

**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. 23872

EXHIBIT INDEX

Compulsory Pooling Checklist

Exhibit A	Self-Affirmed Statement of Lance Young
A-1	Application & Proposed Notice of Hearing
A-2	C-102s
A-3	Plat of Tracts, Tract Ownership, Applicable Lease Numbers, Unit Recapitulation, Pooled Parties
A-4	Sample Well Proposal Letter & AFE
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Matthew Van Wie
B-1	Location Map
B-2	Subsea Structure Map
B-3	Structural Cross-Section
B-4	Gun Barrel Diagram
B-5	Wellbore Location Map
Exhibit C	Self-Affirmed Statement of Dana S. Hardy
C-1	Sample Notice Letter to All Interested Parties
C-2	Chart of Notice to All Interested Parties
C-3	Copies of Certified Mail Receipts and Returns
C-4	Affidavit of Publication for October 13, 2023

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23872	APPLICANT'S RESPONSE
Date	November 2, 2023
Applicant	Spur Energy Partners, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 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:	N/A
Well Family	Red Skies 10 Federal Com
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yeso Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Yeso Formation
Pool Name and Pool Code:	Red Lake; Glorieta-Yeso (Code 51120)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320-acres
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	N/2 of Section 10, Township 18 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	N/A
Proximity Tracts: If yes, description	Yes. The completed interval of the Red Skies 10 Federal Com 11H well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 10 to allow for the creation of a 320-acre standard horizontal spacing unit.
Proximity Defining Well: if yes, description	Red Skies 10 Federal Com 11H
Applicant's Ownership in Each Tract	Exhibit A-4
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 Skies Federal Com 10H (API # ---) 1060' FNL & 871' FWL (Unit D), Section 11, T18S, R27E 330' FNL & 50' FWL (Unit D), Section 10, T18S, R27E Completion Target: Yeso (Approx. 3,595' TVD)
Well #2	Red Skies 10 Federal Com 50H (API # ---) 1080' FNL & 871' FWL (Unit D), Section 11, T18S, R27E 515' FNL & 50' FWL (Unit D), Section 10, T18S, R27E Completion Target: Yeso (Approx. 4,015' TVD)
Well #3	Red Skies 10 Federal Com 11H (API # ---) 1100' FNL & 871' FWL (Unit D), Section 11, T18S, R27E 1355' FNL & 50' FWL (Unit E), Section 10, T18S, R27E Completion Target: Yeso (Approx. 3,665' TVD)
Well #4	Red Skies 10 Federal Com 51H (API # ---) 1120' FNL & 871' FWL (Unit D), Section 11, T18S, R27E 1540' FNL & 50' FWL (Unit E), Section 10, T18S, R27E Completion Target: Yeso (Approx. 4,125' TVD)
Well #5	Red Skies 10 Federal Com 12H (API # ---) 1140' FNL & 871' FWL (Unit D), Section 11, T18S, R27E 2275' FNL & 50' FWL (Unit E), Section 10, T18S, R27E Completion Target: Yeso (Approx. 3,725' TVD)
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 \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, Exhibit C-2, Exhibit 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-3
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-5
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
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:	10/30/2023

**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. 23872

**SELF-AFFIRMED STATEMENT
OF LANCE YOUNG**

1. I am a Senior Landman at 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. I am familiar with the land matters involved in the above-referenced case. 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 an order pooling all uncommitted mineral interests within the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 18 South, Range 27 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the following wells (“Wells”), which will be completed in the Red Lake, Glorieta-Yeso Pool (Code 51120):

- a. **Red Skies 10 Federal Com 10H** and **Red Skies 10 Federal Com 50H** wells, to be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 10; and

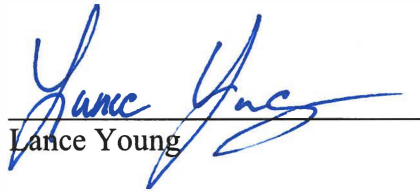
**Spur Energy Partners, LLC
Case No. 23872
Exhibit A**

- b. **Red Skies 10 Federal Com 11H, Red Skies 10 Federal Com 51H, and Red Skies 10 Federal Com 12H** wells, to be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 11 to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 10.
6. The completed intervals of the Wells will be orthodox.
7. The completed interval of the Red Skies 10 Federal Com 11H well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 10 to allow for the creation of a 320-acre standard horizontal spacing unit.
8. **Exhibit A-2** contains the C-102s for the Wells.
9. **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.
10. The party Spur seeks to pool is locatable.
11. **Exhibit A-4** contains a sample well proposal letter and AFE sent to working interest owners for the Wells. 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.
12. 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**.
13. 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 other operators in the vicinity.

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

15. 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.

16. 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 handwritten next to my signature below.


Lance Young

10/27/2023
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. _____

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Applicant”) applies for an order pooling all uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 18 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 following proposed wells (“Wells”):
 - a. **Red Skies 10 Federal Com 10H**, and **Red Skies 10 Federal Com 50H** wells, to be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 10; and
 - b. **Red Skies 10 Federal Com 11H**, **Red Skies 10 Federal Com 51H**, and **Red Skies 10 Federal Com 12H** wells, to be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 11 to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 10.
3. The completed intervals of the Wells will be orthodox.

**Spur Energy Partners, LLC
Case No. 23872
Exhibit A-1**

4. The completed interval of the Red Skies 10 Federal Com 11H well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 10 to allow for the creation of a 320-acre standard horizontal spacing unit.

5. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

6. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.

7. 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 Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 2, 2023, 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 Wells in the Unit;
- C. Designating Applicant as operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant 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 Applicant 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

Jaclyn M. McLean

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 98208623

dhardy@hinklelawfirm.com

jmclean@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 interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 18 South, Range 27 East, Eddy County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the following proposed wells ("Wells"): the **Red Skies 10 Federal Com 10H** and **Red Skies 10 Federal Com 50H** wells, to be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 10; and the **Red Skies 10 Federal Com 11H**, **Red Skies 10 Federal Com 51H**, and **Red Skies 10 Federal Com 12H** wells, to be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 11 to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 10. The completed intervals of the wells will be orthodox. The completed interval of the Red Skies 10 Federal Com 11H well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 10 to allow for the creation of a 320-acre standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant 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 9.59 miles southeast of Artesia, New Mexico.

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 51120		³ Pool Name Red Lake; Glorieta-Yeso	
⁴ Property Code		⁵ Property Name RED SKIES 10 FEDERAL			⁶ Well Number 10H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3556'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1060	NORTH	871	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	18S	27E		330	NORTH	50	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

¹⁶ <u>GEODETIC DATA</u> NAD 83 GRID - NM EAST <u>SURFACE LOCATION (SL)</u> N: 642525.9 - E: 565454.1 LAT: 32.7663138° N LONG: 104.2548754° W <u>FIRST TAKE POINT (FTP)</u> 330' FNL & 100' FEL - SEC.10 N: 643249.3 - E: 564491.2 LAT: 32.7683043° N LONG: 104.2580061° W <u>LAST TAKE POINT (LTP)</u> 330' FNL & 100' FWL - SEC.10 N: 643373.0 - E: 559409.1 LAT: 32.7686529° N LONG: 104.2745400° W <u>BOTTOM HOLE (BH)</u> N: 643374.2 - E: 559359.1 LAT: 32.7686564° N LONG: 104.2747025° W		<u>CORNER DATA</u> NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0 B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9 C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4 D: FOUND BRASS CAP "1941" N: 643640.2 - E: 561953.9 E: FOUND BRASS CAP "1941" N: 643576.8 - E: 564594.9 F: FOUND BRASS CAP "1941" N: 643603.5 - E: 567239.7 G: FOUND BRASS CAP "1941" N: 643569.0 - E: 569851.5 H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3 I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0 J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6 K: FOUND BRASS CAP "1941" N: 638374.3 - E: 564542.8 L: FOUND BRASS CAP "1941" N: 638407.8 - E: 561899.5 M: FOUND BRASS CAP "1941" N: 641004.4 - E: 564565.8	¹⁷ <u>OPERATOR CERTIFICATION</u> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____
		¹⁸ <u>SURVEYOR CERTIFICATION</u> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 10/10/2023 Date of Survey Signature and Seal of Professional Surveyor 14400 Certificate Number DALE E. BELL NEW MEXICO 14400 10/18/2023 PROFESSIONAL SURVEYOR	

pur Energy Partners, LLC

Case No. 23872
Exhibit A-2

Job No.: LS23100909

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

¹ API Number	² Pool Code 51220	³ Pool Name Red Lake; Glorieta-Yeso
⁴ Property Code	⁵ Property Name RED SKIES 10 FEDERAL	⁶ Well Number 11H
⁷ OGRID NO. 328947	⁸ Operator Name SPUR ENERGY PARTNERS LLC.	⁹ Elevation 3556'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1100	NORTH	871	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18S	27E		1355	NORTH	50	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

