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

APPLICATION OF SPUR ENERGY PARTNERS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 22026

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SPUR ENERGY PARTNERS, LLC'S HEARING EXHIBITS

Compulsory Pooling Checklist

Exhibit A	Landman's Self-Affirmed Statement
A-1	Application & Proposed Notice of Hearing
A-2	C-102(s)
A-3	Plat of Tracts, Tract Ownership, Pooled Party, Unit Recapitulation
A-4	Sample Well Proposal Letter & AFE(s)
A-5	Summary of Communications
A-6	Hearing Notice Letter and Return Receipts
A-7	Affidavit of Publication
Exhibit B	Geologist's Self-Affirmed Statement
B-1	Location Map
B-2	Structure Map
B-3	Cross Section
B-4	Gunbarrel Schematic

COMPULSORY POOLING APPLICATION CHECKLIST ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS Case No.: 22026 **Hearing Date:** 7/1/2021 Applicant Spur Energy Partners LLC Designated Operator & OGRID OGRID # 328947 Applicant's Counsel Hinkle Shanor LLP Case Title Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico Entries of Appearance/Intervenors Well Family Patrick Formation/Pool Formation Name(s) or Vertical Extent Yeso Primary Product (Oil or Gas) Oil Pooling this vertical extent Yeso Pool Name and Pool Code N. Seven Rivers, Glorieta-Yeso (Pool Code 97565) Well Location Setback Rules Statewide Spacing Unit Size 320-acre Spacing Unit Type (Horizontal/Vertical) Horizontal Size (Acres) 320-acre **Building Blocks** quarter-quarter Orientation Laydown Description: TRS/County N/2 of Section 10, Township 19 South, Range 25 East in Eddy County, New Mexico Standard Horizontal Well Spacing Unit (Y/N), If No, Yes describe Other Situations Depth Severance: Y/N. If yes, description Spur seeks to pool only a portion of the Yeso formation from the top of the formation (at a stratigraphic equivalent of approximately 2,447' measured depth as observed on the OTTAWA 'AOW' FEDERAL #6 Schlumberger Compensated Neutron/Litho-Density Log (API No. 30-015-29453)) to a depth of approximately 3,000' measured depth. Proximity Tracts: If yes, description Yes; the completed interval of the Patrick Federal Com 1H will be within 330' of the line separating the N/2N/2 and S/2N/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. Proximity Defining Well: if yes, description Patrick Federal Com 1H Well(s) Name & API (if assigned), surface and bottom hole Add wells as needed location, footages, completion target, orientation, completion status (standard or non-standard) Well #1 Patrick Federal Com 1H (API # pending) SHL - 2075' FNL & 920' FEL, Section 9, T19S-R25E BHL - 1555' FNL & 50' FEL, Section 10, T19S-R25E Completion Target: Yeso formation TVD: Approx. 2500'

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Well #2	Patrick Federal Com 2H (API # pending)
	SHL – 680' FNL & 920' FEL, Section 9, T19S-R25E
	BHL – 331' FNL & 50' FEL, Section 10, T19S-R25E
	Completion Target: Yeso formation
	TVD: Approx. 2450'
Well #3	Patrick Federal Com 10H (API # pending)
	SHL – 2135' FNL & 920' FEL, Section 9, T19S-R25E
	BHL – 2305' FNL & 50' FEL, Section 10, T19S-R25E
	Completion Target: Yeso formation
Well #4	TVD: Approx. 2700'
VVCII II T	Patrick Federal Com 11H (API # pending)
	SHL – 720' FNL & 920' FEL, Section 9, T19S-R25E
	BHL – 940' FNL & 50' FEL, Section 10, T19S-R25E
	Completion Target: Yeso formation
Horizontal Well Sint and Lat T. L. D.	TVD: Approx. 2635'
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	Exhibit A-4
Production Supervision/Month \$	Exhibit A-4
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
	00, S0000 NEP 701 500
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
Proof of Published Notice of Hearing (10 days before	
hearing)	Exhibit A-7
Ownership Determination	
and Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	Exhibit A-3
Ownership Depth Severance	N/A
oinder	
Sample Copy of Proposal Letter	Exhibit A-4
ist of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	- COMMISSION OF STATE (1971)
ummary (including special considerations)	Exhibit B
pacing Unit Schematic	Exhibit B-1
Sunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Vell Orientation (with rationale)	Exhibit B
arget Formation	Exhibit B
ISU Cross Section	Exhibit B-3
Pepth Severance Discussion	N/A
orms, Figures and Tables	IV/A
-102	Evhibit A 2
racts	Exhibit A-2
2 5/15 (2/10) page 1994 100	Exhibit A-3
	Exhibit A-3
CHELAL LOCATION WAS INCHIGING PAGIN)	Exhibit B-1

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Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	lana d Hardy
Date:	6/29/2021

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 22026

SELF-AFFIRMED STATEMENT OF MEGAN PEÑA

- 1. I am a senior landman at Spur Energy Partners, LLC ("Spur") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") and my qualifications as an expert in petroleum land matters were accepted and made a matter of record.
- 2. I am familiar with the land matters involved in the above-referenced case. Copies of this application and proposed hearing notice are attached hereto as **Exhibit A-1**.
- None of the parties proposed to be pooled in this case indicated opposition to this
 matter proceeding by affidavit, therefore I do not expect any opposition at hearing.
- 4. Spur seeks an order pooling all uncommitted mineral interests from the top of the Yeso formation to a depth of approximately 3,000' in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 19 South, Range 25 East, in Eddy County, New Mexico ("Unit").
 - 5. The Unit will be dedicated to following wells:
 - a. Patrick Federal Com 2H and Patrick Federal Com 11H, which will be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 9 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 10; and

Spur Energy Partners, LLC Case No. 22026 eased to Imaging: 6/29/2021 4:20:20 PM

Exhibit A

- b. Patrick Federal Com 1H and Patrick Federal Com 10H, which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit H) of Section 9 to a bottom hole location in the SE/4SE/4 (Unit H) of Section 10 (collectively the "Wells").
- The completed intervals of the Wells will be orthodox.
- 7. The completed interval of the **Patrick Federal Com 1H** will be within 330' of the line separating the N/2N/2 and S/2N/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit.
 - The Wells are located in the N. Seven Rivers, Glorieta-Yeso (Pool Code 97565).
- With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15.
- 10. A depth severance exists in the Yeso formation in the horizontal spacing unit. Accordingly, Spur seeks to pool only a portion of the Yeso formation from the top of the formation (at a stratigraphic equivalent of approximately 2,447' measured depth as observed on the OTTAWA 'AOW' FEDERAL #6 Schlumberger Compensated Neutron/Litho-Density Log (API No. 30-015-29453)) to a depth of approximately 3,000' measured depth.
 - 11. Exhibit A-2 contains C-102s for the Wells.
- 12. Exhibit A-3 contains a plat identifying ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Spur seeks to pool.
- 13. Exhibit A-4 contains a sample well proposal letter and AFEs sent to working interest owners for the Wells. The estimated costs reflected on the AFEs are fair and reasonable

and comparable to the cost of other wells of similar depth and length drilled in the Yeso formation in the area.

- 14. Spur has conducted a diligent search of all public records in Eddy County including phone directories and computer databases.
- 15. In my opinion, Spur made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in Exhibit A-5.
- 16. Spur requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Spur and by other operators in the vicinity.
- 17. Notice of Spur's application and the Division hearing was timely provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letters and associated green cards are attached as **Exhibit A-6**.
- 18. Notice of Spur's application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-7**.
- 19. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 20. In my opinion, the granting of Spur's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

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21. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 20 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

Megan/Peña

10/25/31 Date

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

Case No. 22026

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners, LLC ("Spur") applies for an order pooling all uncommitted mineral interests from the top of the Yeso formation to a depth of approximately 3,000' in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 19 South, Range 25 East, in Eddy County, New Mexico ("Unit"). In support of its application, Spur states the following:

- 1. Spur (OGRID No. 328947) is a working interest owner in the Unit and has the right to drill wells thereon.
 - The Unit will be dedicated to following wells:
 - Patrick Federal Com 2H and Patrick Federal Com 11H, which will be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section
 9 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 10; and
 - Patrick Federal Com 1H and Patrick Federal Com 10H, which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit H) of Section 9 to a bottom hole location in the SE/4SE/4 (Unit H) of Section 10 (collectively the "Wells").
 - 3. The completed intervals of the Wells will be orthodox.

Spur Energy Partners, LLC Case No. 22026

- 4. The completed interval of the Patrick Federal Com 1H will be within 330' of the line separating the N/2N/2 and S/2N/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit.
- 5. A depth severance exists in the Yeso formation in the horizontal spacing unit. Accordingly, Spur seeks to pool only a portion of the Yeso formation from the top of the formation (at a stratigraphic equivalent of approximately 2,447' measured depth as observed on the OTTAWA 'AOW' FEDERAL #6 Schlumberger Compensated Neutron/Litho-Density Log (API No. 30-015-29453)) to a depth of approximately 3,000' measured depth.
- 6. Spur has undertaken diligent, good-faith efforts to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all of the mineral interest owners.
- 7. The pooling of uncommitted mineral interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
- 8. In order to allow Spur to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Spur should be designated the operator of the Wells and Unit.

WHEREFORE, Spur requests this application be set for hearing on July 1, 2021 and that, after notice and hearing, the Division enter an order:

- Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- Designating Spur as operator of the Unit and the Wells to be drilled thereon;
- Authorizing Spur to recover its costs of drilling, equipping and completing the
 Wells;

- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Spur in drilling and completing the Wells against any working interest owner who does not voluntarily participate in the drilling of the Wells.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy Michael Rodriguez P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623

dhardy@hinklelawfirm.com mrodriguez@hinklelawfirm.com

Counsel for Spur Energy Partners, LLC

Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted mineral interests from the top of the Yeso formation to a depth of approximately 3,000' in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 19 South, Range 25 East, in Eddy County, New Mexico ("Unit"). The Unit will be dedicated to following wells:

- Patrick Federal Com 2H and Patrick Federal Com 11H, which will be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 9 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 10; and
- Patrick Federal Com 1H and Patrick Federal Com 10H, which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit H) of Section 9 to a bottom hole location in the SE/4SE/4 (Unit H) of Section 10 (collectively the "Wells").

The completed interval of the Patrick Federal Com 1H will be within 330' of the line separating the N/2N/2 and S/2N/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 2 miles southwest of Artesia, New Mexico.

<u>District I</u> 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 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

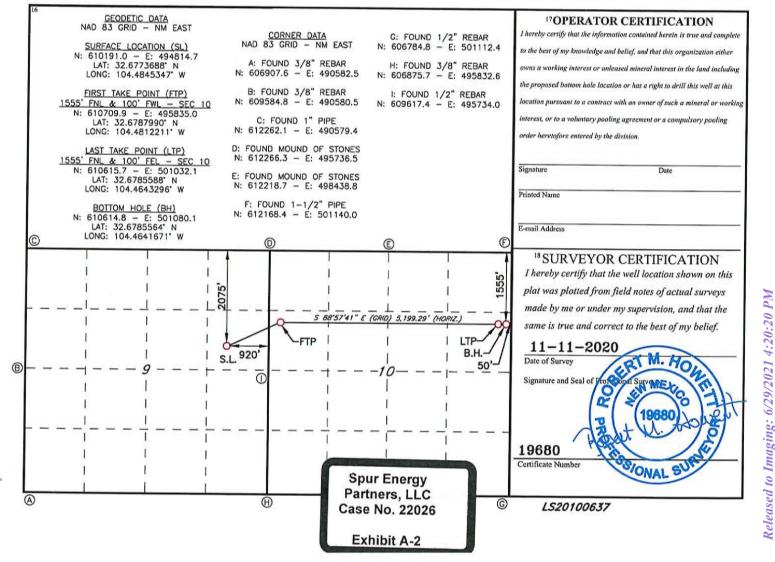
Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

WELL LOCATION AND	ACREAGE DEDICATION PLAT
2 Pool Code	1 Bool Name

	1 API Numbe	r		² Pool Code	2 Pool Code 3 Pool Name					
4Property Code PATRICK 10 FEDERAL									6 Well Number	
OGRID NO. SPUR ENERGY PARTNERS LLC.							•		⁹ Elevation 3517	
					10 Surface	Location				
UL or lot no.	Section 9	Township 19S	Range 25E	Lot Idn	Feet from the 2075	North/South line NORTH	Feet From the	East/West lin	County EDDY	
	11.		¹¹]	Bottom H	Iole Location	If Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West lin	e County	

H 10 19S 25E NORTH 1555 50 EAST **EDDY** 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.



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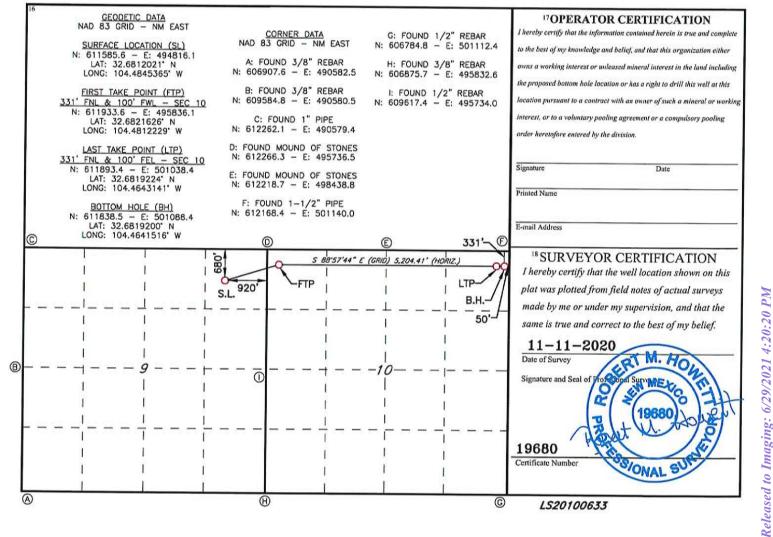
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	WELL LOCATION AND ACKEAGE DED	ICATION PLAT
¹ API Number	² Pool Code	³ Pool Name
⁴ Property Code	PATRICK 10 FEDERAL	6 Well Number
7 OGRID NO.	8 Operator Name SPUR ENERGY PARTNERS LI	9Elevation

UL or lot no.	Section 9	Township 19S	Range 25E	Lot Idn	Feet from the 680	North/South line NORTH	Feet From the 920	East/West line EAST	County
			11 H	Bottom H	ole Location	If Different Fro	m Surface		
UL or lot no.	Section 10	Township 19S	Range 25E	Lot Idn	Feet from the	North/South line NORTH	Feet from the	East/West line EAST	County EDDY
Dedicated Acres	13 Joint	or Infill 14 (Consolidation	Code 15 C	order No.			Linda	HDD I



District J 1625 N. French Dr., Hobbs, NM 88240 Phone: (575) 393-6161 Fax: (575) 393-0720 811 S. First St., Artesia, NM 88210 Phone: (575) 748-1283 Fax: (575) 748-9720 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

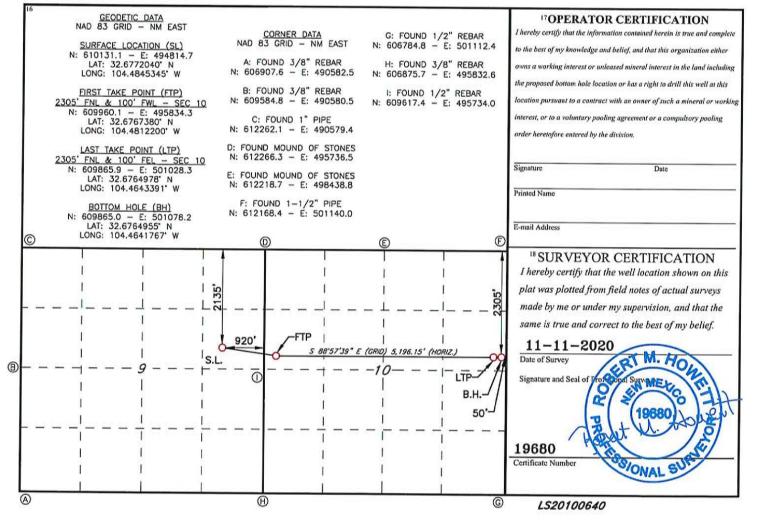
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⁴ Property Co	de			6 Well Number						
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					10 Surface 1	Location				
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	API Numbe			² Pool Code	ON AND ACREAGE DEDICATION PLAT					
				-1001000		³ Pool Name				
⁴ Property Co	ode			6 Well Number 11H						
⁷ OGRID	NO.	SPUR ENERGY PARTNERS LLC.							9Elevation 3517'	
					¹⁰ Surface 1	Location				
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			11]	Bottom H	Iole Location	If Different Fro	om Surface			
JL or lot no.	Section	Township						East/West line	West line County	
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Dedicated Acre	s 13 Joint	or Infill 14 6	Consolidation	Code 15.0	Order No.					

