

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

**APPLICATION OF SPUR ENERGY
PARTNERS LLC TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22273,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23215
ORDER NO. R-22273**

EXHIBIT INDEX

Exhibit A	Self-Affirmed Statement of Rett Dalton
A-1	Application and Proposed Notice of Hearing
A-2	Order No. R-22273
A-3	Plat of Tracts, Ownership Interests, Uncommitted Interests to be Pooled
A-4	Well Proposal Letter and AFEs
A-5	Chronology of Contact
Exhibit B	Self-Affirmed Statement of Dana S. Hardy
B-1	Notice Letter
B-2	Copy of Certified Mail and Mail Receipts

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EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23215
ORDER NO. R-22273**

**SELF-AFFIRMED STATEMENT
OF RETT DALTON**

1. I am a Senior Landman with Spur Energy Partners, LLC (“Spur”). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the New Mexico Oil Conservation Division (“Division”) and my credentials as an expert in petroleum land matters were accepted and made a matter of record.

2. I am familiar with the land matters involved in this case. Copies of the application and proposed hearing notice are attached as **Exhibit A-1**.

3. None of the parties proposed to be pooled in this case indicated opposition to this matter proceeding by affidavit, therefore I do not expect any opposition at hearing.

4. On September 2, 2022, the Division entered Order No. R-22273 (“Order”) in Case No. 22597. The Order pooled all uncommitted interests from the top of the Yeso formation to a depth of approximately 4,100’ (Artesia; Glorieta-Yeso Pool, Code 96830) underlying a 320-acre, more or less, overlapping spacing unit comprised of the N/2 of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico (“Unit”). The Order further dedicated the Unit to the Blalock 32 State Com #1H, Blalock 32 State Com #10H, and Blalock 32 State Com #11H wells (“Wells”) and designated Applicant as operator of the Unit and the Wells.

5. A copy of the Order is attached as **Exhibit A-2**.

**Spur Energy Partners LLC
Case No. 23215
Exhibit A**

6. Since the Order was entered, Spur has identified additional interests in the Unit that have not been pooled under the terms of the Order.

7. **Exhibit A-3** provides a plat of the tracts included in the Unit, identifies the interests in each tract, and identifies the additional uncommitted interest to be pooled under the terms of the Order, which is highlighted in green. The additional interest owner to be pooled is locatable.

8. **Exhibit A-4** is a well proposal letter and authorization for expenditure that I sent to the additional party to be pooled under the terms of the Order.

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

10. Spur requests the additional uncommitted interest be pooled under the terms of the Order.

11. In my opinion, the granting of Spur's application would serve the interests of conservation and prevention of waste.

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

13. I understand this Self-Affirmed Statement will be used as written testimony in 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.


Rett Dalton

11-14-2022
Date

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

**APPLICATION OF SPUR ENERGY
PARTNERS LLC TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22273
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 23215
ORDER NO. R-22273**

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (“Applicant”) (OGRID No. 338479) files this application with the Oil Conservation Division (“Division”) for the limited purpose of pooling additional uncommitted interests under the terms of Division Order No. R-22273. Applicant states the following in support of its application.

1. On September 2, 2022, the Division entered Order No. R-22273 (“Order”) in Case No. 22597. The Order pooled all uncommitted interests from the top of the Yeso formation to a depth of approximately 4,100’ (Artesia; Glorieta-Yeso Pool, Code 96830) underlying a 320-acre, more or less, overlapping spacing unit comprised of the N/2 of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico (“Unit”). The Order further dedicated the Unit to the Blalock 32 State Com #1H, Blalock 32 State Com #10H, and Blalock 32 State Com #11H wells (“Wells”) and designated Applicant as operator of the Unit and the Wells.

2. Since the Order was entered, Applicant has identified additional interests in the Unit that have not been pooled under the terms of the Order.

3. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from the additional interest owners but has been unable to obtain voluntary agreements from the owners.

**Spur Energy Partners LLC
Case No. 23215
Exhibit A-1**

4. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interests should be pooled in the Unit pursuant to the terms of the Order.

