fairbanks HTI Resources, Inc. P.O. Box 10690 Savannah Winston Partners, Ltd. c/o Sargent Management 901 Marquette Avenue, Suite 2630 Minneapolis 129 Fox Home Ln. Georgetown June Burch Hugh Ross Burch, Trustee of the Hugh Burch Revocable Living Trust dated March 20, 2000 4601 Memory Lane Oklahoma City Jimmy R. McCutcheon, SSP 1503 Parker Drive Odessa Allison Irene Langston, SSP 16581 Treemont Drive Athens Betty A. Price, SSP 2580 Tuscany Dr. Mims Phillip S. Burch 1408 W Washington Ave Artesia 4886 U.S Highway 29 Michael R Burch Blairs 1223 W. 69th Street Emily A Keatley, SSP Kansas City Jennie Ward Vuksich, SSP 11401 San Francisco Rd. NE Albuquerque Sarah Ward Sims, SSP 101 South 4th Street Artesia Ruby Kennedy, SSP 7037 Rainstone St. Las Vegas Pacific Enterprises Oil Company USA 101 Ash St. San Diego Marshall & Winston, Inc. P.O. Box 50880 Midland Trustee of the Long Minerals Trust 4189 Bellaire Blvd., Suite 202 Houston Joyce Conner & Son LLC 903 W Hermosa Dr. Apt B Artesia Peacock Holdings LLC 603 Merino Kraal Farmington Wiley C. Rountree 703 W. Centre Avenue Artesia Charles R Rountree, SSP P.O. Box 86 Hampton Mary Ann Mock and John Lambert Mock, Trustees of the Mock Family Trust dated December 28, 2005 2839 Camino Serbal Carslbad Debbie L. Bowers, Trustee of the Debbie L. Bowers Revocable Trust dated June 13, 2012 286 Stagecoach Road Arroyo Grande 59.916 Kohala Ranch Road CQWE, LLC c/o Bob Acree Kamuela Chester J. Acree and Jean C. Acree, Trustees of the Acree Family Trust under Declaration dated September 30, 1988 2604 Via Segunda Palos Verdes Estates Margaret Louise Treat, SSP P.O. Box 10701 Bozeman John S. Doyle P.O. Box 390595 Kailia Kona Rebecca Margueritte Smith, SSP 14653 East 480 Road Claremore Kurt Webber, SSP 7558 Kester Avenue, #5 Van Nuys

| State | Zip | Tracking Info |
|----------|--------------------|--|
| NM | 88220 | 9414 8118 9876 5849 6930 11 |
| ТХ | 77024 | NA |
| TX | 79702 | 9414 8118 9876 5849 6934 79 |
| TX AZ | 76121 85257 | 9414 8118 9876 5849 6942 61 9414 8118 9876 5849 6949 95 |
| IN | 46142 | 9414 8118 9876 5849 6946 43 |
| AL | 35801 | 9414 8118 9876 5849 6944 14 |
| MN | 55068 | 9414 8118 9876 5849 6956 57 |
| NM | 88355 | 9414 8118 9876 5849 6929 77 |
| ТХ | 75081 | 9414 8118 9876 5849 6921 44 |
| OK OK | 73112 73049 | 9414 8118 9876 5849 6920 07 9414 8118 9876 5849 6902 63 |
| WA | 98012 | 9414 8118 9876 5849 6901 26 |
| ТХ | 77498 | 9414 8118 9876 5849 6988 49 |
| NM | 87571 | 9414 8118 9876 5849 6989 00 |
| OK TX | 74020 78611 | 9414 8118 9876 5849 6986 10 9414 8118 9876 5849 6981 15 |
| TX | 79762 | 9414 8118 9876 5849 6981 84 |
| NM | 78112 | 9414 8118 9876 5849 6983 82 |
| RI | 02908 | 9414 8118 9876 5849 6984 50 |
| TX TX | 79404 77619 | 9414 8118 9876 5849 6985 11 9414 8118 9876 5849 6972 62 |
| ТХ | 77055 | 9414 8118 9876 5849 6977 12 |
| AZ | 86262 | 9414 8118 9876 5849 6979 89 |
| TX | 79007 | 9414 8118 9876 5849 6976 82 |
| CA TX | 94947 79109 | 9414 8118 9876 5849 6973 61 9414 8118 9876 5849 6970 71 |
| ТХ | 76424 | 9414 8118 9876 5849 6975 69 |
| NM | 88260 | 9414 8118 9876 5849 6962 03 |
| NM | 88211 | 9414 8118 9876 5849 6968 76 |
| NM NM | 88211 88210 | 9414 8118 9876 5849 6967 84 9418 8118 9876 5849 6969 20 |
| WA | 98984 | 9414 8118 9876 5849 6966 47 |
| PA | 19512 | 9414 8118 9876 5849 6961 97 |
| PA | 15601 | 9414 8118 9876 5849 6963 71 |
| NM TX | 88210 79708 | 9414 8118 9876 5849 6964 25 9414 8118 9876 5849 6965 93 |
| | | |
| NC | 28803 | 9414 8118 9876 5849 6917 27 |
| CA CA | 92231 94556 | 9414 8118 9876 5849 6919 63 9414 8118 9876 5849 6916 66 |
| OR | 97148 | 9414 8118 9876 5849 6911 92 |
| VA | 22309 | 9414 8118 9876 5849 6913 90 |
| CA NM | 92591 87123 | 9414 8118 9876 5849 6298 36 9414 8118 9876 5849 6291 57 |
| TX | 75606 | 9414 8118 9876 5849 6290 27 |
| | 00700 | |
| AK | 99709 | 9414 8118 9876 5849 6232 47 |
| AK | 99709 | 9414 8118 9876 5849 6237 80 |
| GA MN | 31412 55402 | 9414 8118 9876 5849 6239 40 9414 8118 9876 5849 6230 25 |
| TX | 78633 | 9414 8118 9876 5849 6234 52 |
| ОК | 73112 | 9414 8118 9876 5849 6235 44 |
| TX | 79761 | 9414 8118 9876 5849 6242 75 |
| AL FL | 35613 32754 | 9414 8118 9876 5849 6244 73 9414 8118 9876 5849 6252 65 |
| NM | 88210 | 9414 8118 9876 5849 6258 69 |
| VA | 24527 | 9414 8118 9876 5849 6257 22 |
| MO | 64113 | 9414 8118 9876 5849 6259 82 |
| NM NM | 87122 88210 | 9414 8118 9876 5849 6251 59 9414 8118 9876 5849 6251 42 |
| NV | 89148 | 9414 8118 9876 5849 6250 67 |
| CA | 92101 | 9414 8118 9876 5849 6254 56 |
| TX TX | 79710 | 9414 8118 9876 5849 6255 93 9414 8118 9876 5849 6222 33 |
| TX NM | 77025 88210 | 9414 8118 9876 5849 6222 33 9414 8118 9876 5849 6227 07 |
| NM | 87401 | 9414 8118 9876 5849 6229 74 |
| NM | 88210 | 9414 8118 9876 5849 6223 18 |
| NY CA | 12837 92009 | 9414 8118 9876 5849 6220 04 9414 8118 9876 5849 6206 59 |
| CA | 92009 93420 | 9414 8118 9876 5849 6208 59 9414 8118 9876 5849 6203 52 |
| HI | 96743 | 9414 8118 9876 5849 6203 38 |
| CA | 90274 | 9414 8118 9876 5849 6205 29 |
| MT | 59719 | 9414 8118 9876 5849 6288 91 |
| HI | 96739 | 9414 8118 9876 5849 6281 12 |
| OK CA | 74017 91405 | 9414 8118 9876 5849 6283 27 9414 8118 9876 5849 6280 44 |
| | 21 1 03 | JTIT JIIU JU/U J04J UZOU 44 |

