

Submit Copy To Appropriate District
Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-46122
5. Indicate Type of Lease STATE [ ] FEE [ ]
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name LAKEWOOD FEDERAL COM
8. Well Number 14H
9. OGRID Number 328947
10. Pool name or Wildcat N. SEVEN RIVERS; GLORIETA-YESO
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3529' GR

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)
1. Type of Well: Oil Well [X] Gas Well [ ] Other [ ]
2. Name of Operator SPUR ENERGY PARTNERS LLC
3. Address of Operator 9655 KATY FREEWAY, SUITE 500, HOUSTON, TX 77024
4. Well Location Unit Letter D (4) : 430 feet from the NORTH line and 1290 feet from the WEST line
Section 03 Township 20S Range 25E NMPM County EDDY

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:
PERFORM REMEDIAL WORK [ ] PLUG AND ABANDON [ ]
TEMPORARILY ABANDON [ ] CHANGE PLANS [ ]
PULL OR ALTER CASING [ ] MULTIPLE COMPL [ ]
DOWNHOLE COMMINGLE [ ]
CLOSED-LOOP SYSTEM [ ]
OTHER: OFFLEASE MEASUREMENT [X]
SUBSEQUENT REPORT OF:
REMEDIAL WORK [ ] ALTERING CASING [ ]
COMMENCE DRILLING OPNS. [ ] P AND A [ ]
CASING/CEMENT JOB [ ]
OTHER: [ ]

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spur Energy Partners LLC requests approval to surface commingle permit the following wells at the Lakewood Fedeal Com South Tank Battery. This will be an offlease storage, measurement and sales permit.

- Lakewood Federal Com 14H - 30-015-46122
Lakewood Federal Com 15H - 30-015-46064
Lakewood Federal Com 19H - 30-015-46068

Spud Date: [ ]

Rig Release Date: [ ]

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Chapman TITLE SARAH CHAPMAN DATE 08/24/2021

Type or print name SARAH CHAPMAN E-mail address: SCHAPMAN@SPUREPLLC.COM PHONE: 832-930-8613

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

District I  
1625 N. French Drive, Hobbs, NM 88240  
District II  
811 S. First St., Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St Francis Dr, Santa Fe, NM  
87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-107-B  
Revised August 1, 2011

**OIL CONSERVATION DIVISION**  
1220 S. St Francis Drive  
Santa Fe, New Mexico 87505

Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

**APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)**

OPERATOR NAME: SPUR ENERGY PARTNERS LLC  
OPERATOR ADDRESS: 9655 KATY FREEWAY, SUITE 500, HOUSTON, TX 77024  
APPLICATION TYPE:

Pool Commingling  Lease Commingling  Pool and Lease Commingling  Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE:  Fee  State  Federal

Is this an Amendment to existing Order?  Yes  No If "Yes", please include the appropriate Order No. \_\_\_\_\_  
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling  
 Yes  No

**(A) POOL COMMINGLING**  
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No.  
 (4) Measurement type:  Metering  Other (Specify)  
 (5) Will commingling decrease the value of production?  Yes  No If "yes", describe why commingling should be approved

**(B) LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Pool Name and Code. N. SEVEN RIVERS; GLORIETA-YESO (97565)  
 (2) Is all production from same source of supply?  Yes  No  
 (3) Has all interest owners been notified by certified mail of the proposed commingling?  Yes  No  
 (4) Measurement type:  Metering  Other (Specify)

**(C) POOL and LEASE COMMINGLING**  
Please attach sheets with the following information

- (1) Complete Sections A and E.

**(D) OFF-LEASE STORAGE and MEASUREMENT**  
Please attached sheets with the following information

- (1) Is all production from same source of supply?  Yes  No  
 (2) Include proof of notice to all interest owners.

**(E) ADDITIONAL INFORMATION (for all application types)**  
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.  
 (2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.  
 (3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Sarah Chapman TITLE: REGULATORY DIRECTOR DATE: 10/20/2021  
 TYPE OR PRINT NAME SARAH CHAPMAN TELEPHONE NO.: 832-930-8613  
 E-MAIL ADDRESS: SCHAPMAN@SPURENERGY.COM

**APPLICATION FOR  
SURFACE COMMINGLING,  
OFFLEASE MEASUREMENT, AND  
OFFLEASE BENEFICIAL USE  
AT A COMMON CENTRAL FACILITY**

Spur Energy Partners LLC respectfully proposes the three (3) wells associated with the Lakewood Federal Lease NMNM014758 and the two (2) Communitization Agreements covering Fed Lease# NMNM015291 and NMNM0504364B tied to these wells be consolidated into a single production facility known as the Lakewood South Facility for Surface Commingling as defined by 43 CFR 3173.14 (a)(1)(i), Offlease Measurement as defined by 43 CFR 3173.22 (c), and Offlease Beneficial Use as defined by 43 CFR 3178.7(b)(1-2).

Spur Energy is requesting Surface Commingling approval as defined by 43 CFR 3173.14 (a)(1)(i) as both Communitization Agreements covering Fed Lease# NMNM015291 and NMNM0504364B have the same fixed Federal Royalty rate for all the wells in the proposed Lakewood South Facility as captured in Table 2 - Federal Royalty Rates.