WHEREFORE, Applicant requests this application be set for hearing before an Examiner of the Division on December 1, 2022, and, after notice and hearing, the Division pool the additional uncommitted interests into the Unit pursuant to the terms of Division Order No. R-22273.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

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jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Counsel for Spur Energy Partners LLC

Application of Spur Energy Partners LLC to Pool Additional Interests Under Order No. R-22273, Eddy County, New Mexico. Applicant seeks an order pooling additional uncommitted interests under the terms of Division Order No. R-22273. Order No R-22273 (“Order”) pooled all uncommitted interest from the top of the Yeso formation to a depth of approximately 4,100’ (Artesia; Glorieta-Yeso Pool, Code 96830) underlying a 320-acre, more or less, overlapping spacing unit comprised of the N/2 of Section 32, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico (“Unit”). The Order further dedicated the Unit to the Blalock 32 State Com #1H, Blalock 32 State Com #10H, and Blalock 32 State Com #11H wells (“Wells”) and designated Applicant as operator of the Unit and the Wells. Since entry of the Order, Applicant has identified additional interests in the Unit that should be pooled under the terms of the Order. The Wells are located approximately 13 miles south of Artesia, New Mexico.

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

**IN THE MATTER OF APPLICATION FOR
COMPULSORY POOLING SUBMITTED BY
SPUR ENERGY PARTNERS, LLC**

**CASE NO. 22597
ORDER NO. R-22273**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 2, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. Spur Energy Partners LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**Spur Energy Partners LLC
Case No. 23215
Exhibit A-2**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

ORDER

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the

- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
 25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
 26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
 27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
 28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



ADRIENNE SANDOVAL
DIRECTOR

AES/jag

Date: 9/02/2022

CASE NO. 22597
ORDER NO. R-22273

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COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 22597 (Shallow Unit)	APPLICANT'S RESPONSE
Date	June 2, 2022
Applicant	Spur Energy Partners LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID 338479
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF SPUR ENERGY PARTNERS, LLC FOR APPROVAL OF AN OVERLAPPING HORIZONTAL WELL SPACING UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
<p style="text-align: center;">BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Exhibit No. A Submitted by: Spur Energy Partners, LLC Hearing Date: June 2, 2022 Case Nos. 22597-22598</p>	
Entries of Appearance/Intervenors:	Contango Oil & Gas, Apache Corp., Jalapeno Corp.
Well Family	Blalock 32 State
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yeso formation; from the top of the formation to 4,100 feet.
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Yeso formation; from the top of the formation to 4,100 feet.
Pool Name and Pool Code:	Artesia; Glorieta-Yeso Pool (Pool Code 96830)
Well Location Setback Rules:	Statewide oil
Spacing Unit Size:	320 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres, more or less
Building Blocks:	40 acres
Orientation:	West to East
Description: TRS/County	N/2 of Section 32, Township 17 South, Range 28 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	Yes; at 4,100 feet.
Proximity Tracts: If yes, description	Yes; The completed interval of the Blalock 32 State #1H well will remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to include them in a standard horizontal well spacing unit.
Proximity Defining Well: if yes, description	Blalock 32 State #1H well
Applicant's Ownership in Each Tract	Exhibit C-2
Well(s)	

