

Spur Energy
Partners, LLC
Case No. 21760

SHORTY 2 STATE COM
NMOCD Exhibits

Hearing Date: 4/8/21



SPUR



**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. 21760

**SPUR ENERGY PARTNERS, LLC'S
HEARING EXHIBITS**

Compulsory Pooling Checklist

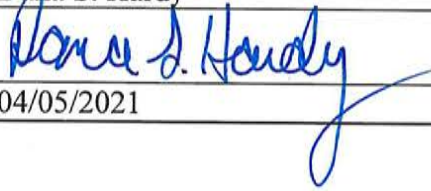
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| Exhibit A | Self-Affirmed Statement of Morgan Landry |
| A-1 | Application & Proposed Notice of Hearing |
| A-2 | C-102(s) |
| A-3 | Plat of Tracts, Tract Ownership, Pooled Party, Unit Recapitulation |
| A-4 | Sample Well Proposal Letter & AFE(s) |
| A-5 | Summary of Communications |
| A-6 | Hearing Notice Letter and Return Receipts |
| A-7 | Affidavit of Publication |
|
 | |
| Exhibit B | Self-Affirmed Statement of C.J. Lipinski |
| B-1 | Location Map |
| B-2 | Structure Map |
| B-3 | Cross Section |
| B-4 | Gunbarrel Schematic |

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 21760	APPLICANT'S RESPONSE
Date	April 8, 2021
Applicant	Spur Energy Partners, LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID # 328947
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors:	N/A
Well Family	Shorty
Formation/Pool	
Formation Name(s) or Vertical Extent:	Yeso
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Yeso, 5000' MD to 6420' MD.
Pool Name and Pool Code:	Loco Hills; Glorieta-Yeso Pool (Pool Code 96718)
Well Location Setback Rules:	Statewide
Spacing Unit Size:	~160 acres
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	~160 acres
Building Blocks:	Quarter-quarter
Orientation:	Laydown
Description: TRS/County	S/2N/2 of Section 2, Township 17 South, Range 30 East, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes, at 5,000' MD in the Loco Hills; Glorieta-Yeso Pool within the Yeso formation.
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 hole location; Bottom hole location; Completion target (TVD); Orientation, Completion status (standard or non-standard).	
Well #1	Shorty 2 State Com #70H (API # 30-015-48120) SHL: 1998 FNL, 205 FWL, Unit E, 2-17S-30E BHL: 1800 FNL & 50 FEL, Unit H, 2-17S-30E Completion Target: Yeso formation (Approx. 5350' TVD)

	Completion status: Standard
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 \$	7000
Production Supervision/Month \$	700
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-7
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibits A and A-3
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	N/A
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	Yeso
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	Exhibit B
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-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-1
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
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):	
Date:	04/05/2021

**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. 21760

**SELF-AFFIRMED STATEMENT
OF MORGAN LANDRY**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.

2. I am the Senior Landman at Spur Energy Partners, LLC ("Spur"). I had direct involvement with Spur's development of the acreage that is the subject of this case. A copy of the application and proposed notice are attached as **Exhibit A-1**.

3. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.

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

A. Proposed Well(s) and HSU

5. Spur seeks an order pooling all uncommitted mineral interests from a depth of 5,001' to the base of the Yeso formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2N/2 of Section 2, Township 17 South, Range 30 East, Eddy County, New Mexico.

6. The HSU will be dedicated to the Shorty 2 State Com #70H well ("Well"), which will be horizontally drilled from a surface location in Unit E of Section 2 to a bottom hole location in Unit H of Section 2.

7. The Well is located in the Loco Hills; Glorieta-Yeso (Pool Code 96718).

8. With respect to well setback requirements, this pool is subject to the statewide horizontal well rules set out in NMAC 19.15.16.15.

9. The completed interval of the Well will be orthodox.

10. The C-102 for the Well is attached as **Exhibit A-2**.

B. Ownership Determination

11. A depth severance exists in the Yeso formation within the HSU by virtue of assignment. As such, Spur seeks to pool only a portion of the Loco Hills; Glorieta-Yeso Pool from 5,001 feet to the bottom of the Yeso formation, at a stratigraphic equivalent of 6,420 feet measured depth, as defined in the Schlumberger Dual Laterolog for the Federal 1 Com #1 well (API No. 30-015-22456).

12. Ownership is different above and below the depth severance line.

13. **Exhibit A-3** contains a plat identifying ownership by tract in the HSU from a depth of 5,001 feet to the base of the Yeso formation. This exhibit also contains a unit recapitulation and the interests Spur seeks to pool highlighted in yellow.

14. Spur has provided notice of this application to the vertical offset parties within the pool who are not subject to this application.

C. Joinder

15. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to working interest owners for the Well and associated delivery confirmations. 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 Yeso formation in the area.

16. Spur has conducted a diligent search of all public records in Eddy County, including phone directories and computer databases.

17. All interest owners Spur seeks to pool are locatable.

18. In my opinion, Spur made a good-faith effort to reach voluntary joinder of uncommitted interests in the Well as indicated by the Chronology of Contact described in **Exhibit A-5**.

D. Notice of Hearing

19. Notice of Spur's application and the Division hearing was provided to the uncommitted interests by certified mail more than 20 days prior to the hearing date. A sample of the notice letter and the associated green cards are attached as **Exhibit A-6**.

20. Notice of Spur's application and the Division hearing was published more than ten business days prior to the hearing date. The affidavit of publication is attached as **Exhibit A-7**.

E. Drilling and Operating Costs

21. Spur requests overhead and administrative rates of \$8,000 per month while the Well is being drilled and \$800 per month while the Well is producing. These rates are fair and are comparable to the rates charged by Spur and by other operators in the vicinity. Spur further requests that the rates be adjusted periodically in accordance with the COPAS Accounting Procedure.

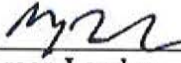
22. Spur requests that it be designated the operator of the Well.

23. Spur also requests that a 200% risk charge be assessed against the uncommitted interests if they are non-consenting working interest owners.

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

25. 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.

26. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 25 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.



Morgan Landry

March 31, 2021
Date

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

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

Case No. 21760

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners, LLC (“Spur”) applies for an order pooling all uncommitted mineral interests from a depth of 5,000’ to the base of the Yeso formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 2, Township 17 South, Range 30 East in Eddy County, New Mexico. In support of its application, Spur states the following.

