

**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. 25450

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Colleen Bradley
A-1	Application & Proposed Notice of Hearing
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A-4	Sample Well Proposal Letter and AFE
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C-2	Postal Delivery Report
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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 25450	APPLICANT'S RESPONSE
Date: July 10, 2025	
Applicant	Spur Energy Partners LLC
Designated Operator & OGRID (affiliation if applicable)	Spur Energy Partners LLC (OGRID No. 328947)
Applicant's Counsel:	Hardy McLean LLC
Case Title:	Application of Spur Energy Partners LLC for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	N/A
Well Family	Red Lake
Formation/Pool	
Formation Name(s) or Vertical Extent:	San Andres Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	San Andres formation
Pool Name and Pool Code:	Red Lake; San Andres Pool (Code 97253)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acres
Building Blocks:	quarter-quarter
Orientation:	West to East
Description: TRS/County	S/2 N/2 of Section 32, Township 17 South, Range 27 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and is approval of non-standard unit requested in this application?</u>	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Red Lake B State Com 110H (API # pending) SHL: 2523' FSL & 200' FEL (Unit I), Section 32, T17S, R27E BHL: 2035' FNL & 50' FWL (Unit E), Section 32, T17S, R27E Target Interval: San Andres Formation (Approx. 2075' TVD)
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A-4
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A

Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List 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	Exhibit A-4
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	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-2
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
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	
Special Provisions/Stipulations	N/A
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):	/s/ Dana S. Hardy
Date:	7/2/2025

**STATE OF NEW MEXICO
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**APPLICATION OF SPUR ENERGY PARTNERS LLC
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EDDY COUNTY, NEW MEXICO.**

CASE NO. 25450

**SELF-AFFIRMED STATEMENT
OF COLLEEN BRADLEY**

1. I am a Land Advisor with Spur Energy Partners LLC (“Spur”). I am over 18 years of age, 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 credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. Copies of Spur’s application and proposed hearing notice are attached as **Exhibit A-1**.

3. 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 to pool all uncommitted interests in the San Andres formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Red Lake B State Com 110H** well (“Well”), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 32.

6. The completed interval of the Well will be orthodox.

7. **Exhibit A-2** contains the C-102 for the Well.

**Spur Energy Partners LLC
Case No. 25450
Exhibit A**

8. **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 highlighted in yellow.

9. Spur has conducted a diligent search of all county public records, including phone directories and computer databases, as well as internet searches, to locate the interest owners it seeks to pool.

10. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Well. The estimated costs reflected on the AFE are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

11. In my opinion, Spur made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the chronology of contact described in **Exhibit A-5**.

12. Spur requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Spur and other operators in the vicinity.

13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

14. 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.

15. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony 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 next to my electronic signature below.


COLLEEN BRADLEY

6/30/2025
Date

**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. 25450

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Spur” or “Applicant”) applies for an order pooling all uncommitted interests in the San Andres formation, underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico (“Unit”). In support of this application, Spur states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the **Red Lake B State Com 110H** well (“Well”), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 32.
3. The completed interval of the Well will be orthodox.
4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Well but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated the operator of the Well and Unit.

**Spur Energy Partners LLC
Case No. 25450
Exhibit A-1**

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 10, 2025, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Well in the Unit;
- C. Designating Applicant as operator of the Unit and the Well to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping and completing the Well;
- 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 Applicant in drilling and completing the Well against any working interest owner who does not voluntarily participate in the drilling of the Well.

Respectfully submitted,

HARDY MCLEAN LLC

/s/ Jaclyn M. McLean

Dana S. Hardy

Jaclyn M. McLean

Daniel B. Goldberg

125 Lincoln Ave., Ste. 223

Santa Fe, NM 87501

Phone: (505) 230-4410

dhardy@hardymclean.com

jmclean@hardymclean.com

dgoldberg@hardymclean.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 interests in the San Andres formation, underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the **Red Lake B State Com 110H** well (“Well”), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 32. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well, the allocation of the costs, the designation of Applicant as operator of the Well and the Unit, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 7 miles southeast of Artesia, New Mexico.

<p>C-102</p> <p>Submit Electronically Via OCD Permitting</p>	<p>State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION</p>	<p>Exhibit A-2 Revised July 9, 2024</p>
		<p>Submittal Type:</p> <p><input checked="" type="checkbox"/> Initial Submittal</p> <p><input type="checkbox"/> Amended Report</p> <p><input type="checkbox"/> As Drilled</p>

WELL LOCATION INFORMATION

API Number 30-015-	Pool Code 97253	Pool Name RED LAKE; SAN ANDRES
Property Code	Property Name RED LAKE B STATE COM	Well Number 110H
OGRID No. 328947	Operator Name SPUR ENERGY PARTNERS LLC.	Ground Level Elevation 3512'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
I	32	17S	27E		2523 FSL	200 FEL	32.7906119°N	104.2924988°W	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	32	17S	27E		2035 FNL	50 FWL	32.7924966°N	104.3089517°W	EDDY

Dedicated Acres 160	Infill or Defining Well N/A	Defining Well API N/A	Overlapping Spacing Unit (Y/N) N	Consolidation Code F & C
Order Numbers. PENDING			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County

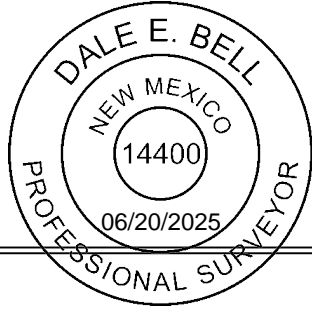
First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
H	32	17S	27E		2035 FNL	100 FEL	32.7923862°N	104.2920933°W	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
E	32	17S	27E		2035 FNL	100 FWL	32.7924955°N	104.3087890°W	EDDY

Unitized Area or Area of Uniform Interest Y	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3512' GR
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<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p> <p><i>Sarah Chapman</i> 06/30/2025</p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.</i></p> <div style="text-align: center;">  </div>
Signature SARAH CHAPMAN	Signature and Seal of Professional Surveyor <i>Dale E. Bell</i>
Printed Name SCHAPMAN@SPURENERGY.COM	Certificate Number 14400
Email Address	Date of Survey 06/16/2025

