

**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

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Compulsory Pooling Checklist

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A-2	C-102s
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A-5	Sample Well Proposal Letter & AFE
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Exhibit B	Self-Affirmed Statement of Matthew Van Wie
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COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 23872	APPLICANT'S RESPONSE
Date	February 1, 2024
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:	Riley Permian Operating LLC
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-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed

Well #1	Red 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-5
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-5
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-6

Overhead Rates In Proposal Letter	Exhibit A-5
Cost Estimate to Drill and Complete	Exhibit A-5
Cost Estimate to Equip Well	Exhibit A-5
Cost Estimate for Production Facilities	Exhibit A-5
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-7
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-6
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-3
Well Bore Location Map	Exhibit B-8
Structure Contour Map - Subsea Depth	Exhibit B-5
Cross Section Location Map (including wells)	Exhibit B-6
Cross Section (including Landing Zone)	Exhibit B-6
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:	1/25/2024

**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

**AMENDED APPLICATION OF RILEY PERMIAN
OPERATING LLC FOR A HORIZONTAL SPACING
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

CASE NO. 24093

**SELF-AFFIRMED STATEMENT
OF LANCE YOUNG**

1. My name is Lance Young. I am currently employed Spur Energy Partners LLC (“Spur”) and serve as a Senior Landman for the company. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement.

2. 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. I graduated from the University of Oklahoma with a B.B.A. in Energy Management in 2014. Since 2022, I have worked for Spur as a Senior Landman. Prior to joining Spur, I served as a Senior Land Negotiator for ConocoPhillips Company (“COP”). I first started with COP in 2014 as an Associate Landman, where I assisted in the development of the Niobrara asset prior to beginning marketing efforts. In 2015, I moved to COP’s Bakken asset, where I spearheaded a team tasked with solving outstanding Title and JV discrepancies. In 2017, I moved into the Bakken Development group where I handled the Land-related development for the Bakken drilling program as well as improving company processes with both the State of North Dakota and the Bureau of Land Management (“BLM”). In 2020, I moved to COP’s Eagle Ford South group,

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

obtaining a multitude of agreements for development flexibility, while also creating and managing the curtailment tracking protocol for the asset to assure well and leasehold maintenance through significantly depressed commodity prices. I am an active member of AAPL (American Association of Professional Landmen) and HAPL (Houston Association of Professional Landmen), where I serve as the Treasurer of the organization.

3. 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**.

4. I have been directly involved in development of the horizontal spacing unit that is the subject of Spur’s application, and I am familiar with the objection filed by Riley Permian Operating Company, LLC (“Riley”). Riley has filed a competing pooling application and proposed its own development plan that overlaps with the acreage included in Spur’s proposed horizontal spacing unit.

5. Spur has operated wells in New Mexico since 2019 and has drilled and completed 129 wells in New Mexico. Of those wells, 99 were drilled and completed in the Yeso formation in Eddy County. Thus, Spur has extensive experience drilling, completing, and operating Yeso wells in this area.

6. 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”).

7. The Unit will be dedicated to the following wells (“Red Skies 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
 - 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.
8. The completed intervals of the Red Skies Wells will be orthodox.
9. 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.
10. **Exhibit A-2** contains the C-102s for the Red Skies Wells.
11. **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.
12. 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.
13. Spur controls 56.25% of the working interest in its proposed unit, and Riley owns a 43.75% working interest in Spur's proposed unit.
14. Riley seeks to pool a 400-acre horizontal spacing unit comprised of the N/2 of Section 10 and the W/2 NW/4 of Section 11, Township 18 South, Range 27 East and dedicate the unit to five wells. By including only the W/2 NW/4 of Section 11, Riley's unit carves up the N/2

of the section and strands Spur's acreage in the E/2 NW/4 and N/2 NE/4 of the section. A map that depicts Spur's and Riley's acreage in the competing spacing units, and shows that Spur's acreage will be stranded or unable to be effectively developed, is attached as **Exhibit A-4**.

15. Spur controls an estimated 44.8% of the working interest in Riley's proposed unit, and Riley owns an estimated 55.2% working interest in its proposed unit. However, Riley only achieved that level of interest in its unit by including the W/2 NW/4 of Section 11 and excising from the unit Spur's acreage in the N/2 of Section 11.

16. Spur has been actively working to develop its unit for over one year. In Q4 2022, Spur began an in-depth title review for the development of this acreage, with the necessary work for the creation of drilling and completion AFEs being completed in July of 2023. On September 1st, 2023, well proposals were sent out and the pooling hearing request was submitted. Spur submitted its well proposal to Riley on August 31, 2023, and filed its pooling application on September 26, 2023.

17. In contrast, Riley did not file its pooling application until December 5, 2023, and did not submit a well proposal until December 14, 2023.

18. Spur has the ability to timely locate well sites in this area and operate on the surface. Spur held its on-site meeting with the Bureau of Land Management ("BLM") on December 14, 2023, and the BLM has approved the location of Spur's drilling pad.

19. To Spur's knowledge, Riley has not had an on-site meeting with the BLM and the BLM has not approved Riley's well sites.

20. Spur proposes to fully develop the N/2 of Section 10 by drilling and operating the Red Skies wells from one pad. Spur's proposal to fully develop the N/2 from only one well pad will reduce environmental, surface, and economic waste.

21. In contrast, Riley proposes to utilize two well pads, which will result in surface and economic waste.

22. Spur operates wells in the adjacent acreage and has contracts in place for the takeaway of produced water and gas.

23. Riley does not operate wells in the adjacent acreage.

24. Allowing Spur to develop the N/2 of Section 10 is the most prudent way to develop the acreage at issue and will prevent waste because Spur will have the ability to coordinate development within the Unit and implement operational efficiencies, such as batch drilling, and consolidated surface facilities. Spur's plan also will allow it to separately develop the N/2 of Section 11, so no acreage will be stranded.

25. **Exhibit A-5** contains Spur's well proposal letter and AFE. 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.

26. 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-6**. As set out in the chronology, Spur has engaged in extensive negotiations with Riley for approximately six months.

27. In contrast, Riley has not engaged in good faith negotiations with Spur. Riley failed to send Spur a well proposal prior to filing its pooling application in violation of the Division's longstanding policy.

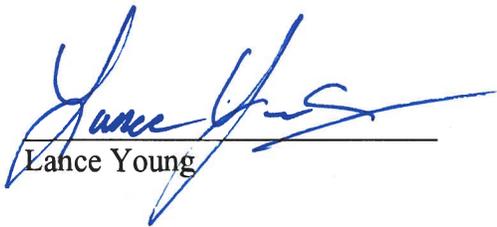
28. Riley's initial application also omitted critical information, including whether Riley was using a proximity tract well to develop its acreage. Although Riley filed an amended application, that application substantially differs from Riley's well proposal because it contains a

different bottom hole location for the wells than Riley included in its well proposal letter. Riley's well proposal letter also appears to be deficient because each well has the exact same TVD, which is likely incorrect. By failing to provide Spur with an accurate well proposal letter, Riley has failed to negotiate with Spur in good faith and has deprived Spur of the ability to evaluate Riley's proposal.

29. In my opinion, the granting of Spur's application will best serve the interests of conservation, the protection of correlative rights, and the prevention of waste. Riley's application would violate Spur's correlative rights and result in waste, and should be denied.

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

31. 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

1/25/2024
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 GRID NO. 328947		8 Operator Name SPUR ENERGY PARTNERS LLC.			9 Elevation 3556'

10 Surface Location

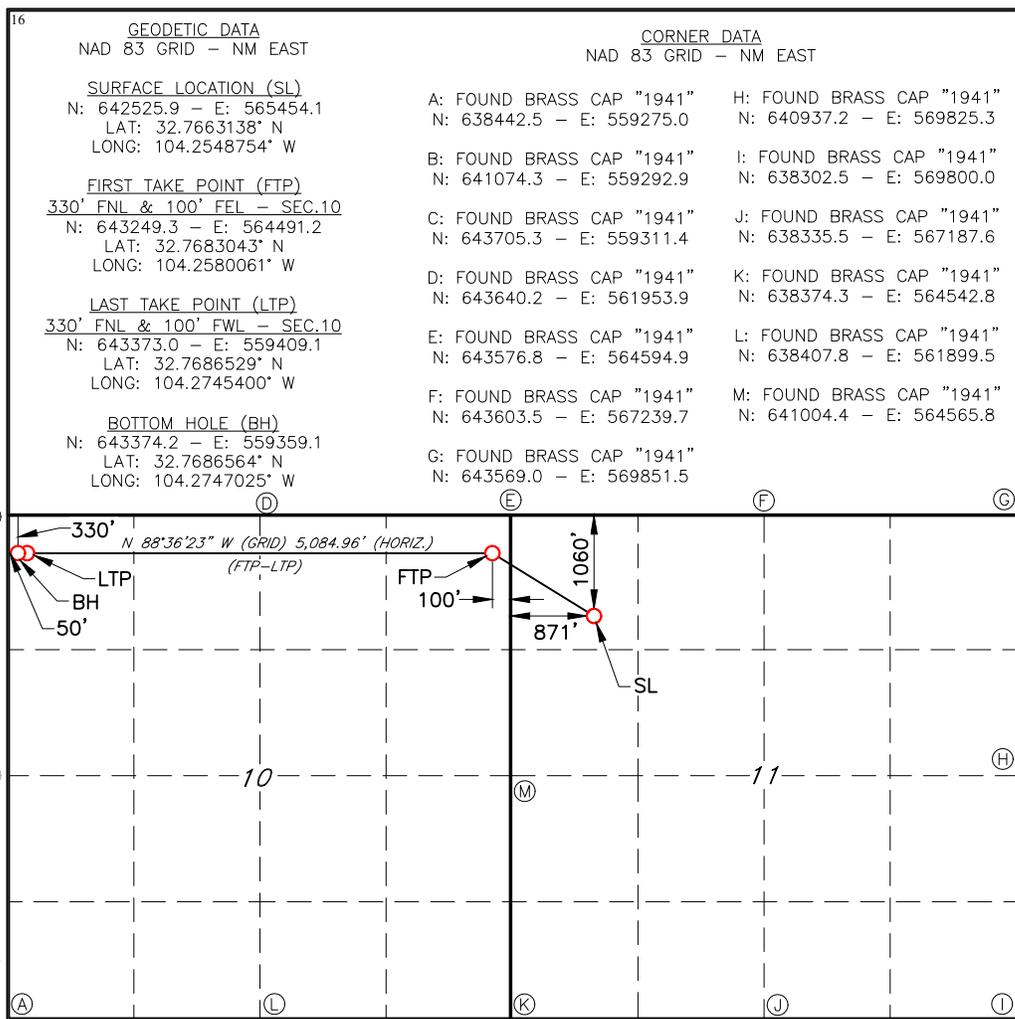
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1060	NORTH	871	WEST	EDDY

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.