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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	Blalock 32 State #1H well SHL: 691' FNL, 976' FEL (Unit A), Sec. 31, T17S, R28E. BHL: 1200' FNL, 50' FEL (Unit P), Sec. 32, T17S, R28E. Completed Target: Yeso Formation Orientation: west to east Completion Status: Expected to be standard	
Well #2	Blalock 32 State #10H well SHL: 652' FNL, 969' FEL (Unit A), Sec. 31, T17S, R28E. BHL: 450' FNL, 50' FEL (Unit A), Sec. 32, T17S, R28E. Completed Target: Yeso Formation Orientation: west to east Completion Status: Expected to be standard	
Well #3	Blalock 32 State #11H well SHL: 1844' FNL, 1089' FEL (Unit H), Sec. 31, T17S, R28E. BHL: 1950' FNL, 50' FEL (Unit H), Sec. 32, T17S, R28E. Completed Target: Yeso Formation Orientation: west to east Completion Status: Expected to be standard	
Horizontal Well First and Last Take Points	Exhibit C-2	
Completion Target (Formation, TVD and MD)	Exhibit C-4	
AFE Capex and Operating Costs		
Drilling Supervision/Month \$	\$8,000	
Production Supervision/Month \$	\$800	
Justification for Supervision Costs	Exhibit C	
Requested Risk Charge	200%	
Notice of Hearing		
Proposed Notice of Hearing	Exhibit B	
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit E	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit F	
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Land Ownership Schematic of the Spacing Unit	Exhibit C-3
Tract List (including lease numbers and owners)	Exhibit C-3
Pooled Parties (including ownership type)	Exhibit C-3
Unlocatable Parties to be Pooled	Exhibit C-3
Ownership Depth Severance (including percentage above & below)	Exhibit C-3
Joinder	
Sample Copy of Proposal Letter	Exhibit C-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-3
Chronology of Contact with Non-Joined Working Interests	Exhibit C-5
Overhead Rates In Proposal Letter	Exhibit C-4
Cost Estimate to Drill and Complete	Exhibit C-4
Cost Estimate to Equip Well	Exhibit C-4
Cost Estimate for Production Facilities	Exhibit C-4
Geology	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-5
Well Orientation (with rationale)	Exhibit D
Target Formation	Exhibit D-3
HSU Cross Section	Exhibit D-3
Depth Severance Discussion	Exhibit D, D-4, D-5
Forms, Figures and Tables	
C-102	Exhibit C-2
Tracts	Exhibit C-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-3
General Location Map (including basin)	Exhibit D-2
Well Bore Location Map	Exhibit D-2
Structure Contour Map - Subsea Depth	Exhibit D-3
Cross Section Location Map (including wells)	Exhibit D-2
Cross Section (including Landing Zone)	Exhibit D-4
Additional Information	
Special Provisions/Stipulations	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	2-Jun-22

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Exhibit A

CASE NO. 22597
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PLAT OF

320.00 acres of land, more or less, being the N/2 of Section 32 , Township 17 South, Range 28 East, Eddy County, New Mexico



Blalock - Leases - N/2 Sec. 32-17S-28E

Case Number 23215 - From the top of the Yeso formation to 4,100'
Blalock 32 State #1H, 10H, 11H

Case Number 23216 - From 4,130' to the base of the Yeso formation
Blalock 32 State #50H, 70H, 90H

Spur Energy Partners LLC
Case No. 23215
Exhibit A-3

BLALOCK SHALLOW (Top of the Yeso to 4,100')- TRACT/DSU WORKING INTEREST SUMMARY

TRACT NUMBER	LOCATION	SECTION	ACRES
TRACT 1	NE/4	32-175-28E	160
TRACT 2A SHALLOW	NE/4 NW/4	32-175-28E	40
TRACT 2B SHALLOW	NW/4 NW/4	32-175-28E	40
TRACT 3	SW/4 NW/4	32-175-28E	40
TRACT 4	SE/4 NW/4	32-175-28E	40
			320

Parties pooled by Order R-22273 are highlighted in YELLOW

Party seeking to be pooled by Case #23215 is highlighted in GREEN

TRACT	Interest Type	Operating Rights Ownership		
		WI	Gross Ac	Net Ac
TRACT 1				
ZPZ Delaware I LLC	WI	0.30000000	160.00000000	48.00000000
SEP Permian LLC	WI	0.20000000	160.00000000	32.00000000
EOG Resources, Inc.	WI	0.18055556	160.00000000	28.88889600
WPX Energy Permian, LLC	WI	0.15972222	160.00000000	25.55555200
Chase Oil Corporation	WI	0.15972222	160.00000000	25.55555200
TOTAL		1.00000000	160.00000000	160.00000000
TRACT 2A SHALLOW				
Contango Resources, Inc.	WI	0.87500000	40.00000000	35.00000000
Read & Stevens, Inc.	WI	0.12500000	40.00000000	5.00000000
TOTAL		1.00000000	40.00000000	40.00000000
TRACT 2B SHALLOW				
Contango Resources, Inc.	WI	0.87500000	40.00000000	35.00000000
Read & Stevens, Inc.	WI	0.12500000	40.00000000	5.00000000
TOTAL		1.00000000	40.00000000	40.00000000
TRACT 3				
Occidental Permian Limited Partnership	WI	0.75000000	40.00000000	30.00000000
Bradco Partnership, L.L.C.	WI	0.00665510	40.00000000	0.26620400
Ludora Bradshaw	WI	0.00332756	40.00000000	0.13310240
Christopher Bradshaw	WI	0.00166377	40.00000000	0.06655080
Joe Bradshaw	WI	0.00166377	40.00000000	0.06655080
Gary Leach	WI	0.00166377	40.00000000	0.06655080
Jim Leach	WI	0.00166377	40.00000000	0.06655080
Coby Miller	WI	0.00166377	40.00000000	0.06655080
Craig Miller	WI	0.00166377	40.00000000	0.06655080
EOG Resources, Inc.	WI	0.03583142	40.00000000	1.43325680
Marigold LLP	WI	0.02830826	40.00000000	1.13233040
Tulipan LLC	WI	0.02830826	40.00000000	1.13233040
Richard Martin Yates	WI	0.02123119	40.00000000	0.84924760
St. Clair Peyton Yates, Jr.	WI	0.02123119	40.00000000	0.84924760
Mary Yates Davis	WI	0.02123119	40.00000000	0.84924760
Oxy Y-1 Company	WI	0.02123118	40.00000000	0.84924720
Sharbro Energy LLC	WI	0.02256944	40.00000000	0.90277760
Jalapeno Corporation	WI	0.00722045	40.00000000	0.28881800
MRC Delaware Resources LLC	WI	0.01717838	40.00000000	0.68713520
Yates Energy Corporation	WI	0.00569376	40.00000000	0.22775040
TOTAL		1.00000000	40.00000000	40.00000000
TRACT 4				
SEP Permian LLC	WI	0.40000000	40.00000000	16.00000000
ZPZ Delaware I LLC	WI	0.60000000	40.00000000	24.00000000
TOTAL		1.00000000	40.00000000	40.00000000