¹⁶ <u>GEODETIC DATA</u> NAD 83 GRID - NM EAST <u>SURFACE LOCATION (SL)</u> N: 642485.8 - E: 565453.6 LAT: 32.7662037° N LONG: 104.2548771° W <u>FIRST TAKE POINT (FTP)</u> 1355' FNL & 100' FEL - SEC.10 N: 642224.7 - E: 564479.6 LAT: 32.7654878° N LONG: 104.2580462° W <u>LAST TAKE POINT (LTP)</u> 1355' FNL & 100' FWL - SEC.10 N: 642348.3 - E: 559401.9 LAT: 32.7658363° N LONG: 104.2745653° W <u>BOTTOM HOLE (BH)</u> N: 642349.5 - E: 559351.9 LAT: 32.7658398° N LONG: 104.2747278° W	<u>CORNER DATA</u> NAD 83 GRID - NM EAST <table border="0"> <tr> <td>A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0</td> <td>H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3</td> </tr> <tr> <td>B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9</td> <td>I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0</td> </tr> <tr> <td>C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4</td> <td>J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6</td> </tr> <tr> <td>D: FOUND BRASS CAP "1941" N: 643640.2 - E: 561953.9</td> <td>K: FOUND BRASS CAP "1941" N: 638374.3 - E: 564542.8</td> </tr> <tr> <td>E: FOUND BRASS CAP "1941" N: 643576.8 - E: 564594.9</td> <td>L: FOUND BRASS CAP "1941" N: 638407.8 - E: 561899.5</td> </tr> <tr> <td>F: FOUND BRASS CAP "1941" N: 643603.5 - E: 567239.7</td> <td>M: FOUND BRASS CAP "1941" N: 641004.4 - E: 564565.8</td> </tr> <tr> <td>G: FOUND BRASS CAP "1941" N: 643569.0 - E: 569851.5</td> <td></td> </tr> </table>	A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0	H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3	B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9	I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0	C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4	J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6	D: FOUND BRASS CAP "1941" N: 643640.2 - E: 561953.9	K: FOUND BRASS CAP "1941" N: 638374.3 - E: 564542.8	E: FOUND BRASS CAP "1941" N: 643576.8 - E: 564594.9	L: FOUND BRASS CAP "1941" N: 638407.8 - E: 561899.5	F: FOUND BRASS CAP "1941" N: 643603.5 - E: 567239.7	M: FOUND BRASS CAP "1941" N: 641004.4 - E: 564565.8	G: FOUND BRASS CAP "1941" N: 643569.0 - E: 569851.5		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____
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Job No.: LS23100911

District I
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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

¹ API Number		² Pool Code 51120		³ Pool Name Red Lake; Glorieta-Yeso	
⁴ Property Code		⁵ Property Name RED SKIES 10 FEDERAL			⁶ Well Number 12H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3556'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1140	NORTH	871	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18S	27E		2275	NORTH	50	WEST	EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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

¹⁶ <u>GEODETIC DATA</u> NAD 83 GRID - NM EAST <u>SURFACE LOCATION (SL)</u> N: 642445.9 - E: 565453.3 LAT: 32.7660939° N LONG: 104.2548783° W <u>FIRST TAKE POINT (FTP)</u> 2275' FNL & 100' FEL - SEC.10 N: 641305.0 - E: 564469.2 LAT: 32.7629598° N LONG: 104.2580821° W <u>LAST TAKE POINT (LTP)</u> 2275' FNL & 100' FWL - SEC.10 N: 641428.5 - E: 559395.4 LAT: 32.7633083° N LONG: 104.2745880° W <u>BOTTOM HOLE (BH)</u> N: 641429.7 - E: 559345.4 LAT: 32.7633117° N LONG: 104.2747506° W	<u>CORNER DATA</u> NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0 B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9 C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4 D: FOUND BRASS CAP "1941" N: 643640.2 - E: 561953.9 E: FOUND BRASS CAP "1941" N: 643576.8 - E: 564594.9 F: FOUND BRASS CAP "1941" N: 643603.5 - E: 567239.7 G: FOUND BRASS CAP "1941" N: 643569.0 - E: 569851.5 H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3 I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0 J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6 K: FOUND BRASS CAP "1941" N: 638374.3 - E: 564542.8 L: FOUND BRASS CAP "1941" N: 638407.8 - E: 561899.5 M: FOUND BRASS CAP "1941" N: 641004.4 - E: 564565.8	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 10/10/2023 Date of Survey Signature and Seal of Professional Surveyor _____ 14400 Certificate Number
---	--	--	--

Job No.: LS23100913

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

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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 51120		³ Pool Name Red Lake; Glorieta Yeso	
⁴ Property Code		⁵ Property Name RED SKIES 10 FEDERAL			⁶ Well Number 50H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3556'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1080	NORTH	871	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	18S	27E		515	NORTH	50	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

¹⁶ <u>GEODETIC DATA</u> NAD 83 GRID - NM EAST <u>SURFACE LOCATION (SL)</u> N: 642505.8 - E: 565453.8 LAT: 32.7662587° N LONG: 104.2548763° W <u>FIRST TAKE POINT (FTP)</u> 515' FNL & 100' FEL - SEC.10 N: 643064.4 - E: 564489.1 LAT: 32.7677959° N LONG: 104.2580134° W <u>LAST TAKE POINT (LTP)</u> 515' FNL & 100' FWL - SEC.10 N: 643188.0 - E: 559407.8 LAT: 32.7681446° N LONG: 104.2745445° W <u>BOTTOM HOLE (BH)</u> N: 643189.3 - E: 559357.8 LAT: 32.7681480° N LONG: 104.2747071° W		<u>CORNER DATA</u> NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0 H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3 B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9 I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0 C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4 J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6 D: FOUND BRASS CAP "1941" N: 643640.2 - E: 561953.9 K: FOUND BRASS CAP "1941" N: 638374.3 - E: 564542.8 E: FOUND BRASS CAP "1941" N: 643576.8 - E: 564594.9 L: FOUND BRASS CAP "1941" N: 638407.8 - E: 561899.5 F: FOUND BRASS CAP "1941" N: 643603.5 - E: 567239.7 M: FOUND BRASS CAP "1941" N: 641004.4 - E: 564565.8 G: FOUND BRASS CAP "1941" N: 643569.0 - E: 569851.5	
¹⁷ <u>OPERATOR CERTIFICATION</u> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____		¹⁸ <u>SURVEYOR CERTIFICATION</u> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 10/10/2023 Date of Survey Signature and Seal of Professional Surveyor 14400 Certificate Number 10/18/2023 DALE E. BELL NEW MEXICO 14400 PROFESSIONAL SURVEYOR	

Job No.: LS23100910

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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811 S. First St., Artesia, NM 88210
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State of New Mexico
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 51120		³ Pool Name Red Lake; Glorieta-Yeso	
⁴ Property Code		⁵ Property Name RED SKIES 10 FEDERAL			⁶ Well Number 51H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3556'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1120	NORTH	871	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	10	18S	27E		1540	NORTH	50	WEST	EDDY

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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

¹⁶ <u>GEODETIC DATA</u> NAD 83 GRID - NM EAST <u>SURFACE LOCATION (SL)</u> N: 642465.9 - E: 565453.4 LAT: 32.7661489° N LONG: 104.2548779° W <u>FIRST TAKE POINT (FTP)</u> 1540' FNL & 100' FEL - SEC.10 N: 642039.7 - E: 564477.6 LAT: 32.7649794° N LONG: 104.2580534° W <u>LAST TAKE POINT (LTP)</u> 1540' FNL & 100' FWL - SEC.10 N: 642163.3 - E: 559400.6 LAT: 32.7653280° N LONG: 104.2745698° W <u>BOTTOM HOLE (BH)</u> N: 642164.5 - E: 559350.6 LAT: 32.7653314° N LONG: 104.2747324° W		<u>CORNER DATA</u> NAD 83 GRID - NM EAST A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0 B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9 C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4 D: FOUND BRASS CAP "1941" N: 643640.2 - E: 561953.9 E: FOUND BRASS CAP "1941" N: 643576.8 - E: 564594.9 F: FOUND BRASS CAP "1941" N: 643603.5 - E: 567239.7 G: FOUND BRASS CAP "1941" N: 643569.0 - E: 569851.5 H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3 I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0 J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6 K: FOUND BRASS CAP "1941" N: 638374.3 - E: 564542.8 L: FOUND BRASS CAP "1941" N: 638407.8 - E: 561899.5 M: FOUND BRASS CAP "1941" N: 641004.4 - E: 564565.8		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date _____ Printed Name _____ E-mail Address _____
¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. 10/10/2023 Date of Survey Signature and Seal of Professional Surveyor: _____ 14400 Certificate Number		DALE E. BELL NEW MEXICO 14400 10/18/2023 PROFESSIONAL SURVEYOR		

Job No.: LS23100912

Red Skies 10 Federal Com
Township 18 South, Range 27 East, NMPM
Section 10
Eddy County, New Mexico

Section 10

		Tract 2		Tract 4			
Tract 1							
		Tract 3		Tract 5			

Red Skies 10 Federal Com DSU
<u>Township 18 South, Range 27 East, NMPM</u>
Section 10: N2
320.00 acres
Eddy County, New Mexico
Tract 1: W/2 NW/4, 80.00 acres
Tract 2: NE/4 NW/4, 40.00 acres
Tract 3: SE/4 NW/4, 40.00 acres
Tract 4: N/2 NE/4, 80.00 acres
Tract 5: S/2 NE/4, 80.00 acres