Spur Energy believes that all the wells on Fed Lease# NMNM014758 and the two (2) Communitization Agreements covering Fed Lease# NMNM015291 and NMNM0504364B are capable of production in paying quantities based on the most current production data provided in Table 1. The information in Table 1–Lease and Well Info provides a list of the three (3) wells associated with the two (2) Communitization Agreements covering Fed Lease# NMNM015291 and NMNM0504364B tied to these wells to be included in the proposed Surface Commingling and Allocation Approval (CAA). This table also provides a daily summary of the oil and gas production volumes for each well along with the Oil API gravity and Gas BTU content. A gas analysis for each of the two (2) Communitization Agreements is attached Gas Analysis 1-2.

Spur Energy is specifically requesting permission to commingle oil, gas, and water production and oil and gas sales from the Lakewood South Facility.

Spur Energy Partners LLC has obtained written approval from all Working Interest Owners to pool their respective interests into two (2) – 160 acre drilling, Communitization Agreements and have submitted both agreements for Federal Approval. The final approval of these agreements is still pending. In the interim, the two (2) Communitization Agreements shown in Table 1 – Lease and Well Info and Table 2 - Federal Royalty Rate will be referred to as Comm A and Comm B herein.

<b>TABLE 1 - LEASE AND WELL INFO</b>							
<b>Well</b>	<b>API</b>	<b>Location</b>	<b>Pool</b>	<b>Oil BOPD</b>	<b>API Grav</b>	<b>Gas MCFD</b>	<b>Gas BTU</b>
<b>Federal Lease NMNM014758 Comm A</b>							
Lakewood Federal Com 15H	3001546064	NWNW 3-20S-25E	97565 N SEVEN RIVERS; GLORIETA-YESO	221	38.2	878	1346
Lakewood Federal Com 19H	3001546068	NWNW 3-20S-25E	97565 N SEVEN RIVERS; GLORIETA-YESO	367	38.2	542	1346
<b>Federal Lease NMNM014758 Comm B</b>							
Lakewood Federal Com 14H	3001546122	NWNW 3-20S-25E	97565 N SEVEN RIVERS; GLORIETA-YESO	562	38.2	470	1346

The Federal revenue interest and royalty rate for all the wells in the proposed Lakewood South Facility is captured in Table 2 - Federal Royalty Rates and reflect all the wells and leases have the same Federal Royalty Rate of 12.5%.

<b>TABLE 2 - FEDERAL ROYALTY RATES</b>					
Lease / Well	API	Federal Revenue Interest			
		Fed Lse# NMNM0504364B		Fed Lse# NMNM0015291	
		Fed Royalty %	Ownership %	Fed Royalty %	Ownership %
<b>Federal Lease NMNM014758 Comm A</b>					
Lakewood Federal Com 15H	3001546064	12.50	0.50	12.50	0.50
Lakewood Federal Com 19H	3001546068	12.50	0.50	12.50	0.50
<b>Federal Lease NMNM014758 Comm B</b>					
Lakewood Federal Com 14H	3001546122	12.50	0.50	12.50	0.50

Spur Energy believes that commingling the three (3) wells associated with the Lakewood Federal Lease NMNM014758 and the two (2) Communitization Agreements covering Fed Lease# NMNM015291 and NMNM0504364B tied to these wells into a single, consolidated production facility using the proposed allocation methodology with the proposed meter calibration and maintenance schedule will not negatively affect the royalty revenue of the federal government.

Spur Energy Partners LLC has obtained written approval from all Interest Owners to Surface Commingle the production from the two (2) Federal leases and the two (2) Communitization Agreements currently being processed by the BLM and have attached a copy of the signed agreements herein.

**PROCESS DESCRIPTION**

The full wellstream production from the Lakewood Federal 14H, 15H, and 19H wells will flow to the Lakewood Federal South Facility through a well header system that directs the production to the initial point of separation that consists of horizontal free-water knockouts all equipped with oil, gas, and water meters for purposes of conducting well tests to monitor well performance and serve as the basis for the volume allocation methodology. The commingled gas production will be sent to a common sales meter. The commingled oil production will be sent to tanks for storage and trucked sales. The commingled water production will be pumped or trucked to disposal. There is separate oil and water storage for all commingled liquids. The gas, oil, and water production will be proratedly allocated to each individual well based on the metered well test rates obtained from the meters on the free-water knockouts.

**ALLOCATION METHODOLOGY**

All production volume allocations will use Period Welltests as the basis for allocating production, sales, flare gas, and lease use to each individual well. Period Welltests use a metered oil, gas, and water welltest volume for each individual well obtained during a 24-hr period applied over a period of days until a new welltest volume is obtained. These welltest volumes are proratedly used to allocate volumes to each individual well. The metered welltests will be updated at least twice per month to reflect changes in an individual well’s productivity. Detailed examples of the volume allocation methodology using Period Welltests are provided in the attached Oil, Gas, and Water Production Volume Allocation Example.

OIL

The oil production from the Lakewood Federal 14H, 15H, and 19H wells will flow to the Lakewood Federal South Facility through a well header system that directs the production to the initial point of separation that consists of horizontal free-water knockouts all equipped with oil, gas, and water meters for purposes of conducting well tests to monitor well performance and serve as the basis for the volume allocation methodology. After separation, the produced oil from each well is then commingled and stored in common oil stock tanks. The commingled oil will then be sold from the sealed and strapped oil storage tanks via one of two methods:

1. A truck-LACT Unit that will be considered the Oil Facility Measurement Point 1 (OIL FMP 1) associated with this facility or
2. Manually gauging a tank into a truck will be considered the OIL FMP 2 alternative sales point associated with this facility.