Page 8 of 33

Virginia Webber, SSP Mary Ann Stokes, SSP

Cary Winston Severn and Lorann Bell Severn, Trustees of the Cary W. Severn and Lorann Severn Family Trust Lonnie A. Downer and Jolinda Downer, Trustees of the Lonnie and Jolinda Downer Revocable Trust Lola I. Newquist, Successor Trustee of the Newquist Trust Dexter Family Holdings LLC Carol Jean Dexter, SSP

Robert Christian Dexter and Hadiya Musleh Dexter, Trustees of the Dexter Family Trust dated March 31, 2009 Edward Jones Company, Trustee of the Dolores Thomas Trust for the benefit of Carol Purcell Edward Jones Company, Trustee of the Dolores Thomas Trust for the benefit of Robert Dexter Raye P. Miller 7631 Willis 273 Ironwood Drive

21944 Marjoram Court 2516 Santa Ana Avenue 95670 Bellerive Drive 20940 Pacific Coast Highway P.O. Box 414

9262 Irongate Lane 12555 Manchester Road 12555 Manchester Road 2308 Sierra Vista Road Van Nuys Sidney

Clovis Valencia Malibu Lexington

Saugus

San Diego St. Louis St. Louis Artesia

| CA | 91405 | 9414 8118 9876 5849 6284 64 |
|----|-------|-----------------------------|
| OH | 45365 | 9414 8118 9876 5849 6285 32 |
| CA | 91350 | 9414 8118 9876 5849 6279 17 |
| CA | 93611 | 9414 8118 9876 5849 6271 53 |
| CA | 91355 | 9414 8118 9876 5849 6270 92 |
| CA | 90265 | 9414 8118 9876 5849 6274 43 |
| TX | 78947 | 9414 8118 9876 5849 6275 28 |
| CA | 92126 | 9414 8118 9876 5849 6268 97 |
| MO | 63131 | 9414 8118 9876 5849 6267 36 |
| MO | 63131 | 9414 8118 9876 5849 6266 68 |
| NM | 88210 | 9414 8118 9876 5849 6266 75 |

Page 9 of 33

| Well Name | Well Number | US Well Number | Lease Number | Case Number | Operator |
|-------------|-------------|----------------|--------------|-------------|-------------|
| FAT TIRE 12 | 22H | 3001548703 | NMLC028784C | NMLC028784C | SPUR ENERGY |
| FAT TIRE 12 | 10H | 3001548708 | NMLC0028785 | NMLC0028785 | SPUR ENERGY |
| FAT TIRE 12 | 11H | 3001548707 | NMLC028784C | NMLC028784C | SPUR ENERGY |
| FAT TIRE 12 | 52H | 3001548706 | NMLC028784C | NMLC028784C | SPUR ENERGY |
| FAT TIRE 12 | 51H | 3001548893 | NMLC0028785 | NMLC0028785 | SPUR ENERGY |