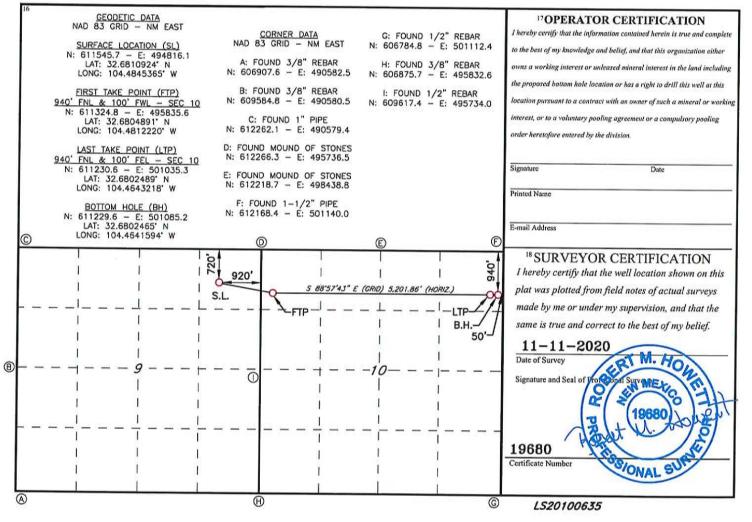
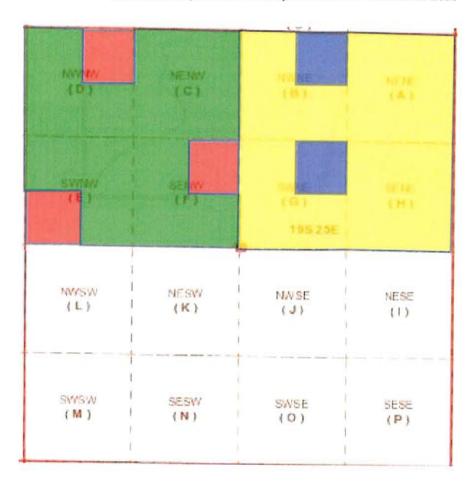


EXHIBIT A-3

North Half of Section 10, Township 19 South, Range 25 East; Eddy County, New Mexico

As to those Depths from the Top of the Yeso Formation to 3000'



Tract No. 1

Legal: NW4 save and except 30ac being the NE4/NW4/NW4, the SW4/SW4/NW4, and the NE4/SE4/NW4; 130ac

Fee Leasehold

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Owner	WI Decimal
SEP Permian LLC	0.45714376
EOG Resources, Inc.	0.20000000
Fasken Land and Minerals Ltd.	0.25000000
Diamond Lil Properties, LLC	0.03125000
Spirit Trail, LLC	0.03125000
Eric J. Coll	0.01406250
Clarke C. Coll	0.01406250
Jon F. Coll, II	0.00223124

TOTAL 1.00000000

Spur Energy Partners, LLC Case No. 22026

Exhibit A-3

Legal: NE4/NW4/NW4, the SW4/SW4/NW4, and the NE4/SE4/NW4	1; 30ac
Fee Leasehold	
Owner	WI Decima
SEP Permian LLC	0.15714376
EOG Resources, Inc.	0.50000000
Fasken Land and Minerals Ltd.	0.25000000
Diamond Lil Properties, LLC	0.03125000
Spirit Trail, LLC	0.03125000
Eric J. Coll	0.01406250
Clarke C. Coll	0.01406250
Jon F. Coll, II	0.00223124
TOTAL	1.00000000
Tract No. 3	
Legal: NE4 save and except 20ac being the NE4/NW4/NE4 and the N	 IE4/SW4/NE4: 140ac
BLM Lease No. NMLC 064488-E	30-2 1 6-37, 1644a 16.77 1.77
Owner	WI Decimal
SEP Permian Holding Corp.	0.30000000
SEP Permian Holding Corp. EOG Resources, Inc.	0.30000000 0.32500000
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company	
Owner SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC	0.30000000 0.32500000 0.16666667
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC	0.30000000 0.32500000 0.16666667 0.12500000
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC TOTAL Tract No. 4	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC TOTAL Tract No. 4 Legal: NE4/NW4/NE4 and NE4/SW4/NE4; 20ac	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC TOTAL Tract No. 4 Legal: NE4/NW4/NE4 and NE4/SW4/NE4; 20ac BLM Lease No. NMLC 064488-E	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC TOTAL Tract No. 4 Legal: NE4/NW4/NE4 and NE4/SW4/NE4; 20ac BLM Lease No. NMLC 064488-E Owner	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333 1.00000000
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC TOTAL Tract No. 4 Legal: NE4/NW4/NE4 and NE4/SW4/NE4; 20ac BLM Lease No. NMLC 064488-E Owner EOG Resources, Inc.	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333 1.000000000
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC TOTAL Tract No. 4 Legal: NE4/NW4/NE4 and NE4/SW4/NE4; 20ac BLM Lease No. NMLC 064488-E Owner EOG Resources, Inc. Oxy Y-1 Company	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333 1.000000000 WI Decimal 0.625000000
SEP Permian Holding Corp. EOG Resources, Inc. Oxy Y-1 Company Sharbro Energy, LLC Vladin, LLC	0.30000000 0.32500000 0.16666667 0.12500000 0.08333333 1.00000000 WI Decimal 0.62500000 0.166666667

RECAPITULATION - NORTH HALF (320ac) No. of Acres Tract No. Percentage of Interessin Unit 1 130 40.625% 2 30 9.375%											
Tract No. No. of Acres Committeed Percentage of In In Unit 1 130 40.625% 2 30 9.375%											
1	130	40.625%									
2	30	9.375%									
3	140	43.750%									
4	20	6.250%									
Totals	320	100%									

Owner	Unit WI Decimal
SEP Permian LLC	0.20044688
SEP Permian Holding Corp.	0.13125000
EOG Resources Inc.	0.30937500
Fasken Land and Minerals Ltd.	0.12500000
Oxy Y-1 Company*	0.08333333
Sharbro Energy, LLC*	0.06250000
Vladin, LLC*	0.04166667
Diamond Lil Properties, LLC	0.01562500
Spirit Trail, LLC	0.01562500
Eric J. Coll	0.00703125
Clarke C. Coll	0.00703125
Jon F. Coll, II	0.00111562
Total	1.00000000

^{*}indicates party to be pooled

Patrick DSU Pooled Parties List

Top of Yeso Formation to 3,000'	
Ann C. Johnson, Trustee of the Ann C. Johnson Trust dtd 3/28/2004	
13408 Summit Hills Place	
Albuquerque, NM 87112	ORRI
Penasco Petroleum LLC	
PO Box 2292	
Roswell, NM 88202	ORRI
Rolla R. Hinkle, III	
PO Box 2292	
Roswell, NM 88202	ORRI
Lazy J Bar Cane, LLC	
P.O. Box 3660	
Roswell, NM 88202	ORRI
The Heirs or Devisees of Lonnie P. McClintock, deceased	
No info found since 1949 wherein he acquired the interest	ORRI
Karen G. Powell	
R276 North 13th Street #55	
Artesia, NM 88210	ORRI
Peggy A. Brown aka Peggy Hinshaw Brown	
3605 Whitus	
El Paso, TX 79925	ORRI
Garen Menefee Powell	
276 North 13th Street #55	
Artesia, NM 88210	ORRI
David L. Menefeex	
O Box 1092	
arlsbad, NM 88220	ORRI
lan W. Menefee	
3457 N El Frio Ct	
un City, AZ 85373	ORRI
imberly J. Menefee	
O Box 1586	
rtesia, NM 88211	ORRI
imberly J. Kafton	
O. Box 1586	
rtesia, NM 88210	ORRI
ates Brothers, a Partnership	
D Box 1394	
rtesia, NM 88211	ORRI

Pooled Parties

Received by OCD: 6/29/2021 4:16:54 PM





April 22, 2021

RE: Well Proposal
Patrick Federal Com 1H, 2H, 10H, 11H, 50H, 51H, 60H and 70H
N/2 Section 10, T19S-R25E
Eddy County, New Mexico

Dear Working Interest Owner,

Spur Energy Partners, LLC ("SPUR"), an affiliate of SEP Permian LLC ("SEP"), hereby proposes to drill and complete the **Patrick Federal Com 1H, 2H, 10H, 11H, 50H, 51H, 60H and 70H** wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Patrick Federal Com 1H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 2075' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 1555' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 2500'

Patrick Federal Com 2H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 680' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 331' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 2450'

Patrick Federal Com 10H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 2135' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 2305' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 2700'

Patrick Federal Com 11H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 720' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 940' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 2635*

Patrick Federal Com 50H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 2095' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 1830' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 3175*

Patrick Federal Com 51H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 700' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 805' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 3125'

Spur Energy Partners, LLC Case No. 22026

ENERGY PARTNERS

Patrick Federal Com 60H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 740' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 1315' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 3325'

Patrick Federal Com 70H - Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location 2115' FNL & 920' FEL, Section 9, T19S-R25E
- Proposed Bottom Hole Location 2205' FNL & 50' FEL, Section 10, T19S-R25E
- TVD: 3485*

SPUR proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 Section 10, T19S-R25E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, SPUR proposes creating a new joint operating agreement dated May 1, 2021, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of May 1, 2021
- Contract Area consisting of N/2 Section 10-T19S-R25E
- · Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100%/300%/300% non-consenting penalty
- \$8,000/\$800 drilling and producing monthly overhead rate
- Spur Energy Partners LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

SPUR respectfully requests that you select one of the following four options with regard to your interest in the proposed wells:

Option 1: Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

Option 2: Not participate in the proposed well (an election of "Non-Consent")

Option 3 – Term Assignment Option: Assign your working interest in the N2 Section 10-T19S-R25E, exclusive of existing wellbores, to SEP through a term assignment with a primary term of three (3) years and a bonus consideration of \$500 per net acre, delivering no less than a 75% leasehold net revenue interest (limited to the Yeso formation).

Option 4 – Assignment Option: Assign your working interest in the N2 Section 10-T19S-R25E, exclusive of existing wellbores, to SEP for a bonus consideration of \$1,000 per net acre, delivering no less than a 75% leasehold net revenue interest (all rights owned).

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Should you elect Option 1 or Option 2, SPUR will send the NJOA for your review and execution. If you prefer to review the NJOA prior to making an election, please request a copy by email and SPUR will supply you the NJOA. In the event you elect to assign your minerals under the terms outlined above in either the Option 3 – Term Assignment Option or Option 4



Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9.
 Upon receipt, SPUR will submit an Assignment to you for your review and execution.

SPUR looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised SPUR may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact me via email at mpena@spurepllc.com.

Sincerely,

Megan Peña Sr. Landman

Enclosures

Exhibit "A" AFEs



Authority for Expenditure Drill, Complete, & Equip



Operator	Spur Energy Partners LLC	_
Well Name	PATRICK 10 FEDERAL 1H	
Location	NEW MEXICO / EDDY	

