

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

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

Case No. 24817

HEARING EXHIBITS

Compulsory Pooling Checklist

- | | |
|-----------|--|
| Exhibit A | Self-Affirmed Statement of Drew Oldis |
| A-1 | Application & Proposed Notice of Hearing |
| A-2 | C-102s |
| A-3 | Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation |
| A-4 | Sample Well Proposal Letter & AFEs |
| A-5 | Summary of Communications |
| Exhibit B | Self-Affirmed Statement of Matthew Van Wie |
| B-1 | Location Map |
| B-2 | Subsea Structure Map |
| B-3 | Structural Cross Section |
| B-4 | Gunbarrel Diagram |
| B-5 | Horizontal Spacing Unit Basemap |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy |
| C-1 | Sample Notice Letter to All Interested Parties |
| C-2 | Notice Letter Chart |
| C-3 | Copies of Certified Mail Receipts and Returns |
| C-4 | Affidavit of Publication for September 13, 2024 |

COMPULSORY POOLING APPLICATION CHECKLIST**ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS**

Case: 24817	APPLICANT'S RESPONSE
Hearing Date: October 3, 2024	
Applicant	Spur Energy Partners LLC
Designated Operator & OGRID (affiliation if applicable)	Spur Energy Partners LLC (OGRID No. 328947)
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Staley
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yeso
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Yeso
Pool Name and Pool Code:	Red Lake; Glorieta-Yeso, Northeast Pool (Code 96836)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	163.14 acres
Building Blocks:	quarter-quarter
Orientation:	East to West
Description: TRS/County	N/2 N/2 of irregular Section 30, Township 17 South, Range 28 East, Eddy County, New Mexico
Standard Horizontal Well Spacing Unit (Y/N), If No, describe <u>and</u> is approval of non-standard unit requested in this application?	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Staley 30 State Com 10H (API # pending) SHL: 945' FNL & 785' FWL (Unit D), Section 29, T17S-R28E BHL: 1,100' FNL & 50' FWL (Unit D), Section 30, T17S-R28E Completion Target: Yeso (Approx. TVD: 3,510')

Well #2	Staley 30 State Com 20H (API # pending) SHL: 905' FNL & 785' FWL (Unit D), Section 29, T17S-R28E BHL: 330' FNL & 50' FWL (Unit D), Section 30, T17S-R28E Completion Target: Yeso (Approx. TVD: 3,565')
Well #3	Staley 30 State Com 70H (API # pending) SHL: 925' FNL & 785' FWL (Unit D), Section 29, T17S-R28E BHL: 695' FNL & 50' FWL (Unit D), Section 30, T17S-R28E Completion Target: Yeso (Approx. TVD: 4,050')
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibits C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B

Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-5
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-3
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
	N/A
Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	9/26/2024

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

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

CASE NO. 24817

**SELF-AFFIRMED STATEMENT
OF DREW OLDIS**

1. I am a Landman with Spur Energy Partners LLC (“Spur”) and am over 18 years of age. I 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 Spur’s Application and proposed hearing notice are attached as **Exhibit A-1**.

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

4. Spur applies for an order pooling all uncommitted interests in the Yeso formation underlying a 163.14-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of irregular Section 30, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the **Staley 30 State Com 10H, Staley 30 State Com 20H, and Staley 30 State Com 70H** well (“Wells”), which will be drilled from surface hole locations in NW/4 NW/4 (Unit D) of Section 29 to bottom hole locations in NW/4 NW/4 (Unit D) of Section 30.

6. The Wells will be completed in the Red Lake; Glorieta-Yeso, Northeast Pool (Code 96836).

**Spur Energy Partners LLC
Case No. 24817
Exhibit A**

7. **Exhibit A-2** contains the C-102s for the Wells.

8. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interest Spur seeks to pool highlighted in yellow. The parties Spur seeks to pool are locatable in that Spur believes it has a valid address for each party.

9. Spur has conducted a diligent search of all county public records, including phone directories and computer databases, to locate interest owners.

10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to the working interest owner for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.

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

12. Spur requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Spur and other operators in the vicinity.

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

14. In my opinion, the granting of Spur's application would serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

15. I understand this Self-Affirmed Statement will be used as written testimony in the subject case. I affirm that my testimony above is true and correct and is made under penalty of

perjury under the laws of the State of New Mexico. My testimony is made as of the date
handwritten next to my signature below.



Drew Oldis

9/18/24
Date

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

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

CASE NO. 24817

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Applicant”) applies for an order pooling all uncommitted interests in the Yeso formation underlying a 163.14-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of irregular Section 30, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of this application, the Applicant states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. The horizontal spacing unit will be dedicated to the **Staley 30 State Com 10H, Staley 30 State Com 20H, and Staley 30 State Com 70H** wells (“Wells”), which will be drilled from surface hole locations in NW/4 NW/4 (Unit D) of Section 29 to bottom hole locations in NW/4 NW/4 (Unit D) of Section 30.
3. The completed intervals of the Wells will be unorthodox.
4. Applicant has undertaken diligent, good faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.
5. The pooling of uncommitted interests will avoid the drilling of unnecessary wells, prevent waste, and protect correlative rights.
6. In order to allow Applicant to obtain its just and fair share of the oil and gas

**Spur Energy Partners LLC
Case No. 24817
Exhibit A-1**

underlying the subject lands, all uncommitted interests in the Unit should be pooled and Applicant should be designated as operator of the Wells and the Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on October 3, 2024, and, after notice and hearing as required by law, the Division enter an order:

- A. Pooling all uncommitted interests in the Unit;
- B. Approving the Wells in the Unit;
- C. Designating Applicant as the operator of the Unit and the Wells to be drilled thereon;
- D. Authorizing Applicant to recover its costs of drilling, equipping, and completing the Wells;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% 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,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Dylan M. Villescascas

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jmclean@hinklelawfirm.com

dvillescascas@hinklelawfirm.com

Counsel for Spur Energy Partners LLC

Application of Spur Energy Partners LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Yeso formation underlying a 163.14-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of irregular Section 30, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”). The Unit will be dedicated to the **Staley 30 State Com 10H, Staley 30 State Com 20H, and Staley 30 State Com 70H** wells (“Wells”), which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 29 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 30. The completed intervals of the Wells will be unorthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 11.11 miles East and 2.22 miles South of Artesia, New Mexico.

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Exhibit A-2 Revised July 9, 2024
			Submittal Type: <input type="checkbox"/> Initial Submittal <input type="checkbox"/> Amended Report <input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number	Pool Code 96836	Pool Name Red Lake; Glorieta-Yeso, Northeast
Property Code	Property Name STALEY 30 STATE COM	Well Number 10H
OGRID No. 328947	Operator Name SPUR ENERGY PARTNERS LLC.	Ground Level Elevation 3594'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	29	17S	28E		945 FNL	785 FWL	32.8098032°N	104.2037573°W	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	30	17S	28E	1	1100 FNL	50 FWL	32.8092823°N	104.2234954°W	EDDY

Dedicated Acres 163.14	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County


First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	30	17S	28E		990 FNL	100 FEL	32.8096852°N	104.2066391°W	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	30	17S	28E	1	1096 FNL	100 FWL	32.8092943°N	104.2233328°W	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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OPERATOR CERTIFICATIONS I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.		SURVEYOR CERTIFICATIONS I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.	
Signature	Date		
Printed Name			
Email Address		Certificate Number	Date of Survey
		14400	05/06/2024

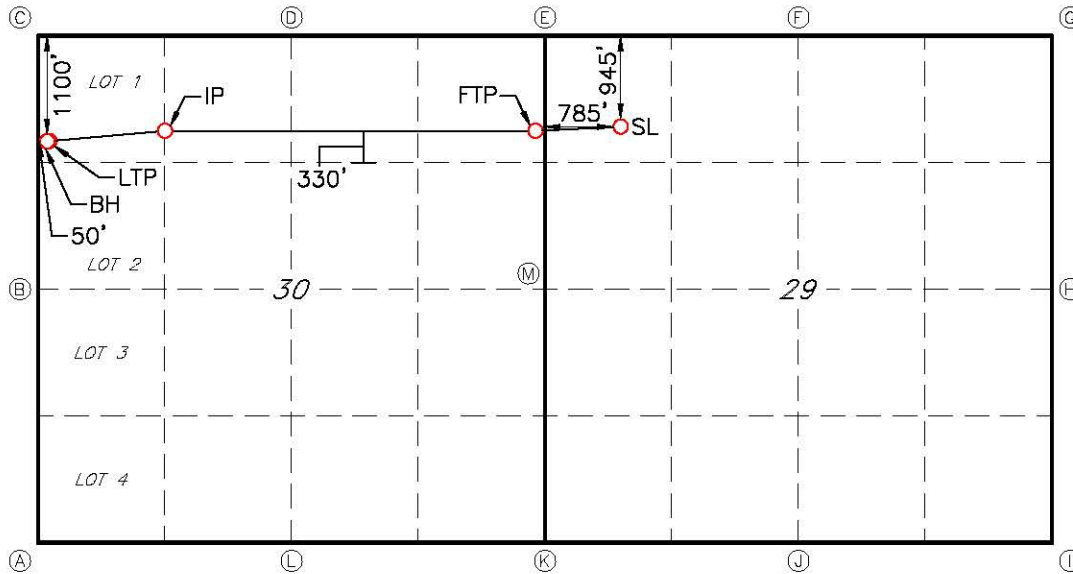
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

STALEY 30 STATE COM #10H



GEODETTIC DATA
 NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
 N: 658363.4 - E: 581147.5

LAT: 32.8098032° N
 LONG: 104.2037573° W

FIRST TAKE POINT (FTP)
 990' FNL & 100' FWL - SEC 30
 N: 658319.4 - E: 580262.2

LAT: 32.8096852° N
 LONG: 104.2066391° W

INFLECTION POINT (IP)
 990' FNL & 1410' FWL - SEC 30
 N: 658287.7 - E: 576442.7

LAT: 32.8096100° N
 LONG: 104.2190710° W

LAST TAKE POINT (LTP)
 1096' FNL & 100' FWL - SEC 30
 N: 658171.4 - E: 575133.5

LAT: 32.8092943° N
 LONG: 104.2233328° W

BOTTOM HOLE (BH)
 N: 658167.0 - E: 575083.5

LAT: 32.8092823° N
 LONG: 104.2234954° W

CORNER DATA
 NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1941"
 N: 653983.4 - E: 575058.5