Notice of Intent

Sundry ID: 2650023

Type of Submission: Notice of Intent

Date Sundry Submitted: 12/21/2021

Date proposed operation will begin: 12/21/2021

Type of Action: Off-lease Measurement/Storage

Time Sundry Submitted: 09:17

Procedure Description: Spur Energy Partners, LLC respectfully proposes the five(5) wells associated with the Fat Tire 12 Federal Lease NMLC0028785 and the Communitization Agreement tied to these wells be consolidated into a single production facility known as the Fat Tire 12 Federal Com Facility and is requesting approval for Offlease Measurement as defined by 43 CFR 3173.22. [See attached document]

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Fat_Tire_12_Offlease_Meas_BLM_Submittal1_20220125201428.pdf

Signed on: JAN 25, 2022 08:14 PM

Operator Certification

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a submission of Form 3160-5 or a Sundry Notice.

Operator Electronic Signature: DAVID HARSELL
Name: SPUR ENERGY PARTNERS LLC
Title: Principal Engineer
Street Address: 3706 KELLYS FALLS LANE
City: KATY State: TX
Phone: (713) 416-3651
Email address: DART.CONSULTING@YAHOO.COM

Field Representative

Representative Name: Street Address: City: State: Phone: Email address: BLM Point of Contact

BLM POC Name: Jonathon W Shepard BLM POC Phone: 5752345972 Disposition: Sundry Returned Signature: null

BLM POC Title: Petroleum Engineer BLM POC Email Address: jshepard@blm.gov Disposition Date: 01/25/2022

Zip:

District I 1625 N. French Dr., Hobbs, NM 88240

811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720

District II

District III

District IV

Phone: (575) 393-6161 Fax: (575) 393-0720

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170

1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

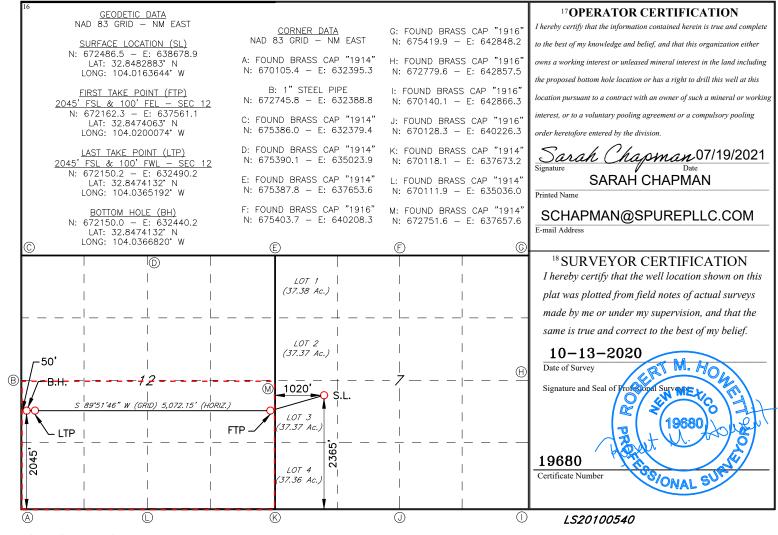
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

| I | API Number | r | | ² Pool Code | | | ³ Pool Nar | me | |
|-------------------------------------|------------|----------------|---------------|-----------------------------------|--------------------------------------|------------------------|--|-------------|------------|
| 30- | 015-487 | '08 | | 96610 EMPIRE; GLOREITA-YESO, EAST | | | | | EAST |
| 4Property Co | | | | TT A | ⁵ Property N | Name FEDERAL | ⁶ Well Number 10H | | |
| 331167 | | | | ГА | | | | | |
| ⁷ OGRID 3289 4 | | | | SPUR I | ^{8 Operator N} ENERGY PA | Name ARTNERS LLC | ⁹ Elevation 3666 | | |
| | | | | | ¹⁰ Surface | Location | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West 1 | ine County |
| 3 | 7 | 17S | 30E | | 2365 | SOUTH | 1020 | WEST | EDDY |
| | | | 11] | Bottom H | ole Location | If Different Fr | om Surface | | · |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West 1 | ine County |
| L | 12 | 17S | 29E | | 2045 | SOUTH | 50 | WEST | EDDY |
| 12 Dedicated Acre | s 13 Joint | or Infill 14 (| Consolidation | Code 15 C | Order No. | | | | · |
| 320 | | | | | | | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District II

District III

District IV

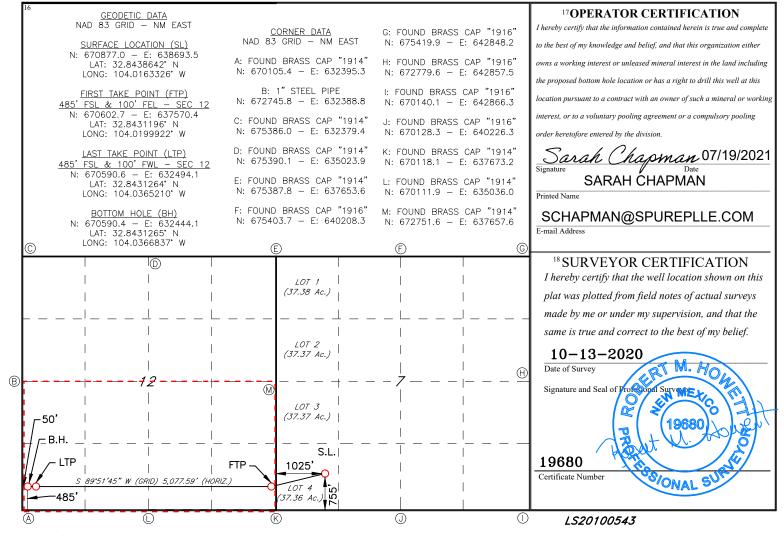
State of New Mexico District I 1625 N. French Dr., Hobbs, NM 88240 Energy, Minerals & Natural Resources Department Phone: (575) 393-6161 Fax: (575) 393-0720 OIL CONSERVATION DIVISION 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 1220 South St. Francis Dr. 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

