

Morris-Boyd 9H-10H, 11H, 13H Wells Case Nos. 21983-21984 NMOCD Exhibits

Hearing Date: July 1st, 2021

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

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

CASE NOS. 21983-21984

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Eddy County, New Mexico

Spur Exhibit C – Affidavit of Megan Pena

• **Spur Exhibit C-1** — C-102

• Spur Exhibit C-2 — Tract/Unit Recap

Spur Exhibit D – Affidavit of C.J. Lipinski

• Spur Exhibit D-1 – Project Locator & Cross-Section Map

• Spur Exhibit D-2 Structure Map

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• Spur Exhibit D-4 — Cross-Section

Spur Exhibit E – Notice Affidavit

Spur Exhibit F – Affidavits of Publication

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

ALL INFORMATION IN THE APPLICATION MUST	BE SUPPORTED BY SIGNED AFFIDAVITS
Case No. 21983	APPLICANT'S RESPONSE
Date: July 1, 2021	
Applicant	Spur Energy Partners, LLC
Designated Operator & OGRID (affiliation if applicable)	Spur Energy Partners, LLC (OGRID 338479)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Morris-Boyd wells
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:	N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565)
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	160 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 acres, more or less
Building Blocks:	40-acre
Orientation:	Standup
Description: TRS/County	W/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	NO BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Spur Energy Partners, LLC Hearing Date: July 01, 2021 Case Nos. 21983-21984

Received by OCD: 6/29/2021 10:29:37 AM	Page 5 of
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	N/A
Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2
Tract List (including lease numbers and owners)	Exhibit C-2
Pooled Parties (including ownership type)	Exhibit C-2
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	N/A
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-2
Chronology of Contact with Non-Joined Working Interests	N/A
Overhead Rates In Proposal Letter	N/A
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
Geology	
Summary (including special considerations)	Exhibit D, D-1, D-3
Spacing Unit Schematic	Exhibit D, D-1, D-3
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-3
Well Orientation (with rationale)	Exhibit D, D-1, D-3
Target Formation	Exhibit D, D-2, D-3, D-4
HSU Cross Section	Exhibit D-1, D-4
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit C-1
Tracts	Exhibit C-2
Summary of Interests, Unit Recapitulation (Tracts) Released to Imaging: 6/29/2021 3:13:48 PM	Exhibit C-2

Received by OCD: 6/29/2021 10:29:37 AM	Page 6 of
General Location Map (including basin)	Exhibit D-1
Well Bore Location Map	Exhibit D-1
Structure Contour Map - Subsea Depth	Exhibit D-2
Cross Section Location Map (including wells)	Exhibit D-1, D-4
Cross Section (including Landing Zone)	Exhibit D-1, D-4
Additional Information	
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information p	provided in this checklist is complete and accurate.
Printed Name (Attorney or Party Representative):	Kaitlyn A. Luck

29-Jun-21

Signed Name (Attorney or Party Representative):

Date:

COMPULSORY POOLING APPLICATION CHECKLIST (pdf)

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Case No. 21984	APPLICANT'S RESPONSE							
Date: July 1, 2021								
Applicant	Spur Energy Partners, LLC							
Designated Operator & OGRID (affiliation if applicable)	Spur Energy Partners, LLC (OGRID 338479)							
Applicant's Counsel:	Holland & Hart LLP							
Case Title:								
	Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico.							
Entries of Appearance/Intervenors:	None							
Well Family	Morris-Boyd wells							
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:	N. Seven Rivers; Glorieta-Yeso Pool (Pool Code 97565)							
Well Location Setback Rules:	Statewide oil							
Spacing Unit Size:	160 acres, more or less							
Spacing Unit								
Type (Horizontal/Vertical)	Horizontal							
Size (Acres)	160 acres, more or less							
Building Blocks:	40-acre							
Orientation:	Standup							
Description: TRS/County	E/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico							
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes							
Other Situations								
Depth Severance: Y/N. If yes, description	No							

Received by OCD: 6/29/2021 10:29:37 AM	Page 9 o
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Production Supervision/Month \$	N/A
Justification for Supervision Costs	N/A
Requested Risk Charge	N/A
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Cross Section (including Landing Zone)	Exhibit D-1, D-4
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):	Kaitlyn A. Luck
Signed Name (Attorney or Party Representative):	the think will

29-Jun-21

Date:

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

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

CASE NO. 21983

APPLICATION

Spur Energy Partners, LLC ("Spur" or "Applicant") (OGRID No. 328947) through its

undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant

to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the

Yeso formation, underlying a standard 160-acre horizontal spacing unit comprised of the W/2 E/2

of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. In support

of its application, Spur states:

1. An affiliate entity of Spur is a working interest owner in the proposed horizontal

spacing unit and has the right to drill thereon.

2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the

following proposed initial wells: (1) the Morris-Boyd #9H well, and (2) the Morris-Boyd #10H

well, each of which will be horizontally drilled from a common surface location in the SW/4 SE/4

(Unit O) of Section 23, to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 26.

3. The completed interval of the wells will comply with statewide setbacks for oil

wells.

4. Applicant has sought and been unable to obtain voluntary agreement for the

development of these lands from all of the interest owners in the subject spacing unit.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B

Submitted by: Spur Energy Partners, LLC Hearing Date: July 01, 2021

Case Nos. 21983-21984

1

- 5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal spacing unit and the proposed initial wells.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 1, 2021, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit in the Yeso formation and approving the initial wells thereon;
- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. 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
- E. Imposing a 200% charge 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,

HOLLAND & HART LLP

By:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
Kaitlyn A. Luck
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Santa Fe, NM 87504
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505-983-6043 Facsimile
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agrankin@hollandhart.com
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ATTORNEYS FOR SPUR ENERGY PARTNERS, LLC

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

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

CASE NO. <u>21984</u>

APPLICATION

Spur Energy Partners, LLC ("Spur" or "Applicant") (OGRID No. 328947) through its undersigned attorneys, hereby files this application with the Oil Conservation Division pursuant to the provisions of NMSA 1978, § 70-2-17, for an order pooling all uncommitted interests in the Yeso formation, underlying a standard 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. In support of its application, Spur states:

- 1. An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
- 2. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the following proposed initial wells: (1) the **Morris-Boyd #11H well**, and (2) the **Morris-Boyd #13H well**, each of which will be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 23, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 26.
- 3. The completed interval of the wells will comply with statewide setbacks for oil wells.
- 4. Applicant has sought and been unable to obtain voluntary agreement for the development of these lands from all of the interest owners in the subject spacing unit.