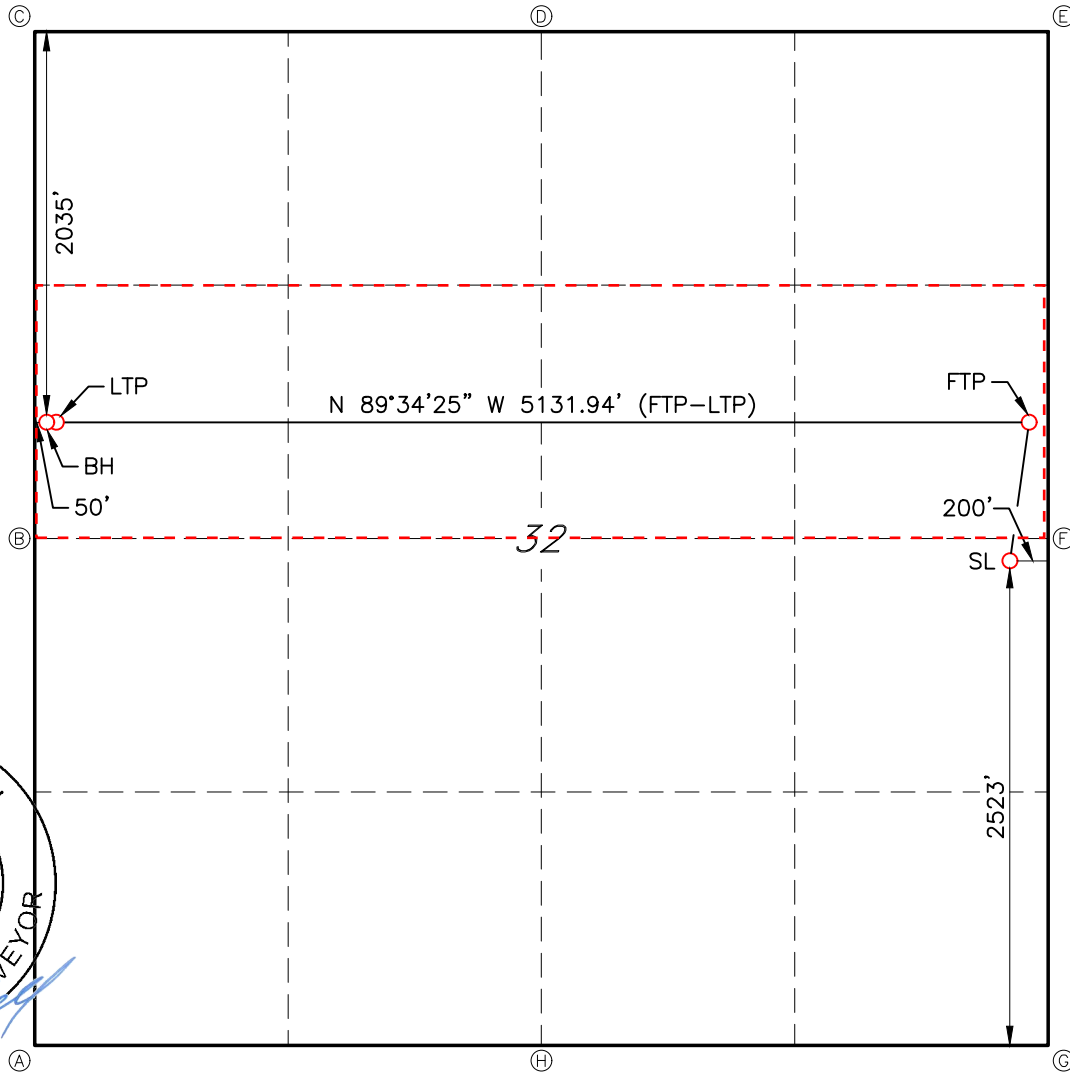
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

RED LAKE B STATE COM #110H



GEODETTIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
2523' FSL - 200' FEL SEC.32
N: 651359.3 - E: 553885.9

LAT: 32.7906119° N
LONG: 104.2924988° W

FIRST TAKE POINT (FTP)
2035' FNL - 100' FEL SEC.32
N: 652004.9 - E: 554010.3

LAT: 32.7923862° N
LONG: 104.2920933° W

LAST TAKE POINT (LTP)
2035' FNL - 100' FWL SEC.32
N: 652043.1 - E: 548879.8

LAT: 32.7924955° N
LONG: 104.3087890° W

BOTTOM HOLE (BH)
2035' FNL - 50' FWL SEC.32
N: 652043.5 - E: 548829.8

LAT: 32.7924966° N
LONG: 104.3089517° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1941"
N: 648970.6 - E: 548724.7

B: FOUND BRASS CAP "1941"
N: 651525.8 - E: 548770.4

C: FOUND BRASS CAP "1941"
N: 654078.0 - E: 548816.7

D: FOUND BRASS CAP "1941"
N: 654056.4 - E: 551501.0

E: FOUND BRASS CAP "1941"
N: 654037.2 - E: 554186.5

F: FOUND BRASS CAP "1941"
N: 651435.4 - E: 554088.9

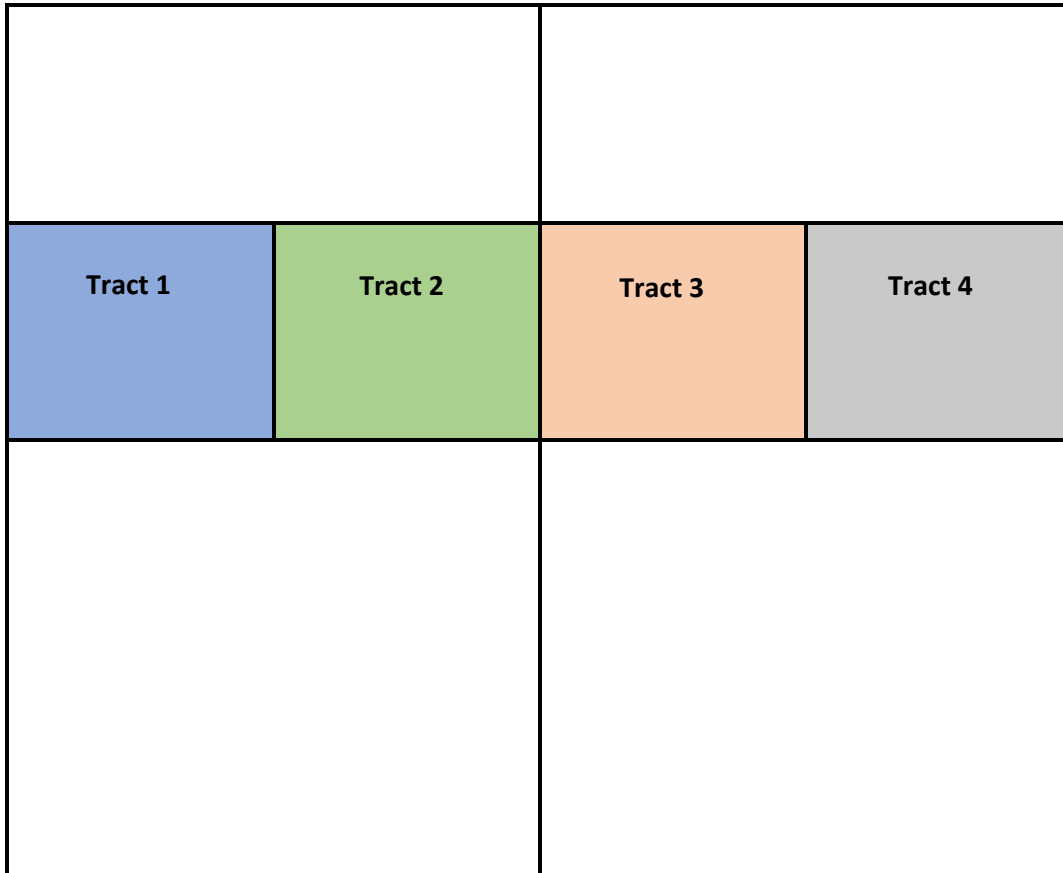
G: FOUND BRASS CAP "1941"
N: 648833.7 - E: 553990.1