The oil sold through either the OIL FMP 1 or OIL FMP 2 method will be proratedly allocated to each individual well using the Period Welltest methodology that is based on the metered welltest rates obtained from the meters on the free-water knockouts. The metered welltests will be updated at least twice per month to reflect changes in an individual well's productivity. See the attached Oil, Gas, and Water Production Volume Allocation Example for details.

The commingled oil production that fails to meet sales specifications will be directed to the heater treater that will further remove any residual water or sediments to allow the oil to become a saleable product.

#### GAS

The gas production from the Lakewood Federal 14H, 15H, and 19H wells will flow to the Lakewood Federal South Facility through a well header system that directs the production to the initial point of separation that consists of horizontal free-water knockouts all equipped with oil, gas, and water meters for purposes of conducting well tests to monitor well performance and serve as the basis for the volume allocation methodology. After separation, the produced gas from each well is then commingled and will then flow to a common Gas Facility Measurement Point (GAS FMP) and gas sales meter. Contract negotiations are actively in progress to determine a future gas purchaser. The gas production and sales will be proratedly allocated to each individual well using the Period Welltest methodology that is based on the metered welltest rates obtained from the meters on the free-water knockouts. The metered welltests will be updated at least twice per month to reflect changes in an individual well's productivity. See the attached Oil, Gas, and Water Production Volume Allocation Example for details.

#### WATER

The water production from the Lakewood Federal 14H, 15H, and 19H wells will flow to the Lakewood Federal South Facility through a well header system that directs the production to the initial point of separation that consists of horizontal free-water knockouts all equipped with oil, gas, and water meters for purposes of conducting well tests to monitor well performance and serve as the basis for the volume allocation methodology. All separated liquids are collected on location and stored in tanks. After separation the produced water from each well is then commingled and is stored in common produced water tanks that is then either metered and pumped or is transported via truck to Spur Energy Partners' Dagger Draw Saltwater Disposal System for injection into one of seven (7) permitted disposal wells. The total produced water will be proratedly allocated to each individual well using the Period Welltest methodology that is based on the metered welltest rates obtained from the meters on the free-water knockouts. The metered welltests will be updated at least twice per month to reflect changes in an

individual well's productivity. See the attached Oil, Gas, and Water Production Volume Allocation Example for details.

#### FLARED GAS

Any process interruptions that may occur will divert the combined gas production flowstream to a metered onsite flare. The flare gas volumes recorded by the onsite gas flare meter will be proratedly allocated to each individual well using the Period Welltest methodology that is based on the metered welltest rates obtained from the meters on the free-water knockouts. The metered welltests will be updated at least twice per month to reflect changes in an individual well's productivity. A detailed flare gas allocation example has not been provided; however the allocation methodology is the same as the gas allocation methodology using the gas flare meter as the metered source.

#### FUEL GAS

The fuel gas volumes are removed upstream of the GAS FMP and will be estimated as they are not directly measured. The Lakewood Federal South Facility has one (1) active heater treater downstream of the initial production separation point operating to treat the produced oil to obtain a saleable oil product. The estimated fuel gas usage for the heater treater is 10 Mcfd based on the engineering formulas provided on the attached Lease Use Estimated Fuel Gas Consumption Calculations. The amount of Beneficial Lease Use for each individual well will be proratedly allocated to each individual well using the Period Welltest methodology that is based on the metered welltest rates obtained from the meters on the free-water knockouts. The metered welltests will be updated at least twice per month to reflect changes in an individual well's productivity. A detailed fuel gas allocation example has not been provided, however the allocation methodology is the same as the gas allocation methodology using the estimated daily fuel gas consumption calculations as the source.

#### METER CALIBRATIONS

- Oil All oil sales and allocation meters will be maintained within the current 43 CFR 3174 regulations for Oil FMPs.
- Gas All gas sales and gas allocation meters will be maintained within the current 43 CFR 3175 regulations for Gas FMPs.
- Water All water meters will be calibrated and maintained as deficiencies are identified to insure reasonably accurate data is maintained to properly monitor well performance.

#### OFFLEASE BENEFICIAL USE

Spur Energy Partners LLC respectfully requests Offlease Royalty-Free Beneficial Lease Use for the allocated fuel assigned to all the wells herein as defined by 43 CFR 3178.7(b)(1-2).

The Lakewood South Facility is physically located offlease with respect to Communitization Agreement Comm B and well Lakewood Federal Com 14H API 33001546122.

The proposed disposition of the Offlease Royalty-Free Beneficial Use will be fuel gas consumption which will be removed from production upstream of the future Gas FMP. The fuel gas volumes will be estimated as they are not directly measured

The facility will use a heater treater to treat the produced oil from the three (3) wells flowing into the facility to obtain a saleable oil product. It is estimated that the 6ft X 20ft 500 mmBTU/Hr heater treater will consume 10 Mcfd based on the engineering formulas provided on the attached Lease Use Estimated Fuel Gas Consumption Calculations (courtesy Sivalls, Inc "Fuel Gas Consumption and Pressure for Direct Fired Equipment Chart" published 5/1982).

#### **OFFLEASE MEASUREMENT**

The future GAS FMP and both OIL FMP 1 and OIL FMP 2 will all be located at the Lakewood South Facility and will be considered as offlease. Spur Energy Partners LLC respectfully requests Offlease Measurement for the Lakewood South Facility as defined by 43 CFR 3173.22 (c).