1. Spur (OGRID No. 328947) is a working interest owner in the horizontal spacing unit and has the right to drill wells thereon.

2. The horizontal spacing unit will be dedicated to the Shorty 2 State Com #70H well, which will be horizontally drilled from a surface location in Unit E of Section 2 to a bottom hole location in Unit H of Section 2.

3. The completed interval of the well will be orthodox.

4. A depth severance exists in the Yeso formation in the horizontal spacing unit. Accordingly, Spur seeks to pool uncommitted interests from a depth of 5,000’ to the base of the Yeso formation (at a stratigraphic equivalent of approximately 6,420’ MD as observed on the Federal I Com #1 well Schlumberger Dual Laterolog (API No. 30-015-22456)). Spur will provide notice of this application to the vertical offset parties within the pool who are not subject to this application.

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

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

7. In order to allow Spur to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the horizontal spacing unit should be pooled and Spur should be designated the operator of the proposed horizontal well and spacing unit.

WHEREFORE, Spur requests that this application be set for hearing on April 8, 2021 and that, after notice and hearing, the Division enter an order:

- A. Pooling all uncommitted interests in the horizontal spacing unit, as set forth above;
- B. Approving the well in the horizontal spacing unit;
- C. Designating Spur as operator of the spacing unit and the well to be drilled thereon;
- D. Authorizing Spur to recover its costs of drilling, equipping and completing the well;
- E. Approving the actual operating charges and costs of supervision while drilling and after completion, together with a provision adjusting the rates pursuant to the COPAS accounting procedures; and
- F. Imposing a 200% penalty for the risk assumed by Spur in drilling and completing the wells against any working interest owner who does not voluntarily participate in the drilling of the well.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Dioscoro A. Blanco

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 982-8623

dhardy@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 mineral interests from a depth of 5,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 6,420' MD as observed on the Federal 1 Com #1 well Schlumberger Dual Laterolog (API No. 30-015-22456)) in a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 2, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Shorty 2 State Com #70H well, which will be horizontally drilled from a surface location in Unit E of Section 2 to a bottom hole location in Unit H of Section 2. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 3 miles north-northeast of Loco Hills, New Mexico.

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-PENDING		² Pool Code 96718		³ Pool Name LOCO HILLS; GLORIETA-YESO	
⁴ Property Code		⁵ Property Name SHORTY 2 STATE COM			⁶ Well Number 70H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3752'

¹⁰ Surface Location

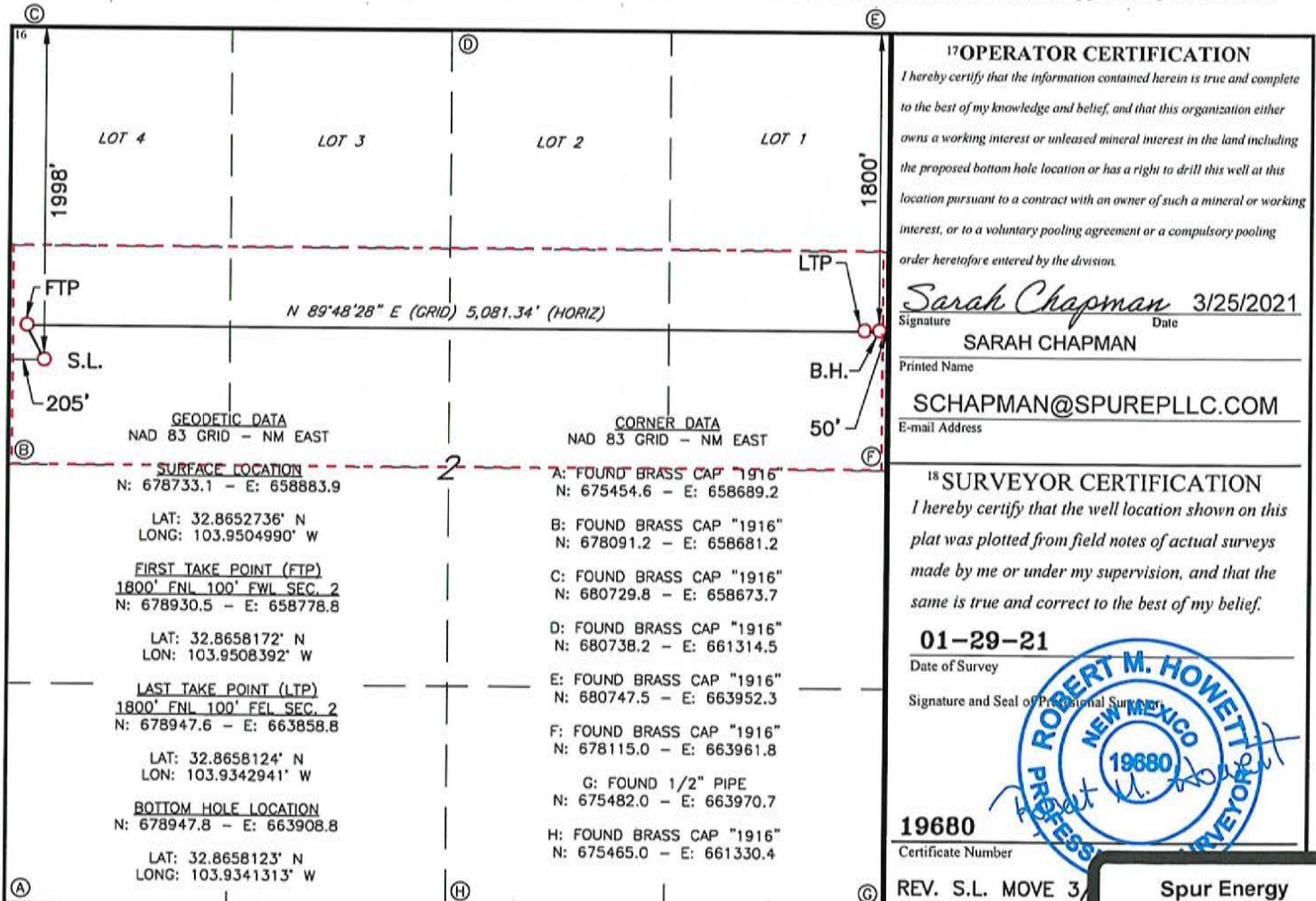
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
E	2	17S	30E		1998	NORTH	205	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	2	17S	30E		1800	NORTH	50	EAST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.