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

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Santa Fe, NM 87505

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

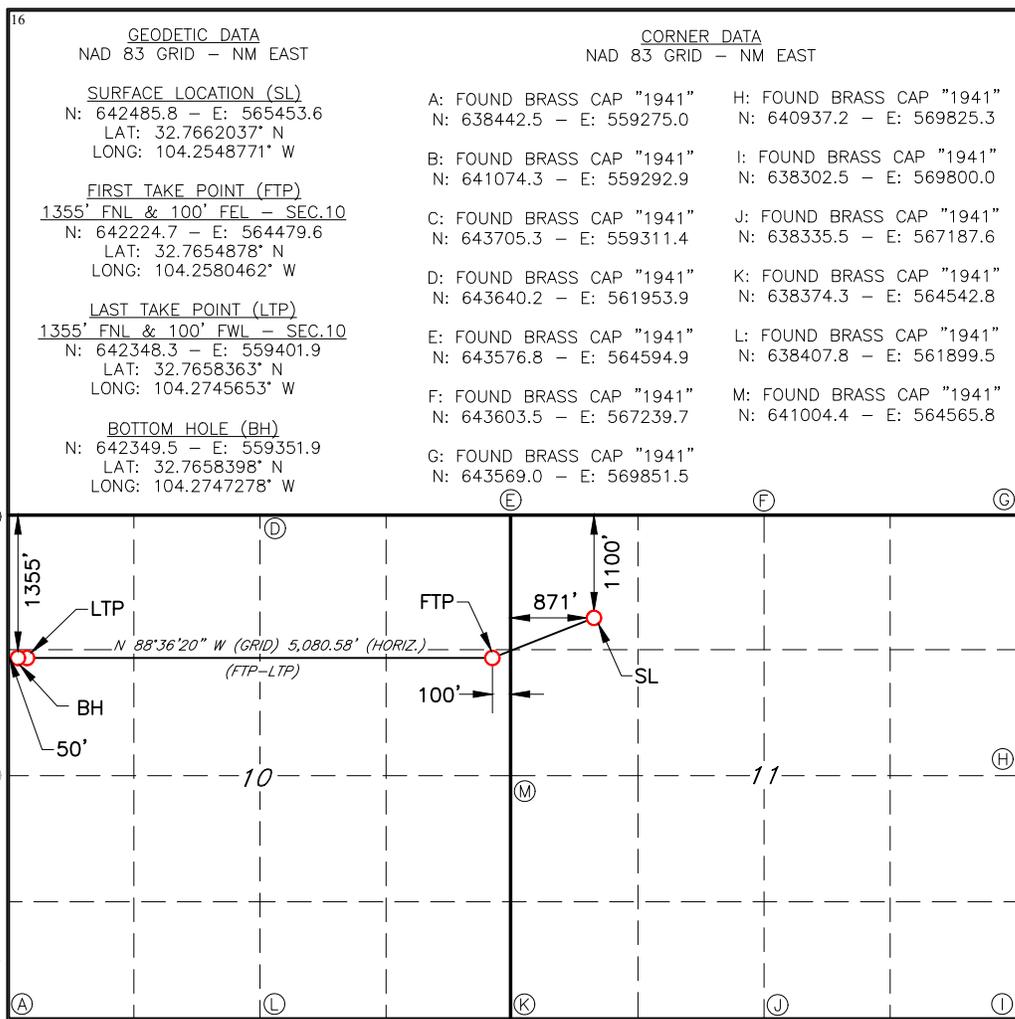
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1100	NORTH	871	WEST	EDDY

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.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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.



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
PROFESSIONAL SURVEYOR
14400
10/18/2023

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Form C-102
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Submit one copy to appropriate
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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 12H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3556'

¹⁰ Surface Location

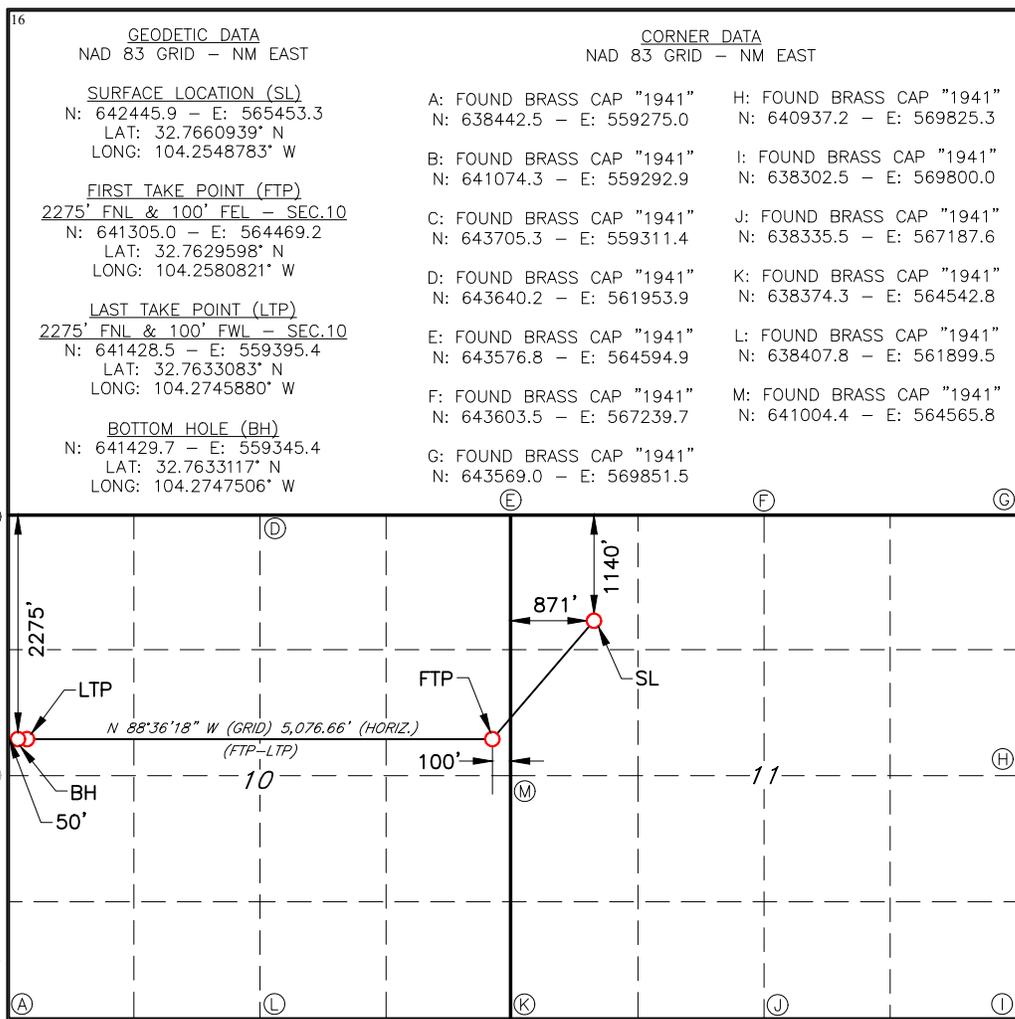
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
D	11	18S	27E		1140	NORTH	871	WEST	EDDY

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.



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
PROFESSIONAL SURVEYOR

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 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

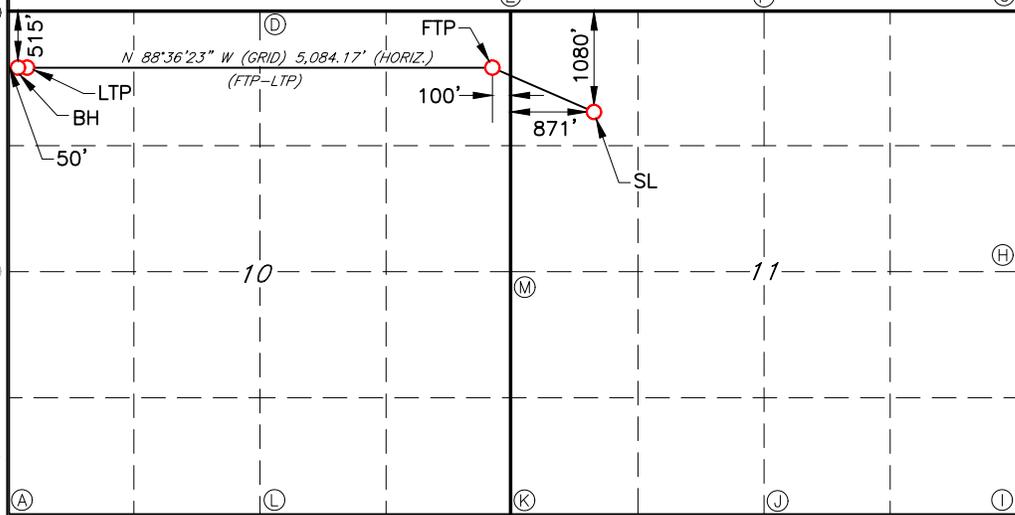
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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 GEODETIC DATA		CORNER DATA	
NAD 83 GRID - NM EAST		NAD 83 GRID - NM EAST	
<u>SURFACE LOCATION (SL)</u> N: 642505.8 - E: 565453.8 LAT: 32.7662587° N LONG: 104.2548763° W		A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0	H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3
<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		B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9	I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0
<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		C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4	J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6
<u>BOTTOM HOLE (BH)</u> N: 643189.3 - E: 559357.8 LAT: 32.7681480° N LONG: 104.2747071° W		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	