Spur Energy Partners LLC believes it is in the public's best interest from an environmental perspective to allow the oil, gas, and water production from the two (2) Communitization Agreements noted in Table 1 – Lease and Well Info to be surface commingled into a single production facility. The required land usage footprint, additional production equipment, and the amount of surface disturbance associated with installing and operating a separate production facility for each Communitization Agreement is significantly greater than the proposed single, consolidated production facility. The additional requirements for land usage, production equipment, and surface disturbances would include two (2) separate:

- Production facility areal, land footprints and right-of-ways (ROWs),
- Access roads to each facility and ROWs,
- Additional production equipment that would have been shared in a consolidated facility such as heater treaters, oil vapor recovery towers, pumps, gas flares, gas flare meters, gas sales meters, future compression, and piping,
- Electric power line installations to each facility and ROWs,
- Gas sales pipeline installations to each facility and ROWs,
- Water disposal pipeline installations from each facility and ROWs

Spur Energy believes the additional land usage, equipment, and surface disturbance requirements associated with installing two (2) separate production facilities is undesirable and not in the public's best interest from an environmental perspective and would recommend that the BLM approve this request for Offlease Measurement by consolidating the production into a single production facility at the Lakewood South Facility as defined by 43 CFR 3173.22 (c).

Spur Energy does not anticipate any new Federal surface disturbance as part of this Surface Commingling and Offlease Measurement request.

The proposal to perform Offlease Measurement includes all the oil, gas, and water production and sales from Lakewood Federal Com 14H API 3001546122, Lakewood Federal Com 15H API 3001546064, Lakewood Federal Com 19H API 3001546068, and the two (2) Communitization Agreements referenced herein tied to those wells.

The surface location of the Lakewood South Facility is Federal property managed by the BLM Carlsbad Office.

## **ATTACHMENTS**

(MASS) Serial Register includes NMNM015291 and NMNM0504364B reflecting lease ownership associated with the Communitization Agreements Comm A and Comm B and the Surface Commingling request.

Federal Lease Plat shows the surface and bottomhole locations of all the wells and the location of the Lakewood South Facility in relationship to the two (2) Federal leases and the two (2) Communitization Agreements currently being processed by the BLM. The OIL FMP 1, OIL FMP 2, and the future GAS FMP sales points will all be located at the Lakewood South Facility.

Oil, Gas, and Water Production Volume Allocation Example provides details on the proposed prorated production and sales volume Period Welltests allocation methodology based on the metered well test rates for all wells.

Lease Use Estimated Fuel Gas Consumption Calculations provides information on the methodology used to calculate the estimated fuel gas volume.

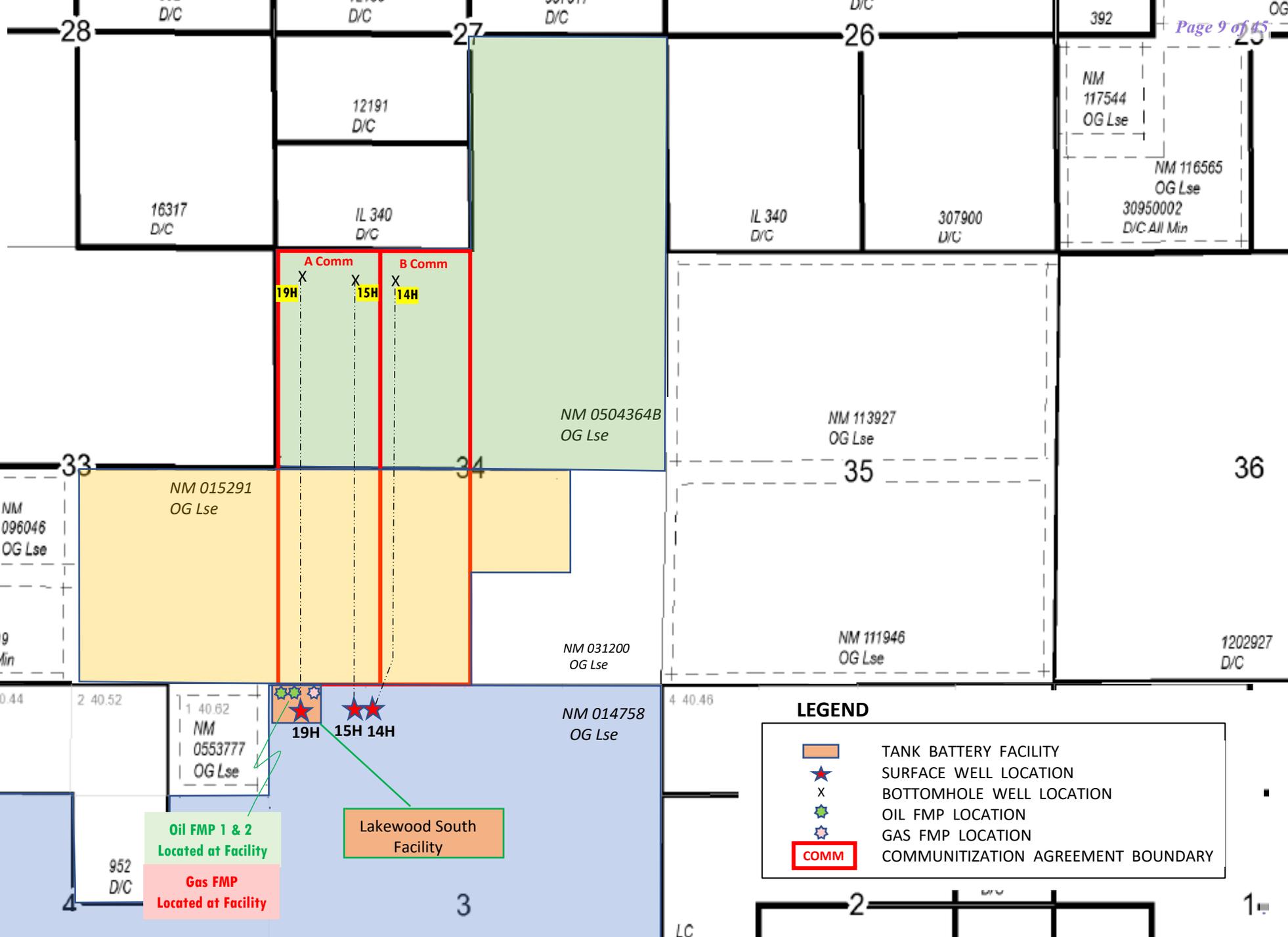
Gas Analysis 1-2 gas analysis for each of the two (2) Communitization Agreements is attached