Job No.: LS21010060

Spur Energy Partners
Case No. 21760

Exhibit A-2

RECAPITULATION		
Tract Number	Number of Acres Committed	Percentage of Interest in Unit
1	40	25.00%
2	120	75.00%
TOTAL	160	100%
SEP Permian LLC		70.3125% Working Interest
9655 Katy Freeway, Ste 500		
Houston, Texas 77024		
CCJR Properties, LLC		21.8750% Working Interest
P.O. Box 1451		
Keller, Texas 76244		
Crystal Van Lom		1.56250% Working Interest
3427 E. Woodland Drive		
Phoenix, Arizona 85048		
Wilma Donohue Moleen Foundation		6.25000% Working Interest
420 Throckmorton Street, Floor 9		
Ft. Worth, Texas 76102		
Total		100% Working Interest

Leasehold Interest:

SEP Permian LLC
9655 Katy Freeway, Ste 500
Houston, Texas 77024

CCJR Properties, LLC
P.O. Box 1451
Keller, Texas 76244

Crystal Van Lom
3427 E. Woodland Drive
Phoenix, Arizona 85048

Wilma Donohue Moleen Foundation
420 Throckmorton Street, Floor 9
Ft. Worth, Texas 76102



January 27, 2021

CCJR Properties, LLC
P.O. Box 1451
Keller, Texas 76244

RE: Well Proposal
Shorty 2 State Com 70H
S/2 N/2 of Section 2-T17S-R30E
Eddy County, New Mexico

Dear Working Interest Owner,

SEP Permian LLC ("Spur"), an affiliate of Spur Energy Partners LLC, hereby proposes to drill and complete the **Shorty 2 State Com 70H** well to the approximate total vertical depth as referenced below as horizontal Yeso well (the "Subject Well") at the following proposed location (subject to change upon staking and survey).

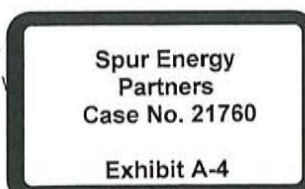
Shorty 2 State Com 70H well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 410' FWL & 1960' FNL, Section 2, T17S-R30E
- Proposed Bottom Hole Location – 50' FEL & 1800' FNL, Section 2, T17S-R30E
- TVD: 5350'

Spur proposes to form a Drilling Spacing Unit ("DSU") covering the S/2 N/2 of Section 2-T17S-R30E, Eddy County, New Mexico, containing 160 acres of land, more or less, from 5000 feet to the base of the Yeso formation. Portions of these lands are likely governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation and which govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, Spur hereby submits for your consideration, a new joint operating agreement dated January 1, 2021, being a modified 2015 Horizontal AAPL Form 610 Operating Agreement ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of January 1, 2021
- S/2 N/2 of Section 2-T17S-R30E
- Limited in depth from 5000' to the base of the Yeso formation
- 100%/300%/300% non-consenting penalty
- \$7,000/\$700 drilling and producing monthly overhead rate
- Spur Energy Partners LLC named as Operator

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





Spur respectfully requests that you select one of the following four options with regard to your interest in the proposed well:

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”).

Term Assignment Option: Assign your working interest in the S/2 N/2 of Section 2-17S-30E, exclusive of existing wellbores, to Spur through a term assignment with a primary term of three (3) years and a bonus consideration of \$500 per net acre, delivering a 75% leasehold net revenue interest (limited to the Yeso formation).

Assignment Option: Assign your working interest in the S/2 N/2 of Section 2-17S-30E, exclusive of existing wellbores, to Spur for a bonus consideration of \$1,000 per net acre, delivering a 75% leasehold net revenue interest (all rights owned).

Should you elect Option 1 or Option 2, Spur will send the NJOA for your review and execution. If you prefer to review the NJOA prior to making an election, please request a copy by email and Spur will supply you the NJOA. In the event you elect to assign your working interest under the terms outlined above in the Term Assignment or Assignment Option, please indicate this by signing the enclosed Assignment Election page and returning an executed W-9. Upon receipt, Spur will submit an Assignment to you for your review and execution.

Spur looks forward to working with you on this matter. However, if an agreement cannot be reached within 30 days of the receipt date of this proposal, please be advised Spur may apply to the New Mexico Oil Conservation Division for Compulsory Pooling of any uncommitted interest owners into a spacing unit for the proposed wells.

Please indicate your elections as to the Subject Wells in the spaces provided below and execute and return a copy of this letter to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please contact me via email at mlandry@spurepllc.com.

Sincerely,

Morgan Landry
Sr. Landman

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.:	C21038	COMPANY	
AFE DESC:	SHORTY 2 STATE COM 70H	DIVISION	
DATE:	01/25/2021	OPERATOR:	
AFE TYPE:	DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,	
GROSS/NET:	GROSS	LLC	