| 1 | API Numbe | r | | ² Pool Code | | | ³ Pool Nar | | | | |
|-----------------------------|------------|----------------|---------------|------------------------|-------------------------------------|-----------------------------|-----------------------|--|---------|---------------|--|
| 30-0 | 15-487 | 07 | | 96610 | | EMPIRE; GLORIETA-YESO, EAST | | | | | |
| 4Property Co | de | | | | | perty Name | | | | 6 Well Number | |
| 331167 | | | | FA | T TIRE 12 | E 12 FEDERAL | | | | 11H | |
| ⁷ OGRID 32894 | | | | SPUR I | ⁸ Operator 2 ENERGY P | Name ARTNERS LLC | • | ⁹ Elevation 3659' | | | |
| | | | | | ¹⁰ Surface | Location | | L | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/Wes | st line | County | |
| 4 | 7 | 17S | 30E | | 755 | SOUTH | 1025 | WES | T | EDDY | |
| | | • | 11] | Bottom H | ole Location | n If Different Fro | om Surface | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/Wes | st line | County | |
| М | 12 | 17S | 29E | | 485 | SOUTH | 50 | WES | т | EDDY | |
| 12 Dedicated Acre | s 13 Joint | or Infill 14 (| Consolidation | Code 15 C | Order No. | • | • | | • | | |
| 320 | | | | | | | | | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



 District I
 Sta

 1625 N. French Dr., Hobbs, NM 88240
 Phone: (575) 393-6161 Fax: (575) 393-0720
 Sta

 District II
 811 S. First St., Artesia, NM 88210
 Phone: (575) 748-1283 Fax: (575) 748-9720
 OIL CON

 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 1220
 1220

 Phone: (505) 334-6178 Fax: (505) 334-6170
 Sat
 Sat

 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505
 Sat
 Sat

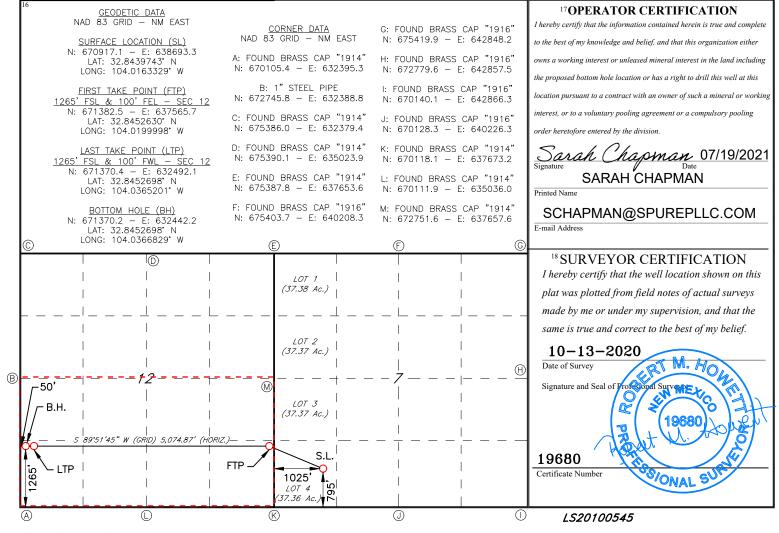
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

| | API Number -015-487 | | | ² Pool Code 96610 | ³ Pool Nat RE; GLORIET. | ETA-YESO, EAST | | | | | |
|---|------------------------|--------------|---------------|---------------------------------|--|--------------------------------|---------------|-----------|--------|--|--|
| ⁴ Property Co 331167 | | | • | FA | | Property Name RE 12 FEDERAL | | | | ⁶ Well Number 22H | |
| ⁷ OGRID 3289 | | | | SPUR I | ⁸ Operator Name PUR ENERGY PARTNERS LLC. | | | | | ⁹ Elevation 3658' | |
| | | | | | ¹⁰ Surfa | ce Location | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from t | he North/South line | Feet From the | East/West | t line | County | |
| 4 | 7 | 17S | 30E | | 795 | SOUTH | 1025 | WES | T | EDDY | |
| | | | 11] | Bottom H | ole Locat | ion If Different Fr | om Surface | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from t | he North/South line | Feet from the | East/West | t line | County | |
| М | 12 | 17S | 29E | | 1265 | SOUTH | 50 | WES | T | EDDY | |
| 12 Dedicated Acre | s 13 Joint | or Infill 14 | Consolidation | Code 15 C | Order No. | I | | | | | |
| 320 | | | | | | | | | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 District III 1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