B: FOUND BRASS CAP "1941"
 N: 656625.0 - E: 575043.2

C: FOUND BRASS CAP "1941"
 N: 659266.3 - E: 575026.6

D: FOUND BRASS CAP "1941"
 N: 659287.7 - E: 577748.5

E: FOUND BRASS CAP "1941"
 N: 659309.9 - E: 580369.6

F: FOUND BRASS CAP "1941"
 N: 659304.4 - E: 582986.4

G: FOUND BRASS CAP "1941"
 N: 659297.8 - E: 585602.6

H: FOUND BRASS CAP "1941"
 N: 656702.1 - E: 585573.1

I: FOUND BRASS CAP "1941"
 N: 654104.0 - E: 585547.5

J: FOUND BRASS CAP "1941"
 N: 654060.8 - E: 582941.9

K: FOUND BRASS CAP "1941"
 N: 654017.3 - E: 580331.9

L: FOUND BRASS CAP "1941"
 N: 653999.6 - E: 577752.7

M: FOUND BRASS CAP "1941"
 N: 656663.6 - E: 580349.6



JOB #: LS24050404D2

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

WELL LOCATION INFORMATION

API Number	Pool Code 96836	Pool Name Red Lake; Glorieta-Yeso, Northeast
Property Code	Property Name STALEY 30 STATE COM	Well Number 20H
OGRID No. 328947	Operator Name SPUR ENERGY PARTNERS LLC.	Ground Level Elevation 3593'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	29	17S	28E		905 FNL	785 FWL	32.8099136°N	104.2037572°W	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	30	17S	28E	1	330 FNL	50 FWL	32.8113982°N	104.2235085°W	EDDY

Dedicated Acres 163.14	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County



First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	30	17S	28E		330 FNL	100 FEL	32.8114988°N	104.2066202°W	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	30	17S	28E	1	330 FNL	100 FWL	32.8113991°N	104.2233458°W	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
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<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.</i></p> <div style="text-align: right;">  </div>	
Signature _____ Date _____	Signature and Seal of Professional Surveyor 	
Printed Name _____	Certificate Number 14400	Date of Survey 05/06/2024
Email Address _____		

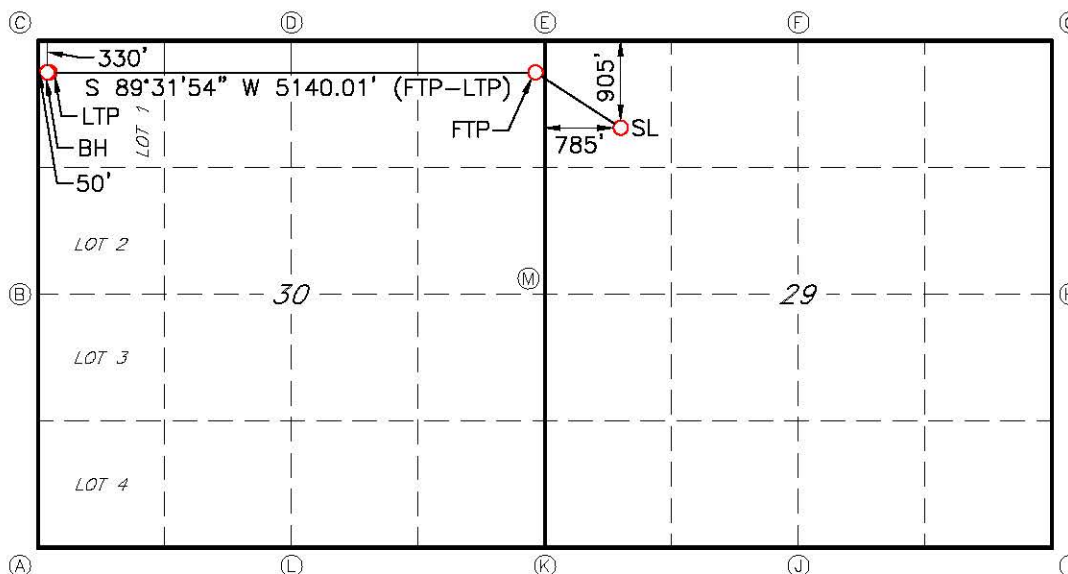
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

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Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

STALEY 30 STATE COM #20H



GEODETTIC DATA
 NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
 N: 658403.6 - E: 581147.5

LAT: 32.8099136° N
 LONG: 104.2037572° W

FIRST TAKE POINT (FTP)
 330' FNL & 100' FEL - SEC 30
 N: 658979.2 - E: 580267.2

LAT: 32.8114988° N
 LONG: 104.2066202° W

LAST TAKE POINT (LTP)
 330' FNL & 100' FWL - SEC 30
 N: 658937.2 - E: 575128.7

LAT: 32.8113991° N
 LONG: 104.2233458° W

BOTTOM HOLE (BH)
 N: 658936.8 - E: 575078.7

LAT: 32.8113982° N
 LONG: 104.2235085° W

CORNER DATA
 NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1941"
 N: 653983.4 - E: 575058.5

B: FOUND BRASS CAP "1941"
 N: 656625.0 - E: 575043.2

C: FOUND BRASS CAP "1941"
 N: 659266.3 - E: 575026.6

D: FOUND BRASS CAP "1941"
 N: 659287.7 - E: 577748.5

E: FOUND BRASS CAP "1941"
 N: 659309.9 - E: 580369.6

F: FOUND BRASS CAP "1941"
 N: 659304.4 - E: 582986.4

G: FOUND BRASS CAP "1941"
 N: 659297.8 - E: 585602.6

H: FOUND BRASS CAP "1941"
 N: 656702.1 - E: 585573.1

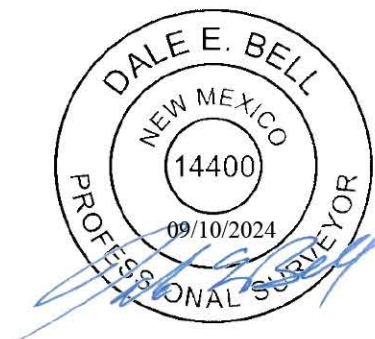
I: FOUND BRASS CAP "1941"
 N: 654104.0 - E: 585547.5

J: FOUND BRASS CAP "1941"
 N: 654060.8 - E: 582941.9

K: FOUND BRASS CAP "1941"
 N: 654017.3 - E: 580331.9

L: FOUND BRASS CAP "1941"
 N: 653999.6 - E: 577752.7

M: FOUND BRASS CAP "1941"
 N: 656663.6 - E: 580349.6



JOB #: LS24050402D1

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

WELL LOCATION INFORMATION

API Number	Pool Code 96836	Pool Name Red Lake; Glorieta-Yeso, Northeast
Property Code	Property Name STALEY 30 STATE COM	Well Number 70H
OGRID No. 328947	Operator Name SPUR ENERGY PARTNERS LLC.	Ground Level Elevation 3593'
Surface Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	29	17S	28E		925 FNL	785 FWL	32.8098582°N	104.2037574°W	EDDY

Bottom Hole Location

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	30	17S	28E	1	695 FNL	50 FWL	32.8103952°N	104.2235023°W	EDDY

Dedicated Acres 163.14	Infill or Defining Well	Defining Well API	Overlapping Spacing Unit (Y/N)	Consolidation Code
Order Numbers.			Well setbacks are under Common Ownership: <input type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County


First Take Point (FTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
A	30	17S	28E		695 FNL	100 FEL	32.8104958°N	104.2066306°W	EDDY

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Ft. from N/S	Ft. from E/W	Latitude	Longitude	County
D	30	17S	28E	1	695 FNL	100 FWL	32.8103961°N	104.2233396°W	EDDY

Unitized Area or Area of Uniform Interest	Spacing Unit Type <input type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation:
---	---	-------------------------

<p>OPERATOR CERTIFICATIONS</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p><i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i></p>	<p>SURVEYOR CERTIFICATIONS</p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.</i></p> <div style="text-align: right;">  </div>	
Signature _____ Date _____	Signature and Seal of Professional Surveyor _____	
Printed Name _____	Certificate Number 14400	Date of Survey 05/06/2024
Email Address _____		

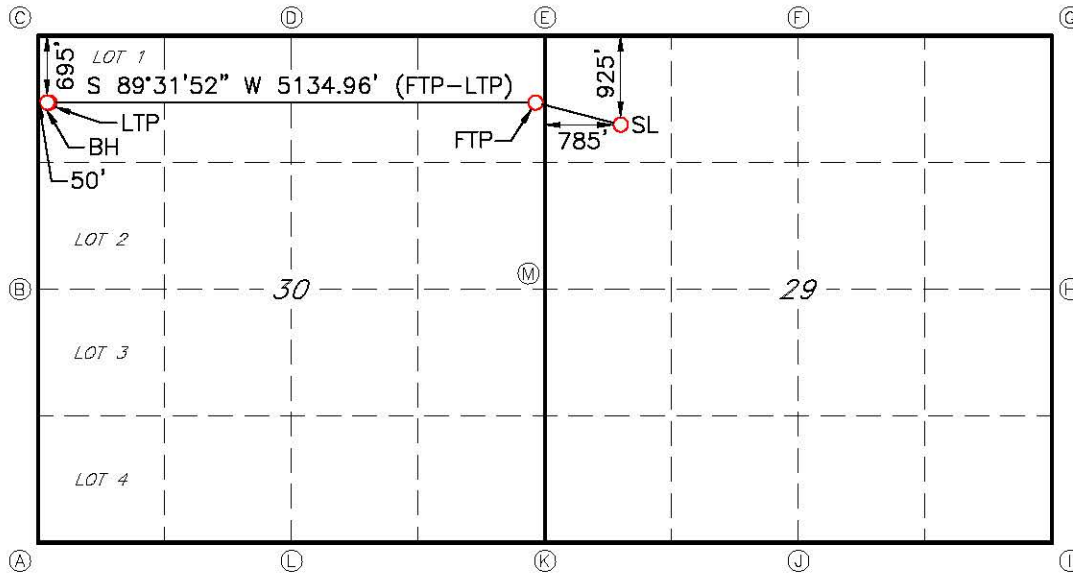
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