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP-TIE	SUPPLEMENT	TOTAL	ACTUAL
LOCATION - OPS		13,000.00	0.00		13,000.00	
TOTAL:		13,000.00	0.00		13,000.00	
LOCATION/DAMAGES/ROW-LAND		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
TITLE WORK/LANDMAN SERVICES - L		60,000.00	0.00		60,000.00	
TOTAL:		60,000.00	0.00		60,000.00	
SURVEY - LAND		5,000.00	0.00		5,000.00	
TOTAL:		5,000.00	0.00		5,000.00	
DRILLING RENTALS: SURFACE		40,000.00	0.00		40,000.00	
TOTAL:		40,000.00	0.00		40,000.00	
DRILLING RENTALS: SUBSURFACE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
DRILL MUD & COMPL FLUID		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
WELLSITE SUPERVISION		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
GROUND TRANSPORT		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
CONTRACT DRILLING (DAY RATE/TUF		161,000.00	0.00		161,000.00	
TOTAL:		161,000.00	0.00		161,000.00	
DIRECTIONAL TOOLS AND SERVICES		107,500.00	0.00		107,500.00	
TOTAL:		107,500.00	0.00		107,500.00	
FLUID & CUTTINGS DISPOSAL		45,000.00	0.00		45,000.00	
TOTAL:		45,000.00	0.00		45,000.00	
FRAC TANK RENTALS		250.00	0.00		250.00	
TOTAL:		250.00	0.00		250.00	
BITS		30,500.00	0.00		30,500.00	
TOTAL:		30,500.00	0.00		30,500.00	
COMPANY LABOR		5,000.00	0.00		5,000.00	
TOTAL:		5,000.00	0.00		5,000.00	
FUEL, WATER & LUBE		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
CEMENT		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
CASING CREWS AND LAYDOWN SER'		8,500.00	0.00		8,500.00	
TOTAL:		8,500.00	0.00		8,500.00	
PROD CSG CEMENT AND SERVICE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
MUD LOGGER		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
MOB/DEMOB RIG		12,500.00	0.00		12,500.00	
TOTAL:		12,500.00	0.00		12,500.00	
VACUUM TRUCKING		5,000.00	0.00		5,000.00	
TOTAL:		5,000.00	0.00		5,000.00	
DRILLPIPE INSPECTION		5,000.00	0.00		5,000.00	
TOTAL:		5,000.00	0.00		5,000.00	
CONTRACT LABOR/SERVICES		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
MISC IDC/CONTINGENCY		78,500.00	0.00		78,500.00	
TOTAL:		78,500.00	0.00		78,500.00	
SURFACE CASING		12,750.00	0.00		12,750.00	
TOTAL:		12,750.00	0.00		12,750.00	
INTERMEDIATE CASING		24,000.00	0.00		24,000.00	
TOTAL:		24,000.00	0.00		24,000.00	
PRODUCTION/LINER CASING		170,000.00	0.00		170,000.00	
TOTAL:		170,000.00	0.00		170,000.00	
CONDUCTOR PIPE		20,000.00	0.00		20,000.00	

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.:	C21038	COMPANY	DIVISION
AFE DESC:	SHORTY 2 STATE COM 70H		
DATE:	01/25/2021	OPERATOR:	
AFE TYPE:	DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,	
GROSS/NET:	GROSS	LLC	

	TOTAL:	20,000.00	0.00	20,000.00
WELLHEAD		17,500.00	0.00	17,500.00
	TOTAL:	17,500.00	0.00	17,500.00
LINER HANGER/CASING ACCESSORY		25,000.00	0.00	25,000.00
	TOTAL:	25,000.00	0.00	25,000.00
EQUIP RENT		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
RENTALS: SURFACE IRON		50,000.00	0.00	50,000.00
	TOTAL:	50,000.00	0.00	50,000.00
DRILL MUD & COMPL FLUID		200,000.00	0.00	200,000.00
	TOTAL:	200,000.00	0.00	200,000.00
WELLSITE SUPERVISION		40,000.00	0.00	40,000.00
	TOTAL:	40,000.00	0.00	40,000.00
COMPLETION CHEMICALS		80,000.00	0.00	80,000.00
	TOTAL:	80,000.00	0.00	80,000.00
GROUND TRANSPORT		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
PUMPDOWN		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
CASED HOLE WIRELINE		70,000.00	0.00	70,000.00
	TOTAL:	70,000.00	0.00	70,000.00
FRAC PLUGS		35,000.00	0.00	35,000.00
	TOTAL:	35,000.00	0.00	35,000.00
FRAC/FLUID SW DISPOSAL		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
FRAC TANK RENTALS		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
FLOWBACK		47,000.00	0.00	47,000.00
	TOTAL:	47,000.00	0.00	47,000.00
STIMULATION AND PUMPING SERVIC		200,000.00	0.00	200,000.00
	TOTAL:	200,000.00	0.00	200,000.00
PROPPANT		100,000.00	0.00	100,000.00
	TOTAL:	100,000.00	0.00	100,000.00
FUEL, WATER & LUBE		80,000.00	0.00	80,000.00
	TOTAL:	80,000.00	0.00	80,000.00
CASING CREWS AND LAYDOWN SER'		2,500.00	0.00	2,500.00
	TOTAL:	2,500.00	0.00	2,500.00
COMPLETION/WORKOVER RIG		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
KILL TRUCK		2,500.00	0.00	2,500.00
	TOTAL:	2,500.00	0.00	2,500.00
CONTRACT LABOR - ARTIFICIAL LIFT		17,500.00	0.00	17,500.00
	TOTAL:	17,500.00	0.00	17,500.00
CONTRACT LABOR - ELECTRICAL/AU'		20,000.00	0.00	20,000.00
	TOTAL:	20,000.00	0.00	20,000.00
CONTRACT LABOR - WELL LEVEL		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
FACILITY PAD CONSTRUCTION		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
MISC INTANGIBLE FACILITY COSTS		5,000.00	0.00	5,000.00
	TOTAL:	5,000.00	0.00	5,000.00
CONTRACT LABOR - AUTOMATION		6,500.00	0.00	6,500.00
	TOTAL:	6,500.00	0.00	6,500.00
EQUIPMENT RENTALS		5,000.00	0.00	5,000.00
	TOTAL:	5,000.00	0.00	5,000.00
FREIGHT & HANDLING		5,000.00	0.00	5,000.00
	TOTAL:	5,000.00	0.00	5,000.00
CONTRACT LABOR - ELECTRICAL		15,000.00	0.00	15,000.00

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.:	C21038		COMPANY
AFE DESC:	SHORTY 2 STATE COM 70H		DIVISION
DATE:	01/25/2021	OPERATOR:	
AFE TYPE:	DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,	
GROSS/NET:	GROSS	LLC	