Project : Description

INTANGIBLE DRILLING	DESCRIPTION	-		ginal				plerner			7	otal	
2050-1000		4.	8/8ths	_	Net		Bths		Net		思度ths		Net
2050-1000	LOCATION - OPS	_ 3	31,000			\$		5		5	31,000	\$	
2050-1001	LOCATION/DAMAGES/ROW-LAND		10,000	5		\$		5		5	10,000	5	
	TITLE WORK/LANDMAN SERVICES - LAND		60,000	5	- 4	\$	4	5		5	60,000	5	
2050-1003	DAMAGES/ROW - LAND	1		\$	- 4	5		\$		5		5	_
2050-1005	SURVEY - LAND	1	5,000	\$		5	-	5		5	5,000	5	_
2050-1006	ENVIRONMENTAL/ARC - LAND	1		5	-	5		s		15		5	
2050-1050	DRILLING PERMITS	1	10.000	5		1	-	5		15	10,000	5	
2050-1100	FISHING TOOLS & SERVICE	13		s	- 1	3	12	s	-	15	10,000	÷	_
2050-1301	DRILLING RENTALS: SURFACE	13	37,500	5		1	-	15	-	i.	37,500	5	=
2050-1302	DRILLING RENTALS: SUBSURFACE	1		5	-	:	-	5	·	5	25,000	5	
2050-1400	EQUIP LOST IN HOLE	1	80.000	5		:		5	-:-	5	20,000	5	-
2050-1500	DRILL MUD & COMPL FLUID	H		5	-	÷	-	s	-	1	20,000	3	_
2050-1600	WELLSITE SUPERVISION	+:	27,000		-	:		5	÷	1.		2	_
2050-1900	GROUND TRANSPORT	+;	9.000		-	;		5		13	27,000	3	_
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	1 5		5		;	*			1,	9,000	5	_
2050-2001	DRILLING SERVICES-SURFACE	+:	THE PROPERTY AND ADDRESS.	5	•	3	-	5		5	108,000	\$	_
2050-2002	DRLLING SERVICES-SUBSURFACE	+:				3		5	-	15		5	_
2050-2004	DIRECTIONAL TOOLS AND SERVICES	+3		5		\$		3		5		\$	_
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	+3		\$		3	-	\$	-	15	97,500	5	
2050-2200	CASED HOLE WIRELINE	13		5		\$		5		3		5	
2050-2201	OPEN HOLE WIRELINE	13		5		3		5		\$		5	
2050-2401	FLUID & CUTTINGS DISPOSAL	13		5		\$		5		\$		5	
2050-2402		15		\$		\$		5		\$	30,000	\$	
2050-2402	FRAC TANK RENTALS ES&H	18		\$		5		5		5	160	\$	
2050-3000		3		5		5		3		8		\$	
2050-3000	BITS	\$		\$	(8)	5		5		5	36,000	3	
2050-3100	OVERHEAD	\$		\$	4	5		\$		\$		5	
	CONSTRUCTION OVERHEAD	5		\$		3		8	-	5		5	
2050-3200	CONTINGENCIES	\$		\$		\$		3	-	\$		5	_
2050-3400	DESIGN & ENGINEERING	1 5		\$		\$	- 4	5	-	5		5	
2050-3600	COMPANY LABOR	\$	7,320	5		\$	-	\$		5	7.320	5	_
2050-3800	NON OPERATED CHARGES - IDC	13		\$		5		5		5		5	
2050-3900	FUEL, WATER & LUBE	15	35,000	5		5		5		\$	THE PERSON NAMED IN	5	
2050-4000	CEMENT	15	25.000	s		\$	-	5		1	MATERIAL PROPERTY.	5	_
2050-4001	CASING CREWS AND LAYDOWN SERVICES	15	8,500	5		5	- 0	5		1	8,500	÷	
2050-4002	SURFACE AND INTERMEDIATE SERVICE	15		5		5		5		•	0,000	•	_
2050-4003	PROD CSG CEMENT AND SERVICE	ti	THE PERSON NAMED IN	5	-	•	-	5	÷	*	30,000	-	-
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	15		5	-	•	_	5	-		30,000	<u>. </u>	-
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2050-8000	MUD LOGGER	t	-	5	-			5	-	5	9,000	-	-
2050-8001	MOB/DEMOB RIG	ti	-	<u>;</u>	-			5	•	5	12,000	9	_
2050-8003	VACUUM TRUCKING	13		5	-	•	_	5			***********	•	_
2050-8005	DRILLPIPE INSPECTION	13	5,000	_	-	-		_		5	5,000	3	_
2050-8007	CONTRACT LABOR/SERVICES	1		-	_	*		5		\$		5	_
2050-8009	MISC IDC/CONTINGENCY	1:		5	-	\$		\$	700	5	30.000	5	
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	INTANGIBLE DRILLING SUBTOTAL	5	723,000	ş.		1		1	-200	\$ 7	723,000	\$	

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2051-2500	SUPPLIES & SMALL TOOLS	15	-	5		15	_		-	1			-
2051-2700	COMMUNICATION	1	-	5	_	15		1:		+:	_		
2051-3200	CONTINGENCIES	Ť				Ť	-	1		+÷	_		
2051-3800	NON OPERATED CHARGES - TDC	15		1		t	_	1	-	+:	<u> </u>		
2051-5100	SURFACE CASING	Ť	24,000	÷	-	t		÷		+:	24,000	3	_
2051-5200	INTERMEDIATE CASING	tě	24,000	÷		t:		÷		+÷	24,000	13	-
2051-5300	PRODUCTION/LINER CASING	t÷	140,000	÷	-	+÷	-	+	_	÷	140,000	13	
2051-5400	CONDUCTOR PIPE	t÷	18,000	-		l:	-	1.	_	÷	- International Contraction	3	
2051-5500	WELLHEAD	t÷	5,000	:		1:		+		+÷	18,000	3	
2051-5801	LINER HANGER/CASING ACCESSORY	t÷	25,000		_	l:	<u> </u>	+*-	_	13	5,000		
2051-5503	MISC TANGIBLE EQUIPMENT	t÷	20,000	-		1:		13	<u> </u>	+÷	25,000	3	
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2055-1002	OUTSIDE LEGAL SERVICES	S -	5		15		3	-	\$.	15	
2055-1100	FISHING TOOLS & SERVICE	5 .	5		5		1	-	5	15	
2055-1300	EQUIP RENT	\$ 25,000	5	-	5	-	1		\$ 25,000	1 5	-
2055-1301	RENTALS; SURFACE IRON	\$ 45,000	5		15		5		\$ 45,000		-
2055-1302	DRILLING RENTALS: SUBSURFACE	S .	5		15		5		\$ 10,000	10	÷
2055-1400	EQUIP LOST IN HOLE	5 .	5		1	-	5			1:	-
2055-1500	DRILL MUD & COMPL FLUID	\$ 195,000	5	-	t	-	1	-	\$ 195,000	1:	÷
2055-1600	WELLSITE SUPERVISION	\$ 35,000	5		i.	-	1 4	-	\$ 35,000	_	-
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2055-1900	GROUND TRANSPORT	\$ 10,000		-	5	-	1	-	\$ 10,000		-
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$.	8	-	15	-	1	-	* 10,000		
2055-2100	PUMPDOWN	\$ 20,000	1		÷		s	-	\$ 20,000		-:
2055-2200	CASED HOLE WIRELINE	\$ 70,000	•	-	1	-	5	-	\$ 70,000		
2055-2300	FRAC PLUGS	\$ 40,000	-	_	÷	÷	÷	-	\$ 40,000		-
2055-2400	WELL PREP	1	-	_	÷	-		-	\$ 40,000	13	-
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2055-2402	FRAC TANK RENTALS	\$ 10,000	5	-	1:	-		-	\$ 10,000		•
2055-2403	FLOWBACK	\$ 30,000		-	:	·	*		\$ 30,000		
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2055-3200	CONTINGENCIES		5	÷	-	-	-	•	\$.	3	•
2055-3300	SPECIALIZED SERVICE	- :	5	÷	· -	_	-	-	5 .	3	*
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 270,000	*	-	-	-	-	•	\$ 270,000	3	_
2055-3400	PROPPANT	\$ 145,000		÷		_	-	•		3	-
2055-3500	COMPANY LABOR		5	÷	-		3		\$ 145,000	5	÷

	INTANGIBLE COMPLETION SUBTOTAL	\$ 1,1	82,600	\$		5		1		3 1	182,500	\$	
2055-8008	CONTRACT LABOR - FRAC	\$		5	- 1	5		15		5		5	
2055-8007	CONTRACT LABOR - WELL LEVEL	\$	15,000	5		5	-	8		5	15,000	1	_
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$	20,000	5		5	- 4	3	14	\$	20.000	\$	_
Charles and the same of the sa	CONTRACT LABOR - ARTIFICIAL LIFT	\$	17,500	\$	-	5	+	\$	-	5	17,500	5	_
2055-8004	CONTRACT LABOR/SERVICES	5		5		5		3		S		\$	_
2055-8004	COIL TUBING, SNUBBING, NITRO SVC	5		\$		\$		5		\$		5	
2055-8003		5	2,500	\$		\$		5		\$	2,500	5	
2055-8002	KILL TRUCK	3	10,000		-	3		5	-	\$	10,000	5	
2055-8001	COMPLETION/WORKOVER RIG		2,500		-	15		5	•	5	2,500	5	
2055-4001	CASING CREWS AND LAYDOWN SERVICES	1	2500	-	<u> </u>	13	<u> </u>	13	_	3	-	3	_
2055-4000	CEMENT	1	.00,000	-	_	t:		1:		*	100,000	3	_
2055-3900	FUEL, WATER & LUBE	1	000,000	*		1	_	1:		÷	100,000	:	_
2055-3800	NON OPERATED CHARGES - ICC	3	-	5	-	15		1	-	ti		÷	_
2055-3750	DAMAGES/ROW	15		1 5		1s		1.		l.		1.	

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2065-4102	WATER SUPPLY WELL	15		1		i:			<u> </u>	1:-	÷		-
2065-5001	OVERHEAD POWER	15	12,500	1		!	-	5		1:		3	_
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	15	50,000		_	1:	-		÷	1:	12,500		-
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2065-5200	TUBING HEAD/XMAS TREE	T.	10,000		-	i:			<u> </u>	1			
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2065-5400	PACKER AND SUBSURFACE EQUIPMENT	té	-	1		l:		1:		·-		3	_
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	ti		1	-:-	1:				1	-	3	_
2065-5600	PUMPING & LIFTING EQUIP	÷		1		1:		1.	-	1		,	-
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	t:	-	5		1	-:	3		-	-	3	_
2065-5901	LINER HANGER/CASING ACCESSORY	t÷	- :		<u> </u>	l:	_	13	<u> </u>	3		2	_
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	t:	<u> </u>		-	÷	•	*	-	,	-	3	_
2065-5903	MISC TANGIBLE EQUIPMENT	t÷	-	1	-:-	ŧ÷.	÷	-	-	3		2	_
	TANGIBLE COMPLETION SUBTOTAL	i	142,500	\$	•	3	-			3	142,500	\$	
Name and Address of the Owner, when the Owner,	COMPLETION TOTAL	1 16			10000	100	-	5.00	and the last of		#13(0)(d)		

	The second secon		Ori	ginal			Sup	plemen	t		To	stat	
NTANGIBLE FACILITY	DESCRIPTION	т	8 8ths	_	Net		8/8ths		Net	т	B/Sths		Net
2056-1006	ENVIRONMENTAL/ARC - LAND	15		4	-		_			٠.			
2056-2002	FACILITY PAD CONSTRUCTION	15	15,000	4	-	10	-		<u> </u>	÷	15,000		
2056-2006	MISC INTANGIBILE FACILITY COSTS	15	5.000			1:	÷	+:-	_	÷	5,000	3	
2056-2008	CONTRACT LABOR - AUTOMATION	tě	6.500		_	1:	_	+:		1:		3	-
2056-2009	EQUIPMENT RENTALS	Ti-	5,000		_	1:	÷	*		l:	6,500	3	_
2056-2010	FREIGHT & HANDLING	t	5,000			1:		1:	-	13	5,000	3	
2056-2012	CONTRACT LABOR - ELECTRICAL	t÷	15,000		_	t:	-	1.	<u> </u>	13	15,000	3	
2056-2013	FACILITY CONSTRUCTION LABOR	ti	55,000	-	<u> </u>	1:	<u> </u>	1.	-	13		3	
2056-2014	PIPELINE LABOR	÷	35,000	-	·	1:		1.		13	55,000	3	_
2056-2016	LOCATION/DAMAGES/ROW-LAND	÷		-	<u> </u>	1:	<u> </u>	10	<u> </u>	13	-	3	
2056-2017	TITLE WORK/LANDMAN SERVICES - LAND	+÷				1:	-	13	-	3		\$	-
2056-2019	NON OPERATED CHARGES - IFC	12			-	1		13	-	3	-	5	-
W. C.	INTANGIBLE FACILITY SUBTOTAL	i i	106,500	3	-	*	-		-	3	106,500	3	_

	Market and the second s		Or	ginal	Parl Inc.		Sur	piemer	if.	Т	T	otal	
TANGIBLE FACILITY	DESCRIPTION		8/8ths	т-	Net	_	8.8ths	7	Net	۰	B/Blhs	-	Net
2066-1200	VESSELS	15	65,000	5	-	1			_	5	65,000	_	11111
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	1		15	-	Ť		10	-	÷	65,000	*	
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	1	15,000	15		1 c		÷	<u> </u>	l:	15,000	-	_
2066-1600	LACT	15	20,000	1		t		+:		÷	20,000		_
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	1	25,000	1	_	1:		10	-	÷	25,000		
2066-1900	LEASE AND FLOW LINES	t	20,000		5	l:	_	1:		1:	25,000		_
2066-2000	CATHODIC PRCT-SOLAR PWD	ti	-		-	÷		+:	<u> </u>	÷			
2066-2003	MISC FITTINGS & SUPPLIES	1:	22,500			1:		+:	•	1	22 500	3	_:
2066-2004	PUMPS & PUMP SUPPLIES	ti	6,000			l:	-	+	<u> </u>	3	22,500	3	
2066-2005	PUMP & FILTERS	+:	0,000	5		1:		+-	•	3	6,000	3	-
2066-2006	MISC TANGIBLE FACILITY COSTS	÷	5,000	_		1:	-	3	-	3		5	_
2066-2007	TANKS (OIL & WATER)	+÷	40,000			1	-	13		3	5,000		-
2066-2015	CONTAINMENT	+÷	15,000			13		13	-	3	40,000		-
2066-2017	SWD WELLS	+÷	19,000	3		3		13	-	5	15,000	3	
2066-2018	NON OPERATED CHARGES - TFC	÷	-	3	-	13		15		5		5	
2066-2019	PIPING	+:-	15.000	3	<u> </u>	13		15		5		5	
2066-2020	ELECTRICAL - FACILITY	÷	15,000	3		3	-	15	-	5	15,000		4
	TANGIBLE FACILITY SUBTOTAL	÷				3			-	3	65,000		. +
CONTRACTOR OF THE PARTY OF THE		÷.	293,500			,	- 4	5	-	5	293,500		4
	FACILITY TOTAL	40.00		2,100		100		0.5	STATE OF THE PARTY.	5.30	400,000	2.300	100

PATRICK 10 FEDERAL 1H TOTAL WELL ESTIMATE	Origin	nal	Supple	ment	Total			
TANAMAN TO THE PARTY OF THE PAR	#/Bths	Net	B/Billis	Net	Billins	Net		
DRILLING TOTAL	\$ 935,000		9	1	\$ 935,000			
COMPLETION TOTAL	3 1,325,000 1	THE REAL PROPERTY.	3 2 2	Name and	\$ 1,328,000	123707		
FACILITY TOTAL	\$ 400,000	THE REAL PROPERTY.	E STATE OF THE STATE OF		\$ 400,000	Section 2		
TOTAL WELL COST	5 2,660,000		3 -	1	5 2 660 000			

Partner Approval		
Signed	Company	
Name	Date	
Title		



Authority for Expenditure Drill, Complete, & Equip

5	F	·	
		M	Г
PER	M	IA	N

Operator:	: Spur Energy Partners LLC	
Vell Name :	PATRICK 10 FEDERAL 2H	
Location :	NEW MEXICO / EDDY	