BLALOCK SHALLOW OPERATING RIGHTS DSU RECAPITULATION

	Net Ac	DSU WI %
Bradco Partnership, L.L.C.	0.266204	0.083189%
Chase Oil Corporation	25.5555520	7.986111%
Christopher Bradshaw	0.06655080	0.020797%
Coby Miller	0.066551	0.020797%
Contango Resources, Inc.	70.000000	21.875000%
Craig Miller	0.06655080	0.020797%
EOG Resources, Inc.	30.32214640	9.475671%
Gary Leach	0.06655080	0.020797%
MRC Delaware Resources LLC	0.68713520	0.214730%
Jalapeno Corporation	0.28881800	0.090256%
Jim Leach	0.06655080	0.020797%
Joe Bradshaw	0.06655080	0.020797%
Ludora Bradshaw	0.13310240	0.041595%
Marigold LLP	1.13233040	0.353853%
Mary Yates Davis	0.84924760	0.265390%
Occidental Permian Limited Partnership	30.00000000	9.375000%
Oxy Y-1 Company	0.84924720	0.265390%
Read & Stevens, Inc.	10.00000000	3.125000%
Richard Martin Yates	0.84924760	0.265390%
SEP Permian LLC	48.00000000	15.000000%
Sharbro Energy LLC	0.90277760	0.282118%
St. Clair Peyton Yates, Jr.	0.84924760	0.265390%
Tulipan LLC	1.13233040	0.353853%
WPX Energy Permian, LLC	25.5555520	7.986111%
Yates Energy Corporation	0.22775040	0.071172%
ZPZ Delaware I LLC	24.00000000	7.500000%
TOTAL	320.000000	100.00%



May 20, 2022

RE: Revised Well Proposal
Blalock State Com 1H, 10H and 11H
N/2 Section 32, T17S-R28E
Eddy County, New Mexico

To Whom It May Concern,

Spur Energy Partners LLC ("SPUR"), an affiliate of SEP Permian LLC ("SEP"), hereby amends its June 14, 2021 proposal to only drill and complete the **Blalock State Com 1H, 10H and 11H** wells (instead of the Blalock State Com 1H, 10H, 11H and 30H) 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).

Blalock State Com 1H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 600' FNL & 950' FEL, Section 31, T17S-R28E
- Proposed Bottom Hole Location – 1,200' FNL & 50' FEL, Section 32, T17S-R28E
- TVD: 3,575'

Blalock State Com 10H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 620' FNL & 950' FEL, Section 31, T17S-R28E
- Proposed Bottom Hole Location – 450' FNL & 50' FEL, Section 32, T17S-R28E
- TVD: 3,700'

Blalock State Com 11H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 1,820' FNL & 875' FEL, Section 31, T17S-R28E
- Proposed Bottom Hole Location – 1,950' FNL & 50' FEL, Section 32, T17S-R28E
- TVD: 3,800'