	TOTAL:	15,000.00	0.00	15,000.00
FACILITY CONSTRUCTION LABOR		55,000.00	0.00	55,000.00
	TOTAL:	55,000.00	0.00	55,000.00
OVERHEAD POWER		12,500.00	0.00	12,500.00
	TOTAL:	12,500.00	0.00	12,500.00
PARTS & SUPPLIES - ARTIFICIAL LIFT		50,000.00	0.00	50,000.00
	TOTAL:	50,000.00	0.00	50,000.00
PARTS & SUPPLIES - ELECTRICAL/AU		5,000.00	0.00	5,000.00
	TOTAL:	5,000.00	0.00	5,000.00
PARTS & SUPPLIES - WELL LEVEL		20,000.00	0.00	20,000.00
	TOTAL:	20,000.00	0.00	20,000.00
TUBING		45,000.00	0.00	45,000.00
	TOTAL:	45,000.00	0.00	45,000.00
TUBING HEAD/XMAS TREE		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
VESSELS		65,000.00	0.00	65,000.00
	TOTAL:	65,000.00	0.00	65,000.00
ELECTRICAL - OVERHEAD & TRANSF		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
LACT		20,000.00	0.00	20,000.00
	TOTAL:	20,000.00	0.00	20,000.00
AUTOMATION METERS, SENSORS, V/		25,000.00	0.00	25,000.00
	TOTAL:	25,000.00	0.00	25,000.00
MISC FITTINGS & SUPPLIES		22,500.00	0.00	22,500.00
	TOTAL:	22,500.00	0.00	22,500.00
PUMPS & PUMP SUPPLIES		6,000.00	0.00	6,000.00
	TOTAL:	6,000.00	0.00	6,000.00
MISC TANGIBLE FACILITY COSTS		5,000.00	0.00	5,000.00
	TOTAL:	5,000.00	0.00	5,000.00
TANKS (OIL & WATER)		40,000.00	0.00	40,000.00
	TOTAL:	40,000.00	0.00	40,000.00
CONTAINMENT		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
PIPING		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
ELECTRICAL - FACILITY		65,000.00	0.00	65,000.00
	TOTAL:	65,000.00	0.00	65,000.00
TOTAL THIS AFE:		2,652,000.00	0.00	2,652,000.00

Communication Timeline

January 27, 2021 – Initial proposal sent to CCJR Properties, LLC, Wilma Donohue Moleen Foundation and Crystal Van Lom via FedEx for the Shorty 2 State Com #70H, Section 2-17S-30E, Eddy County, New Mexico. All parties received on January 29, 2021.

February and March 2021 – Multiple conversations with Cliff Randel, representative of CCJR Properties, LLC, and his attorney Drew Neal discussing different assignment options. As of March 30, 2021, we have not entered into a voluntary agreement or come to terms on assignment options.

February and March 2021 – Multiple conversations with Crystal Van Lom discussing different assignment options and as requested, provided NJOA for her review. As of March 30, 2021, we have not entered into a voluntary agreement or come to terms on assignment options.

February 2021 – Made several attempts to contact JP Morgan, Trustee of Foundation with no success.

March 18, 2021 – Was finally able to speak with Britnee Brotherton, who manages the Foundation's mineral assets. Provided additional information, along with an updated proposal showing accurate ownership information. As of March 30, 2021, we have not entered into a voluntary agreement or come to terms on assignment options.



HINKLE SHANOR LLP

ATTORNEYS AT LAW

PO BOX 2068

SANTA FE, NEW MEXICO 87504

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

WRITER

Dana S. Hardy, Partner
dhardy@hinklelawfirm.com

March 9, 2021

VIA CERTIFIED MAIL

CCJR Properties, LLC
P.O. Box 1451
Keller, TX 76244

Re: Spur Energy/New Mexico Oil Conservation Division Application,
NMOCD Case No. 21760

Sir/Madam:

Enclosed is a copy of an application that Spur Energy Partners, LLC ("Spur") has filed with the New Mexico Oil Conservation Division ("the Division").

Spur seeks an order pooling all uncommitted mineral interests from a depth of 5,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 6,420' MD as observed on the Federal 1 Com #1 well Schlumberger Dual Laterolog (API No. 30-015-22456)) in a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 2, Township 17 South, Range 30 East in Eddy County, New Mexico.

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 8, 2021 beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>. You are not required to attend the hearing, but as an owner of an interest that may be affected by Spur's application, you may appear at the hearing and present testimony. If you do not appear at that time and become a party of record, you will be precluded from contesting the matter at a later date.

A party appearing in a Division case is required by the Division's Rules to file a Pre-Hearing Statement, which in this matter must be filed no later than Thursday, April 1, 2021. The Pre-Hearing Statement must be filed with the Division and should include: the name of the party and the party's attorney; a concise statement of the case; the name(s) of the witness(es) the party will call to testify at the hearing; the approximate amount of time the party will need to present the party's case; and an identification of any procedural matters that need to be resolved prior to the hearing. The Pre-Hearing Statement must also be provided to me.

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

PO BOX 17
ARTESIA, NEW MEX
575-622-65
(FAX) 575-746

**Spur Energy
Partners
Case No. 21760**

Exhibit A-6

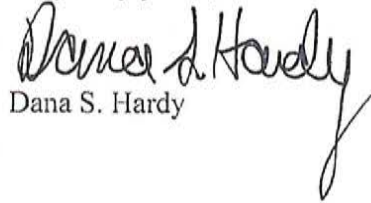
PO BOX 2068
NEW MEXICO 87504
505-982-4554
505-982-8623

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

March 9, 2021
Page 2

Thank you for your attention to this matter.

Very truly yours,


Dana S. Hardy

Enclosure

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Certified Mail Fee	\$	
Extra Services & Fees (check box, add fee as appropriate)		
<input checked="" 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	\$	7.16
Sent To	CCJR Properties, LLC	
Street an	P.O. Box 1451	
City, State	Keller, TX 76244	



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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <input type="checkbox"/> C. Date of Delivery C. A. Raudel 3-12-21</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>CCJR Properties, LLC P.O. Box 1451 Keller, TX 76244</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<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 checked="" type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
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<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>2. Article Number (Transfer from service label)</p> <p>7019 2970 0000 7641 4191</p>																	

PS Form 3811, July 2015 PSN 7530-02-000-9053

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<input checked="" 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		\$ 7.16
Sent To	Wilma Donahue Moleen Foundation	
Street or	JP Morgan Chase & Co.	
City, Sta.	10 S. Dearborn Chicago, IL 60603	