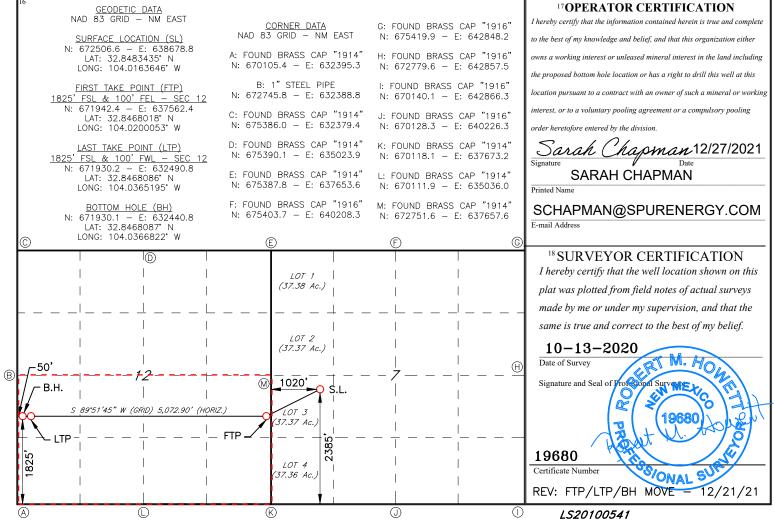
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

| | API Number | r | | ² Pool Code | ³ Pool Name | | | | | | |
|-------------------|------------|----------------|---------------|------------------------|------------------------|-------------------|---------------|-----------|------------------------|---------------|--|
| 30-0 | 15-4889 | 93 | | 96610 | | EMPIRE; GLO | ORIETA-YES | O, EAST | | | |
| 4Property Co | de | | • | | 5 Property Name | | | | | 6 Well Number | |
| 331167 | 7 | | | FA | FAT TIRE 12 FEDERAL | | | | | 51H | |
| 7 OGRID | | | | ~~~~ | ⁸ Operator | | | | ⁹ Elevation | | |
| 328 | 947 | | | SPUR I | ENERGY F | PARTNERS LLC | • | | | 3666' | |
| | | | | | ¹⁰ Surface | e Location | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/West | t line | County | |
| 3 | 7 | 17S | 30E | | 2385 | SOUTH | 1020 | WES | т | EDDY | |
| | | | 11 | Bottom H | lole Locatio | n If Different Fr | om Surface | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West | t line | County | |
| L | 12 | 17S | 29E | | 1825 | SOUTH | 50 | WES | т | EDDY | |
| 12 Dedicated Acre | s 13 Joint | or Infill 14 (| Consolidatior | Code 15 (| Order No. | • | | | • | | |
| 320 | | | | | | | | | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



 District I

 1625 N. French Dr., Hobbs, NM 88240

 Phone: (575) 393-6161 Fax: (575) 393-0720

 District II

 811 S. First St., Artesia, NM 88210

 Phone: (575) 748-1283 Fax: (575) 748-9720

 District III

 1000 Rio Brazos Road, Aztec, NM 87410

 Phone: (505) 334-6178 Fax: (505) 334-6170

 District IV

 1220 S. St. Francis Dr., Santa Fe, NM 87505

 Phone: (505) 476-3460 Fax: (505) 476-3462

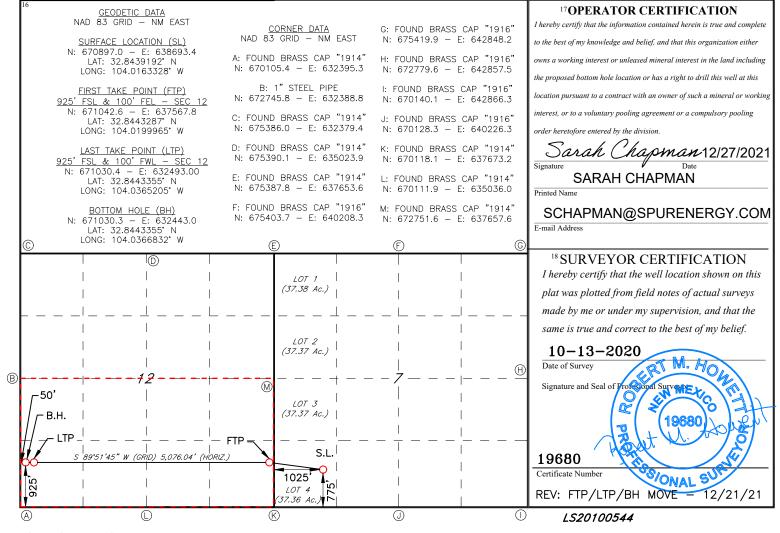
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

| | API Number | r | | ² Pool Code | | | ³ Pool Nat | me | | | |
|--|------------|--------------|---|------------------------|--------------------------------------|--------------------------|-----------------------|----------|--|--|--|
| 30- | 015-487 | '06 | | 96610 | 510 EMPIRE; GLORIETA-YESO, EAST | | | | | | |
| ⁴ Property Co 33116 | | | | FA | ⁵ Property M T TIRE 12 | perty Name 12 FEDERAL | | | | ⁶ Well Number 52H | |
| ⁷ OGRID 3289 | | | ⁸ Operator Name SPUR ENERGY PARTNERS LLC. | | | | | | ⁹ Elevation 3659' | | |
| | | | | | ¹⁰ Surface | Location | | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet From the | East/Wes | st line | County | |
| 4 | 7 | 17S | 30E | | 775 | SOUTH | 1025 | WES | 5T | EDDY | |
| | | | 11] | Bottom H | ole Location | n If Different Fre | om Surface | | | | |
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/Wes | st line | County | |
| М | 12 | 17S | 29E | | 925 | SOUTH | 50 | WES | 5т | EDDY | |
| 12 Dedicated Acre | s 13 Joint | or Infill 14 | Consolidation | Code 15 C | Order No. | | | | • | | |
| 320 | | | | | | | | | | | |

No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



Federal Communitization Agreement

Contract No.