AFE #: C21111

Project : Description

INTANGIBLE DRILLING	DESCRIPTION			ginal			plemer	_		Total	
2050-1000	The state of the s		8/8ths	Net		8/8ths		Net	E Bibis		Net
2050-1000	LOCATION - OPS	- 1				\$.	5	-	5 .	5	
	LOCATION/DAMAGES/ROW-LAND	- 1		\$		1 .	5		\$ 10,00	0 \$	
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND		60,000	\$			3		\$ 60,00	0 \$	
2050-1003	DAMAGES/ROW - LAND	- 3		\$		\$.	\$	- (6)	\$.	8	
2050-1005	SURVEY - LAND		5,000	5			5	-	\$ 5,00	0 5	
2050-1006	ENVIRONMENTALIARC - LAND			5			5		\$.	5	
2050-1050	DRILLING PERMITS		10,000	\$.			13		\$ 10,00	0 5	
2050-1100	FISHING TOOLS & SERVICE		- 4	\$.			3		\$.	5	- 7
2050-1301	DRILLING RENTALS: SURFACE	- 1	37.500	5			5	-	\$ 37,50	0 5	
2050-1302	DRILLING RENTALS: SUBSURFACE	- 1	25,000	5 .	_		5		\$ 25,00		
2050-1400	EQUIP LOST IN HOLE	- 1		5 .	-1		5	-	5 .	1:	
2050-1500	DRILL MUD & COMPL FLUID	- 1	20,000	\$.			3	-	\$ 20.00	0 5	
2050-1600	WELLSITE SUPERVISION			\$.	- 13		5	-	\$ 27.00		
2050-1900	GROUND TRANSPORT	- 1		\$.	-13		5	-	\$ 9,00		-
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	- 1	- 01000	5 .	-		5	-	\$ 108.00		
2050-2001	DRILLING SERVICES-SURFACE	- 1	100,000	\$.	-		5	÷	-	113	
2050-2002	DRLLING SERVICES-SUBSURFACE	5			-		5		-	13	
2050-2004	DIRECTIONAL TOOLS AND SERVICES	5		-	-		_		\$ -	3	
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	- 1			-1-		3		\$ 97,50	3 5	*
2050-2200	CASED HOLE WIRELINE	- 1		s .	-13		5		\$.	3	- :
2050-2201	OPEN HOLE WIRELINE			5 .	-13		5	•	5 .	5	
2050-2401	FLUID & CUTTINGS DISPOSAL	3		\$.	- 13		S		\$ -	5	
2050-2402	FRAC TANK RENTALS	5		\$.	13		5	4	\$ 30,00		
2050-2402	ES&H				- 13		5		\$ 18	5	
2050-3000	BITS	- 5		\$.	1 5		5		\$.	15	
2050-3000	OVERHEAD	- 5			- 3	*	5	3.0	\$ 36,00	5	- *
2050-3125		- 5		\$.	- 5		5		5 .	5	
	CONSTRUCTION OVERHEAD	\$		5 -	- 5		\$		\$.	5	
2050-3200	CONTINGENCIES	5		\$.	5		\$		\$.	5	
2050-3400	DESIGN & ENGINEERING	5		\$ -	- 5		5		\$.	5	
2050-3600	COMPANY LABOR	5	7,320	5 .	3	- 9	5		\$ 7,32	5	
2050-3800	NON OPERATED CHARGES - IDC	5		5 .	5		5		5 .	3	
2050-3900	FUEL, WATER & LUBE	5	35,000	5 .	8		5		\$ 35,000	1 5	
2050-4000	CEMENT	5	25,000	\$.	5		5		\$ 25,000	5	- 1
2050-4001	CASING CREWS AND LAYDOWN SERVICES	5	8,500	5 -	1 5		5		\$ 8,500		- 1
2050-4002	SURFACE AND INTERMEDIATE SERVICE	5		\$.	3		5		s .	3	-
2050-4003	PROD CSG CEMENT AND SERVICE	5	30,000	\$.	5		5	-	\$ 30,000	1 5	-
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	5		\$.	15	- 1	5		5	15	-
2050-4101	CORES, DST'S, AND ANALYSIS	- 5		5 .	15	-	5	-	5 .	15	-
2050-8000	MUD LOGGER	1 5	9,000	5 .	15		5	-	\$ 9,000		
2050-8001	MOB/DEMOB RIG	1	12,000	\$.	5		5	-	5 12,000		÷
2050-8003	VACUUM TRUCKING	15	5.000	5 .	1 5		5	÷	\$ 5,000		
2050-8005	DRILLPIPE INSPECTION	5	5.000	5 .	13		5	_	\$ 5,000		-
2050-8007	CONTRACT LABOR/SERVICES	- 1	The Part of the Pa	5 .	13		5	-	5 30,000		- 1
2050-8009	MISC IDC/CONTINGENCY	- 1		5 .	1 5	-:	5	-			<u> </u>
Mires Name and Advanced Company	INTANGIBLE DRILLING SUBTO	TAL S	692,000		1 5		9	-	\$ 50,000 \$ 692,000		

A STATE OF THE PARTY OF THE PAR	Market Manual	т	Ori	ginal			Sup	pleme	nt	т	To	stal	
TANGIBLE DRILLING	DESCRIPTION	第/Bthis		Net		1	&@ms	Net		8:20h		Net	
2051-2500	SUPPLIES & SMALL TOOLS	15	-	2	-	1		1		15			
2051-2700	COMMUNICATION	Ť.	-	5	-	15		1		t÷	-		_
2051-3200	CONTINGENCIES	15	-	•		1		1	_	t÷			
2051-3800	NON OPERATED CHARGES - TDC	t÷		÷	_	1:		1	-	ł÷		3	_
2051-5100	SURFACE CASING	tě	24.000	•		i:			-	1:	04.000	3	
2051-5200	INTERMEDIATE CASING	t÷	24,000	-	_	i:	<u> </u>		_	13	24,000	9	<u> </u>
2051-5300	PRODUCTION/LINER CASING	t÷	140,000	:		l:			-	13	4 40 000	3	-
2051-5400	CONDUCTOR PIPE	t÷	18,000	÷	_	1:			<u> </u>	÷	140,000	-	
2051-5500	WELLHEAD	÷	5,000			1:		10		l:	18,000	*	
2051-5801	LINER HANGER/CASING ACCESSORY	÷	25,000		_	l:		+:-	-	13	5,000	3	_
2051-5803	MISC TANGIBLE EQUIPMENT	÷	25,000	-	·	13		12		13	25,000	3	- 4
	TANGIBLE DRILLING SUBTOTAL	i	212,000	÷	<u> </u>	1:		1,		13		2	-
HER SHEET STREET					•	١.		10		5	212,000	_	
Name and Address of the Owner, where the Owner, which is the	DRILLINGTOTAL	(-9)	904,000	130	NAME OF STREET	1.30	-	18	1000	530	904.000	(1)	

	The same in the same	Original	100	Sup	element	To	otal
INTANGIBLE COMPLETION	DESCRIPTION	#2ths	Net	E Sthis	Net	B/8ths	Net
2055-1000	LOCATION	5 - 5	,	\$.	s -	1 .	5 .
2055-1001	TITLE WORK AND OPINIONS	5 - 5	-	3 .	15 .		5 .
2055-1002	OUTSIDE LEGAL SERVICES	3 - 5		5 .	\$.	5 .	3 .
2055-1100	FISHING TOOLS & SERVICE	8 . 8		1 .	5 .		\$.
2055-1300	EQUIP RENT	\$ 25,000 \$		8		\$ 25,000	\$.
2055-1301	RENTALS: SURFACE IRON	\$ 45,000 \$	-	5 .		The state of the s	5 .
2055-1302	DRILLING RENTALS: SUBSURFACE	5 . 5	-	5 .		\$ 40,000	5 .
2055-1400	EQUIP LOST IN HOLE	5 . 5	-	5 .			5 .
2055-1500	DRILL MUD & COMPL FLUID	\$ 195,000 S	-	\$.		\$ 195,000	5
2055-1600	WELLSITE SUPERVISION	\$ 35,000 \$	-	\$.	5 .	\$ 35,000	5 .
2055-1800	COMPLETION CHEMICALS	\$ 110,000 S	-	4 .	5	\$ 110,000	
2055-1900	GROUND TRANSPORT	\$ 10,000 \$	-			THE RESIDENCE OF THE PARTY OF T	5 .
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	5 - 5	-	\$.	1	* 10,000	5 .
2055-2100	PUMPDOWN	\$ 20,000 S	-	\$.	š :	\$ 20,000	
2055-2200	CASED HOLE WIRELINE	\$ 70,000 S	-		1		5 .
2055-2300	FRAC PLUGS	\$ 40,000 S	-	\$.	5 .	\$ 40,000	-
2055-2400	WELL PREP	5 , 5	-	5	3 .	\$ 40,000	3 .
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 10,000 S	-	5 .	5 .	\$ 10,000	5 .
2055-2402	FRAC TANK RENTALS	\$ 10,000 \$	-	•	5 .	\$ 10,000	5 .
2055-2403	FLOWBACK	5 30,000 S			:	\$ 30,000	_
2055-2600	ES&H	15 - 15	-	\$.	5 .	\$ 30,000	
2055-2900	INSURANCE	1 . 1	-	\$.		-	5 .
2055-3000	BITS	8 . 5	-		5 .	3 -	3 .
2055-3100	OVERHEAD	3 . 3	-		5 :	5 .	3 .
2055-3125	CONSTRUCTION OVERHEAD	5 . 5	-	5 .		-	<u> </u>
2055-3200	CONTINGENCIES	3 - 15	-		-	\$.	
2055-3300	SPECIALIZED SERVICE	3 - 5			3 .	5 .	
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 270,000 \$	-		3 .	5 .	5 .
2055-3400	PROPPANT	\$ 145,000 \$	-		\$.	\$ 270,000	
2055-3600	COMPANY LABOR	S - S	-	5 .	3 :	\$ 145,000	5 .

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2065-5901	LINER HANGER/CASING ACCESSORY	-	_	\$	÷	*	+	5	-	5		5	
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	+		5	÷		•	5	-	\$	-	\$	
2065-5600	PUMPING & LIFTING EQUIP	÷		5	-			5	-	\$		5	•
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	5		5	•	5	-	\$	-	\$		5	
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	5		5		5	•	3		5	_	\$	
2065-5300	SUBSURFACE EQUIP	5		5		5		1	-	5	10,000	_	•
2065-5200	TUBING HEAD/XMAS TREE	+	10,000		-	\$		3	-	5	45,000		
2065-5100	TUBING	÷	45,000			\$	-	5	-	5	20,000		
2065-5004	PARTS & SUPPLIES - WELL LEVEL	1	20,000			3		3		\$	5.000		
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	*	5.000			\$	- 1	5	-	3	50,000	_	
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	5	50,000	-		3	-	_			12,500		
2065-5001	OVERHEAD POWER	5	12,500	,		3	-	\$	•	3		5	
2065-4102	WATER SUPPLY WELL	÷		5		3		5		3		2	-
2065-3800	NON OPERATED CHARGES - TCC	÷		5		3	•	\$		3		\$	
2065-3200	CONTINGENCIES	1		5	-	5		5		\$		\$	
2065-3000	BITS	÷		-	-	1	-	5	•	5		\$	
2065-2700	COMMUNICATION	÷		5		5		5	•	\$		5	
2065-2500	SUPPLIES & SMALL TOOLS		Section 1997			-	8/8/hs	_	Net		Alths		Net
NGIBLE COMPLETION	DESCRIPTION	Н	Orie Billins	ginal	Net			leme		Total		-	
		1,	1,102,500	*		1 5	•	8	- *	3 1,	182,500		
	INTANGIBLE COMPLETION SUBTOTAL	3	1,182,500	5		3		5	•	\$		5	
2055-8008	CONTRACT LABOR - FRAC	\$	15,000			8		5		5	15,000	\$	
2055-8007	CONTRACT LABOR - WELL LEVEL	13	20,000			15		5		\$		\$	
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	5	17,500		-	3	,	5	-	\$	17,500	\$	-
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	5		5		3		5		\$		\$	_
2055-8004	CONTRACT LABOR/SERVICES	5		5	-	2		\$		\$		5	-
2055-8003	COIL TUBING, SNUBBING, NITRO SVC	\$	2,500			5		\$		1	2,500	5	_
2055-8002	KILL TRUCK	5	10,000			5		5		5	10,000	5	_
2055-8001	COMPLETION/WORKOVER RIG	\$	2,500		-	15	-	\$		5	2,500	5	_
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$		\$		5	-	15		8		\$	
2055-4000	CEMENT	3	100,000			15		5		5	100,000	\$	
2055-3900	FUEL, WATER & LUBE	\$		3		3		5		3		3	
2055-3800	DAMAGES/ROW NON OPERATED CHARGES - ICC	3	- 4	5		15		\$	- 4	5		5	_
2055-3750													

CONTROL DE PRESENTA DE LA CONTROL DE LA CONT	- International Control of the Contr	1	On	ginal			Sup	plemer	it	т	- 10	ofal	
TANGIBLE FACILITY	DESCRIPTION		8 8ths		Net	1	E/Bibs	_	Net	т	8/2ths	_	Net
2056-1006	ENVIRONMENTALIARC - LAND	1 5			-		No. of Lot, Lot, Lot, Lot, Lot, Lot, Lot, Lot,	1.		1.	Missing		1110
2056-2002	FACILITY PAD CONSTRUCTION	Ť	15,000			t÷		1:	_	l:	15.000	*	
2056-2006	MISC INTANGIBILE FACILITY COSTS	ti	5,000			t÷		1:		l:	5.000	3	
2056-2008	CONTRACT LABOR - AUTOMATION	ti	6,500		_	!	_	1:		l:		3	
2056-2009	EQUIPMENT RENTALS	Ť	5,000		_	ť÷	_	1.		12	6,500	3	
2056-2010	FREIGHT & HANDLING	t	5,000		-	! ÷		3		÷	5,000	2	
2056-2012	CONTRACT LABOR - ELECTRICAL	t÷	15,000	:		l:	_	*	-	13	5,000	3	
2056-2013	FACILITY CONSTRUCTION LABOR	t÷	55,000			l:	-	1.	<u> </u>	13	15,000	5	
2056-2014	PIPELINE LABOR	t÷	35,000		_	÷		*	•	13	65,000	\$	
2056-2016	LOCATION/DAMAGES/ROW-LAND	+÷		3	<u> </u>	13	_	3	<u> </u>	3		5	
2056-2017	TITLE WORK/LANDMAN SERVICES - LAND	+÷	-	3	-	13	-	3	-	3		5	
2056-2019	NON OPERATED CHARGES - IFC	+÷	-	2		13		15		13		3	
	INTANGIBLE FACILITY SUBTOTAL	15	106,500	*		3	-	3	-	13		5	
	INTANSIBLE PACIEITY SUBTOTAL		106,500			9		1 3		15	106,500	\$	-

TANGIBLE COMPLETION SUBTOTAL

*******	THE PROPERTY OF THE PARTY OF TH		On	ginal			Sup	plemer		Total			
TANGIBLE FACILITY	DESCRIPTION		8/8ths		Net	1	B 2ths	Sec. 1	Net		Bths.		Net
2066-1200	VESSELS	1.5	65,000	5	_	٠.			-	-	65,000	_	-
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	15	-	5	100	1	-		-	·	43,000	-	_:
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	ti	15.000	è		÷		1:		1:	15,000	-	
2066-1600	LACT	1	20,000		<u>_</u>	t:		*	-		20.000	3	
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	tě	25,000			i:	-	*	<u> </u>			3	-
2066-1900	LEASE AND FLOW LINES	+÷	23,000	-		1:		+	-	1	25,000	5	-
2066-2000	CATHODIC PRCT-SOLAR PWD	1:		:		1:	<u> </u>	- 3		1		5	-
2066-2003	MISC FITTINGS & SUPPLIES	+÷	22,500	-		1:	<u> </u>	1.	<u> </u>	,		3	-
2066-2004	PUMPS & PUMP SUPPLIES	+÷	6,000	-		13	-	13	_	3	22,500		-
2066-2005	PUMP & FILTERS	1:	6,000	-	-	13	÷	13		3	6,000	\$,
2066-2006	MISC TANGIBLE FACILITY COSTS	÷	5.000	÷	-		-	13	<u> </u>	3		5	<u> </u>
2066-2007	TANKS (OIL & WATER)	÷	40.000	-		13	-	13	-	3	5,000		_
2066-2015	CONTAINMENT	t:	15.000	-		1	<u> </u>	3	-		40,000		
2066-2017	SWD WELLS	1:	19,000	-		13	<u>.</u>	3	<u> </u>	3	15,000	5	-
2066-2018	NON OPERATED CHARGES - TFC	+÷	-	•		3	-	3		3		5	-
2066-2019	PIPING	+÷	15,000	3	-	13		3		5		3_	
2066-2020	ELECTRICAL - FACILITY	13	65,000		<u> </u>	3	·	3	-		15,000		
	TANGIBLE FACILITY SUBTOTAL	i.	-	_		3		3	•		65,000		•
Application of the Party Street, Square, Squar			293,500			8	•	\$			93,500		,
		186300									ALCO A LABOR.		