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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY																
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Jose F. Salcedo <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery 3-16-21</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>Wilma Donahue Moleen Foundation JP Morgan Chase & Co. 10 S. Dearborn Chicago, IL 60603</p>  <p>9590 9402 5751 0003 4220 14</p>	<p>3. Service Type</p> <table border="0"> <tr> <td><input type="checkbox"/> Adult Signature</td> <td><input type="checkbox"/> Priority Mail Express®</td> </tr> <tr> <td><input type="checkbox"/> Adult Signature Restricted Delivery</td> <td><input type="checkbox"/> Registered Mail™</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail®</td> <td><input type="checkbox"/> Registered Mail Restricted Delivery</td> </tr> <tr> <td><input checked="" type="checkbox"/> Certified Mail Restricted Delivery</td> <td><input checked="" type="checkbox"/> Return Receipt for Merchandise</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery</td> <td><input type="checkbox"/> Signature Confirmation™</td> </tr> <tr> <td><input type="checkbox"/> Collect on Delivery Restricted Delivery</td> <td><input type="checkbox"/> Signature Confirmation Restricted Delivery</td> </tr> <tr> <td><input type="checkbox"/> Insured Mail</td> <td></td> </tr> <tr> <td><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</td> <td></td> </tr> </table>	<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®	<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™	<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery	<input checked="" type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise	<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™	<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery	<input type="checkbox"/> Insured Mail		<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	
<input type="checkbox"/> Adult Signature	<input type="checkbox"/> Priority Mail Express®																
<input type="checkbox"/> Adult Signature Restricted Delivery	<input type="checkbox"/> Registered Mail™																
<input checked="" type="checkbox"/> Certified Mail®	<input type="checkbox"/> Registered Mail Restricted Delivery																
<input checked="" type="checkbox"/> Certified Mail Restricted Delivery	<input checked="" type="checkbox"/> Return Receipt for Merchandise																
<input type="checkbox"/> Collect on Delivery	<input type="checkbox"/> Signature Confirmation™																
<input type="checkbox"/> Collect on Delivery Restricted Delivery	<input type="checkbox"/> Signature Confirmation Restricted Delivery																
<input type="checkbox"/> Insured Mail																	
<input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)																	
<p>2. Article Number (Transfer from service label)</p> <p>7019 2970 0000 7641 4207</p>																	
PS Form 3811, July 2015 PSN 7530-02-000-9053	Domestic Return Receipt																

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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 \$ 7.16

Sent To Crystal Van Lom
 Street or 3427 E. Woodland Drive
 City, Sta. Phoenix, AZ 85048

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



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <u>PT 483/C-19</u> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery <u>3.13.21</u></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>Crystal Van Lom 3427 E. Woodland Drive Phoenix, AZ 85048</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input checked="" type="checkbox"/> Certified Mail Restricted Delivery <input checked="" type="checkbox"/> Return Receipt for Merchandise</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7019 2970 0000 7641 4214</p>	
<p>PS Form 3811, July 2015 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>



9590 9402 5751 0003 4220 07

Affidavit of Publication

Ad # 0004640033

This is not an invoice

HINKLE SHANOR LLP
218 MONTEZUMA

SANTA FE, NM 87501

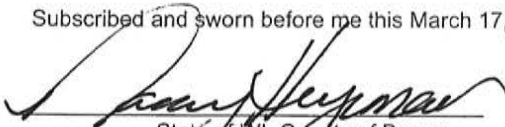
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

03/17/2021



Legal Clerk

Subscribed and sworn before me this March 17, 2021:



State of WI, County of Brown
NOTARY PUBLIC
5.15.23

My commission expires

This is to notify all interested parties, including CCJR Properties, LLC, Wilma Donohue Moleen Foundation, Crystal Van Lom, 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. 21760). During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on April 8, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for that date: <http://www.emnrd.state.nm.us/OC D/hearings.html>. Applicant seeks an order pooling all uncommitted mineral interests from a depth of 5,000' to the base of the Yeso formation (at a stratigraphic equivalent of approximately 6,420' MD as observed on the Federal I Com #1 well Schlumberger Dual Laterolog (API No. 30-015-22456)) in a 160-acre, more or less, standard horizontal spacing unit comprised of the S/2 N/2 of Section 2, Township 17 South, Range 30 East in Eddy County, New Mexico. The horizontal spacing unit will be dedicated to the Shorty 2 State Com #70H well, which will be horizontally drilled from a surface location in Unit E of Section 2 to a bottom hole location in Unit H of Section 2. The completed interval of the well will be orthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Spur Energy Partners, LLC as the operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well is located approximately 3 miles north-northeast of Loco Hills, New Mexico.
#04640033 March 17, 2021

Ad # 0004640033
PO #: 04640033
of Affidavits 1

This is not an invoice

NANCY HEYRMAN
Notary Public
State of Wisconsin

Spur Energy Partners
Case No. 21760

Exhibit A-7

**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. 21760

**SELF-AFFIRMED STATEMENT OF
C.J. LIPINSKI**

1. I am over 18 years of age and am competent to provide this Self-Affirmed Statement. I have personal knowledge of the matters addressed herein.
2. I am a geologist at Spur Energy Partners, LLC ("Spur"). I am familiar with the geological matters that pertain to Spur's application.
3. I have previously testified before the New Mexico Oil Conservation Division as an expert in geology, and my qualifications were accepted.
4. The Federal I Com #1 well (API No. 30-015-22456) Schlumberger Dual Laterolog shows the top of the pool/top of the Yeso at 4,375' feet measured depth, and bottom of the pool/base of the Yeso at 6,420 feet measured depth.
5. **Exhibit B-1** is a location map that I prepared for the spacing unit located in Section 2, and this map shows the proposed initial wells with black lines. This exhibit also identifies the five wells penetrating the targeted intervals that I used to construct a structural cross-section from A to A'. I utilized these well logs because they penetrate the targeted intervals, are of good quality, and have been subjected to a petrophysical analysis of the targeted intervals. In my opinion, these well logs are representative of the geology in the area. Offset Glorieta/Yeso producers are shown with purple squares.

Spur Energy
Partners
Case No. 21760

Exhibit B

6. **Exhibit B-2** is a structure map for the top of the Yeso formation, which also reflects the surrounding area in Eddy County in relation to Section 2 comprising the HSU. The contour interval is 25 feet. The proposed **Shorty 2 State Com 70H** well is depicted with a black line, and I have identified the surface and bottom hole location. Exhibit B-2 shows a modest dip to the E-SE. I do not observe any faulting, pinch-outs, or geologic impediments to developing the targeted intervals with horizontal wells.

7. **Exhibit B-3** is a structural cross section using the representative wells depicted on Exhibit D-1. It contains a gamma ray, resistivity and porosity logs. The landing zone for the **Shorty 2 State Com 70H** is labeled on the exhibit. The cross-section demonstrates that the targeted intervals, within the Yeso formation, extends across the proposed spacing unit. This exhibit also shows a depth severance in a red dotted line at 5000' feet. The subject well is located more than 200ft below the depth severance.

8. **Exhibit B-4** is a Gun Barrel view from B to B' of Spur's intended development of the Yeso formation in Section 2.