Spur Energy Partners, LLC
Case No. 23872
Exhibit A-3

FP NOTICE PARTY CONTACT INFORMATION
--

INTERST OWNER	ADDRESS	INTEREST TYPE
Riley Exploration Permian, Inc.	29 E. Reno Ave., Ste. 500, Oklahoma City, OK 73104	WI

Red Skies 10 Fed Com (Top of Yeso to Base of Yeso) - TRACT/DSU WORKING INTEREST SUMMARY

TRACT NUMBER	LOCATION	SECTION	ACRES	TRACT PARTICIPATION FACTOR
TRACT 1	W/2 NW/4	10	80	25.00%
TRACT 2	NE/4 NW/4	10	40	12.50%
TRACT 3	SE/4 NW/4	10	40	12.50%
TRACT 4	N/2 NE/4	10	80	25.00%
TRACT 5	S/2 NE/4	10	80	25.00%
			320	100.00%
Parties to be pooled are highlighted in YELLOW				

TRACT 1	Interest Type	Record Title Ownership			
		WI	NRI	Gross Ac	Net Ac
United States of America	RI	0.000000	0.125000	80.000000	0.000000
Riley Exploration Permian, Inc.	WI	0.500000	0.437500	80.000000	40.000000
SEP Permian Holding Corp.	WI	0.500000	0.437500	80.000000	40.000000
TOTAL		1.000000	1.0000	80.000000	80.000000

PATRICK RECORD TITLE INTEREST DSU RECAPITULATION			
	Net Ac	DSU WI %	DSU NRI %
United States of America	0.000000	0.000000	0.125000
Riley Exploration Permian, Inc.	140.000000	0.437500	0.382813
SEP Permian Holding Corp.	180.000000	0.562500	0.492188
TOTAL	320.000000	1.000000	1.000000

TRACT 2	Interest Type	WI	NRI	Gross Ac	Net Ac
United States of America	RI	0.000000	0.12500000	40.000000	0.000000
SEP Permian Holding Corp.	WI	1.000000	0.87500000	40.000000	40.000000
TOTAL		1.000000	1.000000	40.000000	40.000000

TRACT 3	Interest Type	WI	NRI	Gross Ac	Net Ac
United States of America	RI	0.000000	0.12500000	40.000000	0.000000
Riley Exploration Permian, Inc.	WI	0.500000	0.437500	40.000000	20.000000
SEP Permian Holding Corp.	WI	0.500000	0.437500	40.000000	20.000000
TOTAL		1.000000	1.000000	40.000000	40.000000

TRACT 4	Interest Type	WI	NRI	Gross Ac	Net Ac
United States of America	RI	0.000000	0.12500000	80.000000	0.000000
Riley Exploration Permian, Inc.	WI	0.500000	0.437500	80.000000	40.000000
SEP Permian Holding Corp.	WI	0.500000	0.437500	80.000000	40.000000
TOTAL		1.000000	1.000000	80.000000	80.000000

TRACT 5	Interest Type	WI	NRI	Gross Ac	Net Ac
United States of America	RI	0.000000	0.12500000	80.000000	0.000000
Riley Exploration Permian, Inc.	WI	0.500000	0.437500	80.000000	40.000000
SEP Permian Holding Corp.	WI	0.500000	0.437500	80.000000	40.000000
TOTAL		1.000000	1.000000	80.000000	80.000000



August 31, 2023

Riley Exploration Permian, Inc.
Attn: Mark Smith
29 E. Reno Ave., Ste 500
Oklahoma City, OK 73104

RE: Well Proposal
Red Skies 10 Federal Com 10H, 50H, 11H, 51H, 12H
N/2 Section 10, T18S-R27E
Eddy County, New Mexico

Dear Working Interest Owner,

Spur Energy Partners, LLC ("SPUR"), an affiliate of SEP Permian Holding Corp. ("SEP"), hereby proposes to drill and complete the **Red Skies 10 Federal Com 10H, 50H, 11H, 51H, 12H** 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).

Red Skies 10 Federal Com 10H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 1,295' FNL & 1,000' FWL, Section 11, T18S-R27E
- Proposed Bottom Hole Location – 330' FNL & 50' FWL, Section 10, T18S-R27E
- TVD: ~3,595'

Red Skies 10 Federal Com 50H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 1,315' FNL & 1,000' FWL, Section 11, T18S-R27E
- Proposed Bottom Hole Location – 515' FNL & 50' FWL, Section 10, T18S-R27E
- TVD: ~4,015'

Red Skies 10 Federal Com 11H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 1,335' FNL & 1,000' FWL, Section 11, T18S-R27E
- Proposed Bottom Hole Location – 1,355' FNL & 50' FWL, Section 10, T18S-R27E
- TVD: ~3,665'

Red Skies 10 Federal Com 51H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 1,355' FNL & 1,000' FWL, Section 11, T18S-R27E
- Proposed Bottom Hole Location – 1,540' FNL & 50' FWL, Section 10, T18S-R27E
- TVD: ~4,125'

Red Skies 10 Federal Com 12H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 1,375' FNL & 1,000' FWL, Section 11, T18S-R27E
- Proposed Bottom Hole Location – 2,275' FNL & 50' FWL, Section 10, T18S-R27E
- TVD: ~3,725'

Spur Energy Partners, LLC
Case No. 23872
Exhibit A-4



SPUR proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 Section 10, T18S-R27E, 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 September 1, 2023, ("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 September 1, 2023
- 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-T18S-R27E, exclusive of existing wellbores, to SEP through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

Option 4 – Assignment Option: Assign your working interest in the N2 Section 10-T18S-R27E, exclusive of existing wellbores, to SEP for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

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 (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Murphy Lauck at 832-982-1087 or mulauck@spurenergy.com or the undersigned via email at lyoung@spurenergy.com.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lance Young", written over a white rectangular background.

Lance Young, RPL
Sr. Landman
(405) 642-9097

Enclosures

Exhibit "A"
AFEs

**Red Skies 10 Federal Com 10H**

WI Owner: Riley Exploration Permian, Inc.

WI Percent: 43.75%

_____ **Option 1)** The undersigned elects to participate in the drilling and completion of the Red Skies 10 Federal Com 10H 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 Skies 10 Federal Com 10H well.

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 _____, 2023.

Company/Individual: _____

By: _____

Name: _____

Title: _____

**Red Skies 10 Federal Com 50H**

WI Owner: Riley Exploration Permian, Inc.

WI Percent: 43.75%

_____ **Option 1)** The undersigned elects to participate in the drilling and completion of the Red Skies 10 Federal Com 50H 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 Skies 10 Federal Com 50H well.

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 _____, 2023.

Company/Individual: _____

By: _____

Name: _____

Title: _____

**Red Skies 10 Federal Com 11H**

WI Owner: Riley Exploration Permian, Inc.

WI Percent: 43.75%

_____ **Option 1)** The undersigned elects to participate in the drilling and completion of the Red Skies 10 Federal Com 11H 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 Skies 10 Federal Com 11H well.

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 _____, 2023.

Company/Individual: _____

By: _____

Name: _____

Title: _____

**Red Skies 10 Federal Com 51H**

WI Owner: Riley Exploration Permian, Inc.

WI Percent: 43.75%

_____ **Option 1)** The undersigned elects to participate in the drilling and completion of the Red Skies 10 Federal Com 51H 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 Skies 10 Federal Com 51H well.

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 _____, 2023.

Company/Individual: _____

By: _____

Name: _____

Title: _____

**Red Skies 10 Federal Com 12H**

WI Owner: Riley Exploration Permian, Inc.

WI Percent: 43.75%

_____ **Option 1)** The undersigned elects to participate in the drilling and completion of the Red Skies 10 Federal Com 12H 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 Skies 10 Federal Com 12H well.

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 _____, 2023.

Company/Individual: _____

By: _____

Name: _____

Title: _____

**Term Assignment Option**

_____ The undersigned hereby elects to assign their working interest in the N/2 of Section 10, T18S-R27E, exclusive of existing wellbores, to SEP through a term assignment with a primary term of three (3) years and a bonus consideration of \$750 per net acre, delivering a full net revenue interest (limited to the Yeso formation).

Assignment Option

_____ The undersigned hereby elects to assign their working interest in the N/2 of Section 10, T18S-R27E, exclusive of existing wellbores, to SEP for a bonus consideration of \$1,000 per net acre, delivering a full net revenue interest (all rights owned).