STALEY 30 STATE COM #70H



GEODETTIC DATA
 NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
 N: 658383.4 - E: 581147.5

LAT: 32.8098582° N
 LONG: 104.2037574° W

FIRST TAKE POINT (FTP)
 695' FNL & 100' FWL - SEC 30
 N: 658614.3 - E: 580264.4

LAT: 32.8104958° N
 LONG: 104.2066306° W

LAST TAKE POINT (LTP)
 695' FNL & 100' FWL - SEC 30
 N: 658572.3 - E: 575130.9

LAT: 32.8103961° N
 LONG: 104.2233396° W

BOTTOM HOLE (BH)
 N: 658571.9 - E: 575081.0

LAT: 32.8103952° N
 LONG: 104.2235023° W

CORNER DATA
 NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1941"
 N: 653983.4 - E: 575058.5

B: FOUND BRASS CAP "1941"
 N: 656625.0 - E: 575043.2

C: FOUND BRASS CAP "1941"
 N: 659266.3 - E: 575026.6

D: FOUND BRASS CAP "1941"
 N: 659287.7 - E: 577748.5

E: FOUND BRASS CAP "1941"
 N: 659309.9 - E: 580369.6

F: FOUND BRASS CAP "1941"
 N: 659304.4 - E: 582986.4

G: FOUND BRASS CAP "1941"
 N: 659297.8 - E: 585602.6

H: FOUND BRASS CAP "1941"
 N: 656702.1 - E: 585573.1

I: FOUND BRASS CAP "1941"
 N: 654104.0 - E: 585547.5

J: FOUND BRASS CAP "1941"
 N: 654060.8 - E: 582941.9

K: FOUND BRASS CAP "1941"
 N: 654017.3 - E: 580331.9

L: FOUND BRASS CAP "1941"
 N: 653999.6 - E: 577752.7

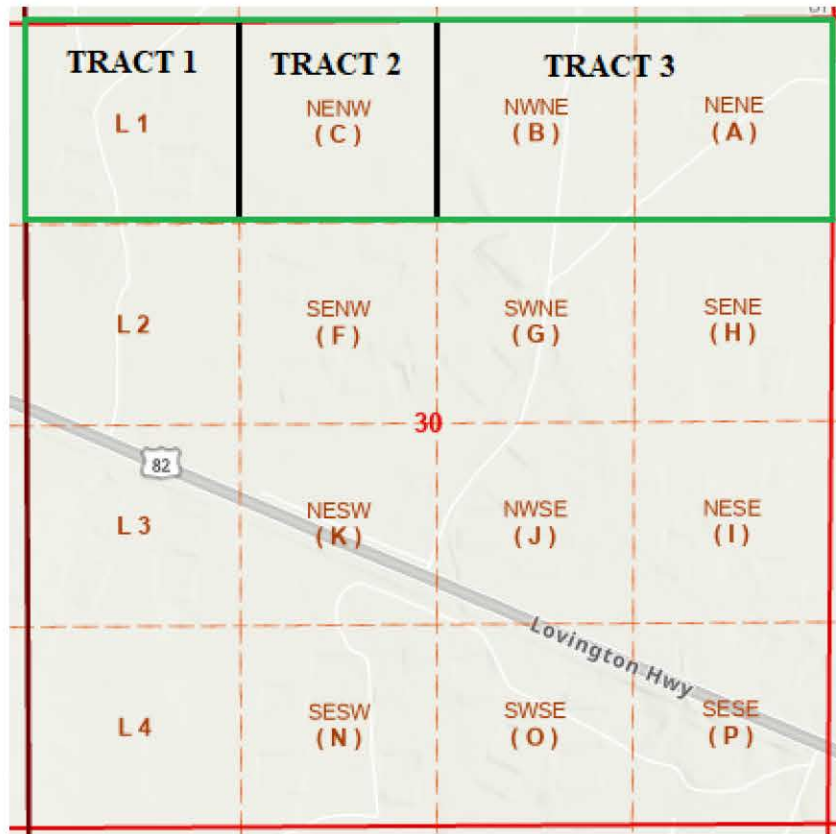
M: FOUND BRASS CAP "1941"
 N: 656663.6 - E: 580349.6



JOB #: LS24050403D1

EXHIBIT A-3

STALEY 30 STATE COM SPACING UNIT PLAT
N2N2 SECTION 30, T17S, R28E
163.14 ACRES



Tract 1: 43.14 ac., Lot 1 (NWNW), Sec. 30, T17S, R28E. N.M.P.M.

Tract 2: 40.00 ac., NENW, Sec. 30, T17S, R28E. N.M.P.M.

Tract 3: 80.00 ac., N2NE Sec. 30, T17S, R28E. N.M.P.M.

 **STALEY 30 STATE COM SPACING UNIT**

TRACT 1 – STATE ACREAGE (V0-5502-0004)

TRACT 2 - STATE ACREAGE (X0-0647-0413)

TRACT 3 - STATE ACREAGE (B0-5084-0142)

Spur Energy Partners LLC
Case No. 24817
Exhibit A-3

LAND OWNERSHIP OF STALEY 30 STATE COM SPACING UNIT

STALEY 30 STATE COM - TRACT OWNERSHIP SUMMARY				
TRACT NUMBER	LOCATION	STR	ACRES	DSU PARTICIPATION FACTOR
1	LOT 1 (NWNW)	30-17S-28E	43.13	26.43904%
2	NENW	30-17S-28E	40	24.52032%
3	N2NE	30-17S-28E	80	49.04064%
			163.13	100.000%

STALEY 30 STATE COM - WORKING INTEREST SUMMARY		
WI OWNER	NET DSU ACRES	DSU WI
SEP PERMIAN LLC	113.14	0.69351477
ZPZ DELAWARE I LLC	40.0000	0.24518818
READ & STEVENS, INC.	10.0000	0.06129705
	163.14	1.0000

SPACING UNIT OWNERSHIP BY TRACT

TRACT 1	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	1.000	43.14	43.14	43.14	0.2696250
		1.000	43.14	43.14	43.14	0.269625

TRACT 2	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
ZPZ DELAWARE I, LLC	WI	1.000	40.00	40.00	40.00	0.250000
		1.000	40.00	40.00	40.00	0.250000

TRACT 3	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	0.875	80.00	70.00	70.00	0.429079
READ & STEVENS, INC.	WI	0.125	80.00	10.00	10.00	0.061297
		0.8750	80.00	80.00	80.00	0.490376

*Parties to be pooled are highlighted in yellow.



July 18, 2024

Read & Stevens, Inc.
300 N. Marienfeld Street, Ste. 1000
Midland, Texas 79701

RE: Well Proposal

**Staley 30 State Com 10H, 20H, & 70H
N/2 N/2 Section 30, T17S-R28E
Eddy County, New Mexico**

Dear Working Interest Owner:

Spur Energy Partners LLC ("SPUR"), an affiliate of SEP Permian LLC ("SEP"), hereby proposes to drill and complete the **Staley 30 State Com 10H, 20H, & 70H** wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Staley 30 State Com 10H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 945' FNL & 785' FWL, Section 29, T17S-R28E
- Proposed Bottom Hole Location – 1,100' FNL & 50' FWL, Section 30, T17S-R28E
- TVD: 3,510'

Staley 30 State Com 20H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 905' FNL & 785' FWL, Section 29, T17S-R28E
- Proposed Bottom Hole Location – 330' FNL & 50' FWL, Section 30, T17S-R28E
- TVD: 3,565'

Staley 30 State Com 70H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 925' FNL & 785' FWL, Section 29, T17S-R28E
- Proposed Bottom Hole Location – 695' FNL & 50' FWL, Section 30, T17S-R28E
- TVD: 4,050'

SPUR proposes to form a Drilling Spacing Unit ("DSU") covering the N/2 N/2 of Section 30, T17S-R28E, Eddy County, New Mexico, containing 163.14 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands may be governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation, and which may 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 the enclosed new joint operating agreement dated September 1, 2024, ("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, concept wells and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of September 1, 2024
- Contract Area consisting of the N/2 N/2 of Section 30, T17S-R28E, Eddy County, NM
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100%/300%/300% non-consenting penalty
- \$8,000/\$800 drilling and producing monthly overhead rate
- Spur Energy Partners LLC named as Operator

**Spur Energy Partners LLC
Case No. 24817
Exhibit A-4**



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. Your estimated working interest in the proposed 160-acre DSU is shown on Exhibit "A" enclosed herewith.

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 – Term Assignment Option: Assign your leasehold working interest in the N/2 N/2 of Section 30, T17S-R28E, exclusive of existing wellbores, to SPUR through a term assignment with a primary term of three (3) years and as long thereafter as production is obtained in paying quantities, for a bonus consideration of \$750 per net mineral acre, with you delivering no less than a 75% leasehold net revenue interest (limited to the Yeso formation).

Option 4 – Assignment Option: Assign your leasehold working interest in the N/2 N/2 of Section 30, T17S-R28E, exclusive of existing wellbores, to SEP for a bonus consideration of \$1,500 per net mineral acre, delivering no less than a 75% leasehold net revenue interest (all rights owned).

Should you elect Option 1 or Option 2, your election should be returned to SPUR along with an executed copy of each enclosed AFE and an executed copy of the NJOA (including Exhibit "H"). In the event you elect to assign your leasehold interest under the terms outlined above in the Option 3 – Term Assignment Option, or Option 4 – Assignment Option, please so indicate by signing and returning the enclosed Assignment Election page, and Spur shall provide you with an assignment form for your review and execution. (In the event you do not own all depths within the Yeso formation, the above-stated prices per net mineral acre for Options 3 and 4 shall be re-determined by SPUR.)