H: FOUND BRASS CAP "1941"
N: 648902.9 - E: 551358.1

JOB #: LS25050458R1

EXHIBIT A-3

RED LAKE B SPACING UNIT PLAT
S2N2 of Section 32, T17S, R27E, 160.00 Acres
Eddy County, New Mexico



VA-0787-0004 - SWNW

VA-0787-0004 - SENW

VA-0787-0004 - SWNE

VC-1170-0000 - SENE

Spur Energy Partners LLC
Case No. 25450
Exhibit A-3

RED LAKE B - TRACT/DSU WORKING INTEREST SUMMARY

Tract Number	Location	Section	Gross Acres	Tract Participation Factor
Tract 1	SWNW	32	40.0000	25.00%
Tract 2	SENW	32	40.0000	25.00%
Tract 3	SWNE	32	40.0000	25.00%
Tract 4	SENE	32	40.0000	25.00%
Parties to be pooled are highlighted in YELLOW				

Tract 1 - SWNW	Interest Type	WI	Gross Acres	Net Acres
SEP Permian, LLC	WI	1.000000	40.0000	40.0000
TOTAL		1.00000		40.000

Tract 2 - SENW	Interest Type	WI	Gross Acres	Net Acres
SEP Permian, LLC	WI	1.000000	40.0000	40.0000
TOTAL		1.00000		40.000

Tract 3 - SWNE	Interest Type	WI	Gross Acres	Net Acres
SEP Permian, LLC	WI	1.000000	40.0000	40.0000
TOTAL		1.00000		40.000

Tract 4 - SENE	Interest Type	WI	Gross Acres	Net Acres
SEP Permian, LLC	WI	0.000000	40.0000	0.0000
Riley Permian Operating Company, LLC	WI	1.000000	40.0000	40.0000
TOTAL		1.00000		40.000

RED LAKE B DSU RECAPITULATION			
Owner	DSU WI	DSU Gross Acres	DSU Net Acres
SEP Permian, LLC	0.750000	160.0000	120.0000
Riley Permian Operating Company, LLC	0.250000	160.0000	40.0000
TOTAL	1.00000		160.000

**Date**

[Insert WI Owner Name]

[Insert WI Address]

RE: Well Proposal
RED LAKE B STATE COM 110H
160.0 acres, more or less, being the S2N2 of Section 32, T-17S, R-27E
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 RED LAKE B STATE COM 110H well to the approximate total vertical depths as referenced below as horizontal San Andres well(s) (the "Subject Well(s)") at the following proposed locations (subject to change upon staking and survey).

RED LAKE B STATE COM 110H – Horizontal San Andres Well, Eddy County, New Mexico

- Proposed Surface Hole Location – 2510' FNL & 240' FEL, H-32-17S-27E
- Proposed Bottom Hole Location – 2035' FNL & 100' FWL, E-32-17S-27E
- TVD: 2075'

SPUR proposes to form a Drilling Spacing Unit ("DSU") covering the S2N2 of Section 32, T-17S, R-27E, Eddy County, New Mexico, containing 160.0 acres, more or less of land covering **the San Andres formation from 1363' to 2798'**. Portions of these lands may be governed by existing Joint Operating Agreements ("JOAs") which also cover the San Andres formation, and which may 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 the enclosed new joint operating agreement dated January 1, 2026, ("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, concept wells and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2026
- Contract Area consisting of S2N2 of Section 32, T-17S-R-27E Eddy County, NM
- Limited in depth from **1363' to 2798'**
- 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 three options regarding 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 – Assignment Option: Assign your leasehold working interest in the S2N2 of Section 32, T-17S, R-27E Eddy County, New Mexico, exclusive of existing wellbores, to SEP for a bonus consideration of **\$1,500 per net mineral acre (limited from the Surface to the Base of the San Andres formation)**. The purchase contemplated herein is subject to the leasehold working interest being approved by SPUR. SPUR shall undertake and complete the title examination at its own expense within twenty (20) business days of your election below.

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 with the NJOA. In the event you elect to assign your leasehold interest under the terms outlined above in the Option 3 – Assignment Option, please so indicate by signing and returning the enclosed Assignment Election page, and SPUR shall provide you with an assignment form for your review and execution.

SPUR looks forward to working with you on this matter. However, if an agreement cannot be reached within thirty (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 each of the Subject Well(s) in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within thirty (30) days of receipt of this proposal. Should you have any questions regarding this proposal, please contact wellproposals@spurenergy.com. Thank you very much for your assistance and cooperation.

Sincerely,

Matt Grisell
Agent for Spur Energy Partners LLC
(346) 409-2742



RED LAKE B STATE COM 110H Well Election

Owner: [Insert WI Owner Name]

_____ **Option 1)** The undersigned elects to participate in the drilling and completion of the **RED LAKE B STATE COM 110H** well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.

_____ **Option 2)** The undersigned elects not to participate in the drilling and completion of the **RED LAKE B STATE COM 110H**.