Agreed to and Accepted this _____ day of _____, 2023.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Authority for Expenditure
Drill, Complete, & Equip



Operator : Spur Energy Partners LLC	AFE #:	C23036
Well Name : Red Skies Federal 10H	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	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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	\$ 67,600	\$ -	\$ -	\$ -	\$ 67,600	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,355	\$ -	\$ -	\$ -	\$ 17,355	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 23,100	\$ -	\$ -	\$ -	\$ 23,100	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 186,000	\$ -	\$ -	\$ -	\$ 186,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 113,000	\$ -	\$ -	\$ -	\$ 113,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 210	\$ -	\$ -	\$ -	\$ 210	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000	\$ -
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	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 14,000	\$ -	\$ -	\$ -	\$ 14,000	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 91,527	\$ -	\$ -	\$ -	\$ 91,527	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,081,792	\$ -	\$ -	\$ -	\$ 1,081,792	\$ -

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	\$ 31,009	\$ -	\$ -	\$ -	\$ 31,009	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 229,545	\$ -	\$ -	\$ -	\$ 229,545	\$ -
2051-5400	CONDUCTOR PIPE	\$ 27,000	\$ -	\$ -	\$ -	\$ 27,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 317,554	\$ -	\$ -	\$ -	\$ 317,554	\$ -
	DRILLING TOTAL	\$ 1,399,346	\$ -	\$ -	\$ -	\$ 1,399,346	\$ -

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	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2055-2300	FRAC PLUGS	\$ 31,200	\$ -	\$ -	\$ -	\$ 31,200	\$ -
2055-2400	WELL PREP	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 481,800	\$ -	\$ -	\$ -	\$ 481,800	\$ -
2055-3400	PROPPANT	\$ 258,000	\$ -	\$ -	\$ -	\$ 258,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 205,000	\$ -	\$ -	\$ -	\$ 205,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000	\$ -
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 - ARTIFICAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
	INTANGIBLE COMPLETION SUBTOTAL	\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

		Original		Supplement		Total	
TANGIBLE COMPLETION	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
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	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 11,000	\$ -	\$ -	\$ -	\$ 11,000	\$ -
	TANGIBLE COMPLETION SUBTOTAL	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ -
	COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -

		Original		Supplement		Total	
INTANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
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	\$ 106,500	\$ -	\$ -	\$ -	\$ 106,500	\$ -

		Original		Supplement		Total	
TANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
	TANGIBLE FACILITY SUBTOTAL	\$ 343,500	\$ -	\$ -	\$ -	\$ 343,500	\$ -
	FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -

Red Skies Federal 10H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,399,346	\$ -	\$ -	\$ -	\$ 1,399,346	\$ -
COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -
FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -
TOTAL WELL COST	\$ 4,317,346	\$ -	\$ -	\$ -	\$ 4,317,346	\$ -

Partner Approval

Signed

Company

Name

Date

Title



Authority for Expenditure
Drill, Complete, & Equip



Operator : Spur Energy Partners LLC	AFE #:	C23038
Well Name : Red Skies Federal 11H	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	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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	\$ 67,600	\$ -	\$ -	\$ -	\$ 67,600	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,355	\$ -	\$ -	\$ -	\$ 17,355	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 23,100	\$ -	\$ -	\$ -	\$ 23,100	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 186,000	\$ -	\$ -	\$ -	\$ 186,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 113,000	\$ -	\$ -	\$ -	\$ 113,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 210	\$ -	\$ -	\$ -	\$ 210	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000	\$ -
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	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 14,000	\$ -	\$ -	\$ -	\$ 14,000	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 91,527	\$ -	\$ -	\$ -	\$ 91,527	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,081,792	\$ -	\$ -	\$ -	\$ 1,081,792	\$ -

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	\$ 31,009	\$ -	\$ -	\$ -	\$ 31,009	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 229,545	\$ -	\$ -	\$ -	\$ 229,545	\$ -
2051-5400	CONDUCTOR PIPE	\$ 27,000	\$ -	\$ -	\$ -	\$ 27,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 317,554	\$ -	\$ -	\$ -	\$ 317,554	\$ -
	DRILLING TOTAL	\$ 1,399,346	\$ -	\$ -	\$ -	\$ 1,399,346	\$ -

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	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2055-2300	FRAC PLUGS	\$ 31,200	\$ -	\$ -	\$ -	\$ 31,200	\$ -
2055-2400	WELL PREP	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 481,800	\$ -	\$ -	\$ -	\$ 481,800	\$ -
2055-3400	PROPPANT	\$ 258,000	\$ -	\$ -	\$ -	\$ 258,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 205,000	\$ -	\$ -	\$ -	\$ 205,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000	\$ -
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 - ARTIFICAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
	INTANGIBLE COMPLETION SUBTOTAL	\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

		Original		Supplement		Total	
TANGIBLE COMPLETION	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
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	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 11,000	\$ -	\$ -	\$ -	\$ 11,000	\$ -
	TANGIBLE COMPLETION SUBTOTAL	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ -
	COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -

		Original		Supplement		Total	
INTANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
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	\$ 106,500	\$ -	\$ -	\$ -	\$ 106,500	\$ -

		Original		Supplement		Total	
TANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
	TANGIBLE FACILITY SUBTOTAL	\$ 343,500	\$ -	\$ -	\$ -	\$ 343,500	\$ -
	FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -

Red Skies Federal 11H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,399,346	\$ -	\$ -	\$ -	\$ 1,399,346	\$ -
COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -
FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -
TOTAL WELL COST	\$ 4,317,346	\$ -	\$ -	\$ -	\$ 4,317,346	\$ -

Partner Approval

Signed

Company

Name

Date

Title



Authority for Expenditure
Drill, Complete, & Equip



Operator : Spur Energy Partners LLC	AFE #:	C23039
Well Name : Red Skies Federal 12H	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	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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	\$ 67,600	\$ -	\$ -	\$ -	\$ 67,600	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,355	\$ -	\$ -	\$ -	\$ 17,355	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 23,100	\$ -	\$ -	\$ -	\$ 23,100	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 186,000	\$ -	\$ -	\$ -	\$ 186,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 113,000	\$ -	\$ -	\$ -	\$ 113,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 210	\$ -	\$ -	\$ -	\$ 210	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000	\$ -
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	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 14,000	\$ -	\$ -	\$ -	\$ 14,000	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 91,527	\$ -	\$ -	\$ -	\$ 91,527	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,081,792	\$ -	\$ -	\$ -	\$ 1,081,792	\$ -

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	\$ 31,009	\$ -	\$ -	\$ -	\$ 31,009	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 229,545	\$ -	\$ -	\$ -	\$ 229,545	\$ -
2051-5400	CONDUCTOR PIPE	\$ 27,000	\$ -	\$ -	\$ -	\$ 27,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 317,554	\$ -	\$ -	\$ -	\$ 317,554	\$ -
	DRILLING TOTAL	\$ 1,399,346	\$ -	\$ -	\$ -	\$ 1,399,346	\$ -

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	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2055-2300	FRAC PLUGS	\$ 31,200	\$ -	\$ -	\$ -	\$ 31,200	\$ -
2055-2400	WELL PREP	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 481,800	\$ -	\$ -	\$ -	\$ 481,800	\$ -
2055-3400	PROPPANT	\$ 258,000	\$ -	\$ -	\$ -	\$ 258,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 205,000	\$ -	\$ -	\$ -	\$ 205,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000	\$ -
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 - ARTIFICAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
	INTANGIBLE COMPLETION SUBTOTAL	\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

		Original		Supplement		Total	
TANGIBLE COMPLETION	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
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	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 11,000	\$ -	\$ -	\$ -	\$ 11,000	\$ -
	TANGIBLE COMPLETION SUBTOTAL	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ -
	COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -

		Original		Supplement		Total	
INTANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
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	\$ 106,500	\$ -	\$ -	\$ -	\$ 106,500	\$ -

		Original		Supplement		Total	
TANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
	TANGIBLE FACILITY SUBTOTAL	\$ 343,500	\$ -	\$ -	\$ -	\$ 343,500	\$ -
	FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -

Red Skies Federal 12H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,399,346	\$ -	\$ -	\$ -	\$ 1,399,346	\$ -
COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -
FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -
TOTAL WELL COST	\$ 4,317,346	\$ -	\$ -	\$ -	\$ 4,317,346	\$ -

Partner Approval

Signed

Company

Name

Date

Title



Authority for Expenditure
Drill, Complete, & Equip



Operator : Spur Energy Partners LLC	AFE #:	C23040
Well Name : Red Skies Federal 50H	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	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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	\$ 86,600	\$ -	\$ -	\$ -	\$ 86,600	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,355	\$ -	\$ -	\$ -	\$ 17,355	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 29,700	\$ -	\$ -	\$ -	\$ 29,700	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 222,000	\$ -	\$ -	\$ -	\$ 222,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 141,000	\$ -	\$ -	\$ -	\$ 141,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 270	\$ -	\$ -	\$ -	\$ 270	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000	\$ -
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	\$ 99,000	\$ -	\$ -	\$ -	\$ 99,000	\$ -
2050-4000	SURFACE & INTERMEDIATE CEMENT	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 104,493	\$ -	\$ -	\$ -	\$ 104,493	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,224,418	\$ -	\$ -	\$ -	\$ 1,224,418	\$ -

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	\$ 31,009	\$ -	\$ -	\$ -	\$ 31,009	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 243,465	\$ -	\$ -	\$ -	\$ 243,465	\$ -
2051-5400	CONDUCTOR PIPE	\$ 27,000	\$ -	\$ -	\$ -	\$ 27,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 331,474	\$ -	\$ -	\$ -	\$ 331,474	\$ -
	DRILLING TOTAL	\$ 1,555,892	\$ -	\$ -	\$ -	\$ 1,555,892	\$ -