PATRICK 10 FEDERAL 2H TOTAL WELL ESTIMATE	Orig	inal	Suppl	ement	Total			
TO COMPANY OF THE PARTY OF THE	8.2ths	Net	B/Billis	Net	8/8ths	Net		
DRILLING TOTAL	5 904,000		3	3	5 904,000	8		
COMPLETION TOTAL	\$ 1,329,000	3 - 55	4	Thrumes.	5 1,326,000			
FACILITY TOTAL	5 400,000	1	Company of the last	A BUILDING	\$ 400,000			
TOTAL WELL COST	\$ 2,629,000	4 .	4 .	1 .	5 2 629 000			

Partner Approval		
Signed	Company	
Name	Date	
fitte		



Authority for Expenditure Drill, Complete, & Equip



Operator :	Spur Energy Partners LLC	
	PATRICK 10 FEDERAL 10H	
Location :	NEW MEXICO / EDDY	

AFE #: C21112

Project : Description

277.00000000000000000000000000000000000	- Proceedings of the Control of the			ginal	Sup	plement	Te	tal
NTANGIBLE DRILLING	DESCRIPTION		R/Bith's	Net	8 Sthis	Net	B/Bihs	Net
2050-1000	LOCATION - OPS		31,000	5 .	\$.	\$ -	\$ 31,000	5 .
2050-1001	LOCATION/DAMAGES/ROW-LAND		10,000	5 .	5 .	\$.	\$ 10,000	5 .
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND		60,000	\$.	\$ -	5 .	\$ 60,000	5 .
2050-1003	DAMAGES/ROW - LAND			5 .	\$.	s .	5 .	5 .
2050-1005	SURVEY - LAND		5.000	s .	15 .	5 .	\$ 5,000	\$.
2050-1006	ENVIRONMENTAL/ARC - LAND			5 .	s .	s .	s .	5 .
2050-1050	DRILLING PERMITS		10,000	5 .	s .	s .	\$ 10,000	5 .
2050-1100	FISHING TOOLS & SERVICE			5 .	S .	3 .	\$.	\$.
2050-1301	DRILLING RENTALS: SURFACE		37,500	\$.	5 .	s .	\$ 37,500	\$.
2050-1302	DRILLING RENTALS: SUBSURFACE			5 .	s .	5 .	\$ 25,000	5 .
2050-1400	EQUIP LOST IN HOLE			\$.	5 .	5 .	\$ 20,000	5 .
2050-1500	DRILL MUD & COMPL FLUID			5 .	5 .	5 .	\$ 20,000	3 .
2050-1600	WELLSITE SUPERVISION		THE RESERVE AND ADDRESS.	5 .	5 .	5	\$ 27,000	
2050-1900	GROUND TRANSPORT		9,000	5 .	5 .	5 .	\$ 9,000	\$.
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	- 1		3 .	_	-		
2050-2001	DRILLING SERVICES-SURFACE	- 1	100,000	-	5 .		Annual Control of the Party of	5 .
2050-2002	DRLLING SERVICES-SUBSURFACE	- 1				-	\$.	5 .
2050-2004	DIRECTIONAL TOOLS AND SERVICES	- 1		-	5 .	\$.	5 .	5 .
2050-2005	DRILLING/DAMAGED-LOST IN HOLE			5 .	5 .	5 .	\$ 97,500	5 .
2050-2200	CASED HOLE WIRELINE	- 1		\$.	5 .	5 .	\$.	5 .
2050-2201	OPEN HOLE WIRELINE	- 1		5 .	5 .	5 .	\$.	\$.
2050-2401	FLUID & CUTTINGS DISPOSAL	- 5		5 -	\$.	5 .	\$.	s .
2050-2402	FRAC TANK RENTALS			5 -	5 .	5 .	\$ 30,000	\$.
2050-2600	ESAH ESAH			5 .	5 .	5 -	\$ 180	5 .
2050-2000	BITS			\$.	5 .	5 .		\$.
2050-3000				\$.	5 .	5 -	\$ 36,000	\$.
2050-3100	OVERHEAD			\$ -	\$.	\$.	5 -	\$.
2050-3125	CONSTRUCTION OVERHEAD			\$.	5 .	5 .	5 -	\$.
	CONTINGENCIES			\$.	5 .	\$ -	5 -	5 .
2050-3400	DESIGN & ENGINEERING	- 1		\$ -	\$.	\$.	\$.	s .
2050-3600	COMPANY LABOR	3	7,320	\$.	\$.	\$ -	\$ 7,320	5 .
2050-3800	NON OPERATED CHARGES - IDC	8		\$.	\$.	s .	5 .	5 .
2050-3900	FUEL, WATER & LUBE	5	35,000	\$.	\$.	5 -	\$ 35,000	s .
2050-4000	CEMENT		25,000	5 .	\$.	\$.	\$ 25,000	5 .
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$	8,500	s .	5 .	s .	\$ 8,500	5 .
2050-4002	SURFACE AND INTERMEDIATE SERVICE	5		s .	s .	5 -	_	s .
2050-4003	PROD CSG CEMENT AND SERVICE		30,000	5 .	5 .	s .	\$ 30,000	5 .
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	5		5 .	5 .	5 .	-	\$.
2050-4101	CORES, DST'S, AND ANALYSIS	5		5 .	5 .	TOTAL CONTRACTOR OF THE PARTY O	5 .	\$.
2050-8000	MUD LOGGER	5			5 .	-	5 9.000	3 .
2050-8001	MOB/DEMOB RIG	1 5			3 .	5 .	\$ 12,000	5 .
2050-8003	VACUUM TRUCKING	1 5		1 .	3 .	5 .	\$ 5,000	
2050-8005	DRILLPIPE INSPECTION	1 5	5.000		\$.			
2050-8007	CONTRACT LABOR/SERVICES	1 5	30.000			3	\$ 5,000	
2050-8009	MISC IDC/CONTINGENCY	-1:	50.000		5 .	5 -	\$ 30,000 \$ 50,000	
-	INTANGIBLE DRILLING SUBTO	- 3	723,000				\$ 723,000	

Manager and the latter and the	The second of th	П	Ori	gina			Sup	plemer	if .	т	T	otal	
TANGIBLE DRILLING	DESCRIPTION	П	8/0ths		Net		E-Sthis	_	Net	•	#/Bths		Net
2051-2500	SUPPLIES & SMALL TOOLS	5	-	5	-	15		15	-	1			-
2051-2700	COMMUNICATION	5		5		15	-	15		ti			$\overline{}$
2051-3200	CONTINGENCIES	15		5		t	-	Ť		ť		:	
2051-3800	NON OPERATED CHARGES - TDC	5	-:	5	_	1		÷		t÷	-		
2051-5100	SURFACE CASING	1	24,000	5	-	Ť		1		t÷	24.000		
2051-5200	INTERMEDIATE CASING	Ė	21,000			Ť		1		ť÷	24,000	:	
2051-5300	PRODUCTION/LINER CASING	15	140,000	1		i.	_	1		ť:	140,000		
2051-5400	CONDUCTOR PIPE	t	18,000	•		1:		÷	_	÷	18,000	3	
2051-5500	WELLHEAD	ŧ	5.000	÷	-	÷	-	*	-	÷	5,000	*	
2051-5801	LINER HANGER/CASING ACCESSORY	t÷	25,000			!:	_	1:	_	l:	25,000	,	
2051-5803	MISC TANGIBLE EQUIPMENT	÷	20,000			1:		1.		l:	25,000	3	<u> </u>
SCHOOL STREET	TANGIBLE DRILLING SUBTOTAL	t	212,000	•		t:	_	1		÷	212,000	-	-
THE RESERVE OF THE PERSON NAMED IN		6.00	935,000		-	i.	-	٠.	•	٠	0212,000		

CONTRACTOR OF THE PROPERTY OF THE PARTY OF T	Virginiano	Origina	al	Sup	plement	Total			
TANGIBLE COMPLETION	DESCRIPTION	8/8ths	Net	#/Bithis	Net	8/Biles	Net		
2055-1000	LOCATION	s - s		s .	5 -	5 .	5		
2055-1001	TITLE WORK AND OPINIONS	5 - 5		s .	5 -	s .	5 .		
2055-1002	OUTSIDE LEGAL SERVICES	5 - 5		s .	s .	\$.	5		
2055-1100	FISHING TOOLS & SERVICE	5 - 5		s .	5 -	s .	5		
2055-1300	EQUIP RENT	\$ 25,000 \$	14	5 .	S .	\$ 25,000	\$		
2055-1301	RENTALS: SURFACE IRON	\$ 45,000 S	- 37	3 .	5 .	\$ 45,000	5		
2055-1302	DRILLING RENTALS: SUBSURFACE	5 . 5		5 .	5 .	5			
2055-1400	EQUIP LOST IN HOLE	5 . 5		s .	1				
2055-1500	DRILL MUD & COMPL FLUID	\$ 195,000 \$		\$.	1	\$ 195,000	5		
2055-1600	WELLSITE SUPERVISION	\$ 35,000 S		5 .	5 .	\$ 35,000	\$.		
2055-1800	COMPLETION CHEMICALS	\$ 110,000 S		5 .	S .	\$ 110,000	5 .		
2055-1900	GROUND TRANSPORT	\$ 10,000 S	-	5 .	5 .	5 10,000	5		
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	3 . 5	-		5 .	\$ 10,000	5		
2055-2100	PUMPDOWN	\$ 20,000 S	-	5 .	5 .	\$ 20,000			
2055-2200	CASED HOLE WIRELINE	\$ 70,000 \$		\$.	5 .	\$ 70,000			
2055-2300	FRAC PLUGS	\$ 40,000 \$			3 .	\$ 40,000	5 .		
055-2400	WELL PREP	3 - 5	-	5 .	5 .	\$	5 .		
055-2401	FRAC/FLUID SW DISPOSAL	\$ 10,000 \$		\$.	5 .	\$ 10,000	-		
055-2402	FRAC TANK RENTALS	5 10,000 S			5 .	\$ 10,000	5 .		
055-2403	FLOWBACK	s 30,000 s		5 .	5 .	\$ 30,000	-		
055-2600	ESAH	5 . 5		\$.	3 .	\$	5 .		
055-2900	INSURANCE	3 . 5			3 .	5 .	_		
2055-3000	BITS	5 . 5	-	5 .	3 .	5 .	5 .		
055-3100	OVERHEAD	5 . 5		5 .	5 .	3 .	5 .		
055-3125	CONSTRUCTION OVERHEAD	8 . 8	-	5 .	3 .	-			
055-3200	CONTINGENCIES	5 . 5		5 .	5 .	5 .			
055-3300	SPECIALIZED SERVICE	1 1	\rightarrow	5 .	5 .	:	3 .		
055-3301	STIMULATION AND PUMPING SERVICES	\$ 270,000 S	-	5 .	5	\$ 270,000	3 .		
055-3400	PROPPANT	\$ 145,000 S		\$.	-	\$ 145,000			
2055-3600	COMPANY LABOR	5 . 5	-	7	\$.	THE RESIDENCE OF THE PARTY OF T	5 .		

AND CONTRACTOR OF THE PARTY OF		1	Orig	nnal			Supp	lement			- 70	tal	
	INTANGIBLE COMPLETION SUBTOTAL	15	1,182,500	\$		1	-	1	•	5 1	,182,500	\$	1
2000-0000		13		5		5	•	\$		5		\$	
2055-8008	CONTRACT LABOR - WELL LEVEL	13	15,000	\$	- 4	5	- 3-	\$	-	\$	15,000	5	
055-8007	CONTRACT LABOR - WELL LEVEL	13	20,000	3		5	-	\$		3	20,000	5	_
055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	13	17,500	-		3	-	\$	-	12	17,500	5	_
055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	+÷	17 500		-	l:	_	,	_	+		3	_
055-8004	CONTRACT LABOR/SERVICES	÷		-		1:	→ •	1:	<u> </u>	1,		3	_
055-8003	COIL TUBING, SNUBBING, NITRO SVC	Ť	2,000	÷	-	÷	_	1:		+÷-	2,500	*	-
055-8002	KILL TRUCK	15	2,500			i.	_	10		t:	2,500	·	-
055-8001	COMPLETION/WORKOVER RIG	15	10,000	s	-	5		15		1	10,000		-
055-4001	CASING CREWS AND LAYDOWN SERVICES	5	2,500	5		15		5		3	2,500	5	-
055-4000	CEMENT	5		s		5		3		1		5	-
055-3900	FUEL, WATER & LUBE	5	100,000	\$		\$	- 4	5	-	3	100,000	5	_
055-3800	NON OPERATED CHARGES - ICC	5		\$		5	- 4	3	-	15		5	_
055-3750	DAMAGES/ROW	15		1 5		18		Is		15		ls.	