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide SPUR with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Spur Energy Partners.*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2025.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Option 3 – Assignment Option

_____ **Option 3)** *The undersigned hereby elects to assign their leasehold working interest in the S2N2 of Section 32, T-17S-R-27E, Eddy County, New Mexico, exclusive of existing wellbores, to SPUR for a bonus consideration of \$1,500 per net mineral acre (limited from the Surface to the base of the San Andres formation).*

Agreed to and Accepted this _____ day of _____, 2025.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE #:
Well Name : <u>RED LAKE B STATE COM 110H</u>	SEP Permian LLC WI:
Location : _____	Well Cost Center:
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURKEY)	\$ 189,000	\$ -	\$ -	\$ -	\$ 189,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 134,000	\$ -	\$ -	\$ -	\$ 134,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 250	\$ -	\$ -	\$ -	\$ 250	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 32,000	\$ -	\$ -	\$ -	\$ 32,000	\$ -
2050-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3400	DESIGN & ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3600	COMPANY LABOR	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-3800	NON OPERATED CHARGES - IDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3900	FUEL & LUBE	\$ 77,000	\$ -	\$ -	\$ -	\$ 77,000	\$ -
2050-4000	SURFACE & INTERMEDIATE CEMENT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 16,800	\$ -	\$ -	\$ -	\$ 16,800	\$ -
2050-8001	MOB/DEMOB RIG	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	\$ -
2050-8003	VACUUM TRUCKING	\$ 26,000	\$ -	\$ -	\$ -	\$ 26,000	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE DRILLING SUBTOTAL		\$ 1,196,550	\$ -	\$ -	\$ -	\$ 1,196,550	\$ -

TANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2051-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-3800	NON OPERATED CHARGES - TDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5100	SURFACE CASING	\$ 14,750	\$ -	\$ -	\$ -	\$ 14,750	\$ -
2051-5200	INTERMEDIATE CASING	\$ 35,350	\$ -	\$ -	\$ -	\$ 35,350	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 215,350	\$ -	\$ -	\$ -	\$ 215,350	\$ -
2051-5400	CONDUCTOR PIPE	\$ 28,000	\$ -	\$ -	\$ -	\$ 28,000	\$ -
2051-5500	WELLHEAD	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TANGIBLE DRILLING SUBTOTAL		\$ 335,450	\$ -	\$ -	\$ -	\$ 335,450	\$ -
DRILLING TOTAL		\$ 1,532,000	\$ -	\$ -	\$ -	\$ 1,532,000	\$ -

INTANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2055-1000	LOCATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1001	TITLE WORK AND OPINIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1002	OUTSIDE LEGAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1300	EQUIP RENT	\$ 42,000	\$ -	\$ -	\$ -	\$ 42,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 375,000	\$ -	\$ -	\$ -	\$ 375,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 125,000	\$ -	\$ -	\$ -	\$ 125,000	\$ -
2055-2300	FRAC PLUGS	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-2400	WELL PREP	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2403	FLOWBACK	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 650,000	\$ -	\$ -	\$ -	\$ 650,000	\$ -
2055-3400	PROPPANT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 185,000	\$ -	\$ -	\$ -	\$ 185,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING, SNUBBING, NITRO SVC	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054-1402	RENTALS-SURFACE	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000	\$ -
2054-1600	KILL FLUID AND TRUCK	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2054-1700	CONSULTANT	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2054-2200	WORKOVER RIG	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2054-4510	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,124,000	\$ -	\$ -	\$ -	\$ 2,124,000	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5100	TUBING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500	\$ -
2065-5300	SUBSURFACE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5600	PUMPING & LIFTING EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5901	LINER HANGER/CASING ACCESSORY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5903	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-1300	SURFACE EQUIPMENT PURCHASED	\$ 14,000	\$ -	\$ -	\$ -	\$ 14,000	\$ -
2064-4200	TUBING	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 179,500	\$ -	\$ -	\$ -	\$ 179,500	\$ -
COMPLETION TOTAL		\$ 2,303,500	\$ -	\$ -	\$ -	\$ 2,303,500	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 7,500	\$ -	\$ -	\$ -	\$ 7,500	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -
2056-2014	PIPELINE LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2016	LOCATION/DAMAGES/ROW-LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2017	TITLE WORK/LANDMAN SERVICES - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2019	NON OPERATED CHARGES - IFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE FACILITY SUBTOTAL		\$ 220,000	\$ -	\$ -	\$ -	\$ 220,000	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2066-1600	LACT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 82,500	\$ -	\$ -	\$ -	\$ 82,500	\$ -
2066-2015	CONTAINMENT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 92,500	\$ -	\$ -	\$ -	\$ 92,500	\$ -
TANGIBLE FACILITY SUBTOTAL		\$ 580,000	\$ -	\$ -	\$ -	\$ 580,000	\$ -
FACILITY TOTAL		\$ 800,000	\$ -	\$ -	\$ -	\$ 800,000	\$ -

RED LAKE STATE COM 110H TOTAL WELL ESTIMATE		Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,532,000	\$ -	\$ -	\$ -	\$ -	\$ 1,532,000	\$ -
COMPLETION TOTAL	\$ 2,303,500	\$ -	\$ -	\$ -	\$ -	\$ 2,303,500	\$ -
FACILITY TOTAL	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000	\$ -
TOTAL WELL COST	\$ 4,635,500	\$ -	\$ -	\$ -	\$ -	\$ 4,635,500	\$ -

Partner Approval

Signed _____ Company _____

Name _____ Date _____

Title _____



May 23, 2025

[WI Owner Name]

[WI Address]

**RE: Pooled Interval Revision
Red Lake B State Com 110H
160.0 acres, more or less, being the S2N2 of Section 32, T-17S, R-27E
Eddy County, New Mexico**

Dear Working Interest Owner:

Please accept this letter as notification of Spur Energy Partners (“Spur”) intent to revise and further define the depth interval(s) it intends to pool associated with the proposed development for the referenced lands and well(s).

Other than the depth revision described herein, all other terms and provisions of the original proposal dated March 28, 2025, remain unchanged. Please note the depth interval for the San Andres formation will be revised as follows:

- Original Proposed Depths: *from 1,363' to 2,798'*
- **Revised Depths:** *from 1,404' to 2,740'*

The Revised Depths are further defined as the stratigraphic equivalent of those certain depths encountered from 1,404' MD to 2,740' MD, as observed on the Schlumberger SOONERS STATE #1 [30-015-36067] Platform Express Density / Neutron Log, located in Section 32, T17S, R27E, Eddy County, New Mexico.