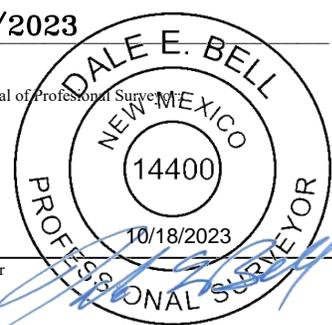
¹⁷ OPERATOR CERTIFICATION
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to 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 _____



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
10/18/2023



Job No.: LS23100910

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
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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 51H
7 GRID 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

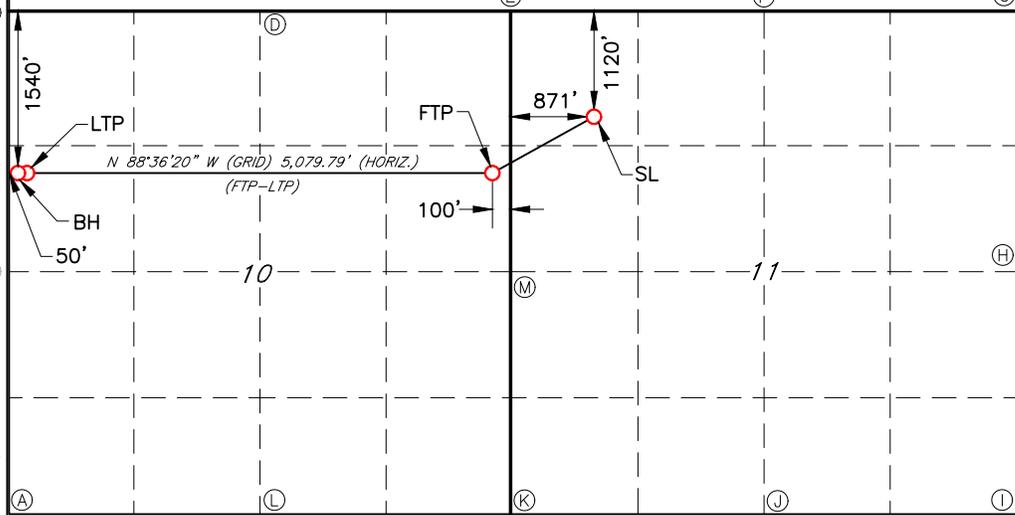
12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
---------------------------	--------------------	-----------------------	--------------

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 GEODETIC DATA		CORNER DATA	
NAD 83 GRID - NM EAST		NAD 83 GRID - NM EAST	
<u>SURFACE LOCATION (SL)</u> N: 642465.9 - E: 565453.4 LAT: 32.7661489° N LONG: 104.2548779° W		A: FOUND BRASS CAP "1941" N: 638442.5 - E: 559275.0	H: FOUND BRASS CAP "1941" N: 640937.2 - E: 569825.3
<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		B: FOUND BRASS CAP "1941" N: 641074.3 - E: 559292.9	I: FOUND BRASS CAP "1941" N: 638302.5 - E: 569800.0
<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		C: FOUND BRASS CAP "1941" N: 643705.3 - E: 559311.4	J: FOUND BRASS CAP "1941" N: 638335.5 - E: 567187.6
<u>BOTTOM HOLE (BH)</u> N: 642164.5 - E: 559350.6 LAT: 32.7653314° N LONG: 104.2747324° W		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 _____



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

**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
Township 18 South, Range 27 East, NMPM
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

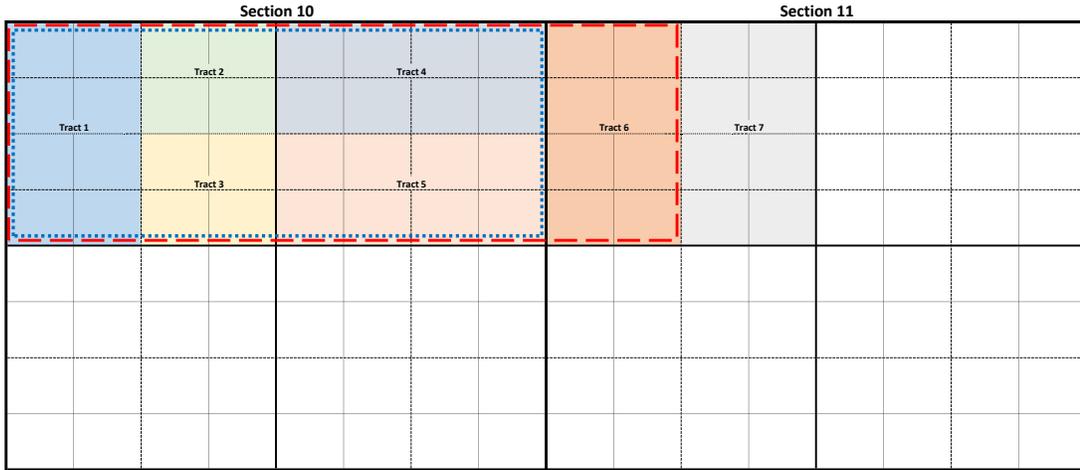
TRACT 2	Interest Type	WI	NRI	Gross Ac	Net Ac
United States of America	RI	0.000000	0.12500000	40.000000	0.000000
SEP Permian Holding Corp.	WI	1.000000	0.87500000	40.000000	40.000000
TOTAL		1.000000	1.000000	40.000000	40.000000

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

Red Skies 10 Federal Com & Walter 18271011 DSU Plat
Township 18 South, Range 27 East, NMPM
Sections 10 & 11
Eddy County, New Mexico



 Red Skies 10 Federal Com DSU

 Walter 18271011 DSU

Township 18 South, Range 27 East, NMPM
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
Tract 6: W/2 NW/4, 80.00 acres
Tract 7: E/2 NW/4, 80.00 acres

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



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-5



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 - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 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	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 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	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		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/TURKEY)	\$ 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 - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 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	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 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	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		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	Net	Supplement	Net	Total	Net
		8/8ths		8/8ths		8/8ths	
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 - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 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	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 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	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		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	Net	Supplement	Net	Total	Net
		8/8ths		8/8ths		8/8ths	
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 - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 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	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 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	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		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	Net	Supplement	Net	Total	Net
		8/8ths		8/8ths		8/8ths	
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/TURKEY)	\$ 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 - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,243,000	\$ -	\$ -	\$ -	\$ 2,243,000	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 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	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 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	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		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	Net	Supplement	Net	Total	Net
		8/8ths		8/8ths		8/8ths	
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	<p>8/31/2023: Sent Proposal</p> <p>9/5/2023: Proposal Received</p> <p>9/6/2023: Riley Permian acknowledged receipt and requested confirmation of WI/NRI, which Spur provided same day. No additional correspondence received.</p> <p>10/5/2023: 30-Day Response Due - No response</p> <p>10/30/2023: Riley Permian files Entry of Appearance and Notice of Intervention in Case No. 23872</p> <p>12/5/2023: Riley Permian filed a Competing Application in Case No. 24093. The Application sought approval of an overlapping spacing unit but did not identify an overlapping spacing unit and did not identify a proximity tract well.</p> <p>12/14/2023: Spur received Riley Permian's proposals for the Walter 18271011 wells. The proposals contain numerous errors.</p> <p>12/20/2023: Spur received letter from Beatty & Wozniak re: Letter to Interest Owners re: Case No. 24093.</p> <p>1/9/2024: Riley filed an amended application that withdrew its request for an overlapping spacing unit and clarified the proximity tract well.</p>

**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. My name is Matthew Van Wie. I am currently employed by Spur Energy Partners LLC (“Spur”) and serve as Vice President of Geosciences for the company. I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement

2. 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. My education and work experience are as follows: I graduated from the University of Texas at Austin with a B.S. in Geological Sciences in 2000. Since 2019, I have worked for Spur as Vice President - Geosciences. Prior to joining Spur, I served as Director – Geology for WildHorse Resource Development (“WRD”) where I led the Eagleford development and exploration efforts until it was acquired by Chesapeake Energy Corporation in 2019. Prior to WRD, I joined WildHorse Resources II, LLC as a Geology Manager and was actively involved in the horizontal development and growth of Terryville Field in North Louisiana which went public through Memorial Resource Development. I started my career at Anadarko Petroleum (“APC”) developing and expanding onshore opportunities in the US Lower 48. In 2005, I transferred to the Gulf of Mexico region working as a Geologist in several key deep-water development projects. I returned onshore in 2010 as lead geoscientist in APC’s Appalachian Basin team overseeing horizontal well development in the Marcellus shale. Then, in 2012 I was transferred to the East

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

Texas Carthage asset, where I managed the development of both Haynesville Shale and Lower Cotton Valley sandstone reservoirs as Development Team Lead. I am an active member of AAPG (American Association of Petroleum Geologists) and HGS (Houston Geological Society).

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

4. In this case, Spur is targeting the Yeso formation.

5. **Exhibit B-1** is an overview slide illustrating Spur's experience as operator of horizontal (and vertical) wells in the Yeso Formation. The slide contains a map on the right side of the exhibit depicting the Yeso trend in yellow overlaid with Spur's acreage position (blue) along the Permian Northwest Shelf in New Mexico. The left side of the exhibit highlights some key company statistics. In total, Spur has approximately 85,000 net acres along trend. Its interests include more than 3,000 producing vertical wells and, more than 400 horizontal wells. Since acquiring its interests in New Mexico in 2019, Spur has maintained an active 1-rig program and has drilled and completed 129 horizontal wells. Additionally, Spur is highly committed to the communities where we work and the long-term sustainability of its operations in New Mexico.