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 each of the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact Murphy Lauck at 832-982-1087 or mLauck@spurenergy.com or the undersigned via email at doldis@spurenergy.com. Thank you very much for your assistance and cooperation.

Sincerely,

A handwritten signature in blue ink that appears to read "D.O." with a stylized flourish.

Drew Oldis
Landman

Enclosures
Exhibit "A"
AFEs
NJOA



Staley 30 State Com 10H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Staley 30 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 Staley 30 State Com 10H.*

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 _____, 2024.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Staley 30 State Com 20H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Staley 30 State Com 20H 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 Staley 30 State Com 20H.*

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 _____, 2024.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Staley 30 State Com 70H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Staley 30 State Com 70H 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 Staley 30 State Com 70H.*

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 _____, 2024.

Company/Individual: Read & Stevens, Inc.

By: _____

Name: _____

Title: _____



Option 3 - Term Assignment Option

_____ **Option 3)** The undersigned hereby elects to assign their leasehold working interest in the N/2 N/2 of Section 30, T17S-R28E, exclusive of existing wellbores, to SPUR through a term assignment with a primary term of three (3) years and as long thereafter as production is obtained in paying quantities, and a bonus consideration of \$750 per net mineral acre, delivering a 75% leasehold net revenue interest (limited to the Yeso formation).

Option 4 - Assignment Option

_____ **Option 4)** The undersigned hereby elects to assign their leasehold working interest in the N/2 N/2 of Section 30, T17S-R28E, exclusive of existing wellbores, to SPUR for a bonus consideration of \$1,500 per net mineral acre, delivering a 75% leasehold net revenue interest (all rights owned).

Agreed to and Accepted this _____ day of _____, 2024.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Exhibit "A" – Estimated working interest in proposed 163.14-acre DSU

Read & Stevens, Inc. 0.061297045



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE #:
Well Name : <u>Staley 30 State Com 10H</u>	SEP Permian LLC WI:
Location : _____	Well Cost Center:
Project : _____	
Description : _____	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 58,100	\$ -	\$ -	\$ -	\$ 58,100	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 20,400	\$ -	\$ -	\$ -	\$ 20,400	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 167,000	\$ -	\$ -	\$ -	\$ 167,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 105,000	\$ -	\$ -	\$ -	\$ 105,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 200	\$ -	\$ -	\$ -	\$ 200	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 46,000	\$ -	\$ -	\$ -	\$ 46,000	\$ -
2050-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3400	DESIGN & ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3600	COMPANY LABOR	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-3800	NON OPERATED CHARGES - IDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3900	FUEL & LUBE	\$ 66,000	\$ -	\$ -	\$ -	\$ 66,000	\$ -
2050-4000	SURFACE & INTERMEDIATE CEMENT	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 13,200	\$ -	\$ -	\$ -	\$ 13,200	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,171,400	\$ -	\$ -	\$ -	\$ 1,171,400	\$ -

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	\$ 11,500	\$ -	\$ -	\$ -	\$ 11,500	\$ -
2051-5200	INTERMEDIATE CASING	\$ 25,500	\$ -	\$ -	\$ -	\$ 25,500	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 172,500	\$ -	\$ -	\$ -	\$ 172,500	\$ -
2051-5400	CONDUCTOR PIPE	\$ 28,000	\$ -	\$ -	\$ -	\$ 28,000	\$ -
2051-5500	WELLHEAD	\$ 21,500	\$ -	\$ -	\$ -	\$ 21,500	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 283,000	\$ -	\$ -	\$ -	\$ 283,000	\$ -
	DRILLING TOTAL	\$ 1,454,400	\$ -	\$ -	\$ -	\$ 1,454,400	\$ -

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	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 323,000	\$ -	\$ -	\$ -	\$ 323,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 189,000	\$ -	\$ -	\$ -	\$ 189,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 19,800	\$ -	\$ -	\$ -	\$ 19,800	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	\$ -
2055-2300	FRAC PLUGS	\$ 32,000	\$ -	\$ -	\$ -	\$ 32,000	\$ -
2055-2400	WELL PREP	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 471,600	\$ -	\$ -	\$ -	\$ 471,600	\$ -
2055-3400	PROPPANT	\$ 205,600	\$ -	\$ -	\$ -	\$ 205,600	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 135,000	\$ -	\$ -	\$ -	\$ 135,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING, SNUBBING, NITRO SVC	\$ 165,000	\$ -	\$ -	\$ -	\$ 165,000	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054-1402	RENTALS-SURFACE	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000	\$ -
2054-1600	KILL FLUID AND TRUCK	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2054-1700	CONSULTANT	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2054-2200	WORKOVER RIG	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2054-4510	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,287,500	\$ -	\$ -	\$ -	\$ 2,287,500	\$ -

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	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5100	TUBING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500	\$ -
2065-5300	SUBSURFACE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5600	PUMPING & LIFTING EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5901	LINER HANGER/CASING ACCESSORY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5903	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 230,500	\$ -	\$ -	\$ -	\$ 230,500	\$ -
COMPLETION TOTAL		\$ 2,518,000	\$ -	\$ -	\$ -	\$ 2,518,000	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
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		\$ 131,500	\$ -	\$ -	\$ -	\$ 131,500	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
TANGIBLE FACILITY SUBTOTAL		\$ 368,500	\$ -	\$ -	\$ -	\$ 368,500	\$ -
FACILITY TOTAL		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -

Staley 30 State Com 10H TOTAL WELL ESTIMATE		Original	Net	Supplement	Net	Total	Net
		8/8ths		8/8ths		8/8ths	
DRILLING TOTAL		\$ 1,454,400	\$ -	\$ -	\$ -	\$ 1,454,400	\$ -
COMPLETION TOTAL		\$ 2,518,000	\$ -	\$ -	\$ -	\$ 2,518,000	\$ -
FACILITY TOTAL		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -
TOTAL WELL COST		\$ 4,472,400	\$ -	\$ -	\$ -	\$ 4,472,400	\$ -

Partner Approval	
Signed _____	Company _____
Name _____	Date _____
Title _____	



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE #:
Well Name : <u>Staley 30 State Com 20H</u>	SEP Permian LLC WI:
Location : _____	Well Cost Center:
Project : _____	
Description : _____	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 58,100	\$ -	\$ -	\$ -	\$ 58,100	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 20,400	\$ -	\$ -	\$ -	\$ 20,400	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 167,000	\$ -	\$ -	\$ -	\$ 167,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 105,000	\$ -	\$ -	\$ -	\$ 105,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 200	\$ -	\$ -	\$ -	\$ 200	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 46,000	\$ -	\$ -	\$ -	\$ 46,000	\$ -
2050-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3400	DESIGN & ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3600	COMPANY LABOR	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-3800	NON OPERATED CHARGES - IDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3900	FUEL & LUBE	\$ 66,000	\$ -	\$ -	\$ -	\$ 66,000	\$ -
2050-4000	SURFACE & INTERMEDIATE CEMENT	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 13,200	\$ -	\$ -	\$ -	\$ 13,200	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,171,400	\$ -	\$ -	\$ -	\$ 1,171,400	\$ -

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	\$ 11,500	\$ -	\$ -	\$ -	\$ 11,500	\$ -
2051-5200	INTERMEDIATE CASING	\$ 25,500	\$ -	\$ -	\$ -	\$ 25,500	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 172,500	\$ -	\$ -	\$ -	\$ 172,500	\$ -
2051-5400	CONDUCTOR PIPE	\$ 28,000	\$ -	\$ -	\$ -	\$ 28,000	\$ -
2051-5500	WELLHEAD	\$ 21,500	\$ -	\$ -	\$ -	\$ 21,500	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 283,000	\$ -	\$ -	\$ -	\$ 283,000	\$ -
	DRILLING TOTAL	\$ 1,454,400	\$ -	\$ -	\$ -	\$ 1,454,400	\$ -

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	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 323,000	\$ -	\$ -	\$ -	\$ 323,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 189,000	\$ -	\$ -	\$ -	\$ 189,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 19,800	\$ -	\$ -	\$ -	\$ 19,800	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	\$ -
2055-2300	FRAC PLUGS	\$ 32,000	\$ -	\$ -	\$ -	\$ 32,000	\$ -
2055-2400	WELL PREP	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 471,600	\$ -	\$ -	\$ -	\$ 471,600	\$ -
2055-3400	PROPPANT	\$ 205,600	\$ -	\$ -	\$ -	\$ 205,600	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 135,000	\$ -	\$ -	\$ -	\$ 135,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING, SNUBBING, NITRO SVC	\$ 165,000	\$ -	\$ -	\$ -	\$ 165,000	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054-1402	RENTALS-SURFACE	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000	\$ -
2054-1600	KILL FLUID AND TRUCK	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2054-1700	CONSULTANT	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2054-2200	WORKOVER RIG	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2054-4510	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,287,500	\$ -	\$ -	\$ -	\$ 2,287,500	\$ -

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	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5100	TUBING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500	\$ -
2065-5300	SUBSURFACE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5600	PUMPING & LIFTING EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5901	LINER HANGER/CASING ACCESSORY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5903	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 230,500	\$ -	\$ -	\$ -	\$ 230,500	\$ -
COMPLETION TOTAL		\$ 2,518,000	\$ -	\$ -	\$ -	\$ 2,518,000	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
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		\$ 131,500	\$ -	\$ -	\$ -	\$ 131,500	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
TANGIBLE FACILITY SUBTOTAL		\$ 368,500	\$ -	\$ -	\$ -	\$ 368,500	\$ -
FACILITY TOTAL		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -

Staley 30 State Com 20H TOTAL WELL ESTIMATE		Original	Net	Supplement	Net	Total	Net
		8/8ths		8/8ths		8/8ths	
	DRILLING TOTAL	\$ 1,454,400	\$ -	\$ -	\$ -	\$ 1,454,400	\$ -
	COMPLETION TOTAL	\$ 2,518,000	\$ -	\$ -	\$ -	\$ 2,518,000	\$ -
	FACILITY TOTAL	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -
	TOTAL WELL COST	\$ 4,472,400	\$ -	\$ -	\$ -	\$ 4,472,400	\$ -

