

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie A. Kenderdine
Cabinet Secretary

Ben Shelton
Deputy Secretary

Erin Taylor
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Sarah Chapman
schapman@spurenergy.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL - 9095

**Spur Energy Partners, LLC [OGRID 328947]
Grove 16 State Com Well No. 70H
API No. 30-015-55839**

Reference is made to your application received on August 20th, 2025.

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 746 FSL & 2533 FWL | N | 16 | 17S | 31E | Eddy |
| First Take Point | 1100 FSL & 2544 FWL | N | 16 | 17S | 31E | Eddy |
| Last Take Point | 1100 FSL & 100 FWL | M | 16 | 17S | 31E | Eddy |
| Terminus | 1100 FSL & 50 FWL | M | 16 | 17S | 31E | Eddy |

Proposed Horizontal Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|---------------------|--------------|---------------------|------------------|
| S/2 SW/4 Section 16 | 80 | Fren; Glorieta-Yeso | 26770 |

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

Administrative Order NSL - 9095
Spur Energy Partners
Page 2 of 2

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

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

This well's completed interval is as close as 220 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 16, encroachment to the N/2 SW/4

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

Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells and thereby preventing waste within the Bone Spring formation underlying the S/2 SW/4 of Section 16. All while protecting the correlative rights of all parties within this formation.

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

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

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

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

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



Albert C.S. Chang
Division Director
AC/lrl

Date: 11/10/2025

Revised March 23, 2017

ID NO. 497729

NSL - 9095

| | | | |
|---------------------------|-----------|-------|---------|
| RECEIVED: 08/20/25 | REVIEWER: | TYPE: | APP NO: |
|---------------------------|-----------|-------|---------|

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Geological & Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: SPUR ENERGY PARTNERS LLC **OGRID Number:** 328947
Well Name: GROVE 16 STATE COM 70H **API:** 30-015-55839
Pool: FREN; GLORIETA-YESO **Pool Code:** 26770

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
 A. Location – Spacing Unit – Simultaneous Dedication
 NSL NSP (PROJECT AREA) NSP (PRORATION UNIT) SD
- B. Check one only for [I] or [II]
 [I] Commingling – Storage – Measurement
 DHC CTB PLC PC OLS OLM
 [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
 WFX PMX SWD IPI EOR PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
 A. Offset operators or lease holders
 B. Royalty, overriding royalty owners, revenue owners
 C. Application requires published notice
 D. Notification and/or concurrent approval by SLO
 E. Notification and/or concurrent approval by BLM
 F. Surface owner
 G. For all of the above, proof of notification or publication is attached, and/or,
 H. No notice required

| <u>FOR OCD ONLY</u> | |
|--------------------------|------------------------------|
| <input type="checkbox"/> | Notice Complete |
| <input type="checkbox"/> | Application Content Complete |

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

SARAH CHAPMAN

Print or Type Name

Sarah Chapman

Signature

AUGUST 20, 2025
Date

832-930-8613
Phone Number

SCHAPMAN@SPURENERGY.COM
e-mail Address



August 20, 2025

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Attention: Leonard Lowe

RE: ***Application for Administrative Approval of Non- Standard Location
Grove 16 State Com 70H – Fren; Glorieta-Yeso (26770)
Surface Hole – 746’ FSL 2533’ FWL Unit N Sec 16 T17S R31E
First Take Point – 1100’ FSL 2544’ FWL Unit N Sec 16 T17S R31E
Last Take Point – 1100’ FSL 100’ FWL Unit M Sec 16 T17S R31E
Bottom Hole – 1100’ FSL 50’ FWL Unit M Sec 16 T17S R31E
Proration Unit – S/2 SW/4 Sec 16 T17S R31E
Affected Tracts – N/2 SW/4 Sec 16 T17S R31E
Eddy County, New Mexico***

Dear Mr. Lowe:

Spur Energy Partners LLC respectfully requests administrative approval of a non-standard location for Grove 16 State Com 70H well, API Number 30-015-55839, Property Code 336569. The 70H well is proposed to be completed in the Fren; Glorieta-Yeso pool, Pool Code 26770. This well has an approved APD/API but an NOI Change of Plans (C-103A) has been submitted to change this well’s lateral calls.

The Grove 16 State Com 70H well will be dedicated to an 80-acre horizontal spacing unit comprising of the S/2 SW/4 of Section 16, Township 17 South, Range 31 East.

This well will encroach towards the northern boundary of the horizontal spacing unit, N/2 SW/4 of Section 16, Township 17 South, Range 31 East (map attached).

Approval of the unorthodox, completed interval will allow for efficient spacing of horizontal wells and thereby prevent waste.