- 5. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights.
- 6. In order to permit Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this horizontal spacing unit should be pooled, and Applicant should be designated the operator of the proposed horizontal spacing unit and the proposed initial wells.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on July 1, 2021, and, after notice and hearing as required by law, the Division enter an order:

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- B. Designating Applicant as operator of this spacing unit and the horizontal wells to be drilled thereon;
- C. Authorizing Applicant to recover its costs of drilling, equipping, and completing the wells;
- D. 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
- E. Imposing a 200% charge 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,

HOLLAND & HART LLP

By:

Michael H. Feldewert
Adam G. Rankin
Julia Broggi
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ATTORNEYS FOR SPUR ENERGY PARTNERS, LLC

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

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

CASE NOS. 21983-21984

AFFIDAVIT OF MEGAN PEÑA IN SUPPORT OF CASE NOS. 21983-21984

Megan Peña, of lawful age and being first duly sworn, declares as follows:

- 1. My name is Megan Peña. I work for Spur Energy Partners, LLC ("Spur"), as a Senior Landman.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
 - 3. I am familiar with the application filed by Spur in this case and the lands involved.
- 4. None of the mineral owners to be pooled have expressed opposition to this case proceeding by affidavit, so I do not expect any opposition at the hearing.
- 5. In Case No. 21983, Spur seeks an order pooling all uncommitted interests in the Yeso formation underlying a standard 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.
- 6. Spur intends to dedicate this standard horizontal spacing unit to the proposed initial **Morris-Boyd #10H well** (API No. 30-015-47909), to be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 23, to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 26. Spur no longer intends to drill the **Morris-Boyd #9H well**.

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Spur Energy Partners, LLC
Hearing Date: July 01, 2021
Case Nos. 21983-21984

- 7. In **Case No. 21984**, Spur seeks an order pooling all uncommitted interests in the Yeso formation underlying a standard 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico.
- 8. Spur intends to dedicate this standard horizontal spacing unit to the following proposed initial wells: (1) the **Morris-Boyd #11H well** (API No. 30-015-47908), and (2) the **Morris-Boyd #13H well** (API No. 30-015-47912), each of which will be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 23, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 26.
- 9. The **Morris-Boyd #10H well** is at a non-standard location approved under Division Order No. NSL-8120. The **Morris-Boyd #11H well** is at a non-standard location approved under Division Order No. NSL-8121.
- 10. The completed interval of the **Morris-Boyd #13H well** will comply with statewide setbacks for oil wells.
- 11. **Spur Exhibit C-1** contains the C-102 for these proposed wells that are located in the N. Seven Rivers; Glorieta-Yeso Pool [Pool Code 97565].
- 12. **Spur Exhibit C-2** contains a plat outlining the units being pooled, identifies the tracts of land comprising the proposed spacing units, and identifies the non-participating royalty interests in the horizontal spacing units that remain to be pooled in these cases. The acreage in the unit includes only fee lands. There are no unleased tracts in the proposed units.
- 13. There are no ownership depth severances in the Yeso formation underlying the subject acreage.
- 14. I have provided the law firm of Holland and Hart, LLP, with the names and addresses of the mineral owners that Spur seeks to pool. In compiling these addresses, I conducted

a diligent search of the public records in Eddy County, New Mexico, where the wells are located, phone directories and conducted computer searches to locate contact information for these parties.

All parties were locatable.

15. **Spur Exhibits C-1** through **C-2** were prepared by me or compiled under my direction from Spur's company business records.

FURTHER AFFIANT SAYETH NAUGHT.

Received by OCD: 6/29/2021 10:29:37 AM

STATE OF TEXAS)
COUNTY OF HARRIS	
)
SUBSCRIBED and SW	VORN to before me this 25 day of, 2021 by MEGAN
PEÑA.	
	D-OM 210
	NOTARY PUBLIC

My Commission Expires:

03-11-2022



Santa Fe, New Mexico Exhibit No. C1

Submitted by: Spur Energy Partners, LLC

Hearing Date: July 01, 2021 Case Nos. 21983-21984

Form C-102

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

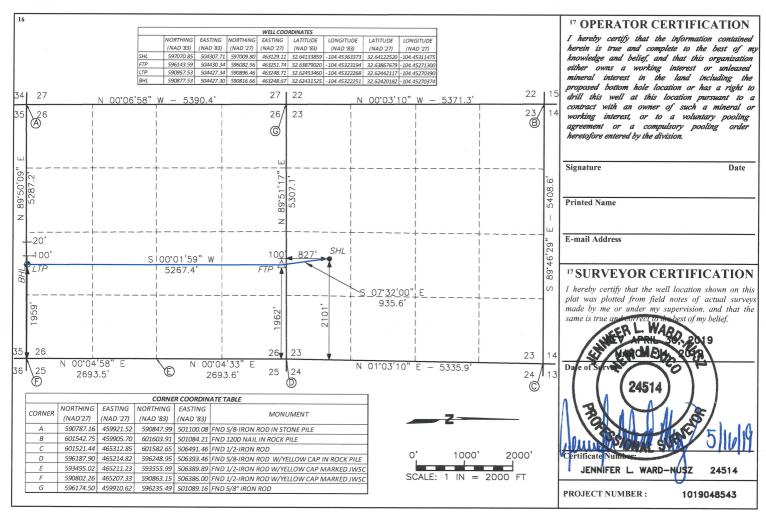
State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Revised August 1, 2011 Submit one copy to appropriate District Office

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1.	API Numbe	r		² Pool Cod	le	³ Pool Name				
⁴ Property (y Code 5 Property Name							⁶ Well Number		
			MORRIS-BOYD						9H	
⁷ OGRID I	No.				8 Operator	r Name			9 Elevation	
		PERCUSSION PETROLEUM OPERATING, LLC						3427.6'		
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
0	23	T-19-5	S R-25-E		827'	SOUTH	2101'	EA	ST	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
0	26	T-19-5	S R-25-E		20'	SOUTH	1959'	EA	ST	EDDY
12 Dedicated Acres	12 Joint o	r Infill 12	Consolidation	Code 15 O	rder No.				•	