SPUR proposes to form an overlapping horizontal well Drilling Spacing Unit ("DSU") covering the N/2 of Section 32, T17S-R28E, Eddy County, New Mexico, containing 320 acres of land, more or less, from the top of the Yeso formation to a depth of 4,100 feet within the Yeso formation. The proposed horizontal well DSU will overlap existing vertical well spacing units in 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 January 1, 2022, ("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 January 1, 2022
- Contract Area consisting of the N/2 of Section 32, T17S-R28E
- Limited in depth from the top of the Yeso formation to a depth of 4,100'
- 100%/300%/300% non-consenting penalty
- \$8,000/\$800 drilling and producing monthly overhead rate
- Spur Energy Partners LLC named as Operator

Spur Energy Partners LLC
Case No. 23215
Exhibit A-4

Revised Well Proposal
Blalock State Com 1H, 10H and 11H
N/2 Section 32, T17S-R28E
Eddy County, New Mexico
May 20, 2022
Page 2

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs.

SPUR respectfully requests that you select one of the following three options 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 – Assignment Option: Assign your working interest in the N/2 Section 32-T17S-R28E, exclusive of existing wellbores, to SEP for a bonus consideration of \$1,500 per net acre, delivering no less than a 75% leasehold 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 leasehold interest under the terms outlined above in Option 3, upon receipt of your election, SPUR will submit the 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 to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact me via email at rdalton@spurenergy.com.

Sincerely,



Rett Dalton
Sr. Landman

Enclosures
Individual Well Elections
AFEs



May 20, 2022

**RE: Working Interest Information for Revised Well Proposals
Blalock State Com 1H, 10H, 11H, 50H, 70H, and 90H
N/2 Section 32, T17S-R28E
Eddy County, New Mexico**

To Whom It May Concern,

With reference to those certain Revised Well Proposals dated December 13, 2021, from Spur Energy Partners LLC ("SPUR"), an affiliate of SEP Permian LLC ("SEP"), for the subject wells, please be advised based upon our information, your estimated working interest for each of the subject wells is stated below.

Company: MRC Delaware Resources, LLC

Estimated Working Interest for the 1H, 10H and 11H wells are: 0.214730%

Estimated Working Interest for the 50H, 70H and 90H wells are: 0.214730%

Should you have any questions regarding this proposal, please contact Kristi Zissa at 832-982-1079 or kzissa@spurenergy.com or the undersigned via email at rdalton@spurenergy.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Rett Dalton".

Rett Dalton
Sr. Landman



Blalock State Com 1H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Blalock State Com 1H 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 Blalock State Com 1H 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 _____, 202__.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Blalock State Com 10H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Blalock State 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 Blalock State 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 _____, 202__.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Blalock State Com 11H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Blalock State 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 Blalock State 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 _____, 202__.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Blalock State Com 1H, 10H and 11H
Option 3 – Assignment Option

_____ The undersigned hereby elects to assign their working interest in the N/2 of Section 32-T17S-R28E, exclusive of existing wellbores, to SEP for a bonus consideration of \$1,500 per net acre, delivering no less than a 75% leasehold net revenue interest (all rights owned).

Agreed to and Accepted this _____ day of _____, 202__.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE # : <u>C21153</u>
Well Name : <u>BLALOCK 1H</u>	
Location : <u>NEW MEXICO / EDDY</u>	
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 56,500	\$ -	\$ -	\$ -	\$ 56,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD & COMPL FLUID	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 18,600	\$ -	\$ -	\$ -	\$ 18,600	\$ -
2050-1900	GROUND TRANSPORT	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 138,000	\$ -	\$ -	\$ -	\$ 138,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 71,000	\$ -	\$ -	\$ -	\$ 71,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 150	\$ -	\$ -	\$ -	\$ 150	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BITS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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, WATER & LUBE	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000	\$ -
2050-4000	CEMENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CSG CEMENT AND SERVICE	\$ 38,000	\$ -	\$ -	\$ -	\$ 38,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 7,200	\$ -	\$ -	\$ -	\$ 7,200	\$ -
2050-8001	MOB/DEMOB RIG	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 68,550	\$ -	\$ -	\$ -	\$ 68,550	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 829,000	\$ -	\$ -	\$ -	\$ 829,000	\$ -