To support this request, the following information has been submitted for your review:

1. Application Checklist
2. C-102 Plat for proposed well and an additional plat with offsetting affected units
3. List of affected parties in each of the units in the same pool located closer to the unorthodox well location that the minimum distance prescribed by rule or order, copies of the sign certified return copies will be furnished upon request
4. Service List

If you need any additional information, please call me at 832-930-8613.

Sincerely,

Sarah Chapman

Regulatory Director

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

WELL LOCATION INFORMATION

| | | |
|--|---|--|
| API Number 30-015-55839 | Pool Code 26770 | Pool Name FREN; GLORIETA-YESO |
| Property Code 336569 | Property Name GROVE 16 STATE COM | Well Number 70H |
| OGRID No. 328947 | Operator Name SPUR ENERGY PARTNERS LLC. | Ground Level Elevation 3789' |
| 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 |
|----------|-----------|------------|------------|-----|----------------|-----------------|---------------------|----------------------|-------------|
| N | 16 | 17S | 31E | | 746 FSL | 2533 FWL | 32.8293585°N | 103.8750173°W | EDDY |

Bottom Hole Location

| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Longitude | County |
|----------|-----------|------------|------------|-----|-----------------|---------------|---------------------|----------------------|-------------|
| M | 16 | 17S | 31E | | 1100 FSL | 50 FWL | 32.8303177°N | 103.8830997°W | EDDY |

| | | | | |
|---|---------------------------------------|---------------------------------|---|--------------------------------|
| Dedicated Acres 80 | Infill or Defining Well N/A | Defining Well API N/A | Overlapping Spacing Unit (Y/N) N | Consolidation Code C |
| Order Numbers. C-PENDING NSL-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 |
|----------|-----------|------------|------------|-----|-----------------|-----------------|---------------------|----------------------|-------------|
| O | 16 | 17S | 31E | | 1022 FSL | 1819 FEL | 32.8301248°N | 103.8719906°W | EDDY |

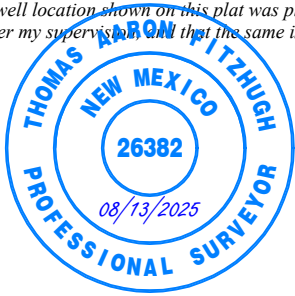
First Take Point (FTP)

| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Longitude | County |
|----------|-----------|------------|------------|-----|-----------------|-----------------|---------------------|----------------------|-------------|
| N | 16 | 17S | 31E | | 1100 FSL | 2544 FWL | 32.8303323°N | 103.8749811°W | EDDY |

Last Take Point (LTP)

| UL | Section | Township | Range | Lot | Ft. from N/S | Ft. from E/W | Latitude | Longitude | County |
|----------|-----------|------------|------------|-----|-----------------|----------------|---------------------|----------------------|-------------|
| M | 16 | 17S | 31E | | 1100 FSL | 100 FWL | 32.8303180°N | 103.8829369°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: 3789' |
|---|--|---|

| | |
|---|--|
| <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> 08/14/2025</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>Thomas Aaron Fitzhugh</i> |
| Printed Name SCHAPMAN@SPURENERGY.COM | Certificate Number 26382 |
| Email Address | Date of Survey 06/03/2024 |