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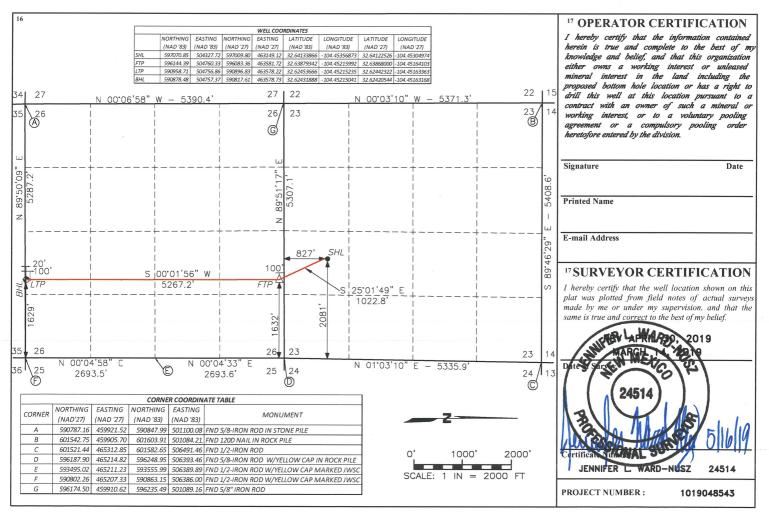
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1	API Numbe	r		² Pool Code	e	³ Pool Name						
4 D		⁵ Property Name										
⁴ Property (ode				⁵ Proper	ty Name				Well Number		
			MORRIS-BOYD							10H		
⁷ OGRID	No.				⁸ Operat	or Name				9 Elevation		
			PERCUSSION PETROLEUM OPERATING, LLC						3427.3'			
¹⁰ Surface Location												
UL or Lot no.	Section	Township	Range	Lot Idn	Feet from t	he North/South Line	Feet from the	East	/West Line	County		
0	23	T-19-S	R-25-E		827'	SOUTH	2081'	EA	ST	EDDY		
	11 Bottom Hole Location If Different From Surface											
UL or Lot no.	Section	Township	Range	Lot Idn	Feet from t	he North/South Line	Feet from the	East	/West Line	County		
0	26	T-19-S	R-25-E		20'	SOUTH	1629'	EA	ST	EDDY		
12 Dedicated Acres	12 Joint o	r Infill 12 C	onsolidation	Code 15 Or	rder No.							
				- 1								



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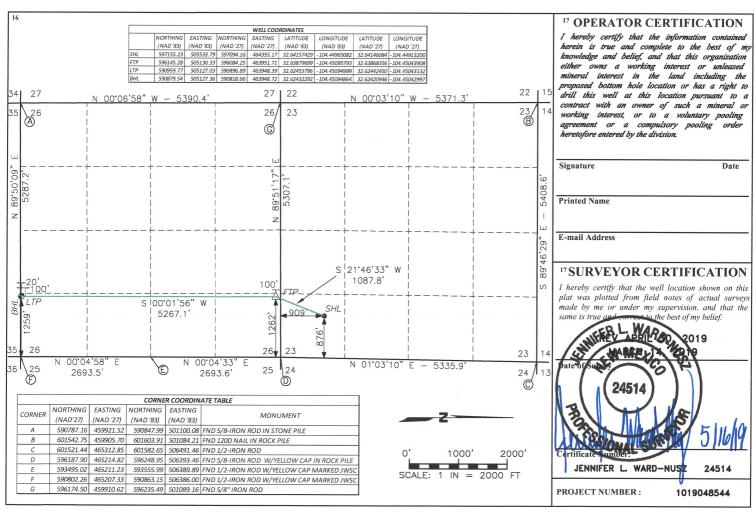
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

State of New Mexico

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

AMENDED REPORT

rax. (303) 476-	-3402								
	V	VELL LO	OCATIO	N AND ACE	REAGE DEDIC	CATION PLA	T		
¹ API Number			² Pool Code	e		³ Pool Na	me		
Code				⁵ Property	Name			6 1	Well Number
				MORRIS-	-BOYD				11H
No.				⁸ Operator	Name				⁹ Elevation
			PERCUSS	ION PETROLE	JM OPERATING,	LLC			3420.9'
				10 Surface	Location				
Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East	/West Line	County
23	T-19-S	R-25-E		909,	SOUTH	876'	EA	ST	EDDY
11 Bottom Hole Location If Different From Surface									
Section	Township	Range Lot Idn Feet from the North/South Line Feet from the East/West Line		County					
26	T-19-S	R-25-E		20'	SOUTH	1259'	EA	ST	EDDY
12 Joint of	r Infill 12 (Consolidation	Code 15 Or	rder No.					
	Section 26	Section Township 23 T-19-S Section Township T-19-S	WELL LO API Number Code Section Township Range 23 T-19-S R-25-E 11 Bo Section Township Range 26 T-19-S R-25-E	Percuss Percuss	WELL LOCATION AND ACE API Number	WELL LOCATION AND ACREAGE DEDICAPI Number 2 Pool Code 5 Property Name MORRIS—BOYD 60. 8 Operator Name PERCUSSION PETROLEUM OPERATING, 10 Surface Location Section Township Range Lot Idn Feet from the North/South Line 23 T-19-S R-25-E 909' SOUTH 11 Bottom Hole Location If Different From Section Township Range Lot Idn Feet from the North/South Line 26 T-19-S R-25-E 20' SOUTH	WELL LOCATION AND ACREAGE DEDICATION PLA API Number Percussion Percussion Percussion Section Township Range Lot Idn Feet from the Percussion Fe	WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Section Township Range Bottom Hole Location If Different From Surface Section Township Range Lot Idn Feet from the Peet from the Pool South Line Feet from the Peet Fool South Line Feet from the Peet Fool South Range Lot Idn Bottom Hole Location If Different From Surface Section Township Range Lot Idn Feet from the North/South Line Feet from the Peet Fool Surface Section Township Range Lot Idn Feet from the North/South Line Feet from the Peet Fool Surface Section Township Range Lot Idn Feet from the North/South Line Feet from the Peet Fool Surface Section Township Range Lot Idn Feet from the North/South Line Feet from the Peet Fool Surface Section Township Range Section Township Range Lot Idn Feet from the North/South Line Feet from the Peet Fool Surface Section Township Range Section Township Range Lot Idn Feet Fool Surface Section Township Range Section Township Range Lot Idn Feet Fool Surface Section Township Range Lot Idn Feet Fool Surface Section Township Range Section Township Range Lot Idn Feet Fool Surface Section Township Range Section Township Range Lot Idn Feet Fool Surface Section Township Range Section Township Range Range Lot Idn Feet Fool Surface Section Township Range Range Lot Idn Feet Fool Surface Section Township Range Range Lot Idn Feet Fool Surface Section Township Range Ran	WELL LOCATION AND ACREAGE DEDICATION PLAT Pool Code Section Township Township Bottom Hole Location If Different From Surface Section Township Range Lot Idn Feet from the Peet f



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<u>District II</u>
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
<u>District III</u>