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	\$ 74,000	\$ -	\$ -	\$ -	\$ 74,000	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 293,000	\$ -	\$ -	\$ -	\$ 293,000	\$ -
2051-5400	CONDUCTOR PIPE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 413,000	\$ -	\$ -	\$ -	\$ 413,000	\$ -
	DRILLING TOTAL	\$ 1,242,000	\$ -	\$ -	\$ -	\$ 1,242,000	\$ -

INTANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2055-1000	LOCATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1001	TITLE WORK AND OPINIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1002	OUTSIDE LEGAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1300	EQUIP RENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1302	DRILLING RENTALS: SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	DRILL MUD & COMPL FLUID	\$ 255,000	\$ -	\$ -	\$ -	\$ 255,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 141,000	\$ -	\$ -	\$ -	\$ 141,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2055-2300	FRAC PLUGS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-2400	WELL PREP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -
2055-2403	FLOWBACK	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 373,750	\$ -	\$ -	\$ -	\$ 373,750	\$ -
2055-3400	PROPPANT	\$ 158,000	\$ -	\$ -	\$ -	\$ 158,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL, WATER & LUBE	\$ 130,000	\$ -	\$ -	\$ -	\$ 130,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-8002	KILL TRUCK	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 16,500	\$ -	\$ -	\$ -	\$ 16,500	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 1,431,250	\$ -	\$ -	\$ -	\$ 1,431,250	\$ -

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ 12,750	\$ -	\$ -	\$ -	\$ 12,750	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2065-5100	TUBING	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 153,750	\$ -	\$ -	\$ -	\$ 153,750	\$ -
COMPLETION TOTAL		\$ 1,585,000	\$ -	\$ -	\$ -	\$ 1,585,000	\$ -

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	\$ -
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	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
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	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
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		\$ 293,500	\$ -	\$ -	\$ -	\$ 293,500	\$ -
FACILITY TOTAL		\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -

BLALOCK 1H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,242,000	\$ -	\$ -	\$ -	\$ 1,242,000	\$ -
COMPLETION TOTAL	\$ 1,585,000	\$ -	\$ -	\$ -	\$ 1,585,000	\$ -
FACILITY TOTAL	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -
TOTAL WELL COST	\$ 3,227,000	\$ -	\$ -	\$ -	\$ 3,227,000	\$ -

Partner Approval

Signed _____ Company _____

Name _____ Date _____

Title _____



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE # : <u>C21154</u>
Well Name : <u>BLALOCK 10H</u>	
Location : <u>NEW MEXICO / EDDY</u>	
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 56,500	\$ -	\$ -	\$ -	\$ 56,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD & COMPL FLUID	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 18,600	\$ -	\$ -	\$ -	\$ 18,600	\$ -
2050-1900	GROUND TRANSPORT	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 138,000	\$ -	\$ -	\$ -	\$ 138,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 71,000	\$ -	\$ -	\$ -	\$ 71,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 150	\$ -	\$ -	\$ -	\$ 150	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BITS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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, WATER & LUBE	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000	\$ -
2050-4000	CEMENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CSG CEMENT AND SERVICE	\$ 38,000	\$ -	\$ -	\$ -	\$ 38,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 7,200	\$ -	\$ -	\$ -	\$ 7,200	\$ -
2050-8001	MOB/DEMOB RIG	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 68,550	\$ -	\$ -	\$ -	\$ 68,550	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 829,000	\$ -	\$ -	\$ -	\$ 829,000	\$ -

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	\$ 74,000	\$ -	\$ -	\$ -	\$ 74,000	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 293,000	\$ -	\$ -	\$ -	\$ 293,000	\$ -
2051-5400	CONDUCTOR PIPE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 413,000	\$ -	\$ -	\$ -	\$ 413,000	\$ -
	DRILLING TOTAL	\$ 1,242,000	\$ -	\$ -	\$ -	\$ 1,242,000	\$ -

INTANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2055-1000	LOCATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1001	TITLE WORK AND OPINIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1002	OUTSIDE LEGAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1300	EQUIP RENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1302	DRILLING RENTALS: SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	DRILL MUD & COMPL FLUID	\$ 255,000	\$ -	\$ -	\$ -	\$ 255,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 141,000	\$ -	\$ -	\$ -	\$ 141,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2055-2300	FRAC PLUGS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-2400	WELL PREP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -
2055-2403	FLOWBACK	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 373,750	\$ -	\$ -	\$ -	\$ 373,750	\$ -
2055-3400	PROPPANT	\$ 158,000	\$ -	\$ -	\$ -	\$ 158,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL, WATER & LUBE	\$ 130,000	\$ -	\$ -	\$ -	\$ 130,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-8002	KILL TRUCK	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 16,500	\$ -	\$ -	\$ -	\$ 16,500	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 1,431,250	\$ -	\$ -	\$ -	\$ 1,431,250	\$ -