THIS AGREEMENT entered into as of the 1st day of September, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

South Half (S/2) of Section 12, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico.

Containing **320.00** acres, more or less, and this agreement shall include only the Yeso Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

- 3. The Operator of the communitized area shall be Spur Energy Partners LLC, 9655 Katy Freeway, Suite 500, Houston, Texas 77024. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
- 4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
- 5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8th or 12 ½ percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8th should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

- 6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
- 7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
- 8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
- 9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes.

This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

- 10. The date of this agreement is September 1, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative. with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
- 11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
- 12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
- 13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
- 14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate

instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

15. <u>Nondiscrimination</u>. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

| | SPUR ENERGY PARTNERS LLC |
|------------|---------------------------|
| | perator |
| 11/18/2021 | By: |
| Date | enerator/Attorney-in-Fact |

ACKNOWLEDGEMENT

| STATE OF | TEXAS |) |
|------------|--------|-------|
| COUNTY OF_ | HARRIS |) ss. |

On this <u>18TH</u> day of <u>NOVEMBER</u>, 2021, before me, a Notary Public for the State of Texas, personally appeared Nash Bell, known to me to be the Vice President, Land of Spur Energy Partners LLC, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

| (SEAL) | NAME AND ADDRESS OF TAXABLE PARTY. |
|-------------|--|
| AMMILL. | JAMES MARSHALL BURGE |
| STARY PUSIT | Notary Public, State of Texas |
| ES A SE | Notary Public, State of 1980 |
| 29 1 25 | Comm. Expires 04-27-2023 |
| The section | <u>Notary ID 130205231</u> |
| Millimon | The second s |

ary Public

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

SEP PERMIAN HOLDING CORP

11/18/2021

By Title: VICE PRESIDENT - LAND

Date

ACKNOWLEDGEMENT

| STATE OF | TEXAS |) |
|------------|--------|-------|
| | |) ss. |
| COUNTY OF_ | HARRIS |) |

On this **18TH** day of **NOVEMBER**, 2021, before me, a Notary Public for the State of Texas, personally appeared **Nash Bell**, known to me to be the **Vice President**, Land of **SEP Permian Holding Corp.**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SI JAMES MARSHALL BURGE Notary Public, State of Texas Comm. Expires 04-27-2023 Notary ID 130205231

My Commission Expires

Notary

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

GREAT WESTERN DRILLING CO.

10-05-21

By: Title: resu

Date

ACKNOWLEDGEMENT

| STATE OF TEXAS | _) |
|-------------------|------------|
| COUNTY OF MIDLAND |) ss.) |

On this 5th day of <u>October</u>, 2021, before me, a Notary Public for the State of <u>Texas</u>, personally appeared <u>Bruce M. Brade</u>, known to me to be the <u>President</u> of <u>Great Western Der Iling</u>, the corporation that test executed the foregoing instrument and acknowledged to me such corporation executed Partwership the same. timited partnership

(SEAL)

5-05-2024

My Commission Expires

Haller

Notary Public

VONDAL, WALKER My Notary ID # 3517108 Expires May 5, 2024

WORKING INTEREST OWNERS AND/OR LESSEES OF RECORD

DAVOIL OIL & GAS, INC.

Date OCTOBER 21, 2021

| By: _ | lubach. | stafete |
|--------|------------|-----------|
| | DEBORAH L. | SINGLÉTON |
| Title: | PRESIDENT | |

ACKNOWLEDGEMENT

STATE OF ____ TEXAS)) ss. COUNTY OF TARRANT

On this <u>21ST</u> day of <u>OCTOBER</u>, 2021, before me, a Notary Public for the State of of DAVOIL OIL & GAS, INC., the corporation that PRESIDENT executed the foregoing instrument and acknowledged to me such corporation executed the same.

JILL D MCCLUSKEY Notary ID #8096339 Ay Commission Expires June 1, 2022

My Commission Expires

Del D. Mellush

EXHIBIT "A"

Plat of communitized area covering 320.00 acres in <u>South Half (S/2)</u>of Sect. <u>12</u>, T<u>17S</u>, R<u>29E</u>, NMPM, <u>Eddy</u> County, NM.