1000 Rio Brazos Road, Aztec, NM 87410 Phone: (505) 334-6178 Fax: (505) 334-6170 <u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505

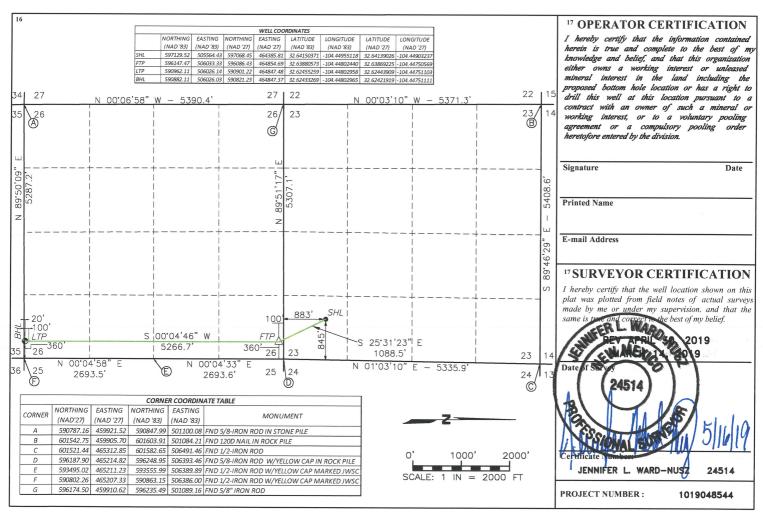
1220 S. St. Francis Dr., Santa Fe, NM 87505 Phone: (505) 476-3460 Fax: (505) 476-3462

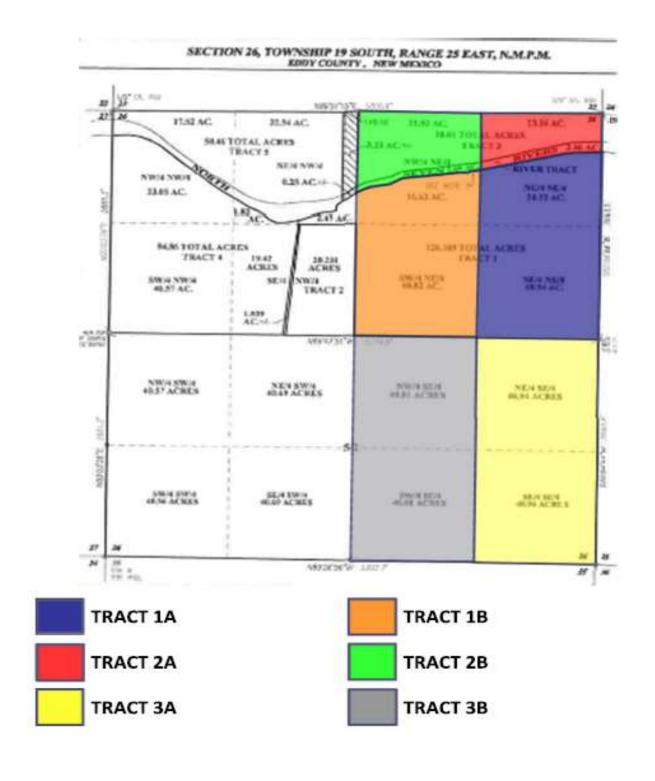
State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

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

☐ AMENDED REPORT

1 none. (303) 470-3400	1 ax. (303) 470		WELL LO	OCATIO	NI ANID ACD	EACE DEDIC	TATIONI DI A	T		
1			V ELL L			EAGE DEDIC				
	API Numbe	er		² Pool Cod	e		³ Pool Na	me		
⁴ Property (Code				⁵ Property	Name			⁶ Well Number	
					MORRIS-	BOYD				13H
⁷ OGRID	No.				8 Operator	Name				9 Elevation
						SSION PETROLEUM OPERATING, LLC 3420.8'				3420.8'
	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
Р	23	T-19-S	R-25-E		883'	SOUTH	845'	EA	ST	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
Р	26	T-19-S	R-25-E		20'	SOUTH	360'	EA	ST	EDDY
12 Dedicated Acres	12 Joint o	r Infill 12	Consolidation	Code 15 Or	der No.					





BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C2
Submitted by: Spur Energy Partners, LLC
Hearing Date: July 01, 2021
Case Nos. 21983-21984

MORRIS BOYD B (W2/E2) - TRACT/DSU WORKING INTEREST SUMMARY <u>SECTION 26-19S-25E</u>

	TRACT	PARTICIPATION
TRACT NUMBER	ACREAGE	FACTOR
TRACT 1B	57.44	35.180989%
TRACT 2B	24.21	14.828199%
TRACT 3B	81.62	49.990813%
	163 27	100 000000%

Parties to be pooled are highlighted in YELLOW

TRACT 1B	Interest Type	WI	NRI	Gross Ac	Net Ac
SEP Permian LLC	WI	1.00000000	0.75000000	57.44	57.44
NPRI Owners	NPRI	0.00000000	0.25000000		0
TOTAL		1.00000000	1.00000000	57.44	57.44

TRACT 2B	Interest Type	WI	NRI	Gross Ac	Net Ac
SEP Permian LLC	WI	1.00000000	0.74000000	24.21	24.21
RI Owners	RI	0.00000000	0.18750000		0
ORRI Owners	ORRI	0.00000000	0.07250000		0
TOTAL		1.00000000	1.00000000	24.21	24.21

TRACT 3B	Interest Type	WI	NRI	Gross Ac	Net Ac
SEP Permian LLC	WI	1.00000000	0.73705000	81.62	81.62
RI Owners	RI	0.00000000	0.18750000		0.0000
ORRI Owners	ORRI	0.00000000	0.07545000		0.0000
TOTAL		1.00000000	1.00000000	81.62	81.62

MORRIS BOYD B (N2/E2) DSU	
	Net Ac	DSU WI%
SEP Permian LLC	163.27	100.000000%
	163.27	100.000000%

ORRI Owners
Nearburg Producing Company fbo Employee Fund
DEBCO,LLC
The Nell Blackmar Limited Partnership
Tierra Oil Company
Challenger Crude, Ltd.
Fred M. Allison, III
William S. Allison
A.R. Mersiovsky
Estate of Clifton H. Chambers
Flynt Chancellor
Bobby M. Gleason
Jack L. Crain, Jr.
Tran Family Trust, LP
Stringer Family Interests, LP
KE2, LP
,