6. **Exhibit B-2** is another map of the Yeso trend outlined with dashed lines in southeastern New Mexico. It depicts vertical and horizontal producing wells in dark blue that are operated by Spur, 2509 of the 2920 wellbores are completed in the Yeso formation. It also shows wells operated by Riley Permian Operating Company LLC ("Riley") in red. Riley operates a gross total of 231 wellbores, of which 158 are completed in the Yeso (source IHS Energy). Riley has drilled only 6 laterals since their purchase of oil and natural gas assets from Pecos Oil & Gas, an affiliate of Cibolo Energy Partners LLC, in the second quarter of year 2023. This distinction in operated well count is important because Spur's extensive position along the NW shelf provides a

competitive advantage versus its peers as it pertains to on-going operations, infrastructure, and flow assurance: Spur has over 100 field employees dedicated to the assets; Spur has an operated SWD system which includes 51 SWD wells with over 180 miles of pipe capable of disposing >190,000 barrels of water / day which easily supports an active I-rig program. In addition, Spur has access to multiple other SWD systems with incremental capacity of >100,000 barrels of water / day. Spur also has access to significant gas gathering and processing infrastructure across the position and recently completed a major midstream project with Durango in 2022 allowing Spur to eliminate the need for routine flaring. Finally, Spur strives to be an ESG leader and has initiated strategies to ensure energy responsibility in partnership with its communities.

7. **Exhibit B-3** 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.

8. Because this area is environmentally sensitive, surface impacts are an important consideration. **Exhibit B-4** is a timeline of events that establishes the extensive due diligence by Spur to properly identify and secure a pad site and associated infrastructures routes (electric, access road, water disposal, and gas takeaway) for the Red Skies Unit. In summary, well location packages (C102’s) are complete for each proposed lateral. Additionally, there was an on-site attended by several representatives from the Bureau of Land Management (“BLM”) on 12/14/2023

at which time the location and routes were fully approved as proposed. Spur is currently in the process of submitting detailed drill permits for review and consideration with the BLM. If Spur's proposal is approved, Spur will only require one surface location to develop the N/2 of acreage at issue. Riley's alternative development plan, as discussed in later exhibits, will require an additional surface location.

9. **Exhibit B-5** 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 shows a modest apparent dip of approximately 1.5 degrees 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.

10. **Exhibit B-6** 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.

11. **Exhibit B-7** 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 members within the Yeso formation.

12. **Exhibit B-8** 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.

API	Well Name	Well Type	Well Status	DGRID 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 #901	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,259	[22040] EMPIRE, ABO
30-015-00859	EMPIRE ABO UNIT #0090	Oil	Plugged (site released)	BP AMERICA PRODUCTION COMPANY	F	Federal	6,000	[22040] EMPIRE, ABO
30-015-22097	EMPIRE ABO UNIT #901B	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 88 #003	Oil	Active	Spur Energy Partners LLC	F	Federal	9,880	[11960] CHALK BLUFF, WOLF CAMP; [85000] SCODGIN 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 #121E	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

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, these present a very low risk for damage or to act as conduits for hydraulic fracturing fluids.

SEP, with experience drilling and completing over 125 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.

13. **Exhibit B-9** is basemap depicting Riley's proposed development plan as submitted via partner proposal dated Dec. 14th, 2023 (proposal is inset at bottom left of slide). Riley's proposed plan contemplates a 5-well development: **Walter 18271011 11H, Walter 18271011 22H, Walter 18271011 13H, Walter 18271011 24H, and Walter 18271011 15H** ("Riley Wells"). The basemap also shows a line bisecting the proposed spacing unit from C to C' which is depicted in a gun barrel diagram in a later exhibit to illustrate the differing plans of development between the two companies. The Riley wells are presented as 6250' length laterals, presumably to simply gain a majority working interest percentage by extending the wells into the NW1/4 of Section 11. By doing so, Riley leaves offsetting Section 11 in a sub-optimal development having to resort to shorter laterals. Additionally, based on the bottom hole location footage calls, Riley's proposal strands acreage and resource in the south half of the proposed HSU, thereby leaving behind valuable recoverable reserves of oil and gas.

14. **Exhibit B-10** is a gun barrel comparing Spur's development plan (black lines) to Riley's proposed plan (red lines). Spur's development plan, as illustrated in previous exhibits, is to drill 5 horizontal wells within 2 proven and productive members of the Yeso formation. Three wells will be landed in the Paddock member and two wells will be landed in the upper Blinebry member (approximately 400' deeper than the Paddock landing zone). These wells will be spaced ~950+ feet apart from each other stratigraphically (side by side in the same zone), with the lower bench being offset by ~500' feet from the upper bench. This "wine-rack" approach to well spacing is preferred to maximize oil recovery from a volume of rock while reducing chances for vertical

communication between wells of different targets. The well spacing and lateral length of the proposed Unit is consistent with the landing and spacing of similar Spur operated HSU's along trend. This is done to maximize the recovery of the oil and gas, while minimizing potential negative effects of frac hits, well interference (hydraulic communication), and competitive drainage.

The landing zones for Riley's proposed wells (shown in red) are in the same zone at 330' effective same zone spacing, which increases the likelihood of negative interference between wells and decreases the effective drainage of the entire section. Additionally, based on the lateral target true vertical depths, there is no consideration for Blinebry development. Subsequent drilling within the Blinebry interval would not be effective development after having produced large volumes of oil and gas from the overlying Paddock, as pressure depletion would potentially result in severe "parent-child" well interference effects. Riley's inability to co-complete the Blinebry would result in waste of oil and gas.

15. The inset table below illustrates the total well and completion AFE costs for Spur's proposed plan of development which are estimated to be approximately \$21,899,822 for five 1-mile horizontal wells compared to Riley's estimated well and completion AFE costs of approximately \$29,329,000 for five 1-1/4 mile laterals. Given differences in completable lateral length between the proposals (and associated costs), Spur normalized development capital expenditures to a "dollar(\$)/lateral foot" metric. Overall, Spur's proposed plan of development is estimated to cost \$875.99 / lateral foot vs. Riley Permian's proposed plan estimate of \$938.53 / lateral foot. Spur's plan results in a more cost-effective and efficient plan of development.

Spur Proposed Wells (5000')	Total AFE Cost	Riley Proposed Wells (6500')	Total AFE Cost
Red Skies 10 Federal 10H	\$4,317,346.00	Walter 18271011 11H	\$5,865,800.00
Red Skies 10 Federal 11H	\$4,317,346.00	Walter 18271011 13H	\$5,865,800.00
Red Skies 10 Federal 12H	\$4,317,346.00	Walter 18271011 15H	\$5,865,800.00
Red Skies 10 Federal 50H	\$4,473,892.00	Walter 18271011 22H	\$5,865,800.00
Red Skies 10 Federal 51H	\$4,473,892.00	Walter 18271011 24H	\$5,865,800.00
Total 5 Well Cost	\$21,899,822.00		\$29,329,000.00
Well Cost / Total Lateral footage	\$875.99		\$938.53

16. 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.

17. 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.

18. For the reasons set out above, it is my opinion that granting Spur's applications will best prevent waste (surface, underground, environmental, and economic), protect correlative rights, and prevent the drilling of unnecessary wells. In contrast, Riley's application violates Spur's correlative rights and results in waste. Spur is ready to commence drilling and should be permitted to proceed with applications to the BLM and State of New Mexico with its development plan.

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

20. 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


Date

Exhibit B-1: Spur Energy Partners LLC Overview

(Case No. 23872)

Spur Overview

- * Established operator on the NW shelf since 2019
- * Continuously operating 1 rig; drilling ~45 wells per year
- * Drilled and completed 129 horizontal wells since inception
- * Highly committed to the community where we work and long-term sustainability

Spur Key Statistics

Yeso Net Acres	~85,000
HBP %	95%+
Current Gross Production (MBoe/d)	~34 MBoe/d
% Liquids	~75%
Producing Well count	3,500+
Well count online since inception	129

Consolidated Position on the Northwest Shelf

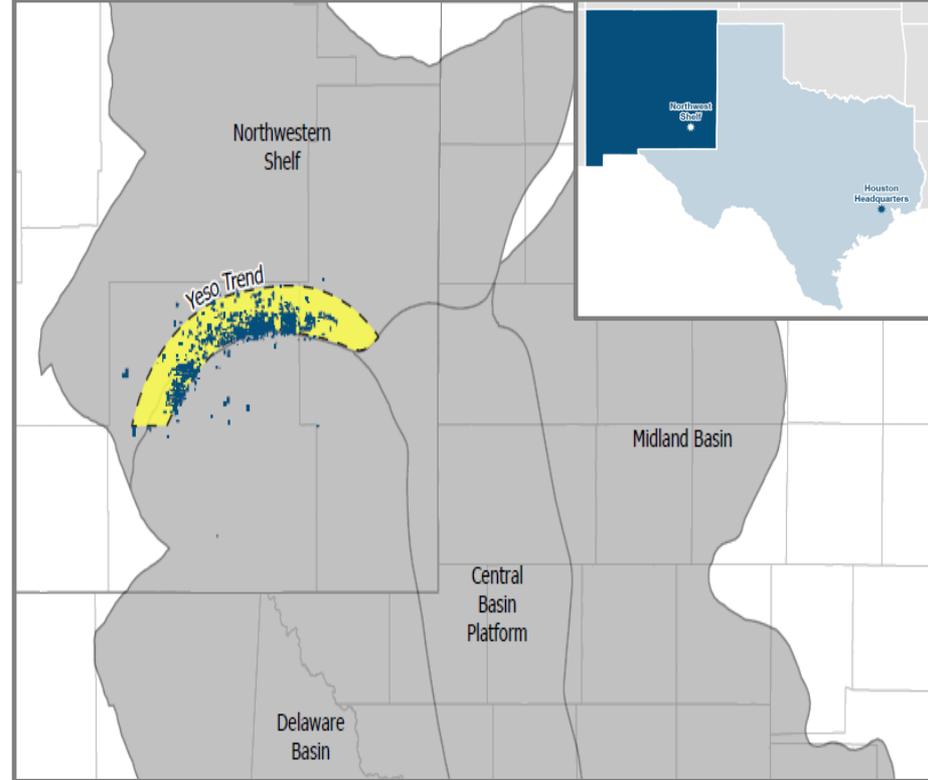


Exhibit B-2. Operator Comparison – Producing Wells (Case No. 23872)