Interest Owner Approvals written approval from all Interest Owners to Surface Commingle the production from the two (2) Federal leases and the three (2) Communitization Agreements currently being processed by the BLM.

**FEDERAL LEASE PLAT**  
LAKEWOOD FEDERAL SOUTH FACILITY

Legal: NWNW, SEC 3, T20S, R25E  
Lease #: NMNM014758  
County: Eddy, New Mexico

Wells on Location:  
Lakewood Federal Com 19H API 3001546068  
Remote Wells Using Location:  
Lakewood Federal Com 14H API 3001546122  
Lakewood Federal Com 15H API 3001546064



T19S - R25E

T20S - R25E

Oil FMP 1 & 2  
Located at Facility

Gas FMP  
Located at Facility

Lakewood South  
Facility

**LEGEND**

- TANK BATTERY FACILITY
- SURFACE WELL LOCATION
- BOTTOMHOLE WELL LOCATION
- OIL FMP LOCATION
- GAS FMP LOCATION
- COMMUNITIZATION AGREEMENT BOUNDARY

**SITE FACILITY DIAGRAM**

**LAKWOOD FEDERAL SOUTH FACILITY**

Legal: NWNW, SEC 3, T20S, R25E  
 Lease #: NMNM014758  
 County: Eddy, New Mexico

Wells on Location:

Lakewood Federal Com 19H API 3001546068

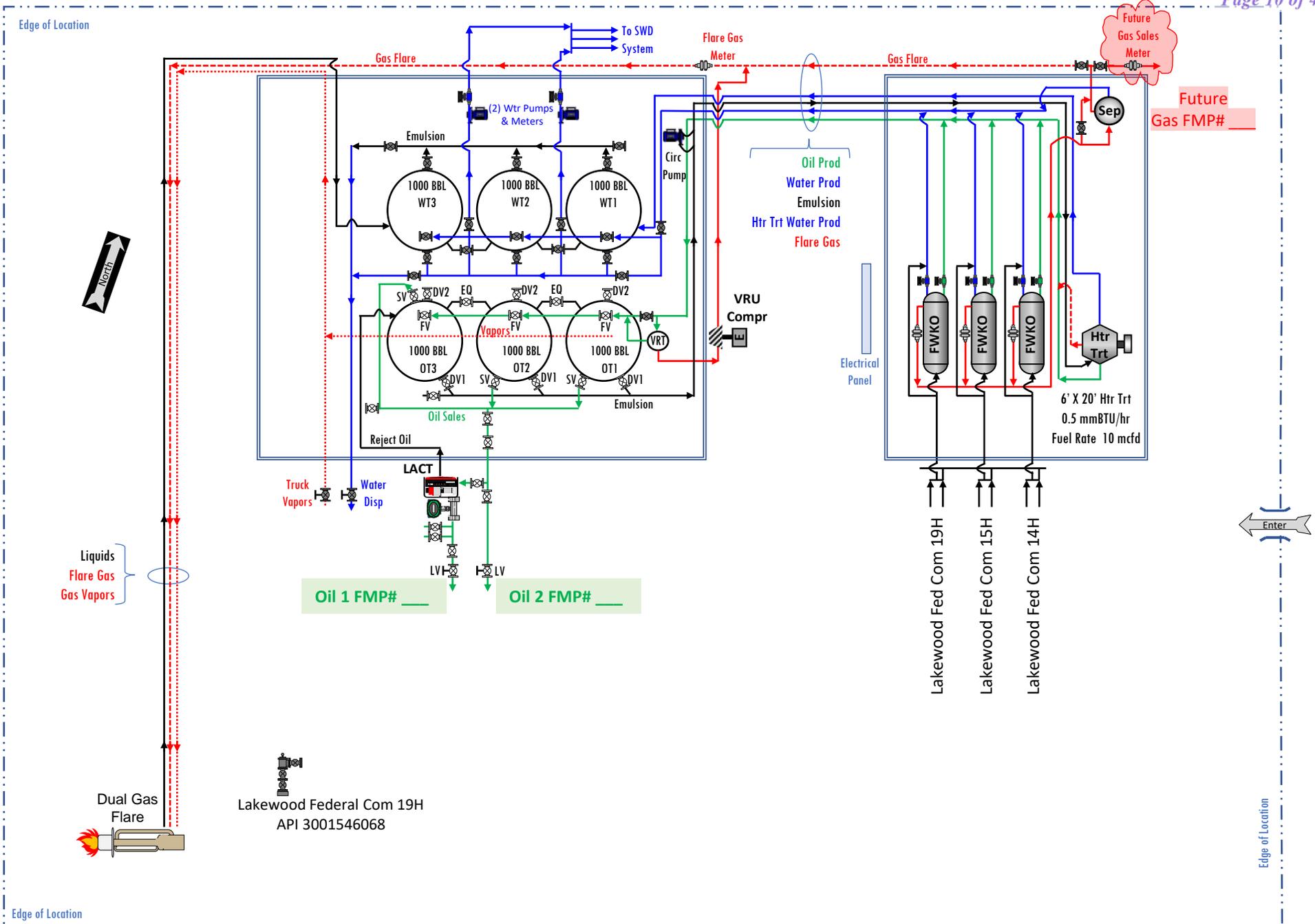
Remote Wells Using Location:

Lakewood Federal Com 14H API 3001546122

Lakewood Federal Com 15H API 3001546064

Mixed Line	→
Gas Line	→
Oil Line	→
Water Line	→
Berm	—
Fill Valve	FV
Drain Valve	DV
Equalize Valve	EQ
Sales Valve	SV
Sealed Load Line	LV
Non-Sealed Load Line	
Sealed Valve	Non-Sealed Valve
Oil Meter	Water Meter
Gas Meter	
Printed Name:	David Harsell
Signature:	<i>David Harsell</i>
Date:	6/20/2021

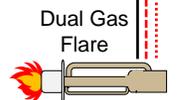
**DART Consulting**  
 DART.Consulting@yahoo.com  
 Spring, TX 713-416-3651



Edge of Location

Edge of Location

Lakewood Federal Com 19H  
 API 3001546068



Future Gas FMP#



# Carlsbad Current Argus.

PART OF THE USA TODAY NETWORK

## Affidavit of Publication

Ad # 0004976146

This is not an invoice

**SPUR ENERGY PARTNERS LLC**  
920 MEMORIAL CITY WAY, SUITE 1000

**HOUSTON, TX 77024**

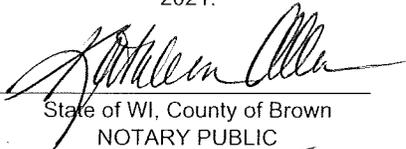
NOTICE OF APPLICATION FOR SURFACE COMMINGLING: Spur Energy Partners LLC located at 9655 Katy Freeway, Suite 500, Houston, TX 77024 is applying with the NMOCD for a surface commingling permit for oil and gas production at the Lakewood Federal Com South Tank Battery. The facility is located in Eddy County in Section 3 T20S R25E. Wells going to the battery are located in Section 3 T20S R25E and are drilled through Section 34 T19S R25E. Production is from the N. Seven Rivers; Glorieta-Yeso pool. Pursuant to State-wide Rule 19.15.12.10, interested parties must file objections or requests for hearing in writing with the division's Santa Fe office within 20 days of publication, or the NMOCD may approved the application. Any questions concerning this application should be directed to Sarah Chapman, Regulatory Director at 832-930-8613. #4976146 Current Argus, October 28, 2021

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

10/28/2021

  
Legal Clerk

Subscribed and sworn before me this October 28, 2021:

  
State of WI, County of Brown  
NOTARY PUBLIC

  
My commission expires

KATHLEEN ALLEN  
Notary Public  
State of Wisconsin

Ad # 0004976146

PO #:

# of Affidavits 1

This is not an invoice



August 26, 2021

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

RE: ***Application for Pool and Lease Commingle Permit and Off-Lease Measurement, Sales & Storage for Wells at the Lakewood Federal Com South Tank Battery in Eddy County, New Mexico***

Dear Interest Owner:

This is to advise you that SPUR ENERGY PARTNERS LLC is filing to surface commingle the wells at the Lakewood Federal Com South Tank Battery. A copy of the application submitted to the Division is attached.

Any objections or requests for a hearing regarding this application must be submitted to the New Mexico Oil Conservation Division Santa Fe Office within 20 days from the date of this letter.

If you need any additional information, you can contact myself at 832-930-8613 or at [schapman@spurepllc.com](mailto:schapman@spurepllc.com).