NPRI Owners	_
Caprock Energy	DPU Ratification Rec'd
Joe Michael Bailey	
Estate of Calphie J. Massie	
Estate of Juliette Faber	
Nancy Woods Badger	
Bertrand Brandt Badger	
Robert McKee Badger	DPU Ratification Rec'd
Estate of Ora Crosby Badger	
Terry Maurice Badger	
Kent Hamilton Badger	
Estate of Mary A. Duncan	
Estate of Mary E. Badger	
Margaret Badger Reed Trust No. 1	
Margaret Badger Reed Trust No. 2	
Margaret Badger Reed Trust No. 3	
Robert M. Badger	
Ramah K. Vaughan	DPU Ratification Rec'd
Linda Lee Vaughan	
Robert B. Vaughan	
Don Allen Vaughan	
Lori Deen Vaughan	

MORRIS BOYD A (E2/E2) - TRACT/DSU WORKING INTEREST SUMMARY

SECTION 26-19S-25E

	TRACT	PARTICIPATION
TRACT NUMBER	ACREAGE	FACTOR
TRACT 1A	65.16	39.789936%
TRACT 2A	16.72	10.210064%
TRACT 3A	81.88	50.000000%
	162 76	100.000000%

Parties to be pooled are highlighted in YELLOW

TRACT 1A	Interest Type	WI	NRI	Gross Ac	Net Ac
SEP Permian LLC	WI	0.73553720	0.55165290	65.16	47.92760395
ZPZ Delaware I, LLC	WI	0.26446280	0.19834710		17.23239605
NPRI Owners	NPRI	0.00000000	0.25000000		0
TOTAL		1.00000000	1.00000000	65.16	65.16

TRACT 2A	Interest Type	WI	NRI	Gross Ac	Net Ac
SEP Permian LLC	WI	0.73553720	0.52512397	16.72	12.29818198
ZPZ Delaware I, LLC	WI	0.26446280	0.21487603		4.421818016
RI Owners	RI	0.00000000	0.18750000		0
ORRI Owners	ORRI	0.00000000	0.07250000		0
TOTAL		1.00000000	1.00000000	16.72	16.72

TRACT 3A	Interest Type	WI	NRI	Gross Ac	Net Ac
SEP Permian LLC	WI	0.73553720	0.52217397	81.88	60.22578594
ZPZ Delaware I, LLC	WI	0.26446280	0.21487603		21.65421406
RI Owners	RI	0.00000000	0.18750000		0.0000
ORRI Owners	ORRI	0.00000000	0.07545000		0.0000
TOTAL		1.00000000	1.00000000	81.88	81.88

MORRIS BOYD A	(E2/E2) DSU	
	Net Ac	DSU WI%
SEP Permian LLC	120.4515719	73.553720%
ZPZ Delaware I, LLC	43.30842813	26.446280%
	163.76	100.000000%

ORRI Owners	
Nearburg Producing Company fbo Employee Fund	
DEBCO,LLC	
The Nell Blackmar Limited Partnership	
Tierra Oil Company	
Challenger Crude, Ltd.	
Fred M. Allison, III	
William S. Allison	
A.R. Mersiovsky	
Estate of Clifton H. Chambers	
Flynt Chancellor	
Bobby M. Gleason	
Jack L. Crain, Jr.	
Tran Family Trust, LP	
Stringer Family Interests, LP	
KE2, LP	

NPRI Owners	_
Caprock Energy	DPU Ratification Rec'd
Joe Michael Bailey	
Estate of Calphie J. Massie	
Estate of Juliette Faber	
Nancy Woods Badger	
Bertrand Brandt Badger	
Robert McKee Badger	DPU Ratification Rec'd
Estate of Ora Crosby Badger	
Terry Maurice Badger	
Kent Hamilton Badger	
Estate of Mary A. Duncan	
Estate of Mary E. Badger	
Margaret Badger Reed Trust No. 1	
Margaret Badger Reed Trust No. 2	
Margaret Badger Reed Trust No. 3	
Robert M. Badger	
Ramah K. Vaughan	DPU Ratification Rec'd
Linda Lee Vaughan	
Robert B. Vaughan	
Don Allen Vaughan	
Lori Deen Vaughan	

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

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

CASE NOS. 21983-21984

AFFIDAVIT OF C.J. LIPINSKI IN SUPPORT OF CASE NOS. 21983-21984

C.J. Lipinski, of lawful age and being first duly sworn, declares as follows:

- 1. My name is C.J. Lipinski, and I work for Spur Energy Partners, LLC, ("Spur"), as a geologist.
- 2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum geology matters and my credentials as an expert petroleum geologist have been accepted by the Division and made a matter of record.
- I am familiar with the application filed by Spur in this case, and I have 3. conducted a geologic study of the Yeso formation underlying the subject acreage.
- 4. In this case, Spur is targeting intervals in the Yeso formation with its Morris-Boyd #10H, #11H, and #13H wells.
- 5. Spur Exhibit D-1 is a project location map identifying the proposed horizontal well spacing unit in this case as well as nearby wells in the Yeso formation. This exhibit also identifies the five wells penetrating the targeted intervals that I used to construct a stratigraphic cross-section from A to A'. I utilized these well logs because they penetrate the targeted intervals, are of good quality, and have been subjected to a

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico **Exhibit No. D Submitted by: Spur Energy Partners, LLC** Hearing Date: July 01, 2021 Case Nos. 21983-21984

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petrophysical analysis of the targeted interval. In my opinion, these well logs are representative of the geology in the area.

- 6. Spur Exhibit D-2 is a structure map hung on the top of the Yeso formation, which also reflects the surrounding area in Eddy County in relation to Section 26 that comprises the spacing unit in this case. The Morris-Boyd #10H, #11H, and #13H wells are depicted with black lines, and I have identified the surface and the bottom hole location for each of the wells. Spur Exhibit D-2 shows that the formation is gently dipping to the east in this area. I do not observe any other faulting, pinch outs, or geologic impediments to developing the targeted interval with horizontal wells.
- 7. Spur Exhibit D-3 is a structural cross section using the representative wells depicted on Exhibit D-1. It contains a gamma ray, resistivity and porosity logs. The landing zones for the Morris-Boyd wells are labeled on the exhibit. The cross-section demonstrates that the targeted intervals, within the Yeso formation, extends across the proposed spacing units.
- 8. Spur Exhibit D-4 is a 3-D Gun Barrel Diagram reflecting Spur's intended development of the Yeso formation in Section 26.
- 9. In my opinion, the standup orientation of the wells is the preferred orientation for horizontal well development of the targeted interval in the Yeso formation in this area. This standup orientation will efficiently and effectively develop the subject acreage.
- 10. Based on my geologic study, the targeted interval within the Yeso formation underlying the subject area is suitable for development by horizontal wells and the tracts

comprising the proposed spacing units will contribute more-or-less equally to the production from the wellbores.