* Spur has drilled and completed 129 horizontal wells; compared to 6 horizontal wells by Riley Permian

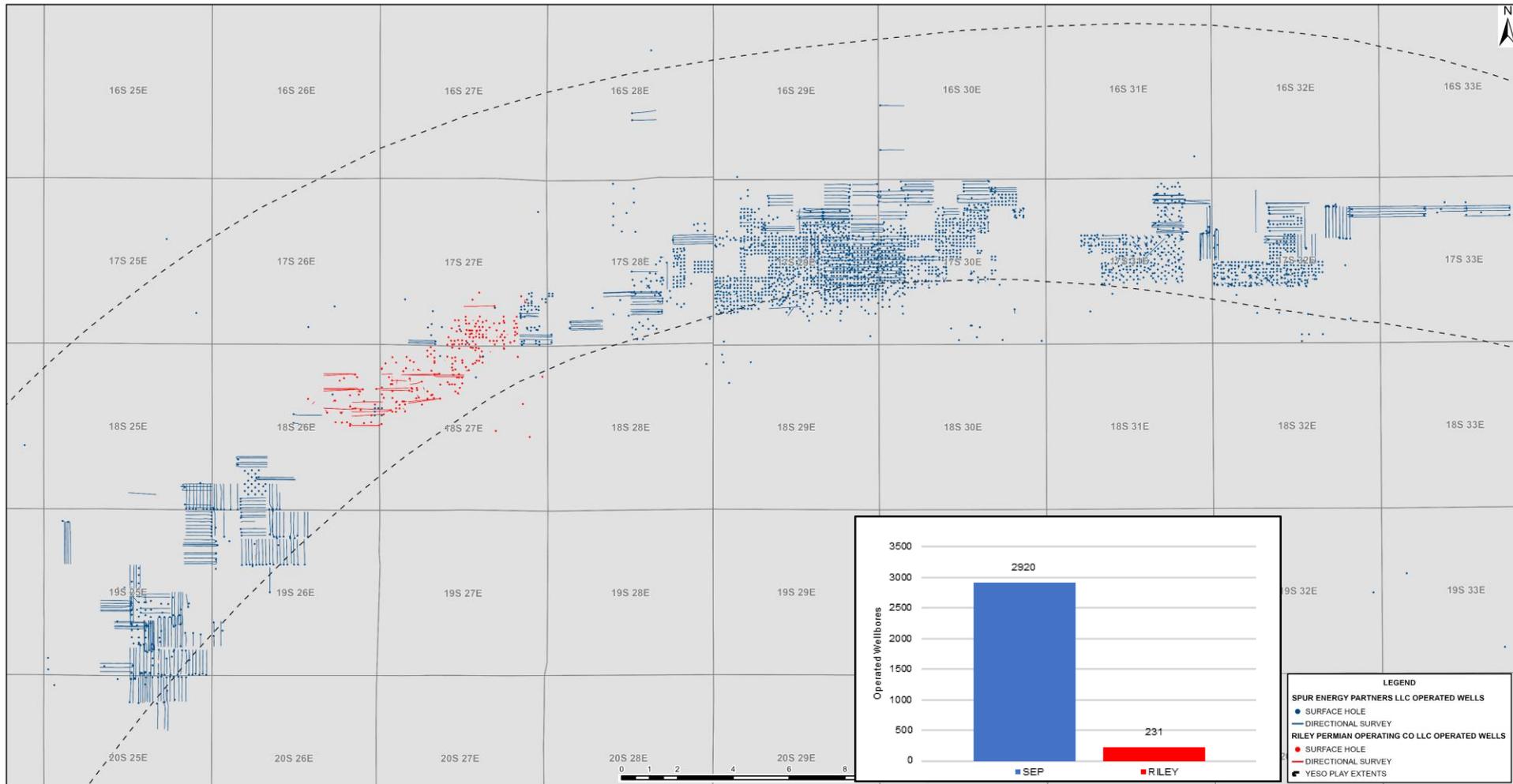


Exhibit B-3. Red Skies 10 Federal HSU Basemap

(Case No. 23872)

Spur Energy Partners LLC
Exhibit B-3

Case No. 23872

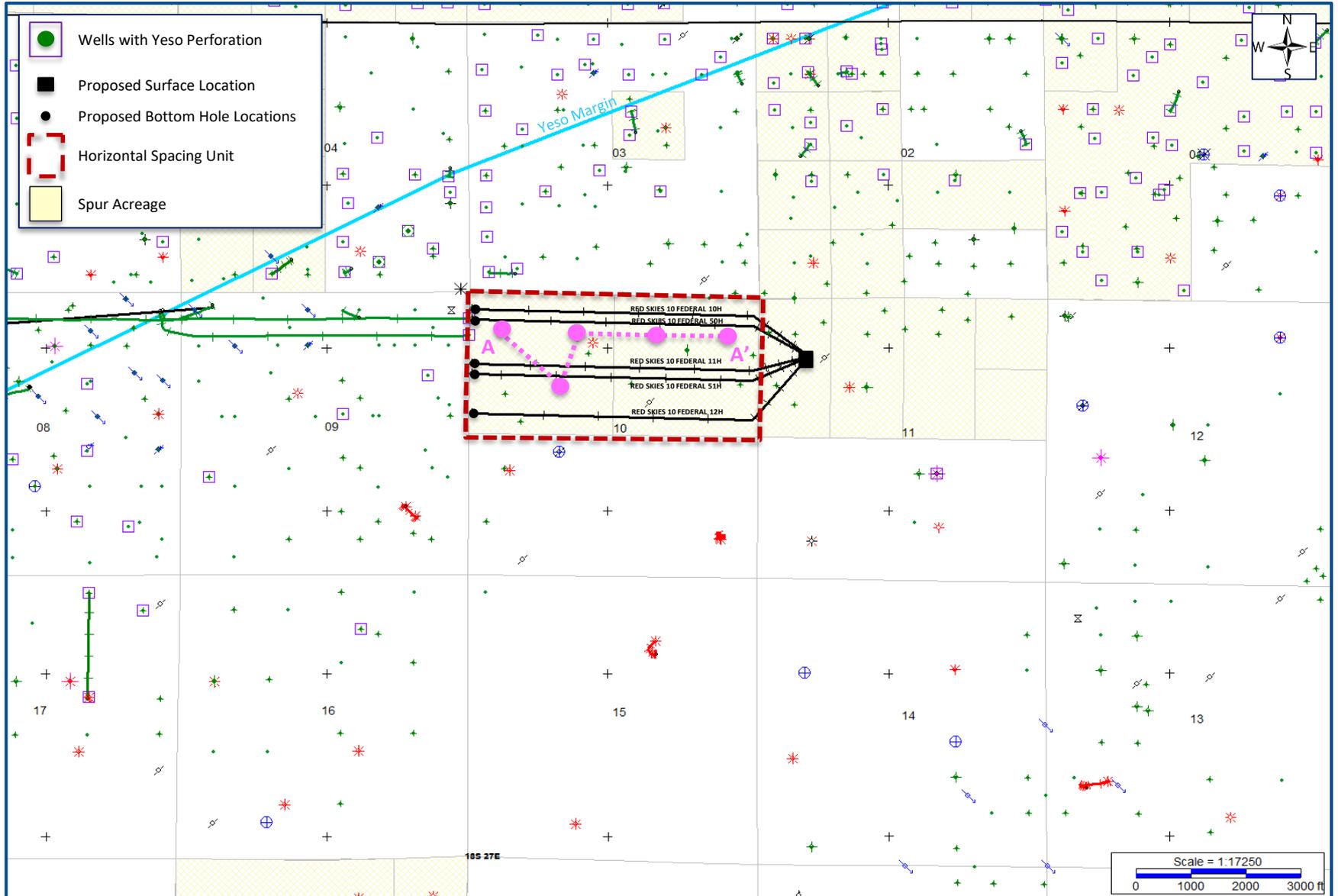
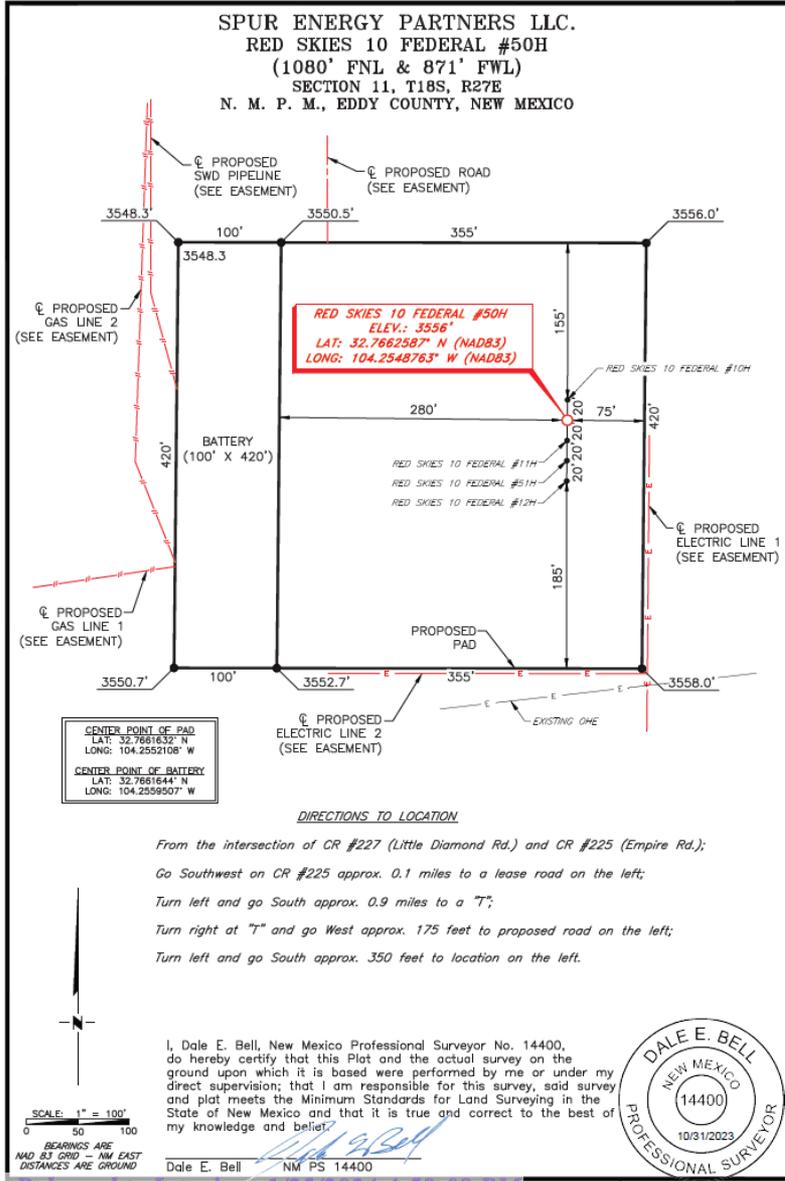