9. In my opinion, the laydown orientation in the Yeso formation is appropriate for proper exploitation because of the consistent rock properties throughout the spacing unit and the lack of preferred fracture orientation in this portion of the trend.

10. Based on my geologic study of the area, the Yeso formation underlying the subject areas and subject HSU is suitable for development by horizontal wells and the tracts comprising the HSU will contribute more or less equally to the production of the well.

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

13. I understand that this Self-Affirmed Statement will be used as written testimony in this case. I affirm that my testimony in paragraphs 1 through 12 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.


C.J. Lipinski

4/5/21
Date

Exhibit B-1: Shorty 2 State Com Basemap

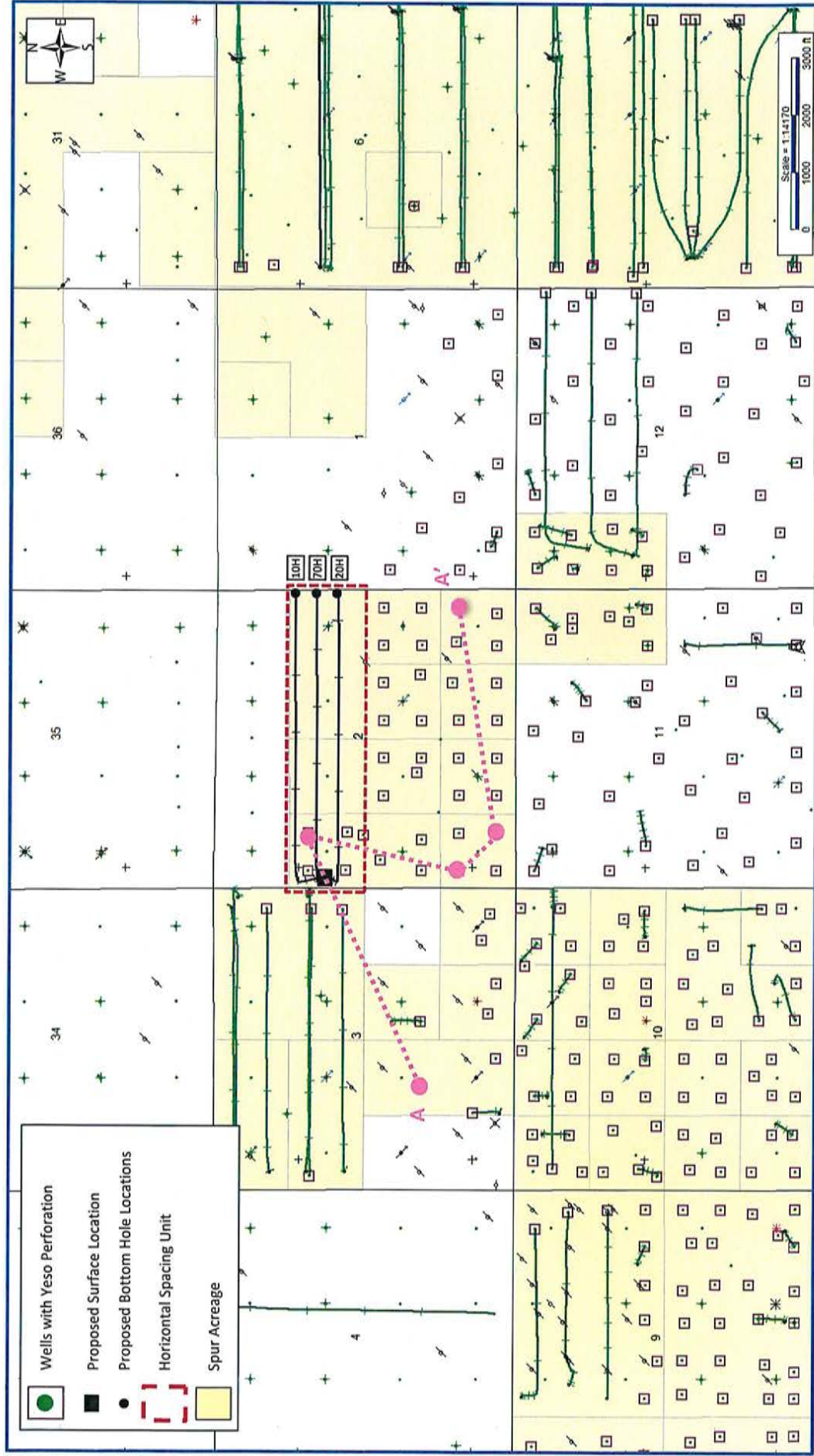
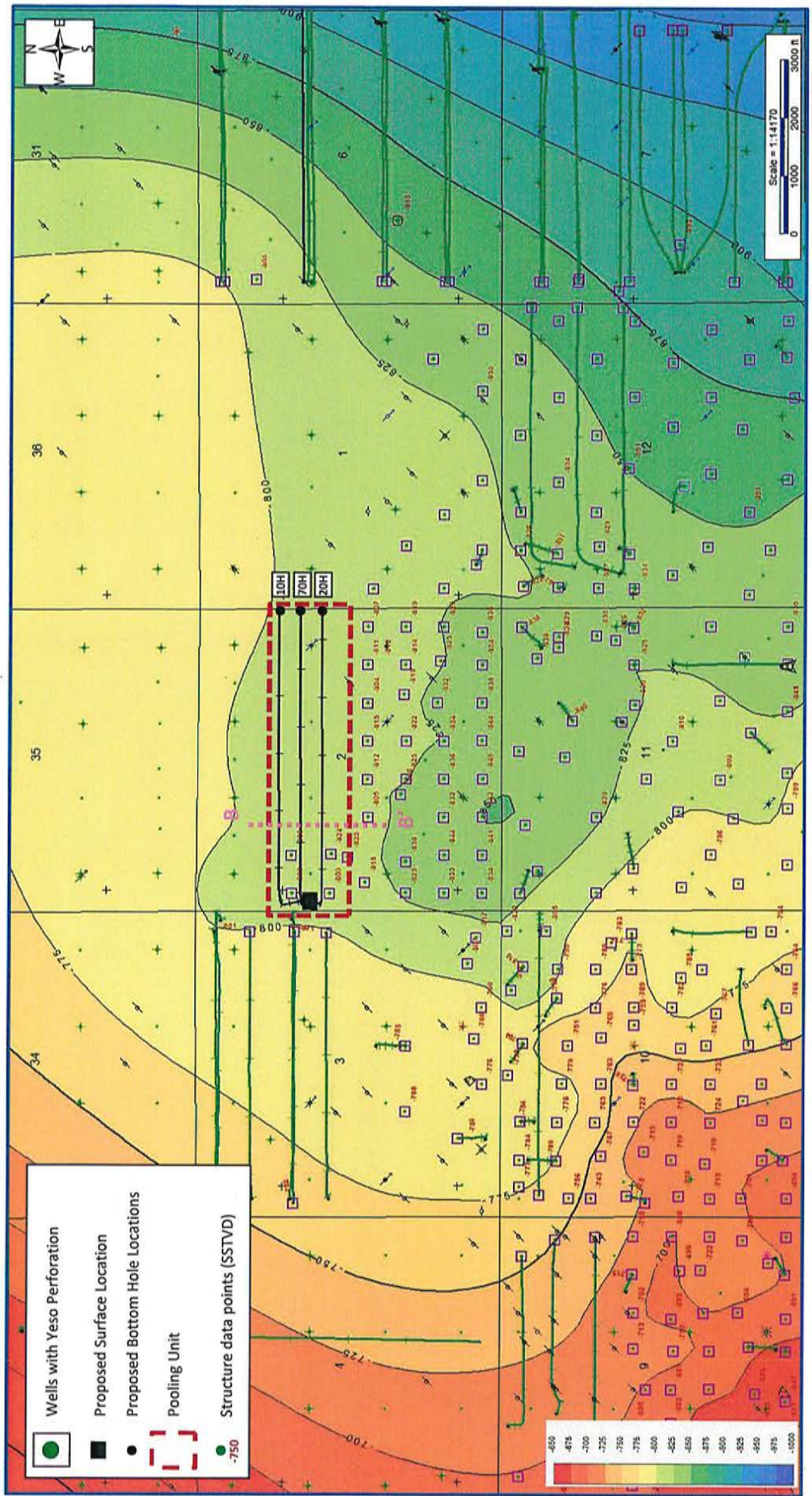


