

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
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Division Director (Acting)
Oil Conservation Division



Ms. Sarah Chapman
schapman@spurenergy.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8790

Spur Energy Partners, LLC [OGRID 328947]
Live Oak Well No. 11H
API No. 30-015-54766

Reference is made to your application received on July 17th, 2024.

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 2087 FSL & 2270 FEL | J | 27 | 19S | 25E | Eddy |
| First Take Point | 2796 FNL & 1921 FEL | F | 27 | 19S | 25E | Eddy |
| Last Take Point | 2590 FNL & 2530 FWL | G | 28 | 19S | 25E | Eddy |
| Terminus | 2625 FNL & 2608 FEL | G | 28 | 19S | 25E | Eddy |

Proposed Horizontal Units

| Description | Acres | Pool | Pool Code |
|--|--------------|--------------------------------|------------------|
| NW/4 of Section 27 NE/4 of Section 28 | 320 | N. Seven Rivers; Glorieta-Yeso | 97565 |

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet

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Spur Energy Partners, LLC
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for an **oil** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 15 - 50 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 27, encroachment to the SW/4
Section 28, encroachment to the SE/4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location in order to allow for efficient spacing of horizontal wells within the Glorieta - Yeso formation, thus preventing waste and protecting correlative rights underlying the NW/4 Section 27 and the NE/4 of Section 28.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 10/23/24

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

CONDITIONS

Action 396641

CONDITIONS

| | |
|---|--|
| Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024 | OGRID: 328947 |
| | Action Number: 396641 |
| | Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 10/29/2024 |