<u>Fat Tire 12 Federal Com 10H; Fat Tire 12 Federal Com 51H; Fat Tire 12 Federal Com 11H; Fat</u> <u>Tire 12 Federal Com 22H; Fat Tire 12 Federal Com 52H</u>

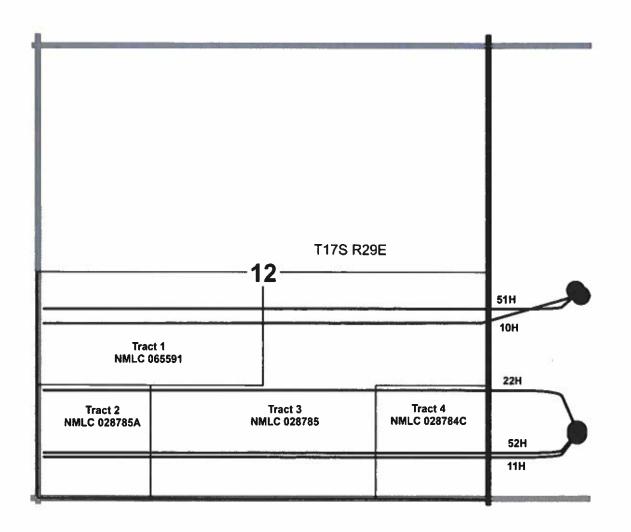


EXHIBIT "B"

Attached to and made a part of that Communitization Agreement dated September 1, 2021 embracing the following described land in the S/2, Section 12, Township 17 South, Range 29 East, Eddy County, New Mexico.

Operator of Communitized Area: Spur Energy Partners LLC

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

| Lease Serial Number: | NMLC 065591 | | | |
|----------------------------------|--|--|--|--|
| Description of Land Committed: | Township 17 South, Range 29 East, NMPM, Section 12: N/2 of SW/4 | | | |
| Current Lessee of Record: | Great Western Drilling Company Davoil Oil & Gas, Inc. | | | |
| Number of Acres: | 80.00 | | | |
| Name of Working Interest Owners: | Great Western Drilling Co.64.476%Davoil Oil & Gas, Inc.33.524% | | | |
| Tract No. 2 | | | | |
| Lease Serial Number: | NMLC 028785A | | | |
| Description of Land Committed: | Township 17 South, Range 29 East NMPM, Section 12: SW/4 of SW/4 | | | |
| Current Lessee of Record: | Great Western Drilling Co. Davoil Oil & Gas, Inc. | | | |
| Number of Acres: | 40.00 | | | |
| Name of Working Interest Owners: | SEP Permian Holding Corp. 100.00% | | | |

Tract No. 3

| Lease Serial Number: | NMLC 028785 | | | |
|----------------------------------|---|--|--|--|
| Description of Land Committed: | Township 17 South, Range 29 East, NMPM, Section 12: N/2 of SE/4, SE/4 of SW/4, & SW/4 of SE/4 | | | |
| Current Lessee of Record: | Mac T. Anderson Estate | | | |
| Number of Acres: | 160.00 | | | |
| Name of Working Interest Owners: | SEP Permian Holding Corp. 100.00% | | | |
| Tract No. 4 | | | | |
| Lease Serial Number: | NMLC 028784C | | | |
| Description of Land Committed: | Township 17 South, Range 29 East, NMPM, Section 4: SE/4 of SE/4 | | | |
| Current Lessee of Record: | ConocoPhillips Company | | | |
| Number of Acres: | 40.00 | | | |
| Name of Working Interest Owners: | SEP Permian Holding Corp. 100.00% | | | |

RECAPITULATION

| Tract No. | No. of Acres Committed | Perecentage of Interest in Communitized Area | |
|-----------|------------------------|---|--|
| 1 | 80.00 | 25.0000% | |
| 2 | 40.00 | 12.5000% | |
| 3 | 160.00 | 50.0000% | |
| 4 | 40.00 | 12.5000% | |
| Total | 320.00 | 100.0000% | |

Received by OCD: 1/26/2022 12:08:21 PM

| R | ECEIVED: | REVIEWER: | TYPE: | APP NO: | |
|-----|---|---|--|-------------------------|---|
| | | | ABOVE THIS TABLE FOR OCD DIVI | SION USE ONLY | |
| | | - Geologi | CO OIL CONSERVA cal & Engineering rancis Drive, Santa | Bureau - | |
| | | ADMINIST | RATIVE APPLICATIO | ON CHECKLIST | |
| | THIS CH | ECKLIST IS MANDATORY FOR A REGULATIONS WHICH RE | LL Administrative Applicat Equire processing at the E | | |
| Арр | olicant: | | | OGRID | Number: |
| | I Name: | | | API: Pool C | ode: |
| FUU | ı | | | | Jue. |
| S | UBMIT ACCURA | te and complete in | Formation Requir Indicated Belov | | e type of application |
| 1) | A. Location - | ATION: Check those Spacing Unit – Simul SL INSP(P) e only for [1] or [1] hingling – Storage – M DHC ICTB IP | taneous Dedication ROJECT AREA) NSF | (proration unit) |) |
| | [II] Inject | ion – Disposal – Pressu WFX PMX S | ure Increase – Enha | nced Oil Recovery | |
| 2) | A. Offset of B. Royalty C. Applica D. Notifica E. Notifica F. Surface G. For all of | REQUIRED TO: Check operators or lease hole of overriding royalty of ation requires publish ation and/or concurre ation and/or concurre owner of the above, proof of ce required | lders wners, revenue owr ed notice ent approval by SLC ent approval by BLN |) / | FOR OCD ONLY Notice Complete Application Content Complete |
| | administrative a understand that | I hereby certify that approval is accurate t no action will be ta e submitted to the Div | and complete to th ken on this applicat | e best of my know | /ledge. I also |
| | Note | e: Statement must be comple | eted by an individual with r | nanagerial and/or super | visory capacity. |