Partner Approval	
Signed _____	Company _____
Name _____	Date _____
Title _____	



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE #:
Well Name : <u>Staley 30 State Com 70H</u>	SEP Permian LLC WI:
Location : _____	Well Cost Center:
Project : _____	
Description : _____	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 67,600	\$ -	\$ -	\$ -	\$ 67,600	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,355	\$ -	\$ -	\$ -	\$ 17,355	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD/FLUID	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 23,800	\$ -	\$ -	\$ -	\$ 23,800	\$ -
2050-1900	GROUND TRANSPORT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURKEY)	\$ 184,000	\$ -	\$ -	\$ -	\$ 184,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 250	\$ -	\$ -	\$ -	\$ 250	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BIT RENTALS	\$ 46,000	\$ -	\$ -	\$ -	\$ 46,000	\$ -
2050-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3400	DESIGN & ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3600	COMPANY LABOR	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-3800	NON OPERATED CHARGES - IDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3900	FUEL & LUBE	\$ 77,000	\$ -	\$ -	\$ -	\$ 77,000	\$ -
2050-4000	SURFACE & INTERMEDIATE CEMENT	\$ 70,000	\$ -	\$ -	\$ -	\$ 70,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CEMENT AND SERVICE	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 15,400	\$ -	\$ -	\$ -	\$ 15,400	\$ -
2050-8001	MOB/DEMOB RIG	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2050-8003	VACUUM TRUCKING	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 105,500	\$ -	\$ -	\$ -	\$ 105,500	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,234,905	\$ -	\$ -	\$ -	\$ 1,234,905	\$ -

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	\$ 11,500	\$ -	\$ -	\$ -	\$ 11,500	\$ -
2051-5200	INTERMEDIATE CASING	\$ 25,500	\$ -	\$ -	\$ -	\$ 25,500	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 187,000	\$ -	\$ -	\$ -	\$ 187,000	\$ -
2051-5400	CONDUCTOR PIPE	\$ 28,000	\$ -	\$ -	\$ -	\$ 28,000	\$ -
2051-5500	WELLHEAD	\$ 21,500	\$ -	\$ -	\$ -	\$ 21,500	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 297,500	\$ -	\$ -	\$ -	\$ 297,500	\$ -
	DRILLING TOTAL	\$ 1,532,405	\$ -	\$ -	\$ -	\$ 1,532,405	\$ -

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	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2055-1302	RENTALS: SUBSURFACE	\$ 45,000	\$ -	\$ -	\$ -	\$ 45,000	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	COMPLETION FLUID	\$ 323,000	\$ -	\$ -	\$ -	\$ 323,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 189,000	\$ -	\$ -	\$ -	\$ 189,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 19,800	\$ -	\$ -	\$ -	\$ 19,800	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000	\$ -
2055-2300	FRAC PLUGS	\$ 32,000	\$ -	\$ -	\$ -	\$ 32,000	\$ -
2055-2400	WELL PREP	\$ 1,500	\$ -	\$ -	\$ -	\$ 1,500	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 471,600	\$ -	\$ -	\$ -	\$ 471,600	\$ -
2055-3400	PROPPANT	\$ 205,600	\$ -	\$ -	\$ -	\$ 205,600	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL & LUBE	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-5001	ROAD WATERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 135,000	\$ -	\$ -	\$ -	\$ 135,000	\$ -
2055-8002	KILL TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8003	COIL TUBING, SNUBBING, NITRO SVC	\$ 165,000	\$ -	\$ -	\$ -	\$ 165,000	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054-1402	RENTALS-SURFACE	\$ 13,000	\$ -	\$ -	\$ -	\$ 13,000	\$ -
2054-1600	KILL FLUID AND TRUCK	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2054-1700	CONSULTANT	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2054-2200	WORKOVER RIG	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2054-4510	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2054-4511	CONTRACT LABOR - FLOWLINE	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,287,500	\$ -	\$ -	\$ -	\$ 2,287,500	\$ -

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	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5100	TUBING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500	\$ -
2065-5300	SUBSURFACE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5600	PUMPING & LIFTING EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5901	LINER HANGER/CASING ACCESSORY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5903	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064-4200	TUBING	\$ 140,000	\$ -	\$ -	\$ -	\$ 140,000	\$ -
2064-5001	FLOWLINES MATERIALS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2064-5200	TUBING HEAD/XMAS TREE	\$ 12,000	\$ -	\$ -	\$ -	\$ 12,000	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 230,500	\$ -	\$ -	\$ -	\$ 230,500	\$ -
COMPLETION TOTAL		\$ 2,518,000	\$ -	\$ -	\$ -	\$ 2,518,000	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2065-3000	BITS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 8,000	\$ -	\$ -	\$ -	\$ 8,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 8,500	\$ -	\$ -	\$ -	\$ 8,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
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		\$ 131,500	\$ -	\$ -	\$ -	\$ 131,500	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 60,000	\$ -	\$ -	\$ -	\$ 60,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
TANGIBLE FACILITY SUBTOTAL		\$ 368,500	\$ -	\$ -	\$ -	\$ 368,500	\$ -
FACILITY TOTAL		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -

Staley 30 State Com 70H TOTAL WELL ESTIMATE		Original	Net	Supplement	Net	Total	Net
		8/8ths		8/8ths		8/8ths	
DRILLING TOTAL		\$ 1,532,405	\$ -	\$ -	\$ -	\$ 1,532,405	\$ -
COMPLETION TOTAL		\$ 2,518,000	\$ -	\$ -	\$ -	\$ 2,518,000	\$ -
FACILITY TOTAL		\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000	\$ -
TOTAL WELL COST		\$ 4,550,405	\$ -	\$ -	\$ -	\$ 4,550,405	\$ -

Partner Approval	
Signed _____	Company _____
Name _____	Date _____
Title _____	

EXHIBIT A-5

SPUR ENERGY PARTNERS LLC - STALEY 30 STATE COM CASE NO. 24817 - POSTAL DELIVERY REPORT & CORRESPONDENCE HISTORY						
COURIER	TRACKING	PARTY	DELIVERY ADDRESS	DATE SENT	DATE REC'D	CONTACT HISTORY
USPS	9407111898765466971470	ZPZ DELAWARE I LLC	2000 Post Oak Blvd., Ste. 100 Attn: Blake Johnson Houston, TX 77056	7/18/2024	7/22/2024	7/18/2024: Well proposal mailed out to working interst owner. 7/22/2024: USPS confirmation of delivery. 8/5/24: Email correspondence with Blake Johnson confirming WI/NRI for Apache and estimated plans for DSU.
USPS	9407111898765466971692	READ & STEVENS, INC.	300 N. Marienfeld Street Midland, TX 79701	7/18/2024	7/22/2024	7/18/2024: Mailed out well proposal. 7/22/2024: USPS confirmation of delivery.

Spur Energy Partners LLC
Case No. 24817
Exhibit A-5

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

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

CASE NO. 24817

**SELF-AFFIRMED STATEMENT
OF MATTHEW VAN WIE**

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

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

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

4. **Exhibit B-1** is a location map of the proposed horizontal spacing unit (“Unit”). Spur’s acreage is shown in yellow and the approximate wellbore paths for the proposed **Staley 30 State Com 10H, Staley 30 State Com 20H, and Staley 30 State Com 70H** wells (“Wells”) are represented by solid black lines. Nearby wells producing in the target formation are also identified. The exhibit identifies five wells penetrating the targeted interval that I used to construct a structural cross-section from A to A’. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

5. **Exhibit B-2** is a subsea structure map that I prepared for the top of the Glorieta (just above the top of the Yeso formation) with a contour interval of 25 feet. The structure map demonstrates the formation is gently dipping to the east in this area. The formation appears

**Spur Energy Partners LLC
Case No. 24817
Exhibit B**

consistent across the proposed spacing unit. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells. This map also shows a line bisecting the proposed spacing unit from B to B' which is depicted in a gun barrel diagram in a later exhibit.

6. **Exhibit B-3** is a structural cross-section that I prepared displaying open-hole logs acquired over the target formation from the representative wells denoted from A to A' on Exhibit B-1. For each well in the cross-section, the exhibit shows the following logs where available: gamma ray, resistivity, and porosity. The targeted zones for each well are labeled and marked on the cross-section. The logs in the cross-section demonstrate that the targeted intervals are continuous and consistent along trend.

7. **Exhibit B-4** is a gun barrel diagram from B to B' reflecting Spur's intended development in the Yeso formation across this acreage and identifies each initial proposed well (solid black lines) relative to the different intervals within the Yeso formation. Offsetting horizontal development and targeting is identified with green circles.