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	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2055-2300	FRAC PLUGS	\$ 31,200	\$ -	\$ -	\$ -	\$ 31,200	\$ -
2055-2400	WELL PREP	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 481,800	\$ -	\$ -	\$ -	\$ 481,800	\$ -
2055-3400	PROPPANT	\$ 258,000	\$ -	\$ -	\$ -	\$ 258,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 205,000	\$ -	\$ -	\$ -	\$ 205,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000	\$ -
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 - ARTIFICAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
	INTANGIBLE COMPLETION SUBTOTAL	\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

		Original		Supplement		Total	
TANGIBLE COMPLETION	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
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	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 11,000	\$ -	\$ -	\$ -	\$ 11,000	\$ -
	TANGIBLE COMPLETION SUBTOTAL	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ -
	COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -

		Original		Supplement		Total	
INTANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
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	\$ 106,500	\$ -	\$ -	\$ -	\$ 106,500	\$ -

		Original		Supplement		Total	
TANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
	TANGIBLE FACILITY SUBTOTAL	\$ 343,500	\$ -	\$ -	\$ -	\$ 343,500	\$ -
	FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -

Red Skies Federal 50H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,555,892	\$ -	\$ -	\$ -	\$ 1,555,892	\$ -
COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -
FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -
TOTAL WELL COST	\$ 4,473,892	\$ -	\$ -	\$ -	\$ 4,473,892	\$ -

Partner Approval

Signed

Company

Name

Date

Title



Authority for Expenditure
Drill, Complete, & Equip



Operator : Spur Energy Partners LLC	AFE #:	C23041
Well Name : Red Skies Federal 51H	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	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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	\$ 86,600	\$ -	\$ -	\$ -	\$ 86,600	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,355	\$ -	\$ -	\$ -	\$ 17,355	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 29,700	\$ -	\$ -	\$ -	\$ 29,700	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 222,000	\$ -	\$ -	\$ -	\$ 222,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 141,000	\$ -	\$ -	\$ -	\$ 141,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 270	\$ -	\$ -	\$ -	\$ 270	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000	\$ -
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	\$ 99,000	\$ -	\$ -	\$ -	\$ 99,000	\$ -
2050-4000	SURFACE & INTERMEDIATE CEMENT	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 104,493	\$ -	\$ -	\$ -	\$ 104,493	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,224,418	\$ -	\$ -	\$ -	\$ 1,224,418	\$ -

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	\$ 31,009	\$ -	\$ -	\$ -	\$ 31,009	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 243,465	\$ -	\$ -	\$ -	\$ 243,465	\$ -
2051-5400	CONDUCTOR PIPE	\$ 27,000	\$ -	\$ -	\$ -	\$ 27,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 331,474	\$ -	\$ -	\$ -	\$ 331,474	\$ -
	DRILLING TOTAL	\$ 1,555,892	\$ -	\$ -	\$ -	\$ 1,555,892	\$ -

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	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 80,000	\$ -	\$ -	\$ -	\$ 80,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 300,000	\$ -	\$ -	\$ -	\$ 300,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2055-2300	FRAC PLUGS	\$ 31,200	\$ -	\$ -	\$ -	\$ 31,200	\$ -
2055-2400	WELL PREP	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 481,800	\$ -	\$ -	\$ -	\$ 481,800	\$ -
2055-3400	PROPPANT	\$ 258,000	\$ -	\$ -	\$ -	\$ 258,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 205,000	\$ -	\$ -	\$ -	\$ 205,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ 180,000	\$ -	\$ -	\$ -	\$ 180,000	\$ -
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 - ARTIFICAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
	INTANGIBLE COMPLETION SUBTOTAL	\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

		Original		Supplement		Total	
TANGIBLE COMPLETION	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
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	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 11,000	\$ -	\$ -	\$ -	\$ 11,000	\$ -
	TANGIBLE COMPLETION SUBTOTAL	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ -
	COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -

		Original		Supplement		Total	
INTANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
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	\$ 106,500	\$ -	\$ -	\$ -	\$ 106,500	\$ -

		Original		Supplement		Total	
TANGIBLE FACILITY	DESCRIPTION	8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 85,000	\$ -	\$ -	\$ -	\$ 85,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
	TANGIBLE FACILITY SUBTOTAL	\$ 343,500	\$ -	\$ -	\$ -	\$ 343,500	\$ -
	FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -

Red Skies Federal 51H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,555,892	\$ -	\$ -	\$ -	\$ 1,555,892	\$ -
COMPLETION TOTAL	\$ 2,468,000	\$ -	\$ -	\$ -	\$ 2,468,000	\$ -
FACILITY TOTAL	\$ 450,000	\$ -	\$ -	\$ -	\$ 450,000	\$ -
TOTAL WELL COST	\$ 4,473,892	\$ -	\$ -	\$ -	\$ 4,473,892	\$ -

Partner Approval

Signed

Company

Name

Date

Title

SPUR ENERGY PARTNERS - Red Skies 10 Federal Com 10H, 50H, 11H, 51H, & 12H CASE NO. 23872 - POSTAL DELIVERY REPORT & CORRESPONDENCE HISTORY					
COURIER	TRACKING	PARTY	DELIVERY ADDRESS	DELIVERY DATE	CONTACT HISTORY
FEDEX	7732 7043 8034	Riley Exploration Permian, Inc.	29 E. Reno Ave., Ste 500 Oklahoma City, OK 73104	9/5/2023	8/31/2023: Sent Proposal 9/5/2023: Proposal Received 9/6/2023: Riley Permian acknowledged receipt and requested confirmation of WL/NRI, which Spur provided same day. No additional correspondence received. 10/5/2023: 30-Day Response Due - No response

Spur Energy Partners, LLC
Case No. 23872
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. 23872

**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 Yeso 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 paths for the proposed **Red Skies 10 Federal Com 10H, Red Skies 10 Federal Com 50H, Red Skies 10 Federal Com 11H, Red Skies 10 Federal Com 51H, and Red Skies 10 Federal Com 12H** wells ("Wells") are represented by solid black lines. 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 Glorieta (just above the top of the Yeso formation) with a contour interval of 25 feet. The structure map

Spur Energy Partners, LLC
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Exhibit B

demonstrates the formation is dipping to the southeast in this area. The formation appears consistent across the proposed spacing unit. I 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 neutron counts per second. The targeted zone for the proposed wells is labeled and highlighted on the cross-section. The logs in the cross-section demonstrate that the targeted interval is 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 Yeso formation in this acreage. The exhibit identifies the initial proposed wells (solid black lines) relative to the different intervals within the Yeso formation.

8. **Exhibit B-5** illustrates the existing wellbores within, and surrounding, the proposed Horizontal Spacing Unit ("HSU"). The total depth drilled, as reported by the New Mexico Oil Conservation Division ("NMOCD"), is listed in maroon text below each well symbol. The API SERIES number is posted in black text above and can be cross-referenced to the table below for detailed well history information. Nearby wells producing in the target formation are also identified with purple squares.

API	Well Name	Well Type	Well Status	OGRID Name	Lease Type Code	Lease Type	Measured Depth	Associated Pools
30-015-00858	EMPIRE ABO UNIT #009C	Oil	Active	APACHE CORPORATION	F	Federal	5,878	[22040] EMPIRE, ABO
30-015-22058	EMPIRE ABO UNIT #001	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,259	[22040] EMPIRE, ABO
30-015-00859	EMPIRE ABO UNIT #009D	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,000	[22040] EMPIRE, ABO
30-015-22097	EMPIRE ABO UNIT #001B	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,106	[22040] EMPIRE, ABO
30-015-00860	EMPIRE ABO UNIT #010E	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,051	[22040] EMPIRE, ABO
30-015-00857	EMPIRE ABO UNIT #010M	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,079	[22040] EMPIRE, ABO
30-015-22057	EMPIRE ABO UNIT #101	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,050	[22040] EMPIRE, ABO
30-015-23384	FEDERAL BB #001	Oil	Active	Spur Energy Partners LLC	F	Federal	9,880	[11960] CHALK BLUFF, WOLF CAMP; [85000] SCOGGIN DRAW, MORROW (GAS)
30-015-00856	EMPIRE ABO UNIT #011N	Oil	Plugged (site released)	APACHE CORPORATION	F	Federal	6,172	[22040] EMPIRE, ABO
30-015-00853	EMPIRE ABO UNIT #011E	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,000	[22040] EMPIRE, ABO
30-015-00854	PRE-ONGARD WELL #003	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	F	Federal	6071	[22040] EMPIRE, ABO
30-015-22098	EMPIRE ABO UNIT #122B	Oil	Temporary Abandonment	APACHE CORPORATION	F	Federal	6,200	[22040] EMPIRE, ABO
30-015-21555	EMPIRE ABO UNIT #121B	Oil	Active	APACHE CORPORATION	F	Federal	6,200	[22040] EMPIRE, ABO
30-015-00852	EMPIRE ABO UNIT #012E	Oil	Plugged (site released)	APACHE CORPORATION	F	Federal	6,074	[22040] EMPIRE, ABO
30-015-00855	EMPIRE ABO UNIT #012F	Oil	Plugged (site released)	APACHE CORPORATION	F	Federal	6,143	[22040] EMPIRE, ABO
30-015-22812	EMPIRE ABO UNIT #123B	Oil	Plugged (site released)	APACHE CORPORATION	F	Federal	6,225	[22040] EMPIRE, ABO

It is to be noted that a large majority of the existing wellbores within the proposed HSU produced from [22040] Empire, Abo Pool. In my review of the drilling, completion, recompletion(s) and abandonment records, 12 of the 16 wellbores appear to have all been properly Plugged & Abandoned per NMOCD regulations. And, in my opinion, present a very low risk for damage or to act as conduits for hydraulic fracturing fluids.