CHARLES AND		Т	Ori	ginal		Т	Sup	pleme	ht .	1	7	otal	
ANGIBLE COMPLETION	DESCRIPTION		B/Bths		Net	1	2 Sthis	1	Net	-	8/8/hs		Net
2065-2500	SUPPLIES & SMALL TOOLS	15	-	5	_	15	-			1.			-
2065-2700	COMMUNICATION	Ť	-	i.	_	Ť		1:		÷		*	_
2065-3000	BITS	t			-	i.	_	1:		1:	-	*	_
2065-3200	CONTINGENCIES	t	-:-		-	i.		+:-	÷	1:		3	_
2065-3800	NON OPERATED CHARGES - TCC	t÷	-	:		i:		1:	-	+÷	_	3	_
2065-4102	WATER SUPPLY WELL	t÷	-	5	-	l:		1:	-	1:		3	_
2065-5001	OVERHEAD POWER	÷	12.500	_	-	1:	-:	13		13		3	
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	ŝ	50,000			1:		-		13	12,500	5	
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	ť	5,000			1:		1.	-	1	50,000	5	_
2065-5004	PARTS & SUPPLIES - WELL LEVEL	t÷	20,000	-	<u> </u>	1:	-	1:	•	13	5,000		_
2065-5100	TUBING	t÷	45,000	:		10	_	13	-	3	20,000		_
2065-5200	TUBING HEAD/XMAS TREE	t÷	10,000	-		1	-	13	•	3	45,000	5	
2065-5300	SUBSURFACE EQUIP	t:	10,000			13	-	13	-	1	10,000	\$	
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	l÷	-:	-		3		3	-	3		5	_
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	÷			-	1	•	3	•	5		\$	_ *
2065-5600	PUMPING & LIFTING EQUIP	1:	_		<u></u>	13		3	-	3	•	3	_
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	1:	•	*	-	13		3		3		5	_:
2065-5901	LINER HANGER/CASING ACCESSORY	÷	·	-	<u> </u>	3		-		3	-	5	_
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	13	-	-	-	3		5		3		5	_
2065-5903	MISC TANGIBLE EQUIPMENT	÷	-	-	<u> </u>	1		3		3	- 1	5	-
77,000,000	TANGIBLE COMPLETION SUBTOTAL	÷	142,500	*	<u> </u>			3	*	3	***	2	_
The second second second second		-			-			5	*/		142,500		
	COMPLETION TOTAL	7,303	Develope	C 25	755	125		R-3		C38.1	325,010	5,5000	

Andreas Control of the Control of th	THERMAN		O n	ginal		1	Sup	plemen	ıt	T	1	otal	
NTANGIBLE FACILITY	DESCRIPTION		B Bths		Net		E-Biths		Net	Т	8.9ths		Net
2056-1006	ENVIRONMENTAL/ARC - LAND	15		3		- 2			-	١,			-
2056-2002	FACILITY PAD CONSTRUCTION	15	15.000	5		1		1		t	15,000	÷	_
2056-2006	MISC INTANGIBILE FACILITY COSTS	15	5,000	5		1		1	-	t:	5,000		_
2056-2008	CONTRACT LABOR - AUTOMATION	15	6,500			1	_	10		÷	6,500		
2056-2009	EQUIPMENT RENTALS	1	5,000		- 3	i.				÷	5,000		
2056-2010	FREIGHT & HANDLING	1	5,000	•	-	ti.	-	+:	<u> </u>	t:	5,000		<u> </u>
2056-2012	CONTRACT LABOR - ELECTRICAL	ti	15,000		-	i.		1	÷	!:	15,000		
2056-2013	FACILITY CONSTRUCTION LABOR	t÷	55,000	-	-	1:		1.	÷	l:			
2056-2014	PIPELINE LABOR	t÷	00,000	-		l:	_	1:	<u> </u>	1:	55,000	3	
2056-2016	LOCATION/DAMAGES/ROW-LAND	t	-		-	l:	_	*	<u> </u>	1:	-	3	<u> </u>
2056-2017	TITLE WORK/LANDMAN SERVICES - LAND	t÷				+÷	_	3	<u> </u>	3	<u> </u>	2	
2056-2019	NON OPERATED CHARGES - IFC	t÷	-		-	i .	-	-		1:	-	2	-
and Pacific III	INTANGIBLE FACILITY SUBTOTAL	1 i	106,500	\$		1	·	8	÷	1	106,500	5	-

THE REAL PROPERTY.	Withington		Ori	ginal		Т	Sup	pleme	nt	1	- 1	otal	
ANGIBLE FACILITY	DESCRIPTION		8/8ths		Net	1	Billibis.	1	Net	1	Billins		Net
2066-1200	VESSELS	15	65,000	3	-	5		1.		15	65,000	_	-
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	15		5	-	5		1 5		t÷	00,000	÷	-
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	15	15,000	3	-	3		15		t	15,000		
2066-1600	LACT	ti	20,000			Ť		1		ť	20,000	:	-
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	15	25,000			1	_	1		t	25,000		
2066-1900	LEASE AND FLOW LINES	ti		5	_	1	_		-	l:	23,000	,	
2066-2000	CATHODIC PRCT-SOLAR PWD	ti			- 1	ě		-	_	l:	-	:	
2066-2003	MISC FITTINGS & SUPPLIES	ti	22,500		-	ť		1	_	!:	22,500		
2066-2004	PUMPS & PUMP SUPPLIES	15	6,000			10		1		l:	6,000	•	_
2066-2005	PUMP & FILTERS	ti	0,000	5	-	÷		1	-	l:		:	
2066-2006	MISC TANGIBLE FACILITY COSTS	t	5,000	5	-	1:			<u> </u>	÷	5,000		
2066-2007	TANKS (OIL & WATER)	t	40,000	÷		÷	<u> </u>	1:	÷	÷	40,000		
2066-2015	CONTAINMENT	t÷	15,000		-	÷	_	1:		÷	15.000		
2066-2017	SWD WELLS	t÷	19,000	·				1:		l:	13,000	•	_
2066-2018	NON OPERATED CHARGES - TFC	t		:		1:	<u> </u>	12		÷	<u> </u>	-	_
2066-2019	PIPING	ŧ÷	15.000	÷		*		*	-	1	45.000	•	
2066-2020	ELECTRICAL - FACILITY	t÷	65,000		<u> </u>	1		5	-	÷	15,000	•	
the state of the same	TANGIBLE FACILITY SUBTOTAL	i.	293,500		_	Ť	_	÷	-	÷	293,500		_
NAME AND ADDRESS OF THE OWNER,	FACILITY TOTAL	-	400,000	_	_	100				÷	Z\$5,500		-

PATRICK 10 FEDERAL 10H TOTAL WELL ESTIMATE		inal	Supple	ment	Total			
Supplies of the supplies of th	8.0ths	Tret	Baths	Net	Billins	Net		
DRILLING TOTAL	\$ 935,000			\$ 100	5 935,000	Name and Address of the Owner, where		
COMPLETION TOTAL	\$ 1,325,000	3 .	CHILDRE	THE REAL PROPERTY.	\$ 1,525,000	VINDEREY O		
FACILITY TOTAL	\$ 400,000	SHOWING THE	of Business		\$ 400,000			
TOTAL WELL COST	\$ 2.660.000	4 .			1 2 640 550			

Partner Approval	
Signed	Company
Name	Date
Title	



Authority for Expenditure Drill, Complete, & Equip

CI	-16
	524
PERA	MAIN

Operator :	Spur Energy Partners LLC	
Well Name :	PATRICK 10 FEDERAL 11H	
Location :	NEW MEXICO / EDDY	

AFE #: C21113

Project : Description

NTANGIBLE DRILLING	DESCRIPTION	4		ginal		_		dement			Total	
2050-1000	LOCATION - OPS	4	8/8ths	-	let	8	Sths		Vet	BiSths		Net
2050-1000		4	\$ 31,000		,	\$		5	(*)	\$ 31,00	0 5	- 10
2050-1002	LOCATION/DAMAGES/ROW-LAND	_	10,000			5		5		\$ 10,00	0 5	
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	_	\$ 60,000			\$		5		\$ 60,00	0 \$	
2050-1005	DAMAGES/ROW - LAND	_ 4		5		\$		5	4	5 .	5	
2050-1005	SURVEY - LAND		5,000	\$		8		5		\$ 5,00	0 \$	
2050-1000	ENVIRONMENTALIARC - LAND	_13		\$		\$		5		5 .	15	
2050-1050	DRILLING PERMITS	_ !	10,000	\$		\$		5		\$ 10.00	0 5	_
2050-1100	FISHING TOOLS & SERVICE			\$		\$		5		\$.	15	_
	DRILLING RENTALS: SURFACE		37,500	5		\$		5		\$ 37,50	0 5	_
2050-1302	DRILLING RENTALS: SUBSURFACE		25,000	5		\$		\$		\$ 25,00		_
2050-1400	EQUIP LOST IN HOLE			5		5		5		5 .	15	_
2050-1500	DRILL MUD & COMPL FLUID	1	20,000	5	-	5	-	5		\$ 20.00	0 5	_
2050-1600	WELLSITE SUPERVISION	1	27,000	\$		5		5		\$ 27.00		_
2050-1900	GROUND TRANSPORT	- 1	9,000	5	٠,	5		5	-	\$ 9.00		_
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	1	108,000	5		5		5	-	\$ 108.00		_
2050-2001	DRILLING SERVICES-SURFACE	1		5	-	5		s		\$ -	3	_
2050-2002	DRLLING SERVICES-SUBSURFACE	13	- 2	\$	-	i	-	5	-		+÷	_
2050-2004	DIRECTIONAL TOOLS AND SERVICES	1	THE STATE OF THE PARTY OF THE P	5		5	÷	5		\$ 97,50	3	_
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	1		5		5	-	5	-	\$ 17,50	13	_
2050-2200	CASED HOLE WIRELINE	15		s		5	<u> </u>	\$	-	\$.	13	_
2050-2201	OPEN HOLE WIRELINE	15		5	•	5	-	5	-		13	_
2050-2401	FLUID & CUTTINGS DISPOSAL	1	_	5	-	-	÷	5	_	\$ 30.00	3	_
2050-2402	FRAC TANK RENTALS	+÷	160	5		-		-	•	-	_	_
2050-2600	ES&H	13		5	•	-	•	5		\$ 18	_	_
2050-3000	BITS	H:	36,000	5	•	-	-		•	5 -	5	_
2050-3100	OVERHEAD	1 5		5	•	-	-	5		\$ 36,000	-	_
2050-3125	CONSTRUCTION OVERHEAD	+:			_	-		5		5 .	\$	_
2050-3200	CONTINGENCIES	5		5		3		\$	$\overline{}$	5 -	5	_
2050-3400	DESIGN & ENGINEERING			\$		3		5	_	5 .	3	_
2050-3600	COMPANY LABOR	15		5	*	3		5		5 -	5	_
050-3800	NON OPERATED CHARGES - IDC	3		5		\$		5	$\overline{}$	\$ 7,320	5	_
050-3900	FUEL, WATER & LUBE	3		5	*	3	•	3	_	5 -	5	_
2050-4000	CEMENT	13		5		5		5	_	\$ 35,000		_
050-4001	CASING CREWS AND LAYDOWN SERVICES	3	25,000	\$		5		\$		\$ 25,000		_
050-4002	SURFACE AND INTERMEDIATE SERVICE	-13	8,500	\$		5		5		\$ 0,500	_	
050-4003	PROD CSG CEMENT AND SERVICE	3		5		\$		5		5 .	5	
050-4004	PRODICSG CREW AND LAYDOWN SERVICE	15	30,000	5		\$		5	-	\$ 30,000	\$	
050-4101	CORES, DST'S, AND ANALYSIS	13		\$		5		5	_	s .	\$	
050-8000	MUD LOGGER	13		5		5	$\overline{}$	\$		5 .	\$	
050-8001	MOD/DEMOB RIG	3		\$		5		5		9,000	5	
050-8003		5		\$		\$		\$		\$ 12.000	5	
050-8005	VACUUM TRUCKING	5	5,000			\$		5		5.000	5	
050-8007	DRILLPIPE INSPECTION	5	5,000	5		\$	-	5		5,000	3	
050-8007	CONTRACT LABOR/SERVICES	\$	30,000			\$		5		30,000	15	_
030-0003	MISC IDC/CONTINGENCY	5	50,000			\$		5	(4)	50,000	5	_
	INTANGIBLE DRILLING SUBTOTAL	1 5	723,000	5		1		5	400	723,000	1 4	_

		Original					Sup	iplemer	M.	Total				
FANGIBLE DRILLING	DESCRIPTION		8/8ths	г	Net	_	Ellins.		Net	+	E/Sths	1	Net	
2051-2500	SUPPLIES & SMALL TOOLS	13		1			-		-	1.	_		1000	
2051-2700	COMMUNICATION	Ť		÷		t		÷		+÷		1:		
2051-3200	CONTINGENCIES	t÷			_	i.	_	+	-	+÷		13	_	
2051-3800	NON OPERATED CHARGES - TDC	t÷	_	10		i.		+	-	+÷		3		
2051-5100	SURFACE CASING	tř	24.000	1:		t:	<u> </u>	*	_	+÷		13	-	
2051-5200	INTERMEDIATE CASING	t÷	24,000			1:		1.		13	24,000	2		
2051-5300	PRODUCTION/LINER CASING	t÷	140,000	-		l:		13	_	13		3	-	
2051-5400	CONDUCTOR PIPE	ť÷	18,000			l:		13	<u> </u>	13	140,000	3		
2051-5500	WELLHEAD	÷	5,000		<u> </u>	l:	_	13	<u> </u>	13	18,000			
2051-5801	LINER HANGER/CASING ACCESSORY	ł÷	25,000			13	_ :	13	-	15	5,000	\$		
2051-5803	MISC TANGIBLE EQUIPMENT	13	25,000	3	-	3		3	•	15	25,000	5		
PER MINISTER STATE OF THE PER STATE OF T		÷		3		3		5	•	15		5		
	TANGIBLE DRILLING SUBTOTAL	ı.	212,000	_		15		8		\$	212,000	_	(4)	
	DRILLING TOTAL	を開	935,000	5.30	707	100		00 X 1000		6.99	835,000	5.400	THE RESERVE	