This revision applies to all references in the original proposal and no further action is required on your part.

Should you have any questions please reach out at colleen.bradley@spurenergy.com. We appreciate your attention to this matter and look forward to working with you.

Sincerely,

A handwritten signature in blue ink that reads "Colleen Bradley". The signature is fluid and cursive.

Colleen Bradley
Sr. Landman
Spur Energy Partners LLC

DSU	Owner	Initial Proposal Mailout Date	Initial Proposal Tracking Number	Initial Proposal Mailout Status	Depth Revision Letter Mailout Date	Depth Revision Letter Tracking Number	Depth Revision Letter Mailout Status	Correspondence
RED LAKE B	Riley Permian Operating Company, LLC 29 E Reno Avenue, Suite 500 Oklahoma City, OK 73104	3/28/2025	9405511105495825093143	DELIVERED	5/29/2025	9405511105495825093143	DELIVERED	03/28/2025: Mailed AFEs, Well Proposal Letter and Joint Operating Agreement Terms. 04/02/2025: Emailed estimated working interest. 04/14/2025: Sent draft JOA for review and execution. 05/14/2025: Received email inquiring working interest. 05/29/2025: Mailed Depth Revision Letter.

Spur Energy Partners LLC
Case No. 25450
Exhibit A-5

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. 25450

**SELF-AFFIRMED STATEMENT
OF MATTHEW VAN WIE**

1. I am a geologist with Spur Energy Partners, LLC (“Spur”). I am over 18 years of age, 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 credentials as an expert in petroleum geology matters were accepted and made a matter of record.

2. I am familiar with the application filed by Spur in this case, and I have conducted a geologic study of the lands.

3. In this case, Spur is targeting the San Andres formation.

4. **Exhibit B-1** is a location map of the proposed horizontal spacing unit (“Unit”). Spur’s acreage is shown in yellow and the approximate wellbore path for the proposed **Red Lake B State Com 110H** well (“Well”) is represented by a solid black line. Nearby wells producing in the target formation are also identified. The exhibit also identifies five wells penetrating the targeted interval that 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.

5. **Exhibit B-2** is a subsea structure map that I prepared for the top of the San Andres with a contour interval of 25 feet. The structure map demonstrates the formation is gently dipping to the northeast in this area. The formation appears consistent across the proposed spacing unit. I

Spur Energy Partners LLC
Case No. 25450
Exhibit B

do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells. This map also shows a line bisecting the proposed spacing unit from B to B' which is depicted in a gun barrel diagram in a later exhibit.

6. **Exhibit B-3** is a structural cross-section that I prepared displaying open-hole logs acquired over the target formation from the representative wells denoted from A to A' on Exhibit B-1. For each well in the cross-section, the exhibit shows the following logs where available: gamma ray, resistivity, and porosity. The targeted zones for each well is labeled and marked on the cross-section. The red dotted line also depicts interval Spur seeks to pool those uncommitted interests. The logs in the cross-section demonstrate that the targeted intervals are continuous and consistent along trend.

7. **Exhibit B-4** is a gun barrel diagram from B to B' reflecting Spur's intended development in the San Andres formation in this acreage and identifies the initial proposed well (solid black line) relative to the different intervals within the San Andres and Yeso formations. Offsetting Spur horizontal Yeso development and targeting are identified with green circles.


8. There is no identified preferred orientation for exploitation in this portion of the Northwest shelf based on stress orientation or production data. Thus, the laydown orientation is appropriate to properly develop this acreage using 1-mile laterals in a manner that is consistent with Spur's ownership interest and offsetting development.

9. Based on my geologic study of the area, the targeted interval underlying the 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 Well.

10. 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.

11. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

12. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony 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 identified next to my signature below.


Matthew Van Wie

6/23/25
Date

Exhibit B-1: Red Lake B State Com HSU Basemap

(Case No. 25450)