SEP, with experience drilling and completing over 150 Yeso laterals, has detailed operational policies in place to ensure the remaining active wells are secured prior to commencing fracturing operations. Each HSU has an independent risk assessment that determines necessary pre-operational work to each of the operated wellbores, including, but not limited to, shutting-in producing wells, stacking out rod pumped wells and setting bridge plugs in wells. Once the wells are deemed secure, SEP has a final sign off completed by senior field staff. During completion operations, the wells in the immediate vicinity are checked at a minimum of two times per day (morning and evening) with their applicable pressures monitored and recorded. SEP also provides 30-day email notice prior to commencement of hydraulic fracturing operations to offset operators of record within the HSU.

Based on the above information, it is my opinion that Spur's proposed development poses a low risk for damage to existing wellbores and reduced risk of existing wellbores providing migration pathway for fluids.

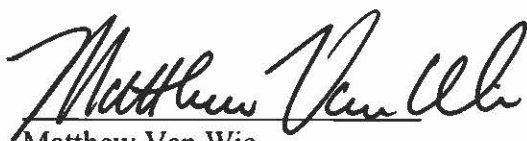
9. There is no identified preferred orientation for exploitation in this portion of the Northwest shelf based on stress orientation or production data. Thus, the laydown orientation is appropriate to properly develop this acreage using 1-mile laterals in a manner that is consistent with Spur's ownership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

10. Based on my geologic study of the area, the targeted intervals underlying the Unit are suitable for development by horizontal wells and the tracts comprising the Unit will contribute more or less equally to the production of the Wells.

11. 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.

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

13. 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

10/27/23
Date

Exhibit B-1: Red Skies 10 Federal HSU Basemap (Case No. 23872)

Spur Energy Partners, LLC
Case No. 23872
Exhibit B-1

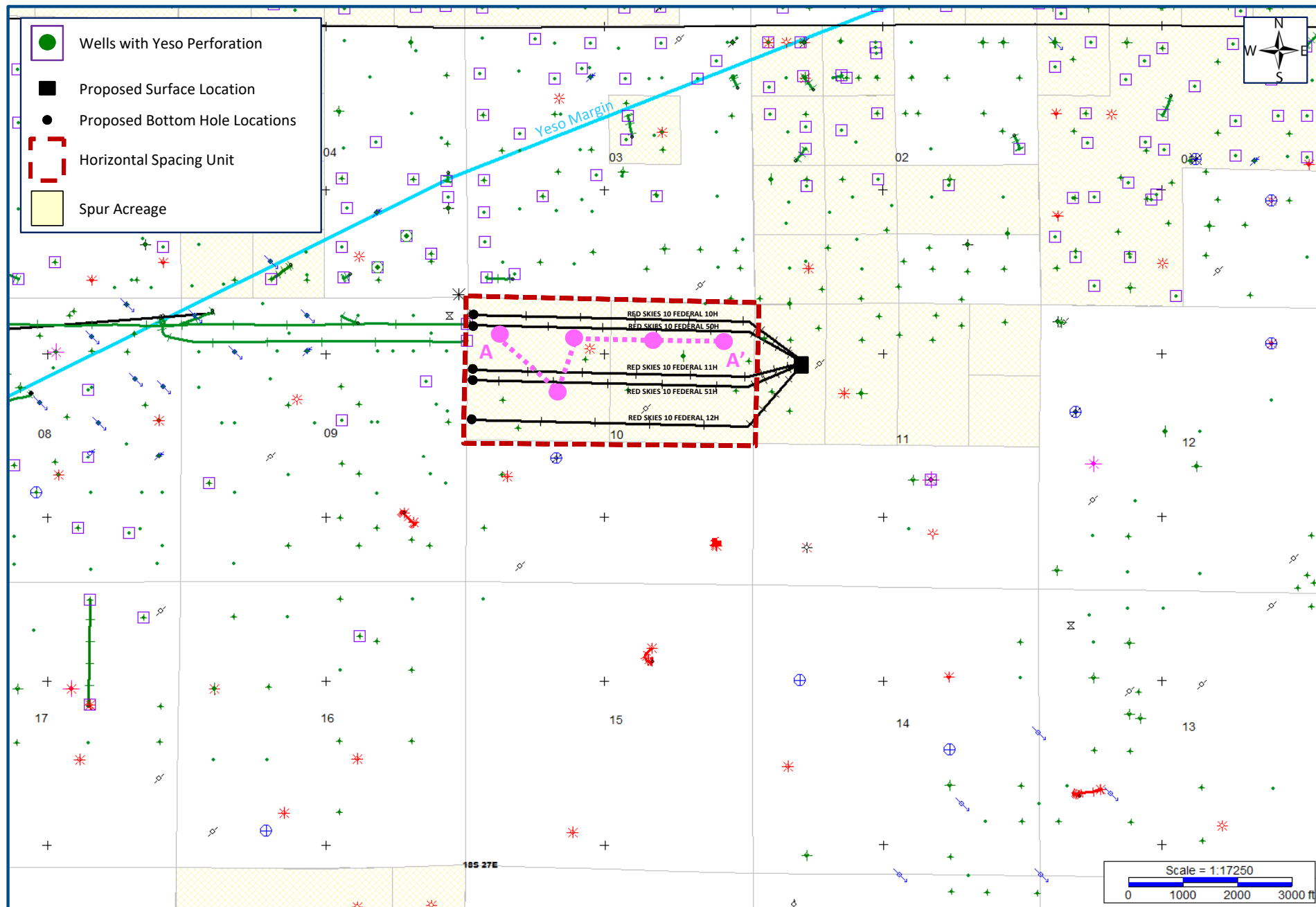
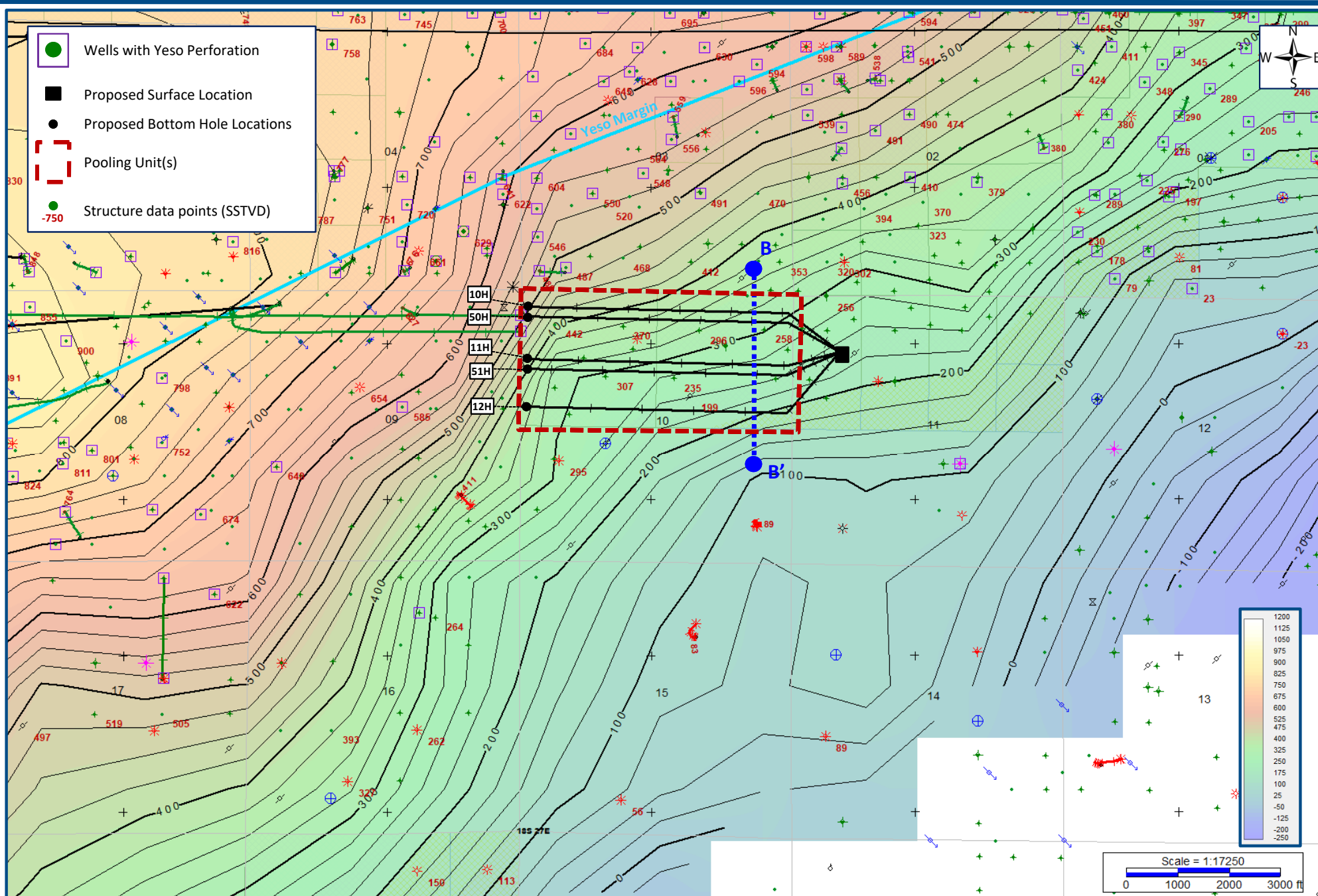