Marches Augustus Commission		Orie	ginal	Supp	lement	Total				
INTANGIBLE COMPLETION	DESCRIPTION	Baths Net		8/8ths	Net	B/Bibs	Het			
2055-1000	LOCATION	5 .	s .	2 .	5 .	5 .	5 .			
2055-1001	TITLE WORK AND OPINIONS	5 .	5 .	s .	5 .	3 .	5 .			
2055-1002	OUTSIDE LEGAL SERVICES	5 .	5 .	5 .	3 .		5 .			
2055-1100	FISHING TOOLS & SERVICE	3 .	5 .	5 .	5 .		\$.			
2055-1300	EQUIP RENT	\$ 25,000	s .	s .	5 .	\$ 25,000	\$.			
2055-1301	RENTALS: SURFACE IRON	\$ 45,000	s .	5 .	5 .	5 45,000				
2055-1302	DRILLING RENTALS: SUBSURFACE	3 .	s .	5	3	* 45,000				
2055-1400	EQUIP LOST IN HOLE	15 .	5 .	3 .	3	5	s .			
2055-1500	DRILL MUD & COMPL FLUID	\$ 195,000		3	5 .	\$ 195,000				
2055-1600	WELLSITE SUPERVISION	\$ 35,000	s .	15 .	5 .	5 35,000				
2055-1800	COMPLETION CHEMICALS	5 110,000	\$.	5 .		\$ 110,000	5 .			
2055-1900	GROUND TRANSPORT	\$ 10,000	\$.	\$.	:	\$ 10,000	\$.			
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	15	5 .	5 .	:	10,000	\$.			
2055-2100	PUMPDOWN	\$ 20,000		5	: -	\$ 20,000				
2055-2200	CASED HOLE WIRELINE	\$ 70,000		5 .		5 70,000				
2055-2300	FRAC PLUGS	\$ 40,000		5 .	5	\$ 40,000				
2055-2400	WELL PREP	The second secon	5 .	5						
2055-2401	FRAC/FLUID SW DISPOSAL	The second secon	\$.	3 .	5					
2055-2402	FRAC TANK RENTALS	\$ 10,000	5 .		3 .	10,000				
2055-2403	FLOWBACK	\$ 30,000	5	5 .	:	The state of the s				
2055-2600	ES&H	5 00,000	5 .			-				
2055-2900	INSURANCE		5 .	1 .						
2055-3000	BITS		5 .							
2055-3100	OVERHEAD	- 1	5 .	3 .	3 .	- 1				
2055-3125	CONSTRUCTION OVERHEAD		5 .		3					
2055-3200	CONTINGENCIES		5 .	3 .	\$					
2055-3300	SPECIALIZED SERVICE	- :	5 :	5 .						
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 270,000	-		5	- 1	-			
2055-3400	PROPPANT	\$ 145,000				270,000 \$	-			
2055-3600	COMPANY LABOR		5 .	5 -	5 . 5	145,000 S				

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	INTANGIBLE COMPLETION SUBTOTAL	\$	1,182,500	1	-(4)	8		\$		5 1	182,500	1	
2055-8008	CONTRACT LABOR - FRAC	5		\$		\$		\$		5		5	
2055-8007	CONTRACT LABOR - WELL LEVEL	\$	15,000	5	(4)	s		5		5	15,000	5	
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$	20,000	5		5	- :	5		3	20,000	5	
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	5	17,500	5		5	- ,	5		3	17,500	\$	_
055-8004	CONTRACT LABOR/SERVICES	5		5		\$	-	5	-	5		5	_
	COIL TUBING, SNUBBING, NITRO SVC	5		\$		3		\$		3		\$	_
055-8002 055-8003	KILL TRUCK	5	2,500	\$		3		5		\$	2,500	\$	_
PARTY TO SERVICE AND ADDRESS OF THE PARTY OF	COMPLETION/WORKOVER RIG	5	10,000	\$		5		\$		\$	10,000	5	
055-8001	CASING CREWS AND LAYDOWN SERVICES	5	2,500			\$	- 14	\$		5	2,500	5	Ξ
055-4001		3		5		8		\$		5		5	
055-4000	CEMENT	13	100,000	\$		5	*	\$		5	100,000	5	
055-3900	FUEL, WATER & LUBE	15		3		3		5		5		5	
055-3800	NON OPERATED CHARGES - ICC	13	<u> </u>			13		15	-	15		3	_
055-3750	DAMAGES/ROW	٦.				1.		1.				1.	

CONTRACTOR OF THE STATE OF THE			Oil	qinal			Supp	demer	11	Т	Te	otal	
ANGIBLE COMPLETION	DESCRIPTION		B/Eths		Not		B/Bthis		Net		ERINS		Net
2065-2500	SUPPLIES & SMALL TOOLS	5		5		15		5					-
2065-2700	COMMUNICATION	15		5		1	-	1		÷		:	_
2065-3000	BITS	ti				t		1:	-	÷	<u> </u>	*	_
2065-3200	CONTINGENCIES	t	-	-	_	i.		1:	-	÷	_	:	_
2065-3800	NON OPERATED CHARGES - TCC	Ť.		è	_	i.	_	1:	.	l:	<u> </u>	-	_
2065-4102	WATER SUPPLY WELL	t	-		_	l:		1:	-	1:	- 1	3	_
2065-5001	OVERHEAD POWER	ti	12,500		-	ı:		-	<u> </u>	13	10 500	,	_
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	t÷	50,000		-	l:		-	•	13	12,500	5	_
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	÷	5.000		_	l:	-	3	-	13	50,000	5	_
2065-5004	PARTS & SUPPLIES - WELL LEVEL	t:	20,000		·	1			-	13	5,000	5	_
2065-5100	TUBING	+-	45,000		-	1	<u> </u>	3		3	20,000		_
2065-5200	TUBING HEAD/XMAS TREE	t÷	10,000		÷	1:	·	*	-	13	45,000		_
2065-5300	SUBSURFACE EQUIP	÷	10,000	•		1	<u> </u>	3		3	10,000		_
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	H÷.	- :		_	13		3		3		\$	_
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	÷				1	-	3		3	*	\$	_
2065-5600	PUMPING & LIFTING EQUIP	t:	-	:		1:	-	3		13-	•	3	_
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	l:	- :	5	-	1		3		3	•	3	_
2065-5901	LINER HANGER/CASING ACCESSORY	÷	-:-	-	-	3		3		3	-	3	_
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	1:	_	•	-	3		3	•	5	-	3	_
2065-5903	MISC TANGIBLE EQUIPMENT	+	-	*				3	-	3	-	2	_
- Committee - Comm	TANGIBLE COMPLETION SUBTOTAL	÷	142,500			-	+	3		,		3	_
William Company of the Company		_	(6.51.%(-[o]o))		•		•	,	4.		142,500		-

Company of the Compan	TANKS AND THE STATE OF THE STAT		Or	ginal			5up	plemen		Т	- 1	otat	
TANGIBLE FACILITY	DESCRIPTION		8/8ths		Net		E.Eths		Net	1	8 Sths	_	Net
2056-1006	ENVIRONMENTALIARC - LAND	13		5		1	-				20000		
2056-2002	FACILITY PAD CONSTRUCTION	Ť	15,000		_ <u>:</u>	15			_	t:	15,000	-	-
2056-2006	MISC INTANGIBILE FACILITY COSTS	ti	5.000	1		t		1:		!:	5,000		
2056-2008	CONTRACT LABOR - AUTOMATION	ti	6.500		-	1:		1		1:	-	-	-
2056-2009	EQUIPMENT RENTALS	tě	5,000		-	l:	-	÷	<u> </u>	1:	5,000		
2056-2010	FREIGHT & HANDLING	t÷	5,000		_	t:	_	+:-	<u> </u>	1:	The second	-	_
2056-2012	CONTRACT LABOR - ELECTRICAL	t÷	15,000			l:		+:	-	l:	5,000		
2056-2013	FACILITY CONSTRUCTION LABOR	÷	55,000			t:		+		1	15,000		
2056-2014	PIPELINE LABOR	t÷	33,000	:	-	1:		-	<u> </u>	13	55,000	3	-
2056-2016	LOCATION/DAMAGES/ROW-LAND	÷		*		1:		10	-	1		3	
2056-2017	TITLE WORK/LANDMAN SERVICES - LAND	÷		-	_	1:	-	1,	-	1	-	3	-
2056-2019	NON OPERATED CHARGES - IFC	t÷	-			l:		13	<u> </u>	15		3	
MODELLO MANAGEMENT	INTANGIBLE FACILITY SUBTOTAL	†	106,500	5	-	1		8	-	÷	106,500		-

MINOR IN THE STATE OF THE STATE	Total Control		Or	ginal	Total Control	Т	Supp	deme	ıl .	П	Ti	otal	
TANGIBLE FACILITY	DESCRIPTION	3	B/Billis		Net	1	8.8ths		Net	Т	E/Blbs		Net
2066-1200	VESSELS	5	65,000	S		5		8	-	1	65,000	*	-
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	15		s	- :	5		15		÷	05,000		_
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	13	15,000	S	-	15	-	15		t÷	15.000	ě	_
2066-1600	LACT	15	20,000			5		1	-	t÷	20,000		-
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	1 5	25,000			1		1		t÷	25,000		
2066-1900	LEASE AND FLOW LINES	Ť	23,000			÷	-	10	<u> </u>	÷	23,000	•	
2066-2000	CATHODIC PRCT-SOLAR PWD	Ť				i.		1:	_	÷	-	3	
2066-2003	MISC FITTINGS & SUPPLIES	۲÷	22,500	÷		1:		1:	÷	l:	22.500	-	<u>:</u>
2066-2004	PUMPS & PUMP SUPPLIES	15	6,000		-:	-		1:	_	l:	6.000	3	
2066-2005	PUMP & FILTERS	ti	9.000			i.	<u> </u>	1.	-	13	-	•	
2066-2006	MISC TANGIBLE FACILITY COSTS	15	5.000	:	·		<u> </u>	-	-	13		3	
2066-2007	TANKS (OIL & WATER)	t÷	40,000	:	<u> </u>	1:		3	_	1	5,000	*	
2066-2015	CONTAINMENT	۲÷	15,000			1:	-		<u> </u>	13		*	<u> </u>
2066-2017	SWD WELLS	÷	10,000	:	-	1:	<u> </u>	3		3	15,000	3	-
2066-2018	NON OPERATED CHARGES - TFC	ť	-	:	÷	1:	·	3	÷	1	-	3	
2066-2019	PIPING	t÷	15,000	:	-	1:	-	1.		13		3	
2066-2020	ELECTRICAL - FACILITY	17	65,000		<u> </u>	13	<u> </u>	13	-	13	15.000	3	
AND DESCRIPTION OF THE PERSON NAMED IN	TANGIBLE FACILITY SUBTOTAL	÷	293,500		17=3	5	<u> </u>	*		1	65,000	-	
With Street, S	FACILITY TOTAL	ŀ.	THE RESERVE AND ADDRESS OF THE PERSON NAMED IN	_		÷		\$	•	5	293,500	_	
	FACILITY IOTAL	1033	400,000	1,28 9		6,000	COL	5 years	100000	6.00	400,000	£3000	100

PATRICK 10 FEDERAL 11H TOTAL WELL ESTIMATE	Orig	inal		Supple	ment.	Total		
	B/Bths	Ne	rt .	8/8ths	Net	B/Bths	Net	
DRILLING TOTAL	\$ 935,000				3	3 936,000		
COMPLETION TOTAL			0.1		-	\$ 1,325,005	THE REST	
FACILITY TOTAL	3 400,000		100	S SHIPPING	THE REAL PROPERTY.	\$ 400,000	2 10	
TOTAL WILL COST	5 2 660 000	4				E 2 550 000		

Partner Approval		
Signed	Company	
Name	Date	<u>*</u>
Title		

Patrick
Well Proposals Mailed Out 4/22/21

		Well Proposals Mailed O	Interest	
racking No.	Delivery Date	Owner	Туре	Comments/Correspondence
		EOG Resources Inc.		
	W. 10 CO.	104 South Fourth Street		
5018	4/26/2021	Artesia, NM 88210	WI	No response
	The state of	Fasken Land and Minerals Ltd.		
	the language of	6101 Holiday Hill Road		
5070	4/26/2021	Midland, TX 79707	WI	Elected to Participate and enter into JOA
		Oxy Y-1 Company		
		5 Greenway Plaza, Suite 110		
5445	4/29/2021	Houston, Texas 77046	WI	No response
		Sharbro Energy, LLC		
pp 600 x 500	282300000000000000000000000000000000000	P.O. Box 840		
5506	4/26/2021	Artesia, NM 88211	WI	No response
				Received email from Darlene Chavarria on 6/16 asking for
		Vladin, LLC		Vladin's interest in the Patrick wells; Replied to email 6/16
		P.O. Box 100		directing Darlene to the Exhibit A included in the well proposa
2260	4/26/2021	Artesia, NM 88211	WI	packet and attached a copy of the well proposal to the email
		Elyse Saunders Patterson Trusts Investment LLC		
	2.2	118 W 47th Street, Floor 2		
5858	4/27/2021	Kansas City, MO 64112	UMI	Top of Yeso to 3000' only; Signed lease dated 5/27/2021
		Graham Family Investments, LLC		,,,,,
		1202 Wolflin Ave		
5971	4/26/2021	Amarillo, TX 79109	UMI	Top of Yeso to 3000' only; Signed lease dated 5/1/2021
		The Toles Company		10p of 1030 to 3000 only, signed lease dated 5/1/2021
		P.O. Box 1300		
5674	4/26/2021	Roswell, NM 88202	UMI	Top of Voca to 30001 only Signed Issue dated 5 (1 /2021
		Catherine Coll, Testamentary Trustee of the	Olvii	Top of Yeso to 3000' only; Signed lease dated 5/1/2021
		Testamentary Trust created by Article IV of the Will of		
		Max W. Coll, II		
		83 La Barberia Trail		
7487				Appelance (AMIC)
7467		Santa Fe, NM 87505	UMI	Agreed to lease
		Max W. Coll, III		
6701		7625 El Centro Blvd #2		
6701		Las Cruces, NM 88012	UMI	Signed lease dated 5/1/2021
		Eric J. Coll		
		P.O. Box 1818		
1850		Roswell, NM 88202	UMI	Elected to Participate and enter into JOA
		Clarke C. Coll		
20,000,000	The state of the s	P.O. Box 1818	AND DESCRIPTION OF	
1386		Roswell, NM 88202	UMI	Elected to Participate and enter into JOA
Republication of		Jon F. Coll, II		
WHO 1999	N. P. STATE BOOK IN	7335 Walla Walla		
9772		San Antonio, TX 78250-5242	UMI	Elected to Participate and enter into JOA
		Melanie Coll DeTemple		
		5653 Tobias Ave	1	
9499	4/26/2021	Van Nuys, CA 91411	UMI	Signed lease dated 5/1/2021
		Kristi Rose Minerals, LLC	The state of	
	:	152-B Arroyo Hondo Road		
3275		Santa FE, NM 87508	UMI	Agreed to lease
		Diamond Lil Properties, LLC		
N. Commission		Charles H. Coll, Managing Member		
THEFT		2.O. Box 1818		
3718		Roswell, NM 88202	UMI	Elected to Participate and enter into 104
		Spirit Trail, LLC	CIVII	Elected to Participate and enter into JOA
THE REST OF	7	Charles H. Coll, Managing Member		
the property of		P.O. Box 1818		
3657	5-00 A C - 00 C	The state of the s	110.41	
3037	4/2//2021	Roswell, NM 88202	UMI	Elected to Participate and enter into JOA

Spur Energy Partners, LLC Case No. 22026



HINKLE SHANOR LLP

ATTORNEYS AT LAW PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

June 11, 2021

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

Re: Case No. 22026

Application of Spur Energy Partners, LLC for compulsory pooling, Eddy

County, New Mexico.