Thank you,

*Sarah Chapman*

Regulatory Director

**Application for Surface Commingling  
Spur Energy Partners LLC  
Lakewood South Tank Battery**

Name	Address	City	State	Zip	Tracking Info
United States of America	620 E. Greene St.	Carslbad	NM	88220	94148118987658002460 65
William H. Bown Trust dated December 11, 1991	12015 Shiloh Rd., Suite 120	Dallas	TX	75228	94148118987658002465 46
Drilmor, Inc.	4519 Santa Rose Dr.	Midland	TX	79707	94148118987658002419 54
Charles Wiggins, a single man	P.O. Box 10862	Midland	TX	79702	94148118987658002416 64
Richard H. Coats and wife, Sigrid M. Coats	P.O.Box 2412	Midland	TX	79702	94148118987658002411 07
Fort Worth Royalty Company	1315 West 10th St.	Fort Worth	TX	76102	94148118987658002410 60
Feagan Energy, Inc.	P.O. Box 50307	Midland	TX	79710	94148118987658002414 73
Iatan Royalty, LLC	P.O. Box 9065	Midland	TX	79708	94148118987658002415 34
John and Theresa Hillman Family Properties, LP	P.O. Box 50187	Midland	TX	79710	94148118987658002797 66
BAS Energy, LP	P.O. Box 472087	Fort Worth	TX	76147	94148118987658002799 33
SEP Permian LLC	9655 Katy Freeway, Suite 500	Houston	TX	77024	NA
Heirs or devisees of Ernie Bello	1570 Alewa Dr.	Honolulu	HI	96822	94148118987658002796 74
Robert B. Bunn, Trustee of the Robert B. Bunn Revocable Living Trust uta May 18, 1992	2493 Makiki Heights Dr.	Honolulu	HI	96822	94148118987658002790 94
J.W. Gendron, marital status unknown	380 Abbey Rd.	Indiana	PA	15701	94148118987658002794 76
Joseph R Hodge, marital status unknown	P.O. Box 5238	Austin	TX	78763	94148118987658002732 07
Sanford J. Hodge, III, marital status unknown	3810 Harvest Ln.	Frisco	TX	75034	94148118987658002737 71
E.G. Holden Testamentary Trust	2505 Green St.	San Francisco	CA	94123	94148118987658002733 51
Heirs or Devises of Dr. Isaac A. Kawasaki	2927 Robert Place	Honolulu	HI	96816	94148118987658002743 58
Betsy H. Keller, marital status unknown	2505 Green St.	San Francisco	CA	94123	94148118987658002759 97
EOG Resources, Inc.	104 S. 4th Street	Artesia	NM	88210	94148118987658002727 29
Adolph P. Schuman, marital status unknown c/o Orrick Herrington	405 Howard St.	San Francisco	CA	94105	94148118987658002726 06
Space Building Corporation	P.O. Box 283	East Taunton	MA	2718	94148118987658002723 23
Frederick Van Vranken, marital status unknown	950 Regency Square, Apt. 202	Vero Beach	FL	32967	94148118987658002720 71
Nearburg Exploration Company, LLC	P.O. Box 823085	Dallas	TX	75382	94148118987658002725 52
Nina Feroze Meher-Homji	1103 Ari Court	Sugar Land	TX	77479	94148118987658002702 06
Black Stone Energy Company, LLC	1001 Fanin St., Suite 2020	Houston	TX	77002	94148118987658002709 23
Tierra Oil Company	P.O. Box 1220	Jupiter	FL	33468	94148118987658002706 22
DEBCO, LLC	P.O. Box 1090	Roswell	NM	88202	94148118987658002703 12
The Nell Blackmar Limited Partnership	2809 Riverside	Roswell	NM	88201	94148118987658002700 08
SEP Permian Holding Corp.	9655 Katy Freeway, Suite 500	Houston	TX	77024	NA
XTO Holdings, LLC	P.O. Box 840780	Dallas	TX	75284	94148118987658002704 04
Nearburg Producing Company Employee Fund	P.O. Box 823085	Dallas	TX	75382	94148118987658002705 96
Movest Capital	P.O. Box 2439	Albany	TX	76430	94148118987658002782 71
William S. Allison, marital status unknown	10 E. Independence St.	Shawnee	OK	74804	94148118987658002788 44
A. R. Mersiovsky, marital status unknown	10306 Vicksburg Ave.	Lubbock	TX	79424	94148118987658002789 98
Flynt Chancellor, marital status unknown	P.O. Box 1821	Midland	TX	79702	94148118987658002786 77
Bobby M. Gleason, marital status unknown	P.O. Box 53873	Lubbock	TX	79453	94148118987658002783 25
Jeana Chambers Moss	4 Stonecreek Circle	Brownwood	TX	76801	94148118987658002780 97
Ronnie Harold Chambers	2425 Spyglass Hill Ct.	Abilene	TX	79606	94148118987658005784 24
Jack Lee Roy Crain	1665 Country Meadows Land	Santa Fe	TX	77517	94148118987658002785 16
Cascade Acquisition Partners, LP	P.O. Box 7849	Dallas	TX	75209	94148118987658002772 98
The Mark J. Mourne, Jr. and LaDonna S. Mourne Revocable Living Trust dated March 4, 2010	605 Canyon Ridge Trail	Canon City	CO	81212	94148118987658002776 32
Fred M. Allison, III, marital status unknown c/o George A. Karahal	12001 N. Central Expy., Suite 500	Dallas	TX	75243	94148118987658002770 07
Challenger Crude, Ltd.	3525 Andrews Hwy.	Midland	TX	79703	94148118987658002775 40
Lamar B. Roemer, marital status unknown	25815 Oak Ridge Dr.	Spring	TX	77380	94148118987658002767 89
Alliance Income Fund, Limited Partnership	10711 Park Village Place, Suite 250	Dallas	TX	75230	94148118987658002769 32
KE2, LP	P.O. Box 3037	San Angelo	TX	76902	94148118987658002766 80
Loin Energy Corporation	P.O. Box 7309	La Grange	TX	78945	94148118987658002763 14
Gary L. Richards, marital status unknown	11 River Ridge Ln.	San Angelo	TX	76904	94148118987658002760 55

**DISTRICT I**  
1625 N. French Dr., Hobbs, NM 88240  
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**DISTRICT II**  
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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, New Mexico 87505