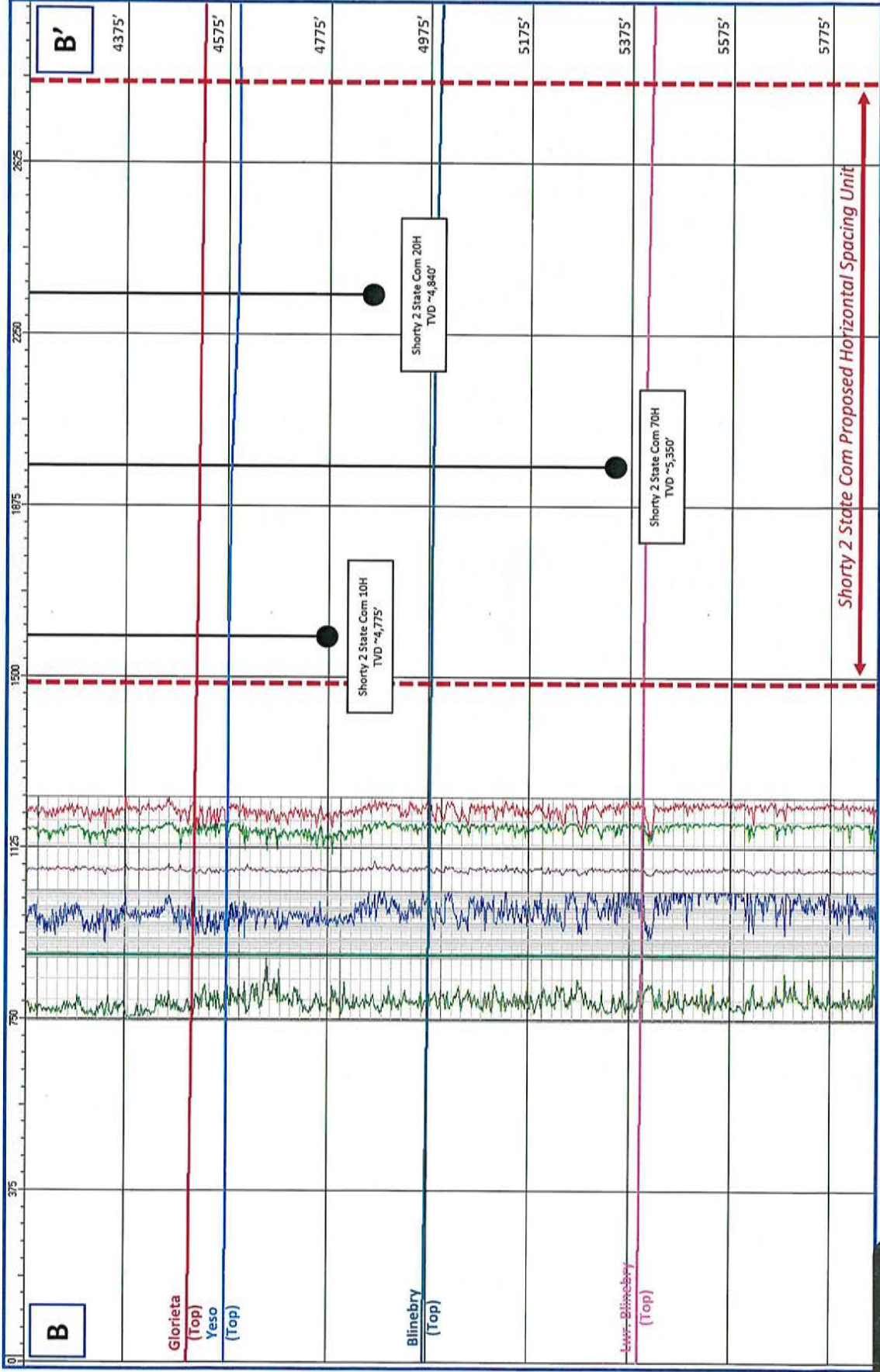
Exhibit B-2: Structure Map (SSTVD): Top Yeso



Spur Energy Partners
Case No. 21760
Exhibit B-2



Exhibit B-4: Shorty 2 State Com Gun Barrel (TVD)



Spur Energy Partners
Case No. 21760
Exhibit B-4