To whom it may concern:

This letter is to advise you that Spur Energy Partners, LLC filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on July 1, 2021 beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/ announcements.html. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.135.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement, and serve copies on other parties or, for parties that are represented, their attorneys at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or electronically submitted to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing. the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Megan Peña at (832) 930-8581 or mpena@spurepllc.com.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

PO BOX 2068 SANTA FE, NEW MEXICO 87504 505-982-4554 (FAX) 505-982-8623

Spur Energy Partners, LLC Case No. 22026 Released to Imaging: 6/29/2021 4:20:20 PM

Exhibit A-6

7601 JEFFERSON ST NE - SUITE 180 ALBUQUERQUE, NEW MEXICO 87109 505-858-8320 (FAX) 505-858-8321

PO BOX 10 ROSWELL, NEW MEXICO 88202 575-622-6510 (FAX) 575-623-9332



HINKLE SHANOR LLP

ATTORNEYS AT LAW
PO BOX 2068
SANTA FE, NEW MEXICO 87504
505-982-4554 (FAX) 505-982-8623

WRITER:

Dana S. Hardy, Partner dhardy@hinklelawfirm.com

June 11, 2021

VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO ALL <u>OVERRIDING ROYALTY INTEREST OWNERS</u> SUBJECT TO POOLING PROCEEDINGS

Re:

Case No. 22026

Application of Spur Energy Partners, LLC for compulsory pooling, Eddy

County, New Mexico.

To whom it may concern:

This letter is to advise you that Spur Energy Partners, LLC filed the enclosed application with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 1, 2021** beginning at 8:15 a.m.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.135.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement, and serve copies on other parties or, for parties that are represented, their attorneys at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. mountain time, on the Thursday preceding the scheduled hearing date. The statement must be filed at the Division's Santa Fe office or electronically submitted to ocd.hearings@state.nm.us and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this matter, please contact Megan Peña at (832) 930-8581 or mpena@spurepllc.com.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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Karen G. Powell R276 North 13th Street, #55 Artesia, NM 88210



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HINKLE SHANOR LLP 218 MONTEZUMA

SANTA FE, NM 87501

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 on the date as follows, to wit:

06/17/2021

Legal Clerk

Subscribed and sworn before me this June 17, 2021:

State of WI, County of Brown NOTARY PUBLIC

My commission expires

Ad # 0004785134 PO #: N2 Shallow 22026 # of Affidavits1

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Spur Energy Partners, LLC Case No. 22026 Released to Imaging: 6/29/2021 4:20:20 PM

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This is to notify all interest-ed parties, including: Fasken Land and Minerals Ltd., Oxy Land and Minerals Ltd., Oxy Y-1 Company, Sharbro Energy, LLC, Vladin, LLC, Ann C. Johnson, Ann C. Johnson Trust, Penasco Petroleum LLC, Rolla R. Hinkle, III, Lazy J Bar Cane, LLC; the heirs or devisees of Lonnie P. McClintock, Karen G. Powell, Peggy A. Brown aka Peggy Hinshaw Brown, Karen Menefee Powell, David L. Menefee, Kimberly J. Menefee, Kimberly J. Kafton, and Yates Brothers, a partnership, that the New a partnership, that the New Mexico Oil Conservation Di-vision will conduct a hearing on an application submitted on an application submitted by Spur Energy Partners, LLC (Case No. 22024). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 1, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date; http://www.emrd.state.nm.us/OCD/ hearings.html. Applicant seeks an order poolplicant seeks an order pooling all uncommitted mineral interests from the top of the Yeso formation to a depth of approximately 3,000' in a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 19 South, Range 25 East, in Eddy County, New Mexico ("Unit"). The Unit will be dedicated to following wells: plicant seeks an order pool-

wells:
• Patrick Federal Com 2H and Patrick Federal Com 11H, which will be horizontally drilled from a surface location in the NE/4NE/4 (Unit A) of Section 9 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 10: and

NE/4NE/4 (Unit A) of Section 10; and
Patrick Federal Com 1H and Patrick Federal Com 10H, which will be horizontally drilled from a surface location in the SE/4SE/4 (Unit H) of Section 9 to a bottom hole location in the SE/4SE/4 (Unit H) of Section 10 (collectively the "Wells"). The completed interval of the Patrick Federal Com 1H will be within 330' of the line separating the N/2N/2 and S/2N/2 of Section 10 to allow inclusion of this acreage into a standard 320-acre horizontal spacing unit. The completed intervals of the wells will be orthodox. Also to be considered will be the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 2 miles southwest of Artesia, New Mexico. Mexico. #4785134

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

CASE NO. 22026

SELF-AFFIRMED STATEMENT <u>OF C.J. LIPINSKI</u>

- I am a geologist at Spur Energy Partners, LLC ("Spur") and am over 18 years of age. I have personal knowledge of the matters addressed herein and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division ("Division") where my credentials as an expert in petroleum geology matters were accepted and made a matter of record.
 - 2. I am familiar with the geological matters that pertain to the above-referenced case.
- 3. Exhibit B-1 is a location map of the proposed horizontal spacing unit ("Unit") in the above-referenced case and shows the proposed Patrick Federal Com 1H, 2H, 10H and 11H wells ("Wells") as black lines. This exhibit also identifies five wells penetrating the targeted intervals I used to construct a structural cross-section from A to A'. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area. Offset Glorieta/Yeso producers are shown with purple squares.
- 4. Exhibit B-2 is a structure map for the top of the Glorieta formation, which also reflects the surrounding area in Eddy County in relation to the Unit. The contour interval is 25'.

Spur Energy Partners, LLC Case No. 22026

Exhibit B

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The Wells are depicted with black lines and the bottom hole locations of the wells are identified as black circles. The map demonstrates the formation is moderately dipping to the east in this area. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

- 5. Exhibit B-3 is a structural cross-section using the representative wells identified on Exhibit B-1. It contains gamma ray, resistivity and porosity logs. The landing zones for the Wells are labeled on the exhibit. The cross-section demonstrates the target intervals within the Yeso formation are continuous across the Unit.
- Exhibit B-4 is a Gun Barrel view from B to B' of Spur's intended development of the Yeso formation.
- 7. In my opinion, a laydown orientation for the Wells is appropriate for proper exploitation of the subject acreage because of consistent rock properties throughout the Unit and the lack of preferred fracture orientation in this portion of the trend.
- 8. Based on my geologic study of the area, the targeted interval within the Yeso formation underlying the subject areas and Unit is suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.
- 9. In my opinion, the granting of Spur's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.
- 10. The exhibits attached hereto were either prepared by me or under my supervision or were compiled from company business records.
- 11. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony in paragraphs 1 through 10 above is true and correct and is made

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under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

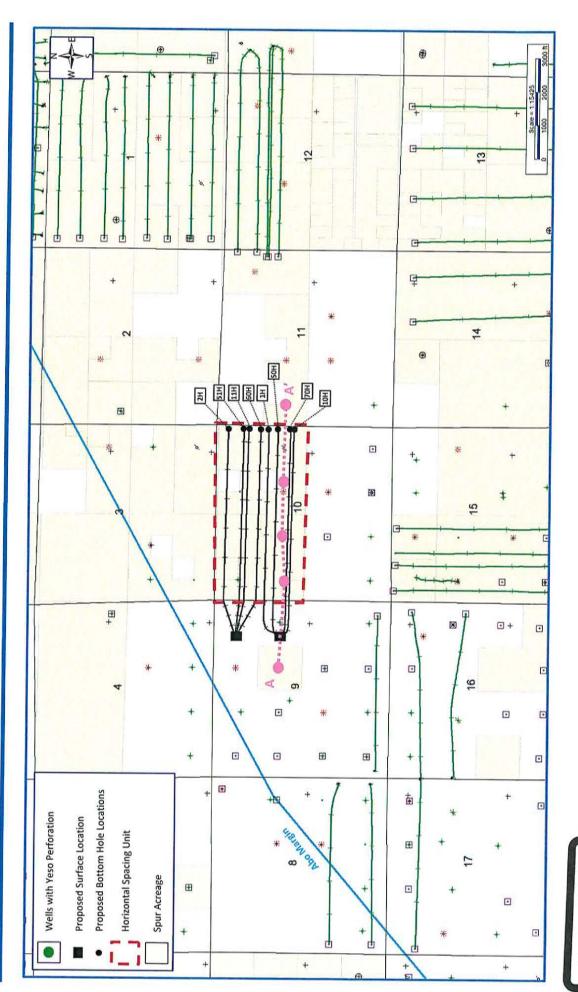
C.J. Lipinski

Date

Exhibit B-1: Patrick HSU Basemap

Case No. 22025 & 22026





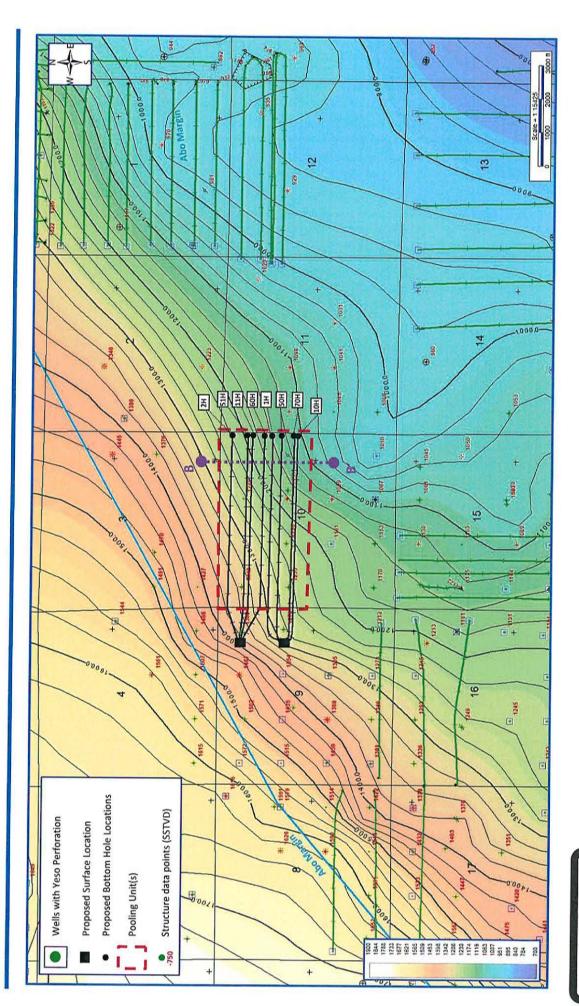
Spur Energy Partners, LLC Case No. 22026

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Exhibit B-2: Structure Map (SSTVD): Top Glorieta

Case No. 22025 & 22026





Spur Energy Partners, LLC Case No. 22026

Exhibit B-2

Exhibit B-3: Structural Cross Section A – A' (TVD)

Case No. 22025 & 22026



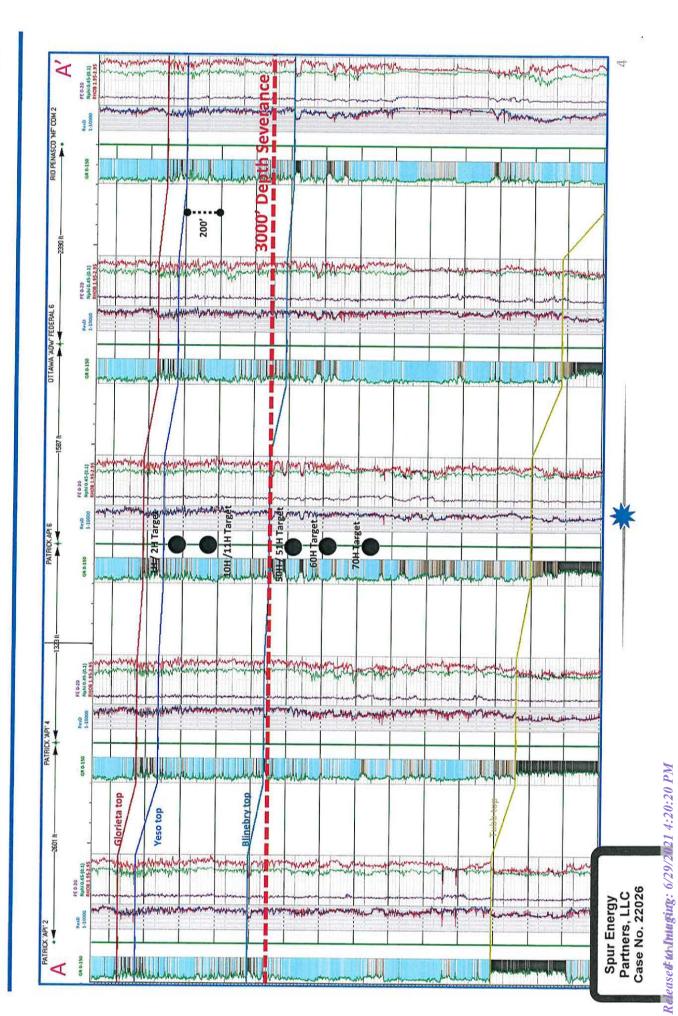
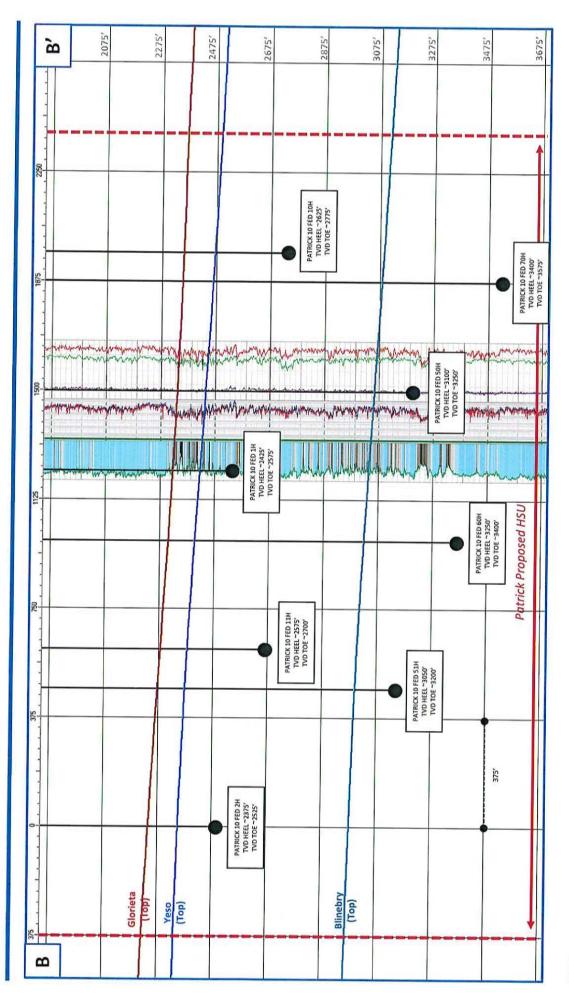


Exhibit B-4: Patrick Gun Barrel B - B' (TVD)

Case No. 22025 & 22026





Spur Energy Partners, LLC Case No. 22026

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Exhibit B-4