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

AP#	Well Name	Well Type	Well Status	OGOP Name	OCD District Code	OCD District Office	Lease Type	Measured Depth	Associated Pools
30-015-01615	RED LAKE SAND UNIT #009	Oil	Plugged (site released)	MAXX ENERGY ODRP	2	Artesia	State	1,871	[51300] RED LAKE, QUEEN-GRAYBURG-SA
30-015-01618	DELM STATE #1	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	2	Artesia	State	510	[22230] EMPIRE, YATES-SEVEN RIVERS
30-015-01625	STATE #1	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	2	Artesia	State	495	[22230] EMPIRE, YATES-SEVEN RIVERS
30-015-01626	STATE #2	Oil	Plugged (site released)	PRE-ONGARD WELL OPERATOR	2	Artesia	State	517	[22230] EMPIRE, YATES-SEVEN RIVERS
30-015-22358	WSSF #1	Oil	Plugged (site released)	ODG OPERATING LLC	2	Artesia	State	411	[22230] EMPIRE, YATES-SEVEN RIVERS
30-015-23166	RED LAKE SAND UNIT #006	Oil	Active	Grand Operating, LLC	2	Artesia	State	10,020	[51300] RED LAKE, QUEEN-GRAYBURG-SA, [76440] EMPIRE, PEVN, [87320] RED LAKE SHORES, GRAYBURG
30-015-23825	RED LAKE SAND UNIT #007	Gas	Active	Grand Operating, LLC	2	Artesia	State	1,842	[51300] RED LAKE, QUEEN-GRAYBURG-SA, [87330] RED LAKE SHORES, GRAYBURG
30-015-33167	MAPLE STATE #001	Oil	Active	Spur Energy Partners LLC	2	Artesia	State	7,500	[51300] RED LAKE, QUEEN-GRAYBURG-SA, [88860] LOGAN DRAY, WOLF CAMP #10
30-015-38290	MAPLE STATE #013	Oil	Active	Spur Energy Partners LLC	2	Artesia	State	4,625	[96830] RED LAKE, GLOF ETA-YESO, NORTH-EAST
30-015-38297	MAPLE STATE #003	Oil	Active	Spur Energy Partners LLC	2	Artesia	State	4,859	[96830] RED LAKE, GLOF ETA-YESO, NORTH-EAST
30-015-38298	MAPLE STATE #004	Oil	Active	Spur Energy Partners LLC	2	Artesia	State	4,882	[96830] RED LAKE, GLOF ETA-YESO, NORTH-EAST

In my review of the drilling, completion, recompletion(s) and abandonment records (see table above), 5 of the 11 wells within the Unit appear to have been properly plugged and abandoned per NMOCD regulations. And, in my opinion, these wells present a very low risk for damage or to act as conduits for hydraulic fracturing fluids.

Spur, with experience drilling and completing over 150 Yeso laterals, has detailed operational policies to ensure the remaining active wells are secured prior to commencing fracturing operations. Each HSU has an independent risk assessment that determines necessary pre-operational work to each of the operated wellbores, including, but not limited to, shutting-in producing wells, stacking out rod pumped wells and setting bridge plugs in wells. Once the wells are deemed secure, Spur has a final sign off completed by senior field staff. During completion operations, the wells in the immediate vicinity are checked at a minimum of two times per day (morning and evening) with their applicable pressured monitored and recorded. Spur also provides 30-day email notice prior to commencement of hydraulic fracturing operations to offset operators that have wellbores within a 2mile radius of a proposed HSU so they can secure accordingly.

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

9. There is no identified preferred orientation for exploitation in this portion of the Northwest shelf based on stress orientation or production data. Thus, the laydown orientation is

appropriate to properly develop this acreage using 1-mile laterals in a manner that is consistent with Spur's ownership interest and offsetting development.

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

11. In my opinion, the granting of Spur's application will serve the interests of conservation, the protection of correlative rights, and the prevention of waste.

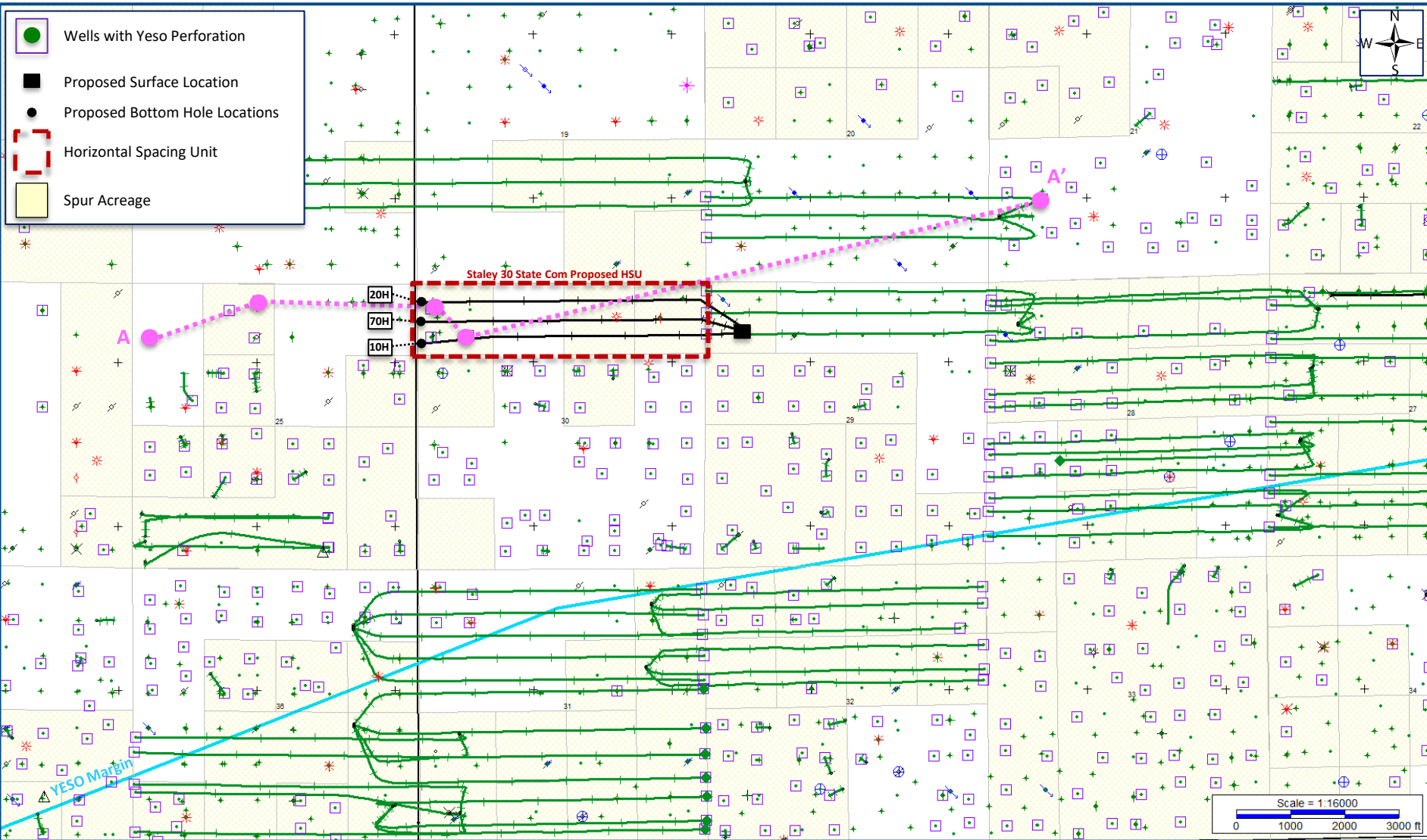
12. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

13. I understand this Self-Affirmed Statement will be used as written testimony in this case. I affirm my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.


Matthew Van Wie

9/19/2024
Date

Exhibit B-1. Staley 30 State Com HSU Basemap (Case No. 24817)

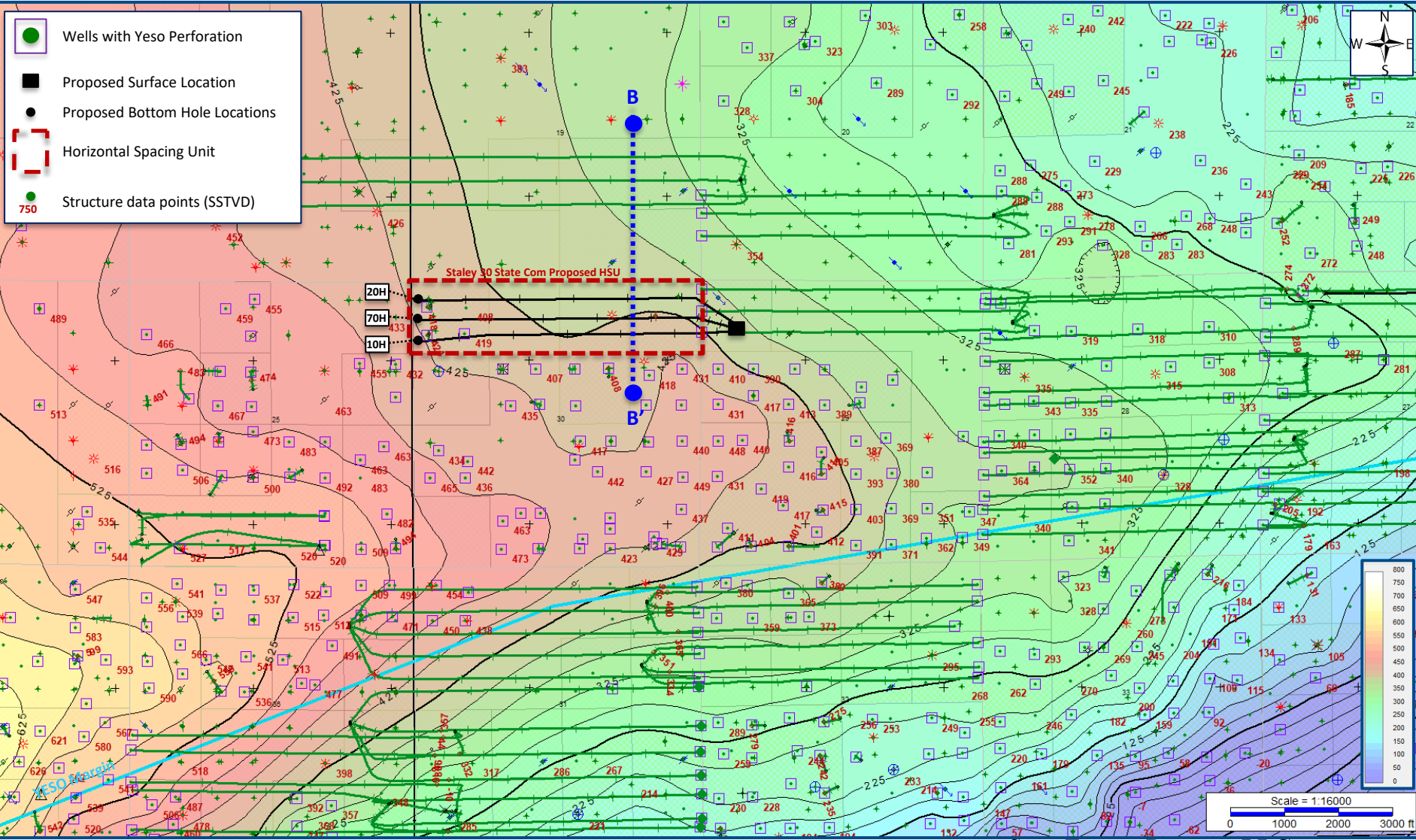


Spur Energy Partners LLC
Case No. 24817
Exhibit B-1



Exhibit B-2. Structure Map (SSTVD) - Top Glorieta (Case No. 24817)