Print or Type Name

Date

Phone Number

Sarah Chapman

Signature

e-mail Address

| From: | Engineer, OCD, EMNRD |
|--------------|---|
| To: | Sarah Chapman |
| Cc: | McClure, Dean, EMNRD; Wrinkle, Justin, EMNRD; Powell, Brandon, EMNRD; lisa@rwbyram.com; Glover, James; Paradis, Kyle O; Walls, Christopher |
| Subject: | Approved Administrative Order OLM-257 |
| Date: | Friday, June 3, 2022 12:51:16 PM |
| Attachments: | OLM257 Order.pdf |
| | |

NMOCD has issued Administrative Order OLM-257 which authorizes Spur Energy Partners, LLC (328947) to surface commingle or off-lease measure, as applicable, the following wells:

| Well API | Well Name | UL or Q/Q | S-T-R | Pool |
|--------------|--------------------------|-----------|------------|-------|
| 30-015-48708 | Fat Tire 12 Federal #10H | S/2 | 12-17S-29E | 96718 |
| 30-015-48707 | Fat Tire 12 Federal #11H | S/2 | 12-17S-29E | 96718 |
| 30-015-48703 | Fat Tire 12 Federal #22H | S/2 | 12-17S-29E | 96718 |
| 30-015-48893 | Fat Tire 12 Federal #51H | S/2 | 12-17S-29E | 96718 |
| 30-015-48706 | Fat Tire 12 Federal #52H | S/2 | 12-17S-29E | 96718 |

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure Petroleum Engineer, Oil Conservation Division New Mexico Energy, Minerals and Natural Resources Department (505) 469-8211

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

APPLICATION FOR OFF-LEASE MEASUREMENTSUBMITTED BY SPUR ENERGY PARTNERS, LLCORDER NO. OLM-257

<u>ORDER</u>

The Director of the New Mexico Oil Conservation Division ("OCD"), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

- 1. Spur Energy Partners, LLC ("Applicant") submitted a complete application to off-lease measure the oil and gas production ("Application") from the wells, pool, and lease identified in Exhibit A.
- 2. Applicant provided notice of the Application to all persons owning a working interest in the oil and gas production to be off-lease measured in accordance with 19.15.23.9(A)(5) NMAC, and those persons either submitted a written waiver or did not file an objection to the Application.
- 3. Applicant provided notice of the Application to the Bureau of Land Management or New Mexico State Land Office, as applicable.

CONCLUSIONS OF LAW

- 4. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.23 NMAC.
- 5. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9(A)(5) NMAC.
- 6. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

<u>ORDER</u>

- 1. Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.
- 2. The oil and gas production from the wells identified in Exhibit A shall be physically separated from the oil and gas production from other wells and no commingling of production from different leases shall occur in accordance with 19.15.23.9(A)(3) NMAC and 19.15.23.9(A)(4) NMAC, except as otherwise provided in order(s) issued by OCD.
- 3. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15 NMAC or 19.15.23.8 NMAC.

Order No. OLM-257

- 4. Applicant shall measure and market the commingled gas at a central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9 NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8(B) NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8(E) NMAC.
- 5. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10(C)(2) NMAC.
- 6. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

ADRIENNE E. SANDOVAL DIRECTOR

DATE: 6/03/2022

State of New Mexico Energy, Minerals and Natural Resources Department

Exhibit A

Order: OLM-257 **Operator: Spur Energy Partners, LLC (328947) Central Tank Battery: Fat Tire 12 Federal Com Facility** Central Tank Battery Location: UL A, Section 12, Township 17 South, Range 29 East Gas Title Transfer Meter Location: UL A, Section 12, Township 17 South, Range 29 East

| Pools | |
|-------|--|
|-------|--|

| | Po LOCO HILLS; GI | ol Name LORIETA-YESO | Pool Code 96718 | | |
|---|--------------------------|-------------------------|--------------------|-------|--|
| Leases as defined in 19.15.12.7(C) NMAC | | | | | |
| | Lease | UL or Q/Q | S-T-R | | |
| | CA Yeso NMNM 144106 | S/2 | 12-17S-29E | | |
| Wells | | | | | |
| Well API | Well Name | UL or Q/Q | S-T-R | Pool | |
| 30-015-48708 | Fat Tire 12 Federal #10H | S/2 | 12-17S-29E | 96718 | |
| 30-015-48707 | Fat Tire 12 Federal #11H | S/2 | 12-17S-29E | 96718 | |
| 30-015-48703 | Fat Tire 12 Federal #22H | S/2 | 12-17S-29E | 96718 | |
| 30-015-48893 | Fat Tire 12 Federal #51H | S/2 | 12-17S-29E | 96718 | |

Fat Tire 12 Federal #52H

S/2

12-17S-29E

96718

30-015-48706

District I 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3470 Fax: (505) 476-3462

State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

CONDITIONS

| Operator: | OGRID: | |
|--------------------------|---|--|
| Spur Energy Partners LLC | 328947 | |
| 9655 Katy Freeway | Action Number: | |
| Houston, TX 77024 | 75305 | |
| | Action Type: | |
| | [C-107] Surface Commingle or Off-Lease (C-107B) | |

CONDITIONS Created By Condition Condition Date Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions 6/3/2022 dmcclure regarding this matter, please contact me.

Page 33 of 33