Exhibit B-4. Red Skies 10 Federal Surface Site Plan (Case No. 23872)



Timeline to secure site / infrastructure routes

- 9/6/2023 Surface Scout Request
- 9/14/2023 KMZ generated for proposed location
- 9/20/2023 Potential pipeline interference discovered (scar)
- 9/29/2023 BLM approves prelim KMZ
- 10/2/2023 Released To Survey
- 10/2/2023 Ordered EA surveys for BLM resource concerns
- 10/16/2023 Increased concerns of pipeline interference
- 10/19/2023 C-102's complete ahead of FP Hearing
- 10/30/2023 Ordered one-call to have existing pipelines marked
- 11/1/2023 Well Location Packages complete
- 11/6/2023 One-call cleared on existing pipelines, no interference
- 11/8/2023 Scheduled BLM on-site review for Dec 14
- 12/12/2023 SWD pipeline rerouted for Karst concerns
- 12/14/2023 BLM On-site review, location approved

Exhibit B-5. Structure Map (SSTVD) – Top Glorieta

Spur Energy Partners LLC

Case No. 23872

(Case No. 23872)

Exhibit B-5

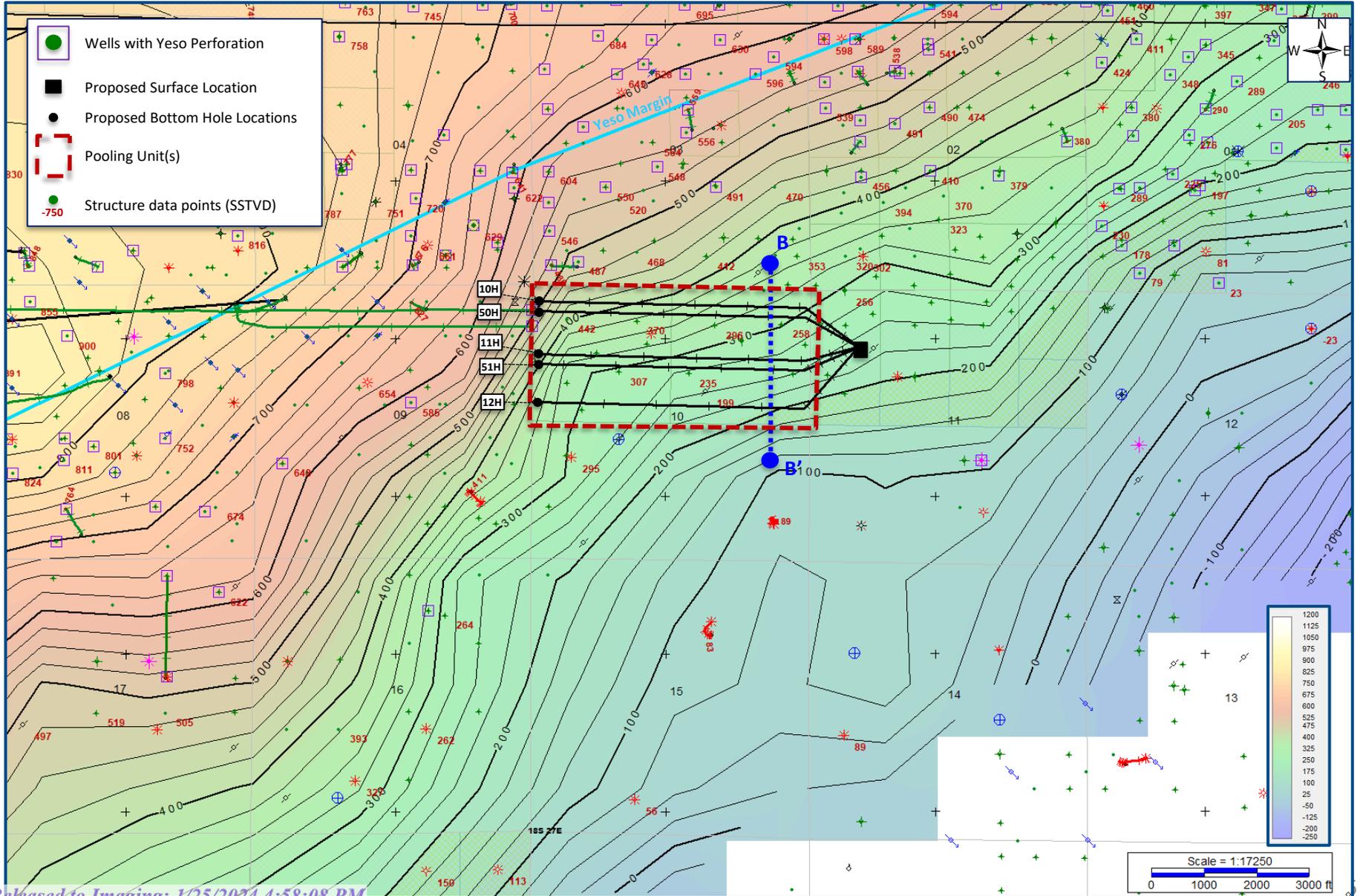
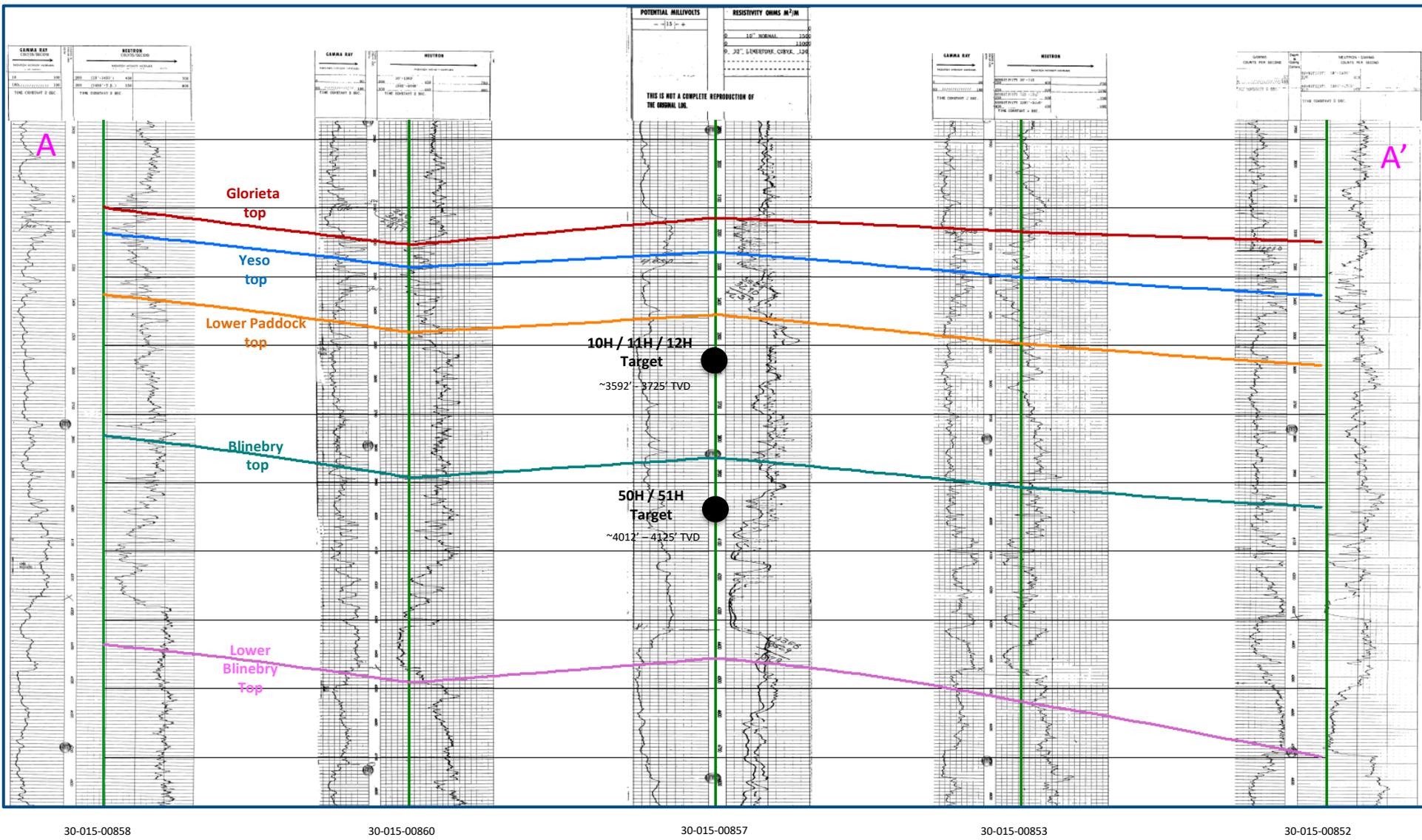