- Wells with Yeso Perforation
- Proposed Surface Location
- Proposed Bottom Hole Locations
- Horizontal Spacing Unit
- Structure data points (SSTVD)

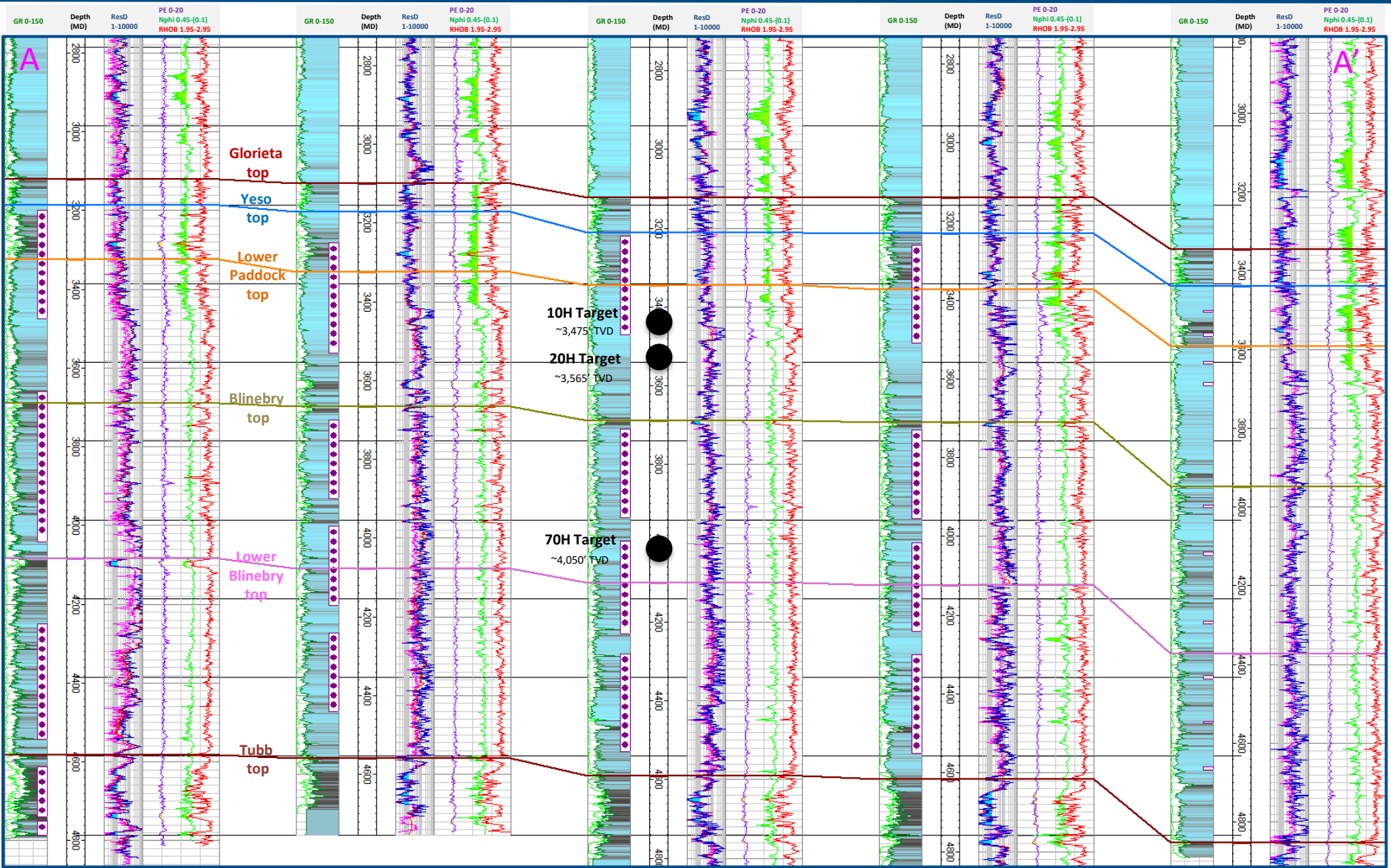


Spur Energy Partners LLC
Case No. 24817
Exhibit B-2



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

(Case No. 24817)



MATTHEWS 25 FEDERAL #2

REDBUD FEDERAL #2

MAPLE STATE #3

MAPLE STATE #4

PIGLET 21 STATE #28

Exhibit B-4. Staley 30 State Com Gun Barrel B – B' (TVD)

Spur Energy Partners LLC



(Case No. 24817)