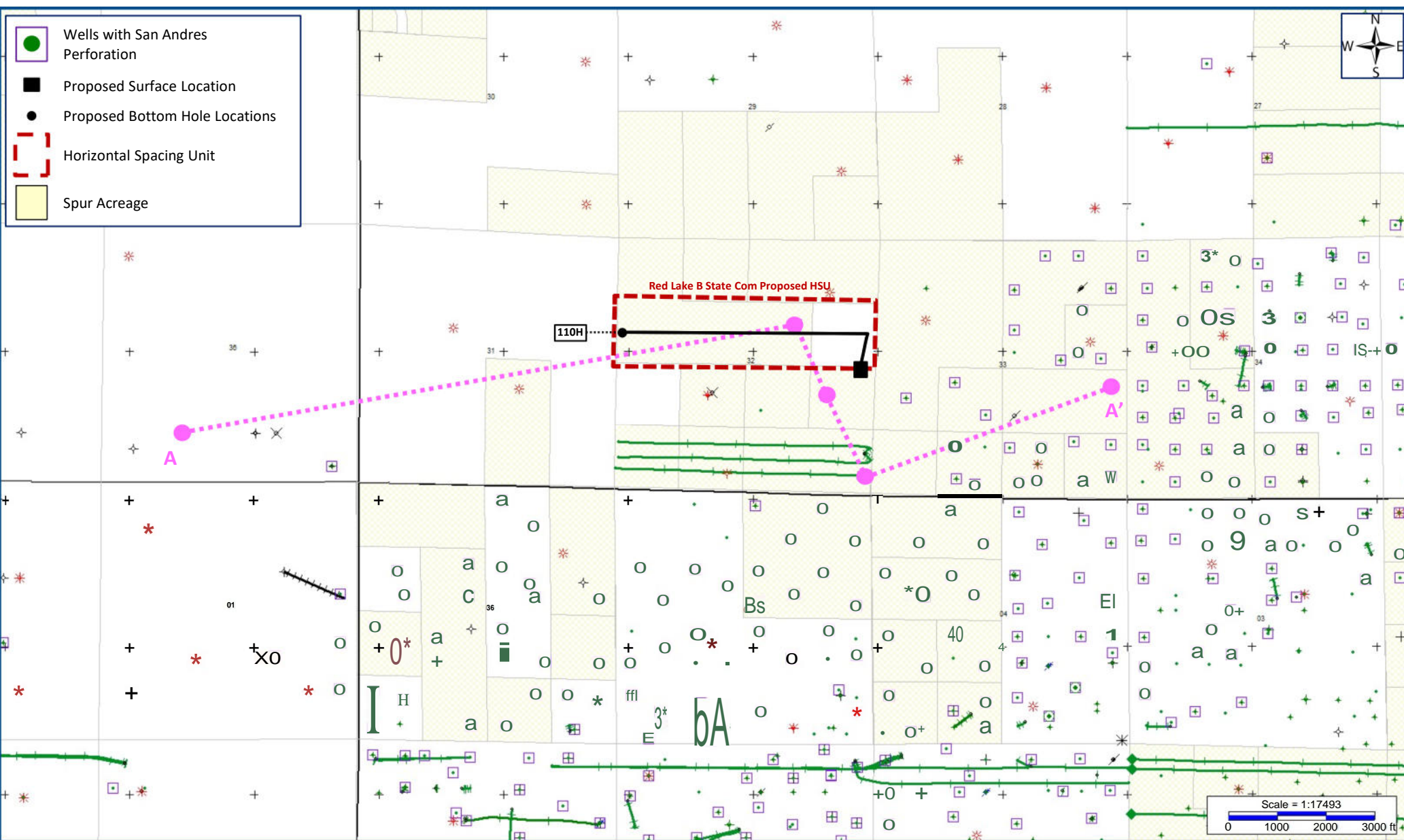
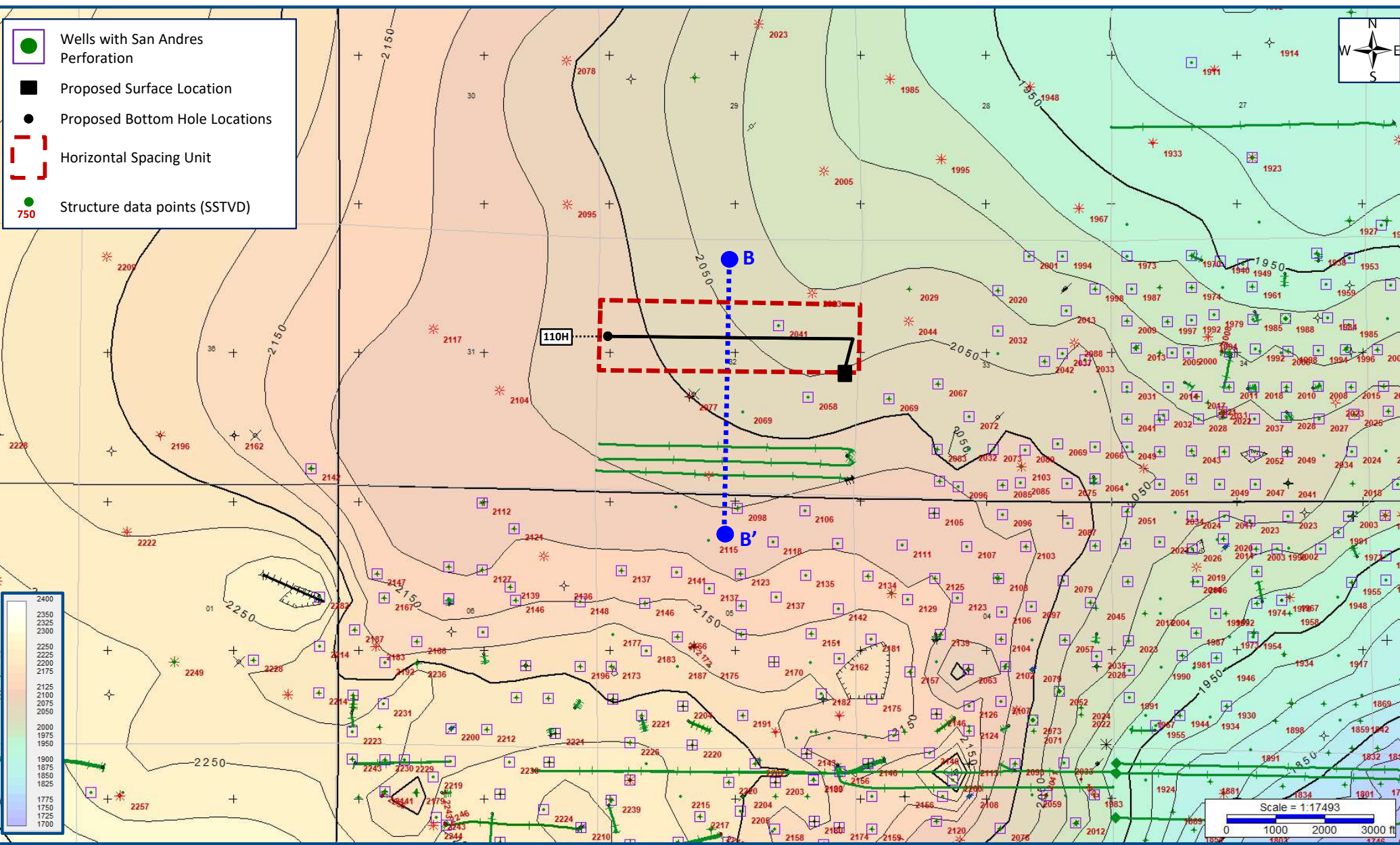
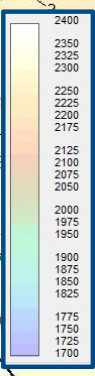


Exhibit B-2: Structure Map (SSTVD) - Top San Andres (Case No. 25450)



- Wells with San Andres Perforation
- Proposed Surface Location
- Proposed Bottom Hole Locations
- Horizontal Spacing Unit
- Structure data points (SSTVD)



Spur Energy Partners LLC
Case No. 25450
Exhibit B-2

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

Spur Energy Partners LLC

Case No. 25450

Exhibit B-3



(Case No. 25450)