- 11. In my opinion, the granting of Spur's applications will be in the best interest of conservation, the prevention of waste, and protection of correlative rights.
- 12. Spur Exhibits D-1 through D-4 were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

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Off light

STATE OF TEXAS

COUNTY OF HARRIS

SUBSCRIBED and SWORN to before me this day of June, 2021 by C.J. Lipinski.

NOTARY PUBLIC

My Commission Expires:

4-27-2023

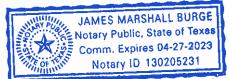


Exhibit D-1: Morris Boyd Basemap (Case No. 21983-21984)



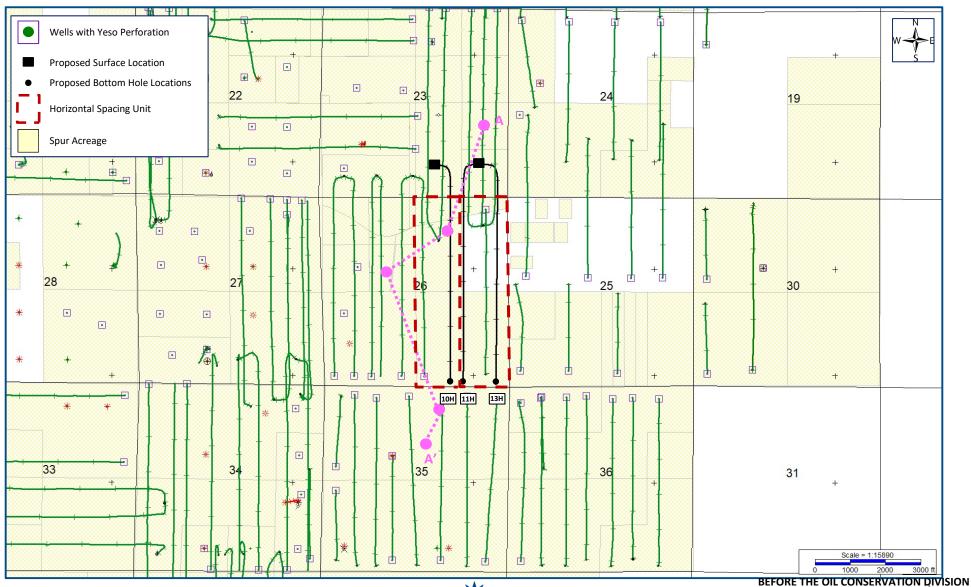
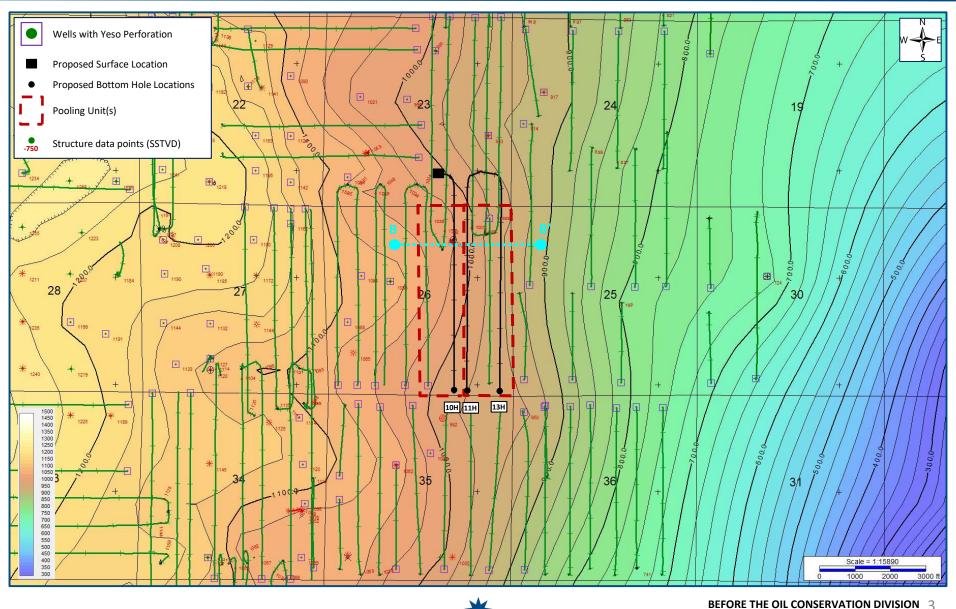


Exhibit D-2: Structure Map (SSTVD): Top Glorieta (Case No. 21983-21984)



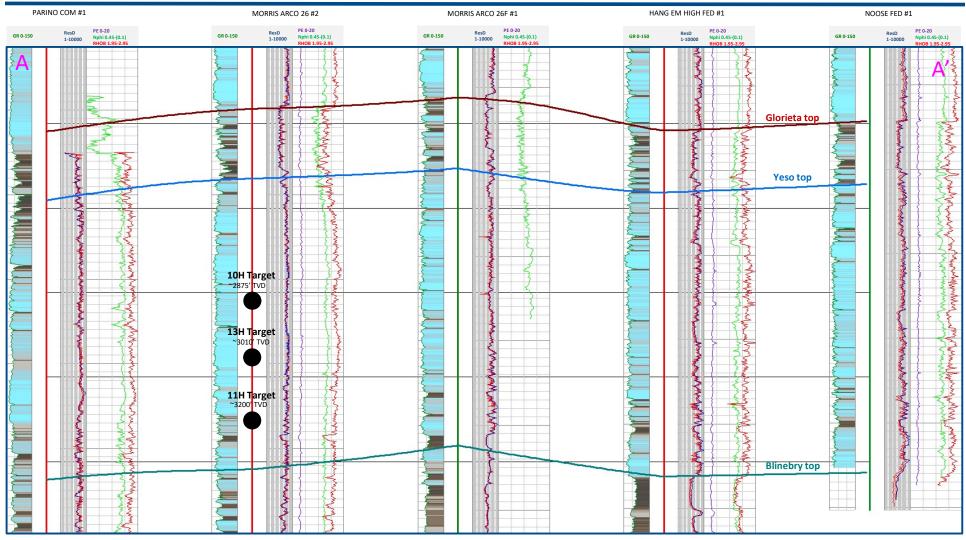


Hearing Date: July 01, 2021 Case Nos. 21983-21984

Exhibit D-3: Structural Cross Section (TVD)

(Case No. 21983-21984)