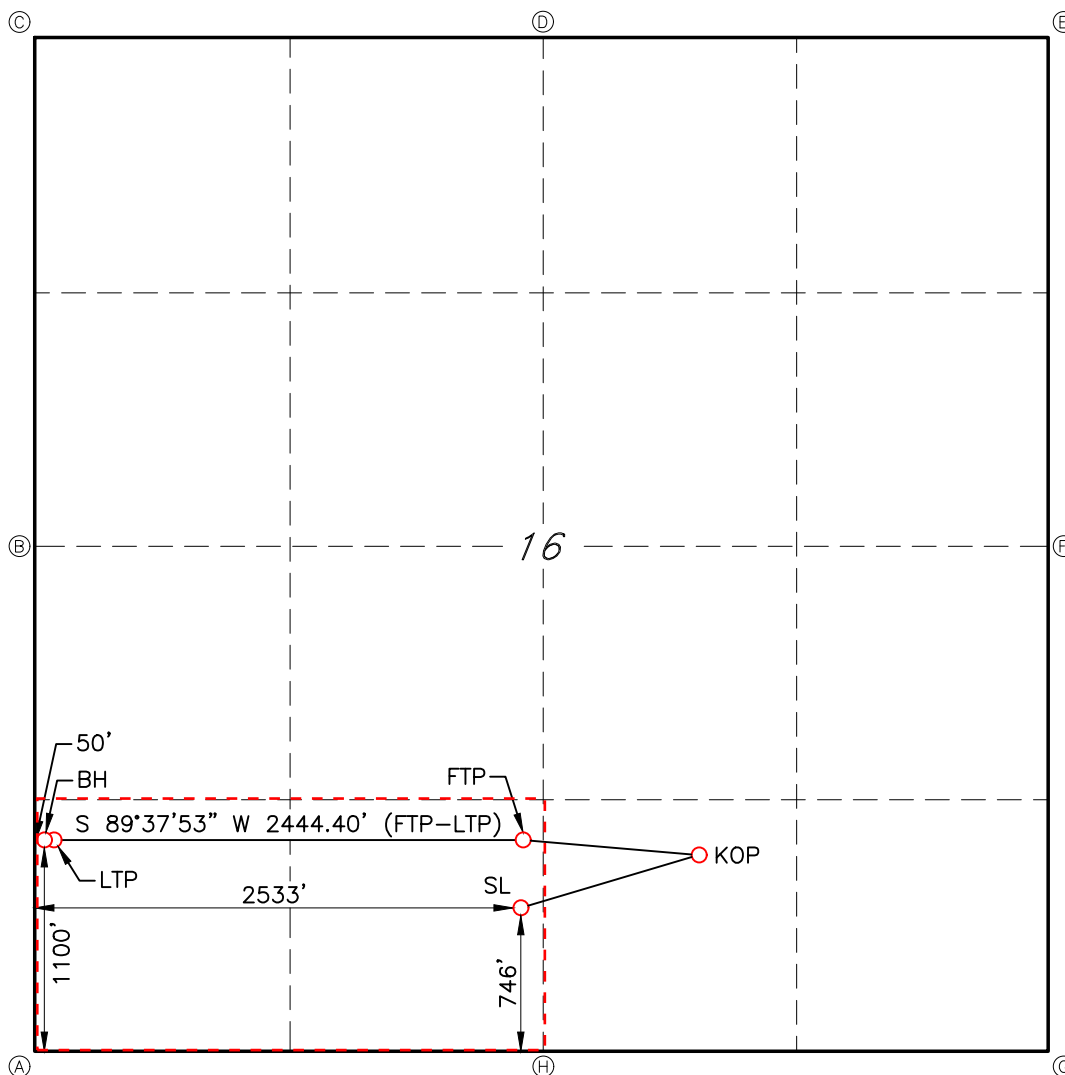
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

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.

GROVE 16 STATE COM #70H



GEODETIC DATA
NAD 83 GRID - NM EAST

CORNER DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
746' FSL & 2533' FWL SEC.16
N: 665758.8 - E: 682116.9