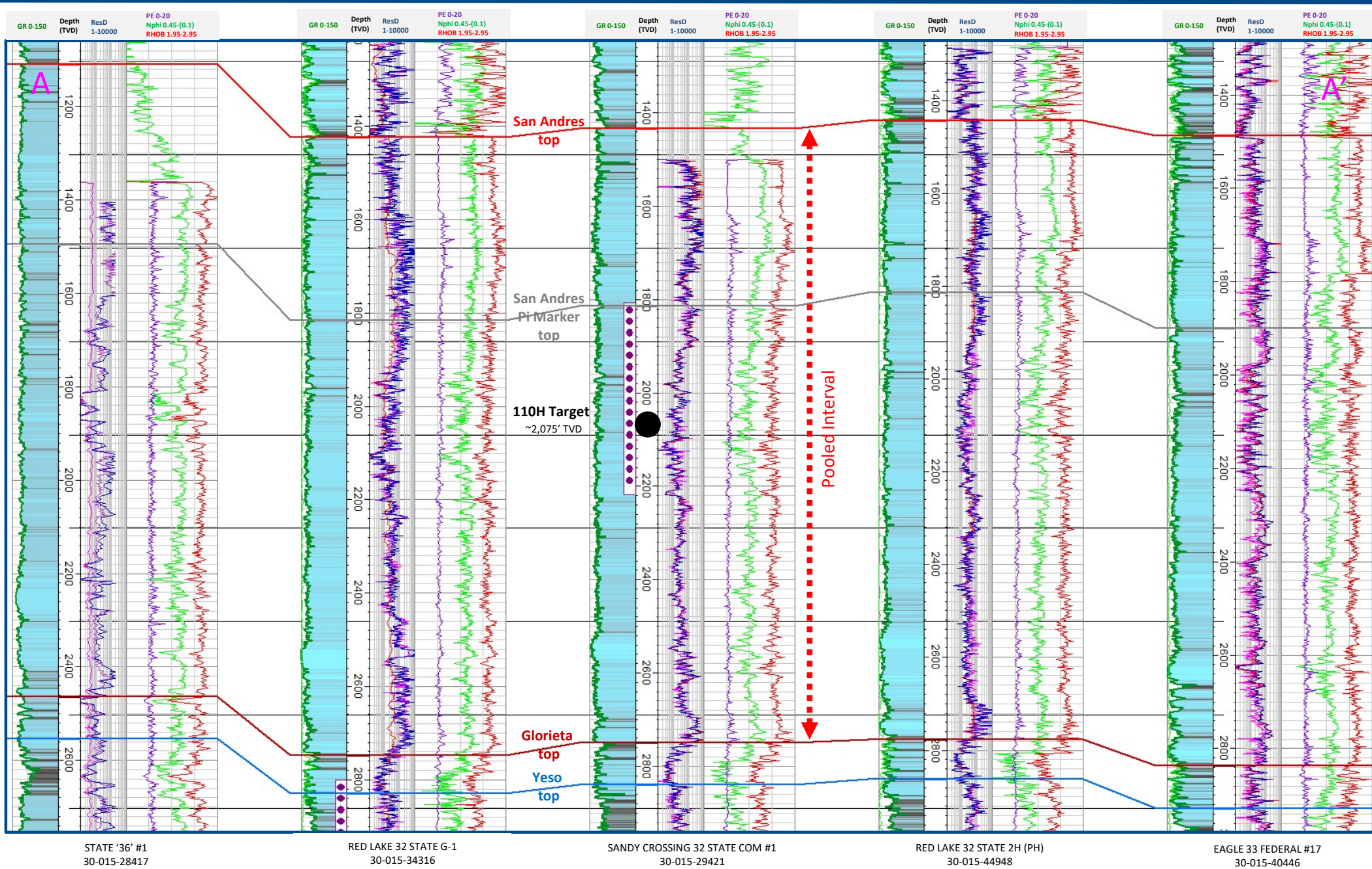
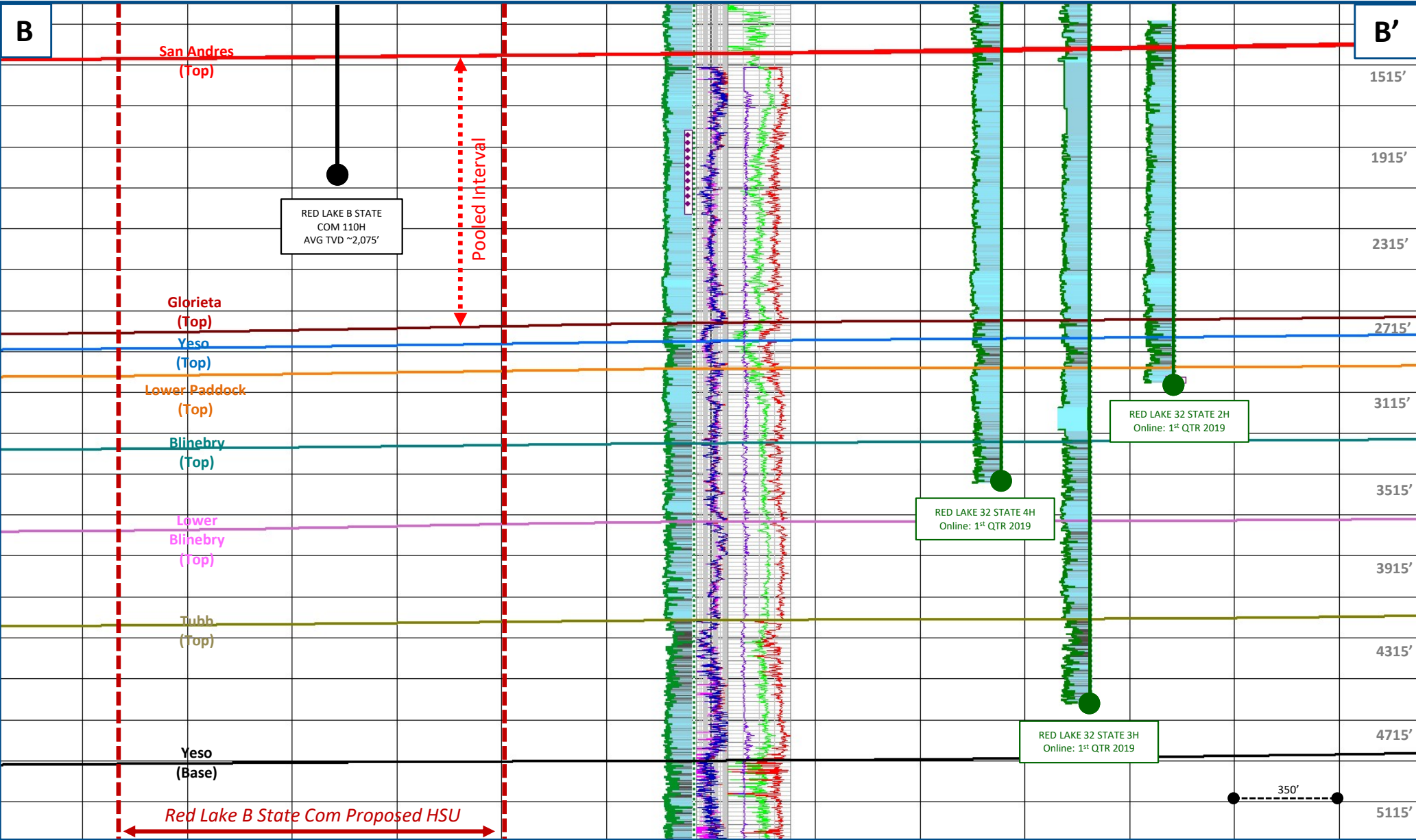