Santa Fe, New Mexico Exhibit No. D3

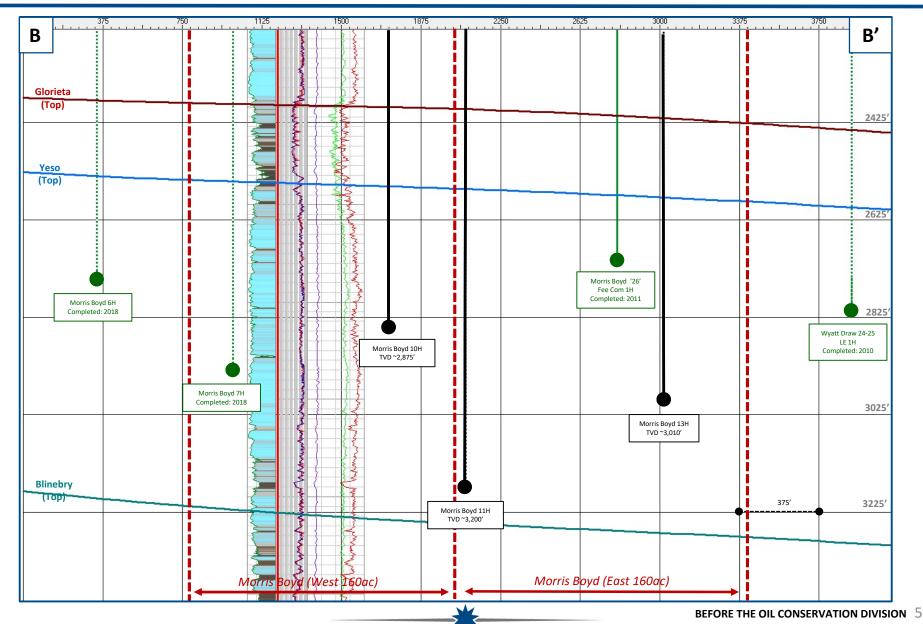
Submitted by: Spur Energy Partners, LLC Hearing Date: July 01, 2021 Case Nos. 21983-21984

4

Exhibit D-4: Morris Boyd Gun Barrel (TVD)

(Case No. 21983-21984)





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 NOS. 21983 & 21984

AFFIDAVIT

STATE OF NEW MEXICO)	
)	SS
COUNTY OF SANTA FE)	

Kaitlyn A. Luck, attorney in fact and authorized representative of Spur Energy Partners LLC, the Applicant herein, being first duly sworn, upon oath, states that the above-referenced Applications have been provided under the notice letters and proof of receipts attached hereto.

Kaitlyn A. Luck

SUBSCRIBED AND SWORN to before me this 28th day of June, 2021 by Kaitlyn A. Luck.

Notary Public

My Commission

Expires: Vanvoy 28, 2023

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. E

Submitted by: Spur Energy Partners, LLC
Hearing Date: July 01, 2021
Case Nos. 21983-21984

OFFICIAL SEAL
ANNA K. STORM
NOTARY PUBLIC - STATE OF NEW MEXICO

My Commission Expires:



Kaitlyn A. Luck Phone (505) 954-7286 KALuck@hollandhart.com

June 11, 2021

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

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

County, New Mexico.

Morris-Boyd #9H, #10H wells

Ladies & Gentlemen:

This letter is to advise you that Spur Energy Partners, LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 1, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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

Sincerely,

Kaitlyn A. Luck

ATTORNEY FOR SPUR ENERGY PARTNERS, LLC



Kaitlyn A. Luck Phone (505) 954-7286 KALuck@hollandhart.com

June 11, 2021

<u>VIA CERTIFIED MAIL</u> CERTIFIED RECEIPT REQUESTED

TO: ALL INTEREST OWNERS SUBJECT TO POOLING PROCEEDINGS

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

County, New Mexico.

Morris-Boyd #11H, #13H wells

Ladies & Gentlemen:

This letter is to advise you that Spur Energy Partners, LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on July 1, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: http://www.emnrd.state.nm.us/OCD/announcements.html.

You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Prehearing Statement four business days in advance of a scheduled hearing. This statement must be filed online or in person at the Division's Santa Fe office and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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

Sincerely,

Fronkull

Kaitlyn A. Luck

ATTORNEY FOR SPUR ENERGY PARTNERS, LLC

T 505.988.4421 F 505.983.6043 110 North Guadalupe, Suite 1, Santa Fe, NM 87501-1849 Mail to: P.O. Box 2208, Santa Fe, NM 87504-2208 www.hollandhart.com

Alaska Colorado Idaho Montana Nevada New Mexico Utah Washington, D.C. Wyoming

Spur - Morris Boyd 9H-11H, 13H Case Nos. 21983-21984 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
						Your package will arrive later than expected, but is still on its
9414811898765802384260	Joe Michael Bailey	5000 Sugar Lake Rd	Fort Worth	TX	76103-1025	way. It is currently in transit to the next facility.
						Your item was delivered at 10:05 am on June 18, 2021 in
9414811898765802384253	Robert Mckee Badger	11631 Highway 62	Wolfforth	TX	79382-4607	WOLFFORTH, TX 79382.
						Your item was delivered at 10:36 am on June 25, 2021 in PORT
9414811898765802384215	Bertrandt Brandt Badger	365 Marina Dr	Port Aransas	TX	78373-4906	ARANSAS, TX 78373.
						Your item was delivered to an individual at the address at 12:31
9414811898765802383577	Terry Maurice Badger	322 Pico De La Loma	Escondido	CA	92029-7912	pm on June 19, 2021 in ESCONDIDO, CA 92029.
						Your item was delivered to an individual at the address at 12:23
9414811898765802383539	Kent Hamilton Badger	729 Lamat Rd	La Habra Heights	CA	90631-8324	pm on June 15, 2021 in LA HABRA, CA 90631.
						Your package will arrive later than expected, but is still on its
9414811898765802383584	Ramah Kathryn Vaughn	3785 W Villa Maria Rd	Bryan	TX	77807-7709	way. It is currently in transit to the next facility.
						Your package will arrive later than expected, but is still on its
9414811898765802383546	Margaret Badger Reed Trust No 3 F	PO Box 1600	San Antonio	TX	78296-1600	way. It is currently in transit to the next facility.
						Your item was picked up at a postal facility at 10:10 am on June
9414811898765802383591	Caprock Energy LLC	PO Box 7172165	Stateline	NV	89449	16, 2021 in STATELINE, NV 89449.