Exhibit B-2: Structure Map (SSTVD) – Top Glorieta

(Case No. 23872)

Spur Energy Partners, LLC
Case No. 23872
Exhibit B-2



Released to Imaging: 10/30/2023 9:30:05 AM

A

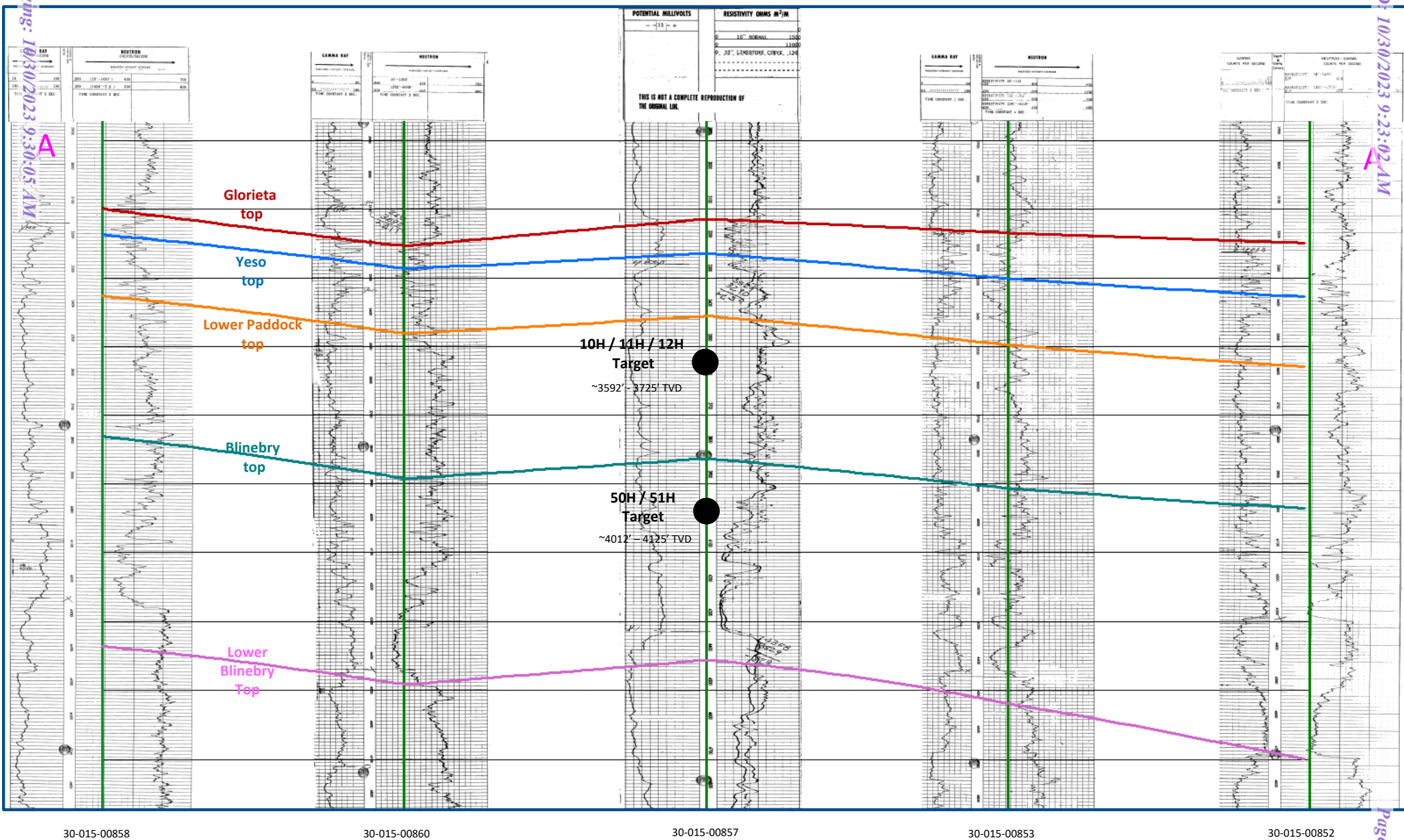
Exhibit B-3: Structural Cross Section A – A' (TVD)

Case No. 23872)