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ 12,750	\$ -	\$ -	\$ -	\$ 12,750	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2065-5100	TUBING	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 153,750	\$ -	\$ -	\$ -	\$ 153,750	\$ -
COMPLETION TOTAL		\$ 1,585,000	\$ -	\$ -	\$ -	\$ 1,585,000	\$ -

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	\$ -
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	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
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	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
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		\$ 293,500	\$ -	\$ -	\$ -	\$ 293,500	\$ -
FACILITY TOTAL		\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -

BLALOCK 10H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,242,000	\$ -	\$ -	\$ -	\$ 1,242,000	\$ -
COMPLETION TOTAL	\$ 1,585,000	\$ -	\$ -	\$ -	\$ 1,585,000	\$ -
FACILITY TOTAL	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -
TOTAL WELL COST	\$ 3,227,000	\$ -	\$ -	\$ -	\$ 3,227,000	\$ -

Partner Approval

Signed _____ Company _____

Name _____ Date _____

Title _____



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE # : <u>C21155</u>
Well Name : <u>BLALOCK 11H</u>	
Location : <u>NEW MEXICO / EDDY</u>	
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 56,500	\$ -	\$ -	\$ -	\$ 56,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD & COMPL FLUID	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 18,600	\$ -	\$ -	\$ -	\$ 18,600	\$ -
2050-1900	GROUND TRANSPORT	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 138,000	\$ -	\$ -	\$ -	\$ 138,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 71,000	\$ -	\$ -	\$ -	\$ 71,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 150	\$ -	\$ -	\$ -	\$ 150	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BITS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
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, WATER & LUBE	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000	\$ -
2050-4000	CEMENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CSG CEMENT AND SERVICE	\$ 38,000	\$ -	\$ -	\$ -	\$ 38,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 7,200	\$ -	\$ -	\$ -	\$ 7,200	\$ -
2050-8001	MOB/DEMOB RIG	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 68,550	\$ -	\$ -	\$ -	\$ 68,550	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 829,000	\$ -	\$ -	\$ -	\$ 829,000	\$ -

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	\$ 74,000	\$ -	\$ -	\$ -	\$ 74,000	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 293,000	\$ -	\$ -	\$ -	\$ 293,000	\$ -
2051-5400	CONDUCTOR PIPE	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2051-5500	WELLHEAD	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 413,000	\$ -	\$ -	\$ -	\$ 413,000	\$ -
	DRILLING TOTAL	\$ 1,242,000	\$ -	\$ -	\$ -	\$ 1,242,000	\$ -

INTANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2055-1000	LOCATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1001	TITLE WORK AND OPINIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1002	OUTSIDE LEGAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1300	EQUIP RENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1302	DRILLING RENTALS: SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	DRILL MUD & COMPL FLUID	\$ 255,000	\$ -	\$ -	\$ -	\$ 255,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 141,000	\$ -	\$ -	\$ -	\$ 141,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2055-2300	FRAC PLUGS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-2400	WELL PREP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -
2055-2403	FLOWBACK	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 373,750	\$ -	\$ -	\$ -	\$ 373,750	\$ -
2055-3400	PROPPANT	\$ 158,000	\$ -	\$ -	\$ -	\$ 158,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL, WATER & LUBE	\$ 130,000	\$ -	\$ -	\$ -	\$ 130,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-8002	KILL TRUCK	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 16,500	\$ -	\$ -	\$ -	\$ 16,500	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 1,431,250	\$ -	\$ -	\$ -	\$ 1,431,250	\$ -

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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ 12,750	\$ -	\$ -	\$ -	\$ 12,750	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2065-5100	TUBING	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000	\$ -
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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 153,750	\$ -	\$ -	\$ -	\$ 153,750	\$ -
COMPLETION TOTAL		\$ 1,585,000	\$ -	\$ -	\$ -	\$ 1,585,000	\$ -

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	\$ -
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	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
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	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
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		\$ 293,500	\$ -	\$ -	\$ -	\$ 293,500	\$ -
FACILITY TOTAL		\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -

BLALOCK 11H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,242,000	\$ -	\$ -	\$ -	\$ 1,242,000	\$ -
COMPLETION TOTAL	\$ 1,585,000	\$ -	\$ -	\$ -	\$ 1,585,000	\$ -
FACILITY TOTAL	\$ 400,000	\$ -	\$ -	\$ -	\$ 400,000	\$ -
TOTAL WELL COST	\$ 3,227,000	\$ -	\$ -	\$ -	\$ 3,227,000	\$ -

Partner Approval

Signed _____ Company _____

Name _____ Date _____

Title _____

**SPUR_BLALOCK 1H, 10H, 11H, 50H, 70H, 90H
CASE NO. - POSTAL DELIVERY REPORT
CORRESPONDENCE HISTORY**

USPS TRACKING	PARTY	DELIVERY ADDRESS	DELIVERY STATUS	2nd Attempt	Additional Attempts/Comments
7769 1983 5654	MRC Delaware Resources	MRC Delaware Resources c/o Matador Resources Company One Lincoln Centre 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240	Item delivered May 23, 2022		5/20/2022 - sent proposal & delivered 5/23/2022; Exchanged emails on 6/13/22, 6/14/22, 6/28/22, 9/13/22, 9/14/22, 9/16/22, 10/24/22, plus numerous phone calls during same time frame

**Spur Energy Partners LLC
Case No. 23215
Exhibit A-5**

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

APPLICATION OF SPUR ENERGY
PARTNERS LLC TO POOL ADDITIONAL
INTERESTS UNDER ORDER NO. R-22273,
EDDY COUNTY, NEW MEXICO.

CASE NO. 23215
ORDER NO. R-22273

SELF-AFFIRMED STATEMENT
OF DANA S. HARDY

1. I am the attorney in fact and authorized representative of Spur Energy Partners LLC, the applicant herein.
2. I am familiar with the Notice Letter attached as **Exhibit B-1**.
3. The above-referenced Application was provided, along with the Notice Letter, to MRC Delaware Resources, LLC on November 4, 2022.
4. **Exhibit B-2** provides a copy of the certified mail green cards and white slips, along with the return we received on November 10, 2022.
5. 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

November 28, 2022
Date

Spur Energy Partners LLC
Case No. 23215
Exhibit B



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

November 4, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case Nos. 23215 & 23216 - Applications of Spur Energy Partners, LLC to Pool Additional Interests Under Order Nos. R-22273 & R-22274, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed applications were filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **December 1, 2022** beginning at 8:15 a.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.state.nm.us/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, Rett Dalton, Senior Landman at (832) 930-8529 if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy
Dana S. Hardy

Spur Energy Partners LLC
Case No. 23215
Exhibit B-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

U.S. Postal Service™
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Domestic Mail Only

For delivery information, visit our website at www.usps.com®

OFFICIAL RECEIPT

7021 0950 0002 0371 5198

Certified Mail Fee \$ _____

Extra Services & Fees (check box, add fee as appropriate)

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

MRC Delaware Resources, LLC
5400 LBJ Freeway, Suite 1500
Dallas, TX 75240

23215 & 23216 - Spur Blalock

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

NOV 09 2022

Postmark Here

SANTA FE NM 87501

MAIN POST OFFICE

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>1. Article Addressed to:</p> <p style="text-align: center;">MRC Delaware Resources, LLC 5400 LBJ Freeway, Suite 1500 Dallas, TX 75240</p> <p style="text-align: right; font-size: 0.8em;">23215 & 23216 - Spur Blalock</p> <div style="text-align: center;">  <p>9590 9402 6746 1074 3806 42</p> </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7021 0950 0002 0371 5198</p>	<p>A. Signature</p> <p>X <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p style="text-align: center;">C Brown NOV 10 2022</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below <input type="checkbox"/> No</p> <div style="text-align: center; border: 2px solid black; padding: 5px;"> <p style="font-size: 2em; font-weight: bold; color: green;">RECEIVED</p> <p style="font-size: 1.5em; color: green;">NOV 10 2022</p> </div> <p>3. Service Type Hinkle Sharon LLP</p> <p><input checked="" type="checkbox"/> Adult Signature Santa Fe NM 87501</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Spur Energy Partners LLC
Case No. 23215
Exhibit B-2