Case No. 24817

Exhibit B-4

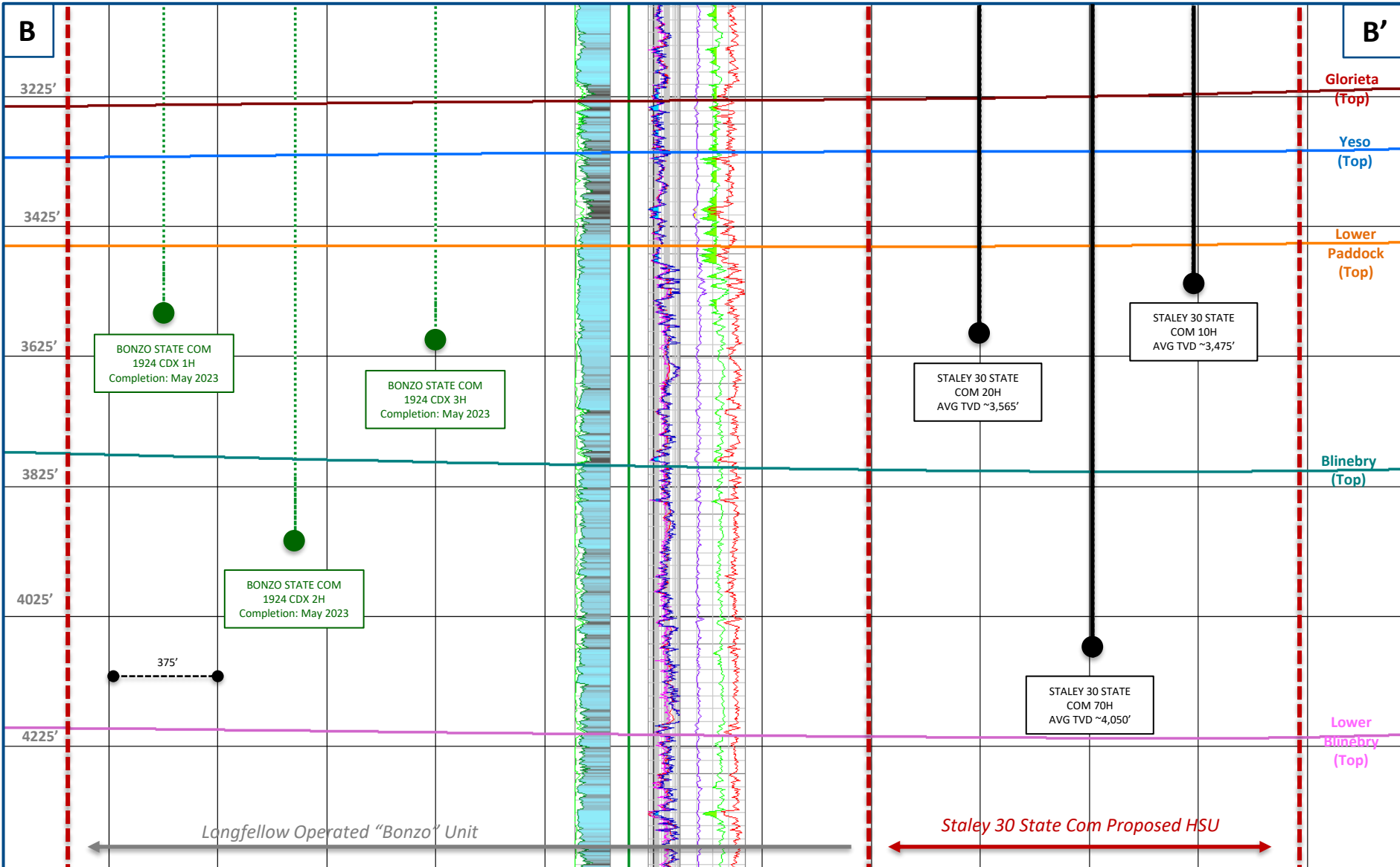


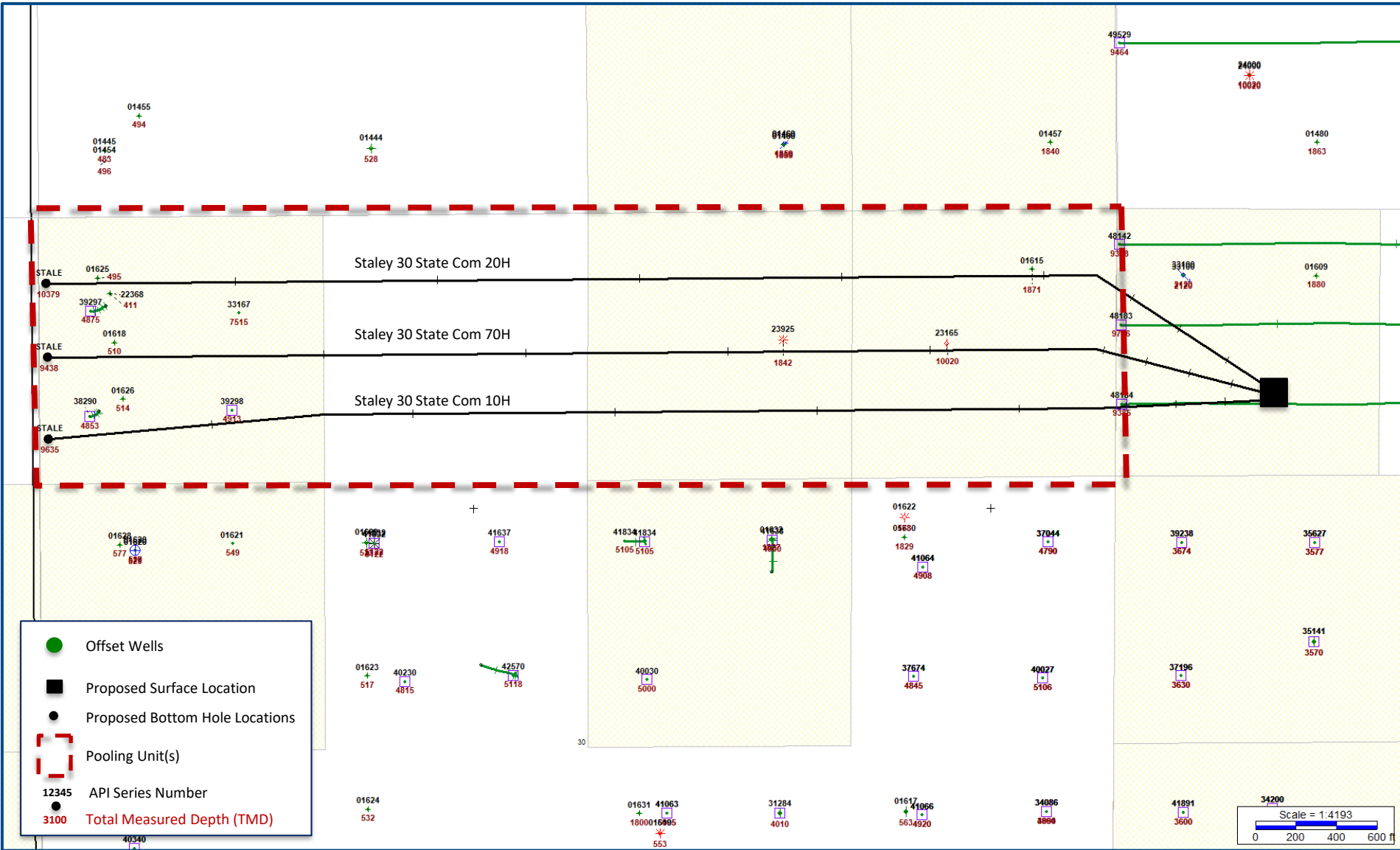
Exhibit B-5. Staley 30 State Com HSU Basemap

(Case No. 24817)

Spur Energy Partners LLC

Case No. 24817

Exhibit B-5



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

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

CASE NO. 24817

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

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

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

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

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

5. On September 7, 2024, I caused a notice to be published to all interested parties in the Carlsbad Current-Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current-Argus along with a copy of the notice publication, is attached as **Exhibit C-4**.

6. I understand this Self-Affirmed Statement will be used as written testimony in the subject cases. I affirm that my testimony above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date handwritten next to my signature below.

/s/ Dana S. Hardy
Dana S. Hardy

September 20, 2024
Date

**Spur Energy Partners LLC
Case No. 24817
Exhibit C**



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

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

August 29, 2024

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 24817 – Application of Spur Energy Partners LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **October 3, 2024**, beginning at 8:15 a.m.

The hearing will be conducted in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 19.15.4.13.B, a party who intends to present evidence at the hearing shall file a pre-hearing statement and serve copies on other parties, or the attorneys of parties who are represented by counsel, at least four business days in advance of a scheduled hearing, but in no event later than 5:00 p.m. Mountain Time, on the Thursday preceding the scheduled hearing date. The statement must be submitted through the OCD E-Permitting system (<https://wwwapps.emnrd.nm.gov/ocd/ocdpermitting/>) or via e-mail to ocd.hearings@emnrd.nm.gov and should include: the names of the parties and their attorneys, a concise statement of the case, the names of all witnesses the party will call to testify at the hearing, the approximate time the party will need to present its case, and identification of any procedural matters that are to be resolved prior to the hearing.

If you have any questions about this application, please contact Lance Young, Senior Landman at Spur Energy Partners LLC, by phone at (832) 982-1088 or via e-mail at lyoung@spurenergy.com if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Spur Energy Partners LLC
Case No. 24817
Exhibit C-1

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

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

CASE NOS. 24817

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
ZPZ Delaware I LLC 2000 W. Sam Houston Pkwy., Ste 2000 Houston, TX 77042	09/03/2024 958907105270115292	09/16/2024
Read & Stevens 300 N. Marienfeld Street Midland, TX 79701	09/03/2024 9589071052701152547921	09/09/2024

**Spur Energy Partners LLC
Case No. 24817
Exhibit C-2**

9589 0710 5270 1152 5479 21

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
 Domestic Mail Only

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

OFFICIAL USE

Certified Mail Fee
 \$

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

Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

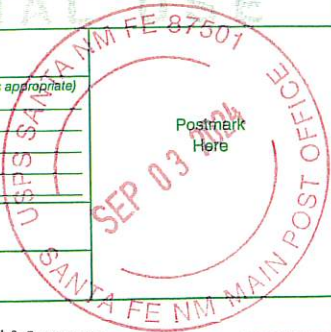
Postage
 \$

Total Postage and Fees
 \$

Sent To
 Street and Apt. No., or PO #
 Read & Stevens, Inc.
 300 N. Marienfeld Street
 Midland, TX 79701

City, State, ZIP+4®
 24817 Spur - Staley

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery 9/6/24</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>
<p>1. Article Addressed to:</p> <p>Read & Stevens, Inc. 300 N. Marienfeld Street Midland, TX 79701</p> <p>24817 Spur - Staley</p>	<p>RECEIVED SEP 9 2024</p>
<p>2. Article Number (Transfer from service label) 9589 0710 5270 1152 5479 21</p>	
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature Hinkle Shanor LE</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery 87501</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

Spur Energy Partners LLC
Case No. 24817
Exhibit C-3

9589 0710 5270 1152 5477 92

USPS Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

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

OFFICIAL RECEIPT

Certified Mail Fee \$

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

<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$

Postage \$

Total Postage and Fees \$

Sent To
 Street and Apt. No., or
 City, State, ZIP+4®
 ZPZ Delaware I LLC
 2000 W. Sam Houston Pkwy.,
 Ste. 2000
 Houston, TX 77042
 24817 Spur - Staley

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions



SENDER: COMPLETE THIS SECTION

- 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.

1. Article Addressed to:

ZPZ Delaware I LLC
 2000 W. Sam Houston Pkwy.,
 Ste. 2000
 Houston, TX 77042
 24817 Spur - Staley



2. Article Number (Transfer from service label)
 9589 0710 5270 1152 5477 92

COMPLETE THIS SECTION ON DELIVERY

A. Signature X Agent Addressee

B. Received by (Printed Name) C. Date of Delivery
 Hinkle Shannon LP 9/16

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

RECEIVED
 SEP 16 2024

3. Service Type Hinkle Shannon LP
 Santa Fe NM 87501

<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™
<input type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery
<input type="checkbox"/> Certified Mail Restricted Delivery	<input type="checkbox"/> Signature Confirmation™
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery
<input type="checkbox"/> Collect on Delivery Restricted Delivery	
<input type="checkbox"/> Insured Mail	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	

AFFIDAVIT OF PUBLICATION

CARLSBAD CURRENT-ARGUS
PO BOX 507
HUTCHINSON, KS 67504-0507

STATE OF NEW MEXICO }
COUNTY OF EDDY } SS

Account Number: 94
Ad Number: 12600
Description: Case #24817
Ad Cost: \$102.56

Nicole Bitton, being first duly sworn, says:

That she is the Agent of the the Carlsbad Current-Argus, a Weekly newspaper of general circulation, printed and published in Carlsbad, Eddy County, New Mexico; that the publication, a copy of which is attached hereto, was published in said newspaper on the following dates:

September 7, 2024

That said newspaper was regularly issued and circulated on those dates.

SIGNED:

N Bitton

Agent

Subscribed to and sworn to me this 7th day of September 2024.

KELLI METZGER

NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES OCTOBER 19, 2024

Kelli Metzger

Notary Public

Van Wert County *Ohio*

ID#: _____
My commission expires: *Oct. 19, 2024*

LEGAL NOTICE

This is to notify all interested parties, including ZPZ Delaware I LLC; Read & Stevens, Inc.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Spur Energy Partners LLC (Case No. 24817). The hearing will be conducted on October 3, 2024, in a hybrid fashion, both virtually and in-person at the Energy, Minerals, Natural Resources Department, Wendell Chino Building, Pecos Hall, 1220 South St. Francis Drive, 1st Floor, Santa Fe, NM 87505. To participate virtually, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Spur Energy Partners LLC, (Applicant) (OGRID No. 328947), seeks an order pooling all uncommitted interests in the Yeso formation underlying a 163.14-acre, more or less, standard horizontal spacing unit comprised of the N/2 N/2 of irregular Section 30, Township 17 South, Range 28 East, Eddy County, New Mexico (Unit). The Unit will be dedicated to the Staley 30 State Com 10H, Staley 30 State Com 20H, and Staley 30 State Com 70H wells (Wells), which will be drilled from surface hole locations in the NW/4 NW/4 (Unit D) of Section 29 to bottom hole locations in the NW/4 NW/4 (Unit D) of Section 30. The completed intervals of the Wells will be unorthodox. Also to be considered will be the cost of drilling and completing the Wells and the allocation of the cost, the designation of Applicant as the operator of the Wells, and a 200% charge for the risk involved in drilling and completing the Wells. The Wells are located approximately 11.11 miles East and 2.22 miles South of Artesia, New Mexico.

12600-Published in the Carlsbad Current-Argus on Sep 7, 2024.

Hinkle Shanor, Llp
Pobox 2068
Santa Fe, NM 87504

Spur Energy Partners LLC
Case No. 24817
Exhibit C-4