Spur Energy Partners, LLC
Case No. 23872
Exhibit B-3



Received by OGD: 10/30/2023 9:23:02 AM



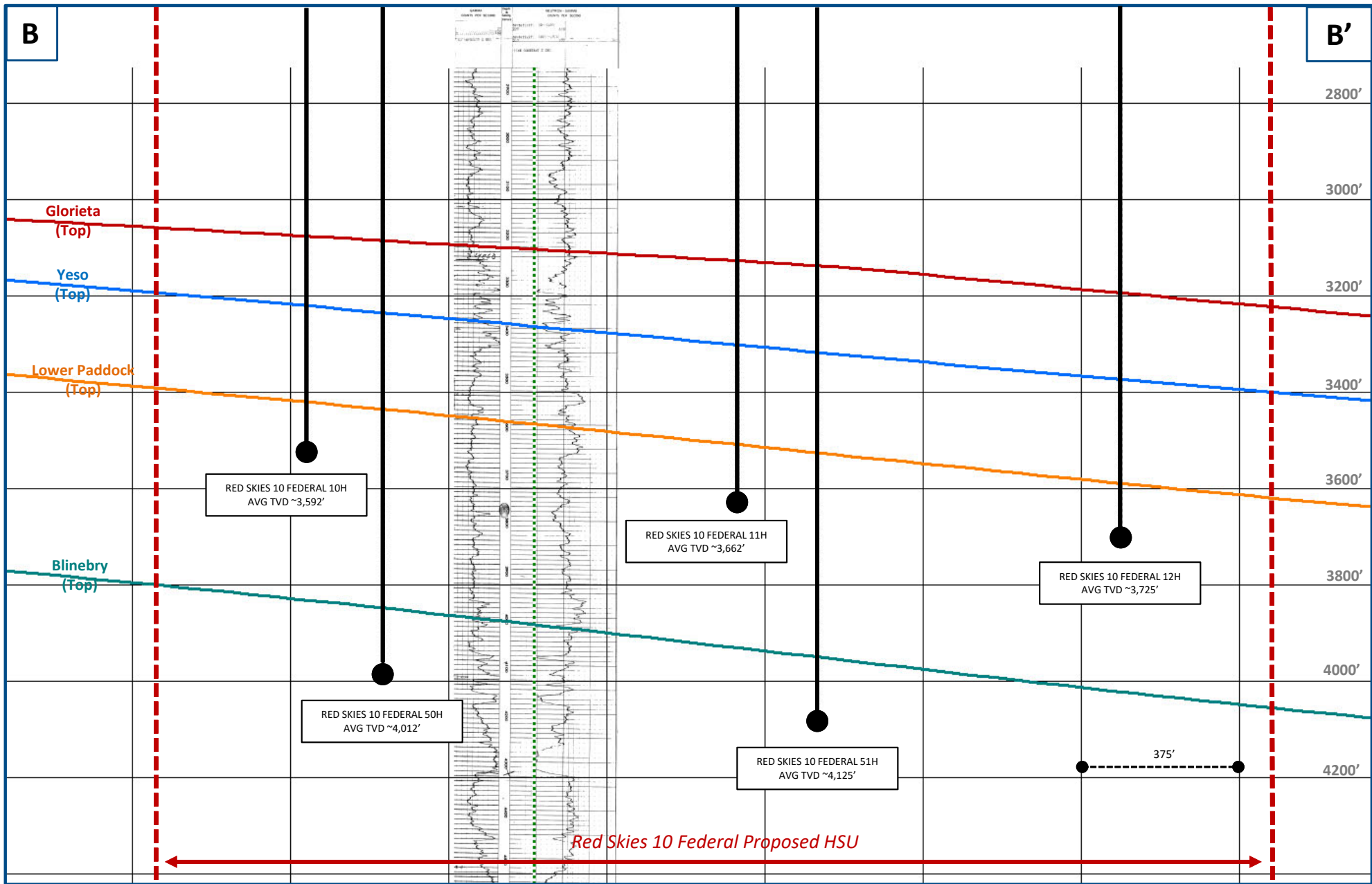


Exhibit B-5: Red Skies 10 Federal HSU Basemap

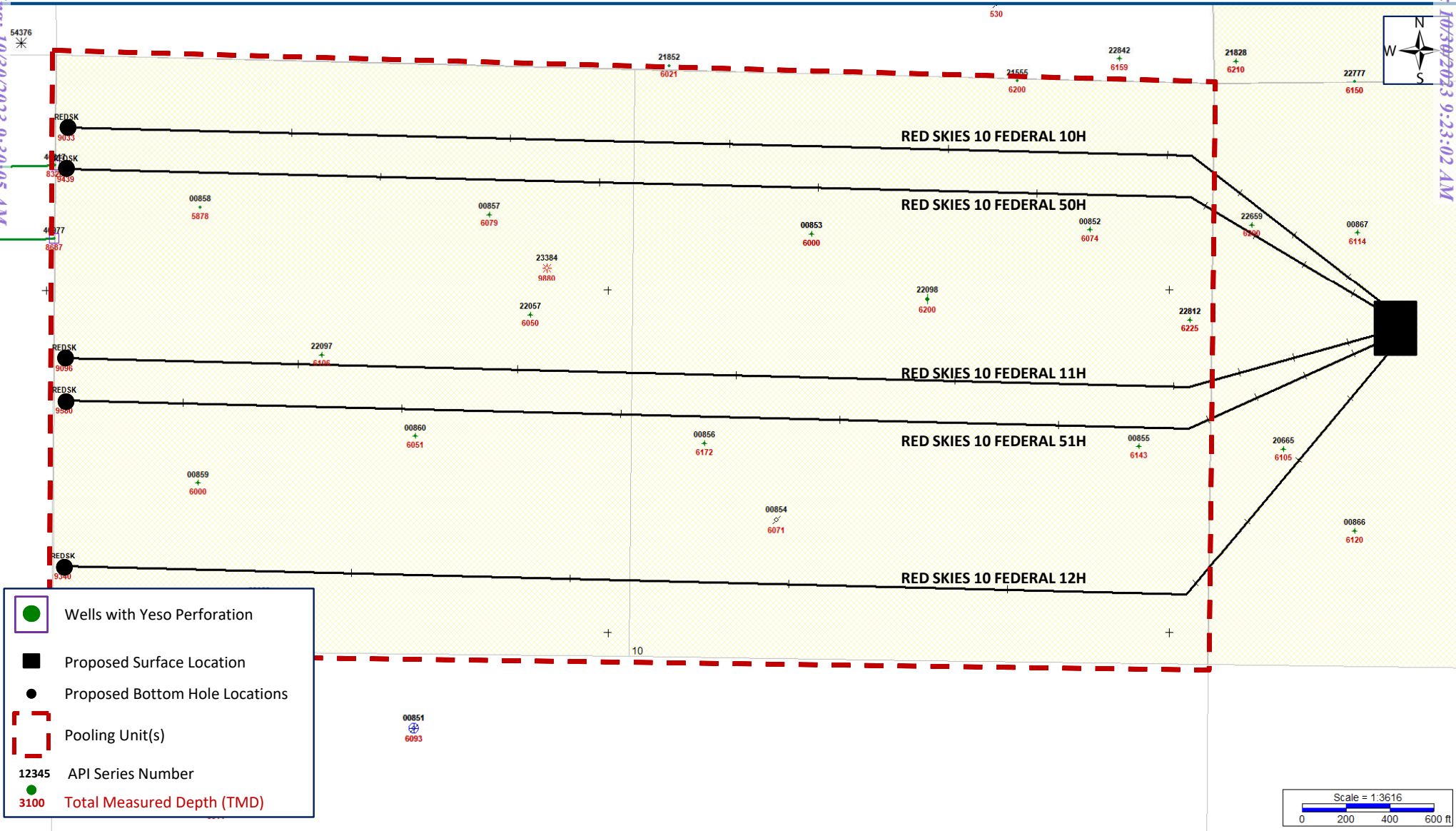
(Case No. 23872)

Spur Energy Partners, LLC
Case No. 23872
Exhibit B-5



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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. 23872

**SELF-AFFIRMED STATEMENT
OF DANA S. HARDY**

1. I am attorney in fact and authorized representative of Spur Energy Partners, LLC, the Applicant herein.

2. I am familiar with the Notice Letters attached as **Exhibit C-1** and caused each Notice Letter, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

3. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.

4. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.

5. On October 13, 2023, I caused a notice to be published to all interested parties 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 cases. I affirm that my testimony above is true and correct and it 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/ Dana S. Hardy
Dana S. Hardy

October 26, 2023
Date

**Spur Energy Partners LLC
Case No. 23872
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

505-982-4554 (FAX) 505-982-8623

WRITER:
Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

September 29, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23872 – 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 **November 2, 2023** beginning at 8:15a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/oed/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 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 submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/oed/oedpermitting/>) or via e-mail to oed.hearings@emnrd.nm.gov 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.

Please contact Lance Young, Senior Landman, Spur Energy Partners LLC, via email at lyoung@spurenergy.com, if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

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

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

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

Spur Energy Partners LLC

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Case No. 23872**Exhibit C-1**

**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. 23872

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Riley Exploration Permian, Inc. 29 E. Reno Ave., Ste. 500 Oklahoma City, OK 73104	09/29/23	10/10/23

**Spur Energy Partners LLC
Case No. 23872
Exhibit C-2**

7022 1670 0002 1190 4457

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
☐ Return Receipt (hardcopy)	\$
☐ Return Receipt (electronic)	\$
☐ Certified Mail Restricted Delivery	\$
☐ Adult Signature Required	\$
☐ Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To Riley Exploration Permian, Inc. 29 E. Reno Ave., Ste. 500 Oklahoma City, OK 73104 23872 - Spur Red Skies	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

Postmark Here
SEP 29 2023
USPS SANTA FE NM FE 87501
SANTA FE NM MAIN POST OFFICE

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
- Complete items 1, 2, and 3. - Print your name and address on the reverse so that we can return the card to you. - Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X <i>John Down</i> ☐ Agent ☐ Addressee B. Received by (Printed Name) C. Date of Delivery RECEIVED OCT 10 2023 Hinkle Shanor LLP Santa Fe NM 87504
1. Article Addressed to: Riley Exploration Permian, Inc. 29 E. Reno Ave., Ste. 500 Oklahoma City, OK 73104 23872 - Spur Red Skies 9590 9402 7635 2122 6844 93	D. Is delivery address different from item 1? ☐ Yes ☐ No If YES, enter delivery address below:
2. Article Number (Transfer from service label) 7022 1670 0002 1190 4457	3. Service Type ☐ Adult Signature ☐ Priority Mail Express® ☐ Adult Signature Restricted Delivery ☐ Registered Mail™ ☐ Certified Mail® ☐ Registered Mail Restricted Delivery ☐ Certified Mail Restricted Delivery ☐ Signature Confirmation™ ☐ Collect on Delivery ☐ Signature Confirmation Restricted Delivery ☐ Collect on Delivery Restricted Delivery ☐ Mail ☐ Mail Restricted Delivery (over \$500)
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Spur Energy Partners LLC
Case No. 23872
Exhibit C-3

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005843104

This is not an invoice

HINKLE SHANOR, LLP
POBOX 2068

SANTA FE, NM 87504

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

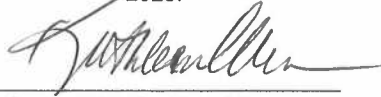
10/13/2023

This is to notify all interested parties, including Riley Exploration Permian, Inc., and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Spur Energy Partners, LLC (Case No. 23872). The hearing will be conducted remotely on November 2, 2023, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant seeks an order pooling all uncommitted interests in the Yeso formation underlying a 320-acre, more or less, standard horizontal spacing unit comprised of the N/2 of Section 10, Township 18 South, Range 27 East, Eddy County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the following proposed wells ("Wells"): the Red Skies 10 Federal Com 10H and Red Skies 10 Federal Com 50H wells, to be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 11 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 10; and the Red Skies 10 Federal Com 11H, Red Skies 10 Federal Com 51H, and Red Skies 10 Federal Com 12H wells, to be drilled from surface hole locations in the SW/4 NW/4 (Unit E) of Section 11 to bottom hole locations in the SW/4 NW/4 (Unit E) of Section 10. The completed intervals of the wells will be orthodox. The completed interval of the Red Skies 10 Federal Com 11H well will be located within 330' of the quarter-quarter section line separating the N/2 N/2 and S/2 N/2 of Section 10 to allow for the creation of a 320-acre standard horizontal spacing unit. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant 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 9.59 miles southeast of Artesia, New Mexico.

#5843104, Current Argus, October 13, 2023


Legal Clerk

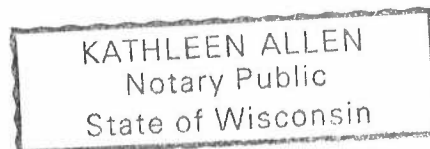
Subscribed and sworn before me this October 13, 2023:



State of WI, County of Brown
NOTARY PUBLIC



My commission expires



Ad # 0005843104

PO #:

of Affidavits 1

This is not an invoice

Spur Energy Partners LLC
Case No. 23872
Exhibit C-4