LAT: 32.8293585° N
LONG: 103.8750173° W

KICK OFF POINT (KOP)
1022' FSL & 1819' FEL SEC.16
N: 666041.6 - E: 683045.4

LAT: 32.8301248° N
LONG: 103.8719906° W

FIRST TAKE POINT (FTP)
1100' FSL & 2544' FWL SEC.16
N: 666113.1 - E: 682126.5

LAT: 32.8303323° N
LONG: 103.8749811° W

LAST TAKE POINT (LTP)
1100' FSL & 100' FWL SEC.16
N: 666097.4 - E: 679682.8

LAT: 32.8303180° N
LONG: 103.8829369° W

BOTTOM HOLE (BH)
1100' FSL & 50' FWL SEC.16
N: 666097.1 - E: 679632.8

LAT: 32.8303177° N
LONG: 103.8830997° W

A: FOUND BRASS CAP "1916"
N: 664997.0 - E: 679588.8

B: FOUND BRASS CAP "1916"
N: 667637.2 - E: 679574.4

C: FOUND BRASS CAP "1916"
N: 670276.7 - E: 679559.4

D: FOUND BRASS CAP "1916"
N: 670274.2 - E: 682217.6

E: FOUND BRASS CAP "1916"
N: 670310.3 - E: 684840.6

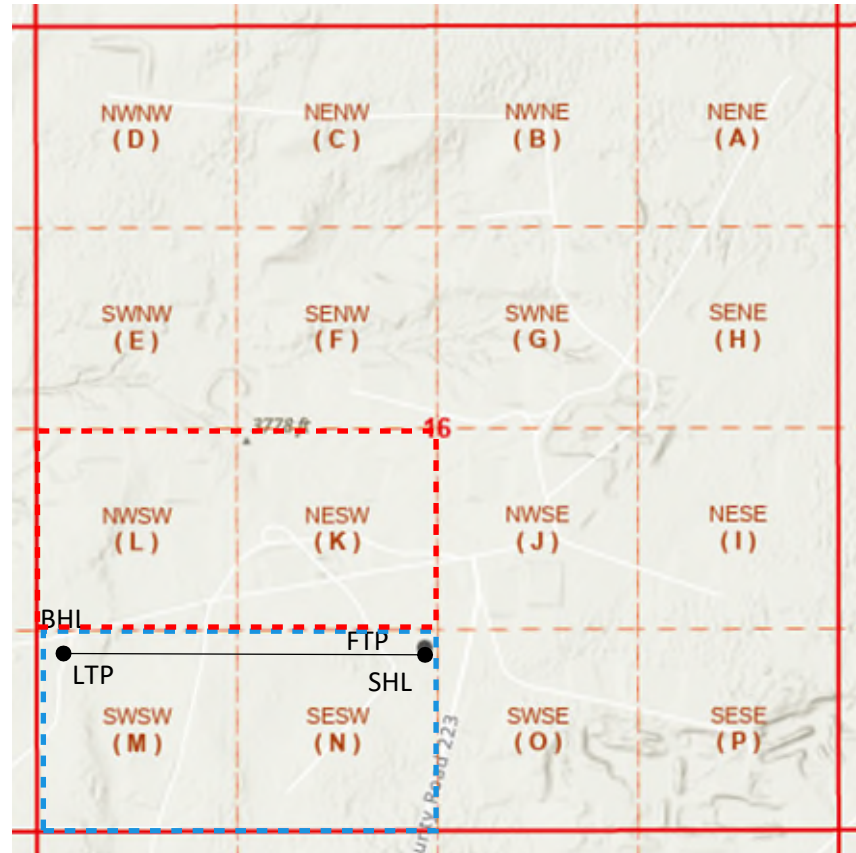
F: FOUND BRASS CAP "1916"
N: 667672.2 - E: 684855.9

G: FOUND 1/2" REBAR
N: 665033.2 - E: 684869.2

H: FOUND BRASS CAP "1916"
N: 665014.0 - E: 682228.9

JOB #: LS24050423D4

Spur Energy Partners LLC
Grove 16 State Com 70H
Section 16, Township 17 South, Range 31 East
Eddy County, New Mexico



Red Outline – Affected Tracts

Blue Outline – Horizontal Spacing

Application of Non-Standard Location - Service List

**Spur Energy Partners LLC
GROVE 16 STATE COM 70H**

New Mexico Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
Uploaded online

Operator of Fren; Glorieta-Yeso

N/2 SW/4 Sec 16 T17S R31E

Spur Energy Partners LLC
9655 Katy Freeway, Suite 500
Houston, TX 77024
Self-Notice

Mineral Interest Owner

N/2 SW/4 Sec 16 T17S R31E

New Mexico State Land Office
P.O. Box 1148
Santa Fe, NM 87504
9407 1118 9876 5472 4666 70

Copies of the application were mailed to the above individuals, companies and organizations
August 20, 2025

Sarah Chapman

Spur Energy Partners LLC



August 20, 2025

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

RE: ***Application for Administrative Approval of Non- Standard Location
Grove 16 State Com 70H – Fren; Glorieta-Yeso (26770)
Surface Hole – 746’ FSL 2533’ FWL Unit N Sec 16 T17S R31E
First Take Point – 1100’ FSL 2544’ FWL Unit N Sec 16 T17S R31E
Last Take Point – 1100’ FSL 100’ FWL Unit M Sec 16 T17S R31E
Bottom Hole – 1100’ FSL 50’ FWL Unit M Sec 16 T17S R31E
Proration Unit – S/2 SW/4 Sec 16 T17S R31E
Affected Tracts – N/2 SW/4 Sec 16 T17S R31E
Eddy County, New Mexico***

To Whom It May Concern:

Enclosed is a copy of an application, filed with the New Mexico Oil Conservation Division by Spur Energy Partners LLC, requesting administrative approval for a non-standard location. As an affected party, notice is being provided to you pursuant to Rule 19.15.4.12(A)(2)(a), 19.15.15.9(A) and 19.15.16.15(B). The well is located as follows:

The Grove 16 State Com 70H well will be dedicated to an 80-acre horizontal spacing unit comprising of the S/2 SW/4 of Section 16, Township 17 South, Range 31 East.

This well will encroach towards the northern boundary of the horizontal spacing unit, N/2 SW/4 of Section 16, Township 17 South, Range 31 East (map attached).

If you object to the well’s location, you must notify the Division in writing no later than 20 days from the date the application was received by the NMOCD (1220 South St. Francis Dr., Santa Fe, NM 87505; Attention: Leonard Lowe).

If you need any additional information, you can contact myself at 832-930-8613 or at schapman@spurenergy.com.

Thank you,

Sarah Chapman

Regulatory Director

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 497729

CONDITIONS

| | |
|---|--|
| Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024 | OGRID: 328947 |
| | Action Number: 497729 |
| | Action Type: [UF-NSL] Non-Standard Location (NSL) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| llowe | None | 9/3/2025 |