Exhibit B-6. Structural Cross Section A – A' (TVD)

(Case No. 23872)



30-015-00858

30-015-00860

30-015-00857

30-015-00853

30-015-00852



Exhibit B-7: Red Skies 10 Federal Gun Barrel B – B' (TVD)

(Case No. 23872)

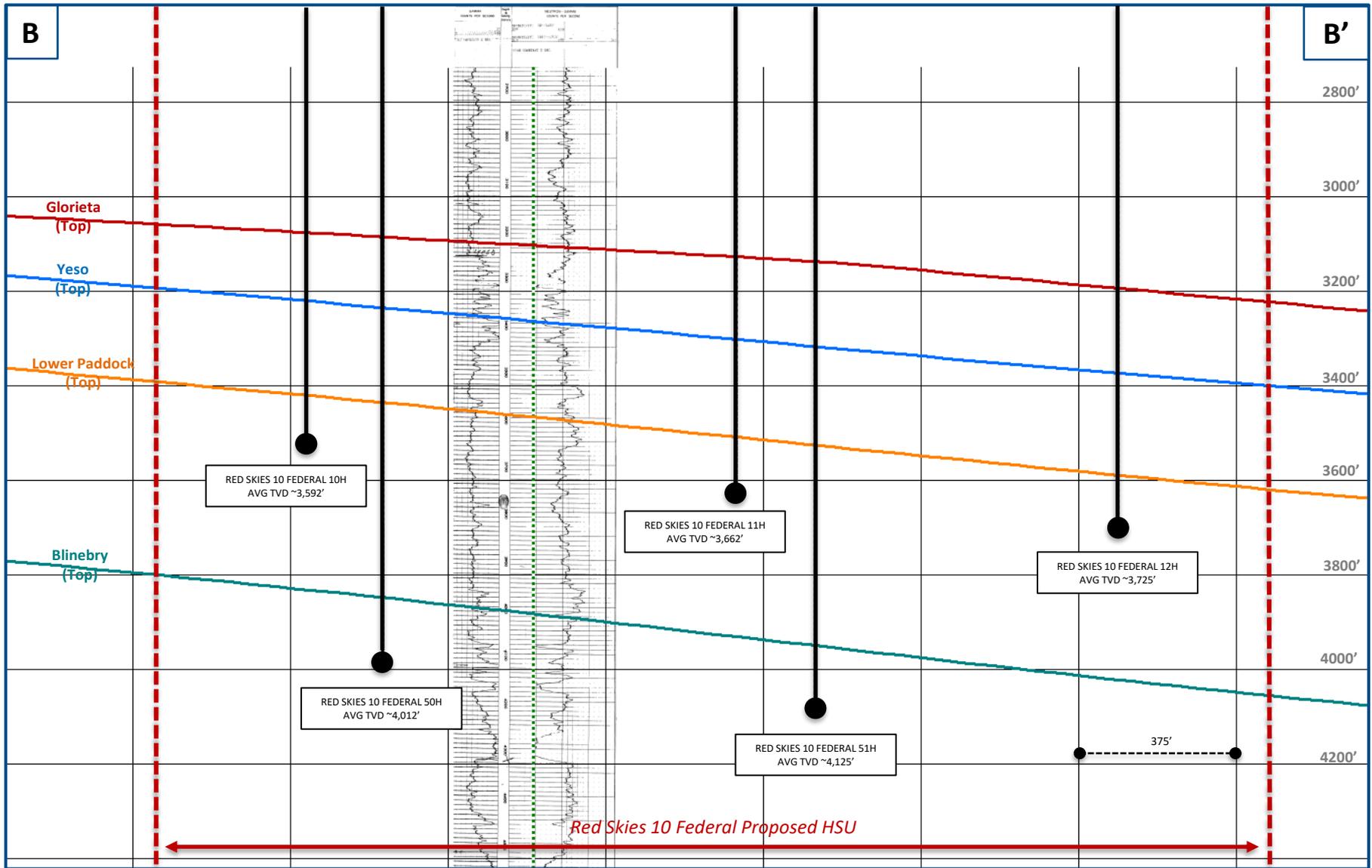


Exhibit B-8. Red Skies 10 Federal HSU Basemap (Case No. 23872)

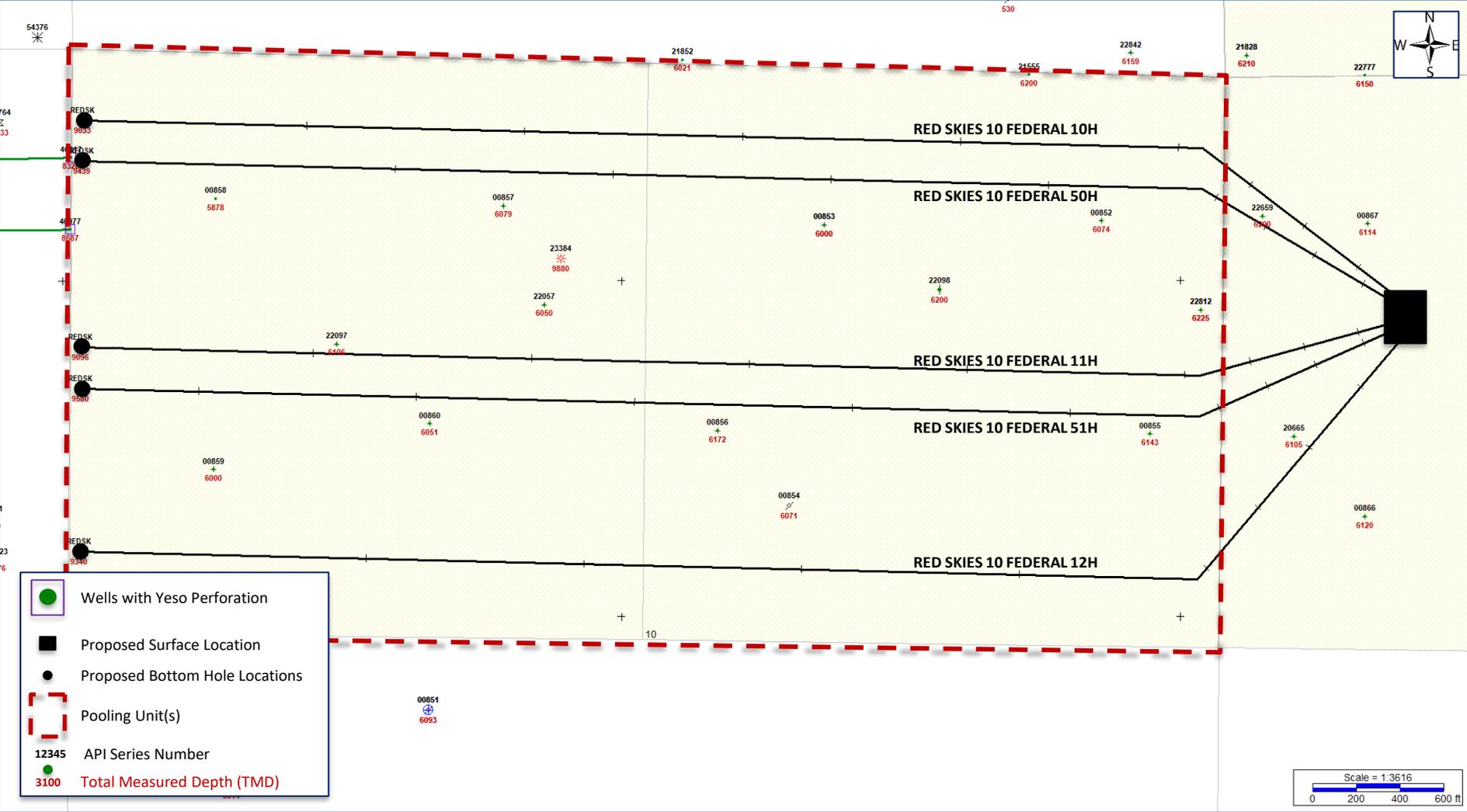
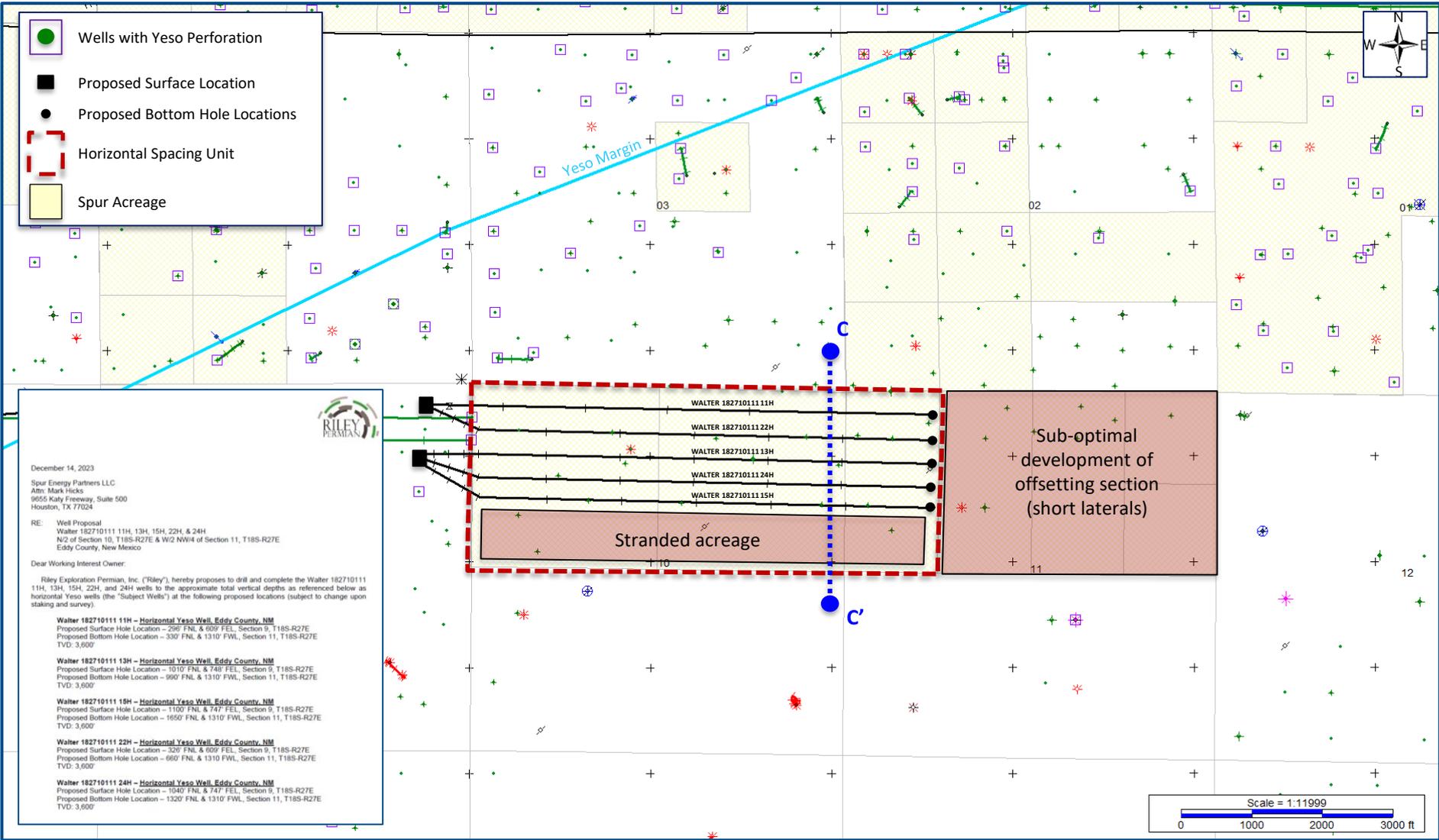