Affidavit of Publication Ad # 0004781182 This is not an invoice

HOLLAND AND HART POBOX 2208

SANTA FE, NM 87504

Linda

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

06/16/2021

Subscribed and sworn before me this June 16, 2021:

State of WI, County of Brown

NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0004781182 PO #: Spur Morris Boyd 9H 10H # of Affidavits1

This is not an invoice

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. F
Submitted by: Spur Energy Partners, LLC
Hearing Date: July 01, 2021
Case Nos. 21983-21984

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, July 1, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emnrd.state.nm.us/OCD/hearings.html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than June 21, 2021.

Persons may view and participate in the hearings through the following link:

https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID =e27ab61b7f5ad68b04d4652ecf5502112 Event number: 187 606 9449 Event password: cMbpmxsh633

Join by video: 1876069449@nmemnrd.webex.com Numeric Password: 359882 You can also dial 173.243.2.68 and enter your meeting numher

Join by audio: 1-844-992-4726 United States Toll Free

Access code: 187 606 9449

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All non-participating royalty interest owners, including: Caprock Energy LLC; Margaret Badger Reed Trust #3 Frost Bank, Successor Trustee; Ramah Kathryn Vaughn, her heirs and devisees; Kent Hamilton Badger, his heirs and devisees; Terry Maurice Badger, his heirs and devisees; Bertrandt Brandt Badger, his heirs and devisees; Robert McKee Badger, his heirs and devisees; Margaret Badger Reed Trust #1; Margaret Badger Reed Trust #2; Robert M Badger, his heirs and devisees; Linda Lee Vaughn, her heirs and devisees; Robert Brandt Vaughn, his heirs and devisees; Don Allen Vaughn, his heirs and devisees; Lori Deen Vaughn Adamson, her heirs and devisees; Nancy Woods Badger, her heirs and devisees; heirs and devisees of Walter Harvey Badger Jr; heirs and devisees of Calliephine J Badger Waldrop; heirs and devisees of Juliette Faber; heirs and devisees of Marion Davis Badger; heirs and devisees of Mary Almeda Badger Duncan; and heirs and devisees of Mary Almeda Badger Duncan; and heirs and devisees of Mary Elizabeth Badger Blailock.

Case No. 21983: Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Yeso formation, underlying a standard 160-acre horizontal spacing unit comprised of the W/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the following initial wells: (1) the Morris-Boyd #9H well, and (2) the Morris-Boyd #10H well, each of which will be horizontally drilled from a common surface location in the SW/4 SE/4 (Unit O) of Section 23, to bottom hole locations in the SW/4 SE/4 (Unit O) of Section 26. The completed interval of the wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles south of Artesia, New Mexico. #4781182, Current Argus, June 16, 2021

Carlsbad Current Argus.

Affidavit of Publication Ad # 0004781215 This is not an invoice

HOLLAND AND HART POBOX 2208

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 on the date as follows, to wit:

06/16/2021

Subscribed and sworn before me this June 16, 2021;

State of WI, County of Brown NOTARY PUBLIC

My commission expires

KATHLEEN ALLEN Notary Public State of Wisconsin

Ad # 0004781215 PO #: Spur Morris Boyd 11H-13H # of Affidavits1

This is not an invoice

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

The State of New Mexico, Energy Minerals and Natural Resources Department, Oil Conservation Division ("Division") hereby gives notice that the Division will hold public hearings before a hearing examiner on the following case. During the COVID-19 Public Health Emergency, state buildings are closed to the public and Division hearings will be conducted remotely. The public hearing for the following case will be electronic and conducted remotely. The hearing will be conducted on Thursday, July 1, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted below. The docket may be viewed at http://www.emnrd.state.nm.us/OCD/hearings.html or obtained from Marlene Salvidrez, at Marlene.Salvidrez@state.nm.us. Documents filed in the case may be viewed at http://ocdimage.emnrd.state.nm.us/imaging/CaseFileCriteria.aspx. If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or other form of auxiliary aid or service to attend or participate in a hearing, contact Marlene Salvidrez at Marlene.Salvidrez@state.nm.us, or the New Mexico Relay Network at 1-800-659-1779, no later than June 21, 2021.

Persons may view and participate in the hearings through the following link:

https://nmemnrd.webex.com/nmemnrd/onstage/g.php?MTID =e27ab61b7f5ad68b04d4652ecf5502112 Event number: 187 606 9449 Event password: cMbpmxsh633

Join by video: 1876069449@nmemnrd.webex.com Numeric Password: 359882 You can also dial 173.243.2.68 and enter your meeting number

Join by audio: 1-844-992-4726 United States Toll Free

Access code: 187 606 9449

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following case and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

To: All non-participating royalty interest owners, including: Caprock Energy LLC; Margaret Badger Reed Trust #3 Frost Bank, Successor Trustee; Ramah Kathryn Vaughn, her heirs and devisees; Kent Hamilton Badger, his heirs and devisees; Terry Maurice Badger, his heirs and devisees; Bertrandt Brandt Badger, his heirs and devisees; Robert McKee Badger, his heirs and devisees; Margaret Badger Reed Trust #1; Margaret Badger Reed Trust #2; Robert M Badger, his heirs and devisees; Linda Lee Vaughn, her heirs and devisees; Robert Brandt Vaughn, his heirs and devisees; Don Allen Vaughn, his heirs and devisees; Don Allen Vaughn, his heirs and devisees; Nancy Woods Badger, her heirs and devisees; heirs and devisees of Walter Harvey Badger Jr; heirs and devisees of Calliephine J Badger Massie; heirs and devisees of Juliette Faber; heirs and devisees of Marion Davis Badger; heirs and devisees of Mary Almeda Badger Duncan; and heirs and devisees of Mary Almeda Badger Blailock.

Case No. 21984: Application of Spur Energy Partners, LLC for compulsory pooling, Eddy County, New Mexico. Applicant in the above-styled cause seeks an order pooling all uncommitted interests in the Yeso formation, underlying a standard 160-acre horizontal spacing unit comprised of the E/2 E/2 of Section 26, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. Applicant proposes to dedicate the above-referenced spacing unit to the following proposed initial wells: (1) the Morris-Boyd #11H well, and (2) the Morris-Boyd #13H well, each of which will be horizontally drilled from a common surface location in the SE/4 SE/4 (Unit P) of Section 23, to bottom hole locations in the SE/4 SE/4 (Unit P) of Section 26. The completed interval of the wells will comply with statewide setbacks for oil wells. Also, to be considered will be the cost of drilling and completing said wells and the allocation of the cost thereof, actual operating costs, charges for supervision, designation of applicant as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 13 miles south of Artesia, New Mexico. #4781215, Current Argus, June 16, 2021