Exhibit B-4: Red Lake B State Com Gun Barrel B – B' (TVD)



(Case No. 25450)



**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. 25450

**SELF-AFFIRMED STATEMENT
OF JACLYN M. MCLEAN**

1. I am attorney in fact and authorized representative of Spur Energy Partners LLC (“Spur”) the Applicant herein.

2. I am familiar with the Notice Letter attached as **Exhibit C-1**, and caused the Notice Letter, along with the Application in this case, to be sent to the parties listed in the Postal Delivery Report attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date the Notice Letter was sent, along with the delivery status of each.

4. Electronic return receipts are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On June 21, 2025, I caused a notice to be published in the Carlsbad Current-Argus. An Affidavit of Publication from the legal clerk of the Carlsbad Current-Argus along with a copy of the Notice Publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony 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.

/s/Jaclyn M. McLean
Jaclyn M. McLean

June 30, 2025
Date

**Spur Energy Partners LLC
Case No. 25450
Exhibit C**



June 17, 2025

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO: ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 25450 - 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 the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **July 10, 2025**, beginning at 9:00 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. The hearing may be held only virtually at the discretion of the Division. To confirm the manner in which the hearing will be held, and to participate virtually, please visit the OCD Hearings website at the following link: <https://www.emnrd.nm.gov/ocd/hearing-info/>. 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 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days prior to the scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. If you are not registered with the OCD's E-Permitting system, you must submit the statement via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties; whether or not the parties are represented by counsel; a concise statement of the case; the names of witnesses anticipated to be called to testify at the hearing; the approximate amount of time needed to present the case; and an identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this application, please contact Colleen Bradley, Senior Landman for Spur Energy Partners LLC, at colleen.bradley@spurenergy.com or 832-930-8615.

125 Lincoln Avenue, Suite 223
Santa Fe, NM 87501
505-230-4410

HardyMcClean.com

Writer:
Jaclyn M. McLean
Managing Partner
jmclean@hardymcClean.com

Spur Energy Partners LLC
Case No. 25450
Exhibit C-1

Hardy McLean LLC
June 17, 2025

Page 2

Sincerely,
/s/ Jaclyn M. McLean
Jaclyn M. McLean

Postal Delivery Report

Spur Red Lake B Case No. 25450

Recipient	Date Mailed	USPS Tracking Number	Date Received	Status
Riley Permian Operating Company LLC	6/17/2025	9414836208551283878345	6/21/2025	Delivered to Agent, Front Desk/Reception/Mail Room OKLAHOMA CITY, OK 73104
SEP Permian, LLC	6/17/2025	9414836208551283878376		In Transit to Next Facility, Arriving Late

Spur Energy Partners LLC
Case No. 25450
Exhibit C-2



June 21, 2025



Dear Simple Certified:

The following is in response to your request for proof of delivery on your item with the tracking number: **9414 8362 0855 1283 8783 45.**

Item Details

Status: Delivered to Agent, Front Desk/Reception/Mail Room
Status Date / Time: June 21, 2025, 1:15 pm
Location: OKLAHOMA CITY, OK 73104
Postal Product: First-Class Mail®
Extra Services: Certified Mail™
 Return Receipt Electronic
Recipient Name: RILEY PERMIAN OPERATING COMPANY LLC

Recipient Signature

Signature of Recipient: (Authorized Agent)	
Address of Recipient:	

Note: Scanned image may reflect a different destination address due to Intended Recipient's delivery instructions on file.

Thank you for selecting the United States Postal Service® for your mailing needs. If you require additional assistance, please contact your local Post Office™ or a Postal representative at 1-800-222-1811.

Sincerely,
United States Postal Service®
475 L'Enfant Plaza SW
Washington, D.C. 20260-0004

Riley Permian Operating Company LLC
 29 E Reno Ave
 Suite 500
 Oklahoma City , OK 73104
 Reference #: Spur Red Lake B 25450
 Item ID: Spur Red Lake B 25450

Spur Energy Partners LLC
Case No. 25450
Exhibit C-3

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO } SS
COUNTY OF EDDY }

Account Number: 1491
Ad Number: 52220
Description: Spur Red Lake B 25450
Ad Cost: \$80.98

Sherry Groves, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

June 21, 2025

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

Sherry Groves

Agent

Subscribed to and sworn to me this 21th day of June 2025.

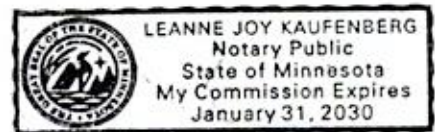
Leanne Kaufenberg

Leanne Kaufenberg, Notary Public, Redwood County Minnesota

This is to notify all interested parties, including; Riley Permian Operating Company, LLC; SEP Permian, LLC; and their successors and assigns; that the New Mexico Oil Conservation Division will conduct a hearing on the application submitted by Spur Energy Partners LLC (Case No. 25450). The hearing will be conducted on July 10, 2025, in a hybrid fashion, both virtually and in person at the Energy, Minerals, Natural Resources Department, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD website: <https://www.emnrd.nm.gov/oed/hearing-info/>. In Case No. 25450, Applicant seeks an order pooling all uncommitted interests in the San Andres formation, underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 32, Township 17 South, Range 27 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the Red Lake B State Com 110H well ("Well"), which will be drilled from a surface hole location in the SE/4 NE/4 (Unit H) of Section 32 to a bottom hole location in the SW/4 NW/4 (Unit E) of Section 32. The completed interval of the Well will be orthodox. Also to be considered will be the cost of drilling and completing the Well, the allocation of the costs, the designation of Applicant as operator of the Well and the Unit, and a 200% charge for the risk involved in drilling and completing the Well. The Well is located approximately 7 miles southeast of Artesia, New Mexico.

Published in the Carlsbad Current-Argus June 21, 2025. #52220

ADRIANNE KUNKLE
HARDY MCLEAN LLC
125 LINCOLN AVE. SUITE 223
SANTA FE, NM 87501
akunkle@hardymclean.com



Spur Energy Partners LLC
Case No. 25450
Exhibit C-4