Exhibit B-9. Riley Permian Proposed Development Plan (Case No. 23872)



December 14, 2023

Spur Energy Partners LLC
Attn: Mark Hicks
9655 Katy Freeway, Suite 500
Houston, TX 77024

RE: Well Proposal
Walter 182710111 11H, 13H, 15H, 22H, & 24H
N/2 of Section 10, T18S-R27E & W/2 NW/4 of Section 11, T18S-R27E
Eddy County, New Mexico

Dear Working Interest Owner:

Riley Exploration Permian, Inc. ("Riley"), hereby proposes to drill and complete the Walter 182710111 11H, 13H, 15H, 22H, and 24H 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).

Walter 182710111 11H - Horizontal Yeso Well, Eddy County, NM
Proposed Surface Hole Location - 290' FNL & 600' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location - 330' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Walter 182710111 13H - Horizontal Yeso Well, Eddy County, NM
Proposed Surface Hole Location - 1010' FNL & 748' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location - 990' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Walter 182710111 15H - Horizontal Yeso Well, Eddy County, NM
Proposed Surface Hole Location - 1100' FNL & 747' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location - 1650' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

Walter 182710111 22H - Horizontal Yeso Well, Eddy County, NM
Proposed Surface Hole Location - 320' FNL & 600' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location - 660' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'

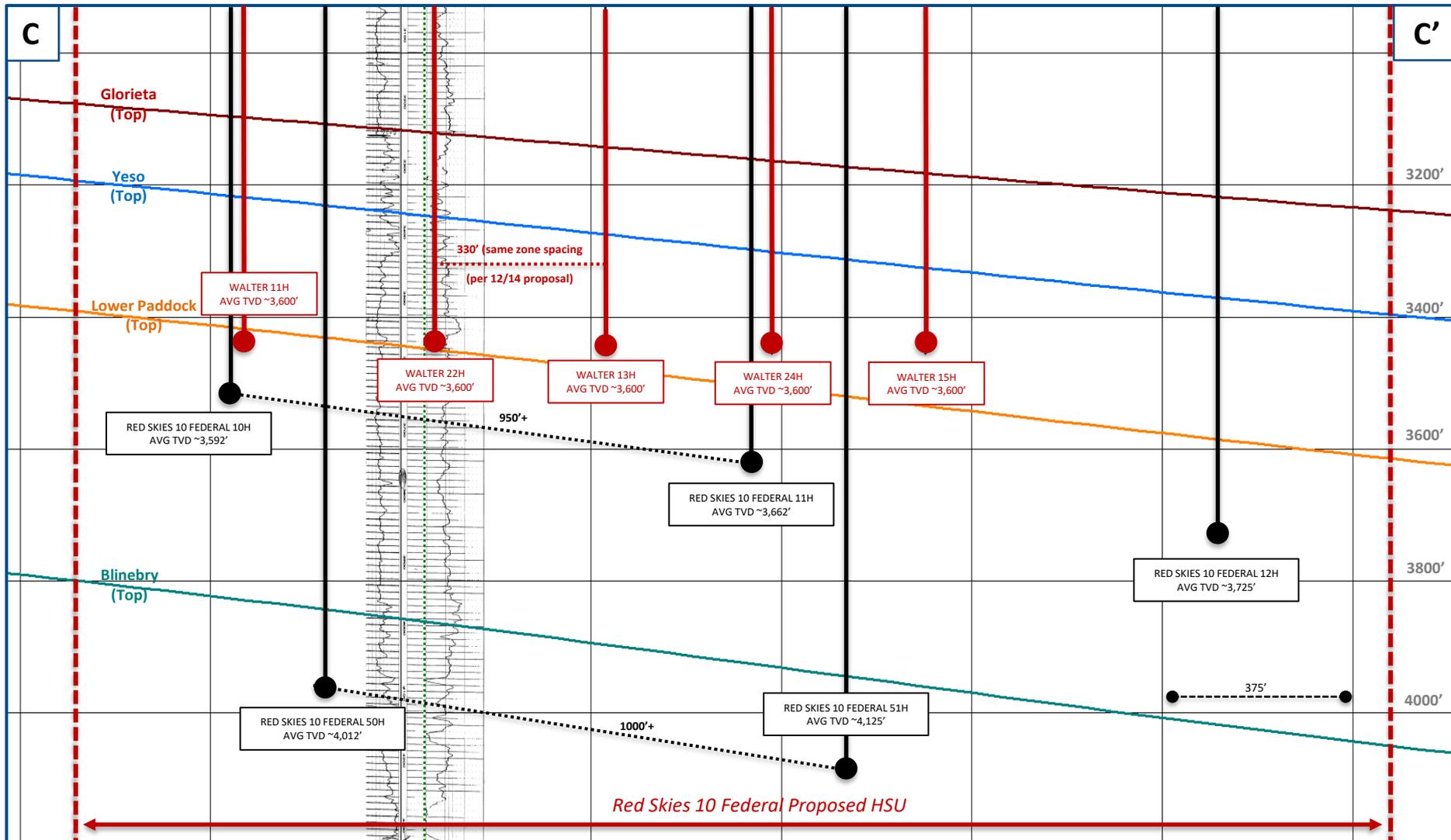
Walter 182710111 24H - Horizontal Yeso Well, Eddy County, NM
Proposed Surface Hole Location - 1040' FNL & 747' FEL, Section 9, T18S-R27E
Proposed Bottom Hole Location - 1320' FNL & 1310' FWL, Section 11, T18S-R27E
TVD: 3,600'





Exhibit B-10: Spur vs. Riley Comparative Gun Barrel (TVD) (Case No. 23872)

(Case No. 23872)



Spur Energy Partners LLC
Case No. 23872
Exhibit B-10



**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 party set out in the chart attached as **Exhibit C-2**.

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

4. A copy of the certified mail green card and white slip 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 the interested party 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

January 24, 2024
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/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days 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/ocd/ocdpermitting/>) or via e-mail to ocd.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

Spur Energy Partners LLC

Case No. 23872

Exhibit C-1

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

**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

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Sent To

Riley Exploration Permian, Inc.
 29 E. Reno Ave., Ste. 500
 Oklahoma City, OK 73104
 23872 - Spur Red Skies

Postmark Here
SEP 29 2023

PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> 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. 	<p>A. Signature X <i>John Dowen</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p> <p>RECEIVED</p> <p>OCT 10 2023</p> <p>Hinkle Shanor LLP Santa Fe NM 87504</p>
<p>1. Article Addressed to:</p> <p>Riley Exploration Permian, Inc. 29 E. Reno Ave., Ste. 500 Oklahoma City, OK 73104 23872 - Spur Red Skies</p> <p>9590 9402 7635 2122 6844 93</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p>
<p>2. Article Number (Transfer from service label) 7022 1670 0002 1190 4457</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Mail Restricted Delivery</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

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

Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0005843104

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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:

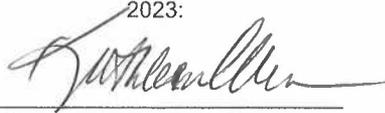
10/13/2023

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

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005843104
PO #:
of Affidavits 1

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