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

**AMENDED REPORT**  
**AS-DRILLED**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-46122</b>	Pool Code <b>97565</b>	Pool Name <b>N. SEVEN RIVERS; GLORIETA-YESO</b>
Property Code <b>325865</b>	Property Name <b>LAKWOOD FEDERAL COM</b>	Well Number <b>14H</b>
OGRID No. <b>328947</b>	Operator Name <b>SPUR ENERGY PARTNERS, LLC</b>	Elevation <b>3527'</b>

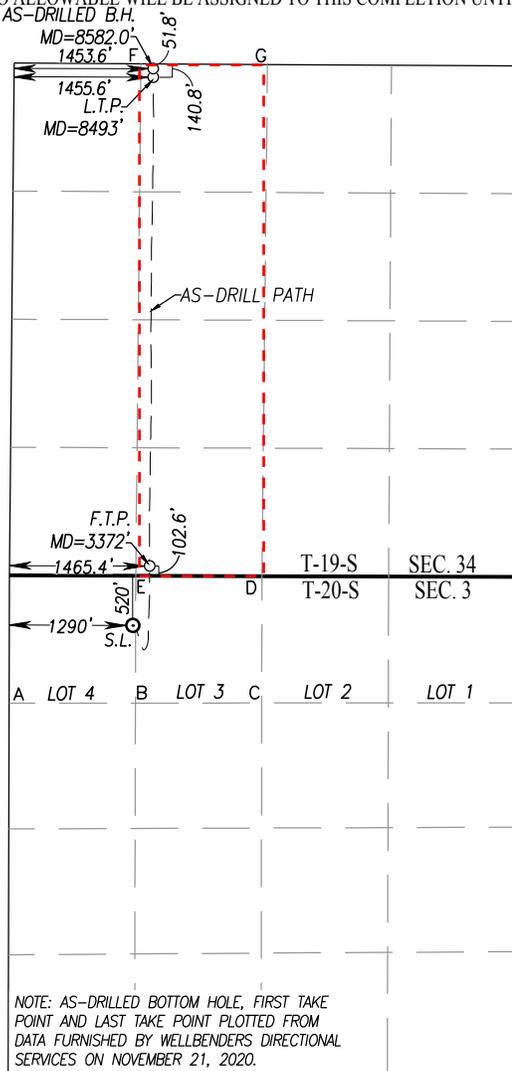
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	20-S	25-E		520	NORTH	1290	WEST	EDDY

As-Drilled 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
C	34	19-S	25-E		51.8	NORTH	1453.6	WEST	EDDY
Dedicated Acres <b>160</b>	Joint or Infill	Consolidation Code	Order No.						

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



SCALE: 1"=2000'

AS-DRILLED BOTTOM HOLE LOCATION NAD 83 NME Y= 590884.4 N X= 497291.8 E LAT.=32.624310° N LONG.=104.476399° W	AS-DRILLED BOTTOM HOLE LOCATION NAD 27 NME Y= 590823.7 N X= 456113.3 E LAT.=32.624197° N LONG.=104.475880° W
LAST TAKE POINT NAD 83 NME Y= 590795.5 N X= 497293.0 E LAT.=32.624066° N LONG.=104.476395° W	LAST TAKE POINT NAD 27 NME Y= 590734.7 N X= 456114.6 E LAT.=32.623952° N LONG.=104.475875° W

CORNER COORDINATES TABLE  
NAD 27 NME

A - Y= 584180.0 N, X= 454608.0 E
B - Y= 584181.2 N, X= 455929.3 E
C - Y= 584182.4 N, X= 457250.5 E
D - Y= 585509.7 N, X= 457253.0 E
E - Y= 585514.1 N, X= 455932.2 E
F - Y= 590876.2 N, X= 455985.8 E
G - Y= 590868.6 N, X= 457311.0 E

CORNER COORDINATES TABLE  
NAD 83 NME

A - Y= 584240.6 N, X= 495786.5 E
B - Y= 584241.8 N, X= 497107.8 E
C - Y= 584243.0 N, X= 498429.0 E
D - Y= 585570.3 N, X= 498431.5 E
E - Y= 585574.7 N, X= 497110.7 E
F - Y= 590937.0 N, X= 497164.3 E
G - Y= 590929.4 N, X= 498489.5 E

FIRST TAKE POINT NAD 83 NME Y= 585676.8 N X= 497255.9 E LAT.=32.609995° N LONG.=104.476493° W	FIRST TAKE POINT NAD 27 NME Y= 585616.1 N X= 456077.4 E LAT.=32.609882° N LONG.=104.475974° W
--	--

GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 585054.9 N X= 497078.3 E LAT.=32.608285° N LONG.=104.477067° W	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 584994.3 N X= 455899.8 E LAT.=32.608172° N LONG.=104.476548° W
--	--

OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

*Sarah Chapman* 3/30/2021  
Signature Date

**SARAH CHAPMAN**  
Printed Name

**SCHAPMAN@SPUREPLLC.COM**  
E-mail Address

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 24 2020  
Date of Survey  
Signature of Registered Professional Surveyor

*Gary G. Eidson* 03/29/2021  
Certificate Number Gary G. Eidson 12641  
Ronald J. Eidson 3239

ACK REL. W.O.:20130581 JWSC W.O.: 21.13.0136

**DISTRICT I**  
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1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

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AMENDED REPORT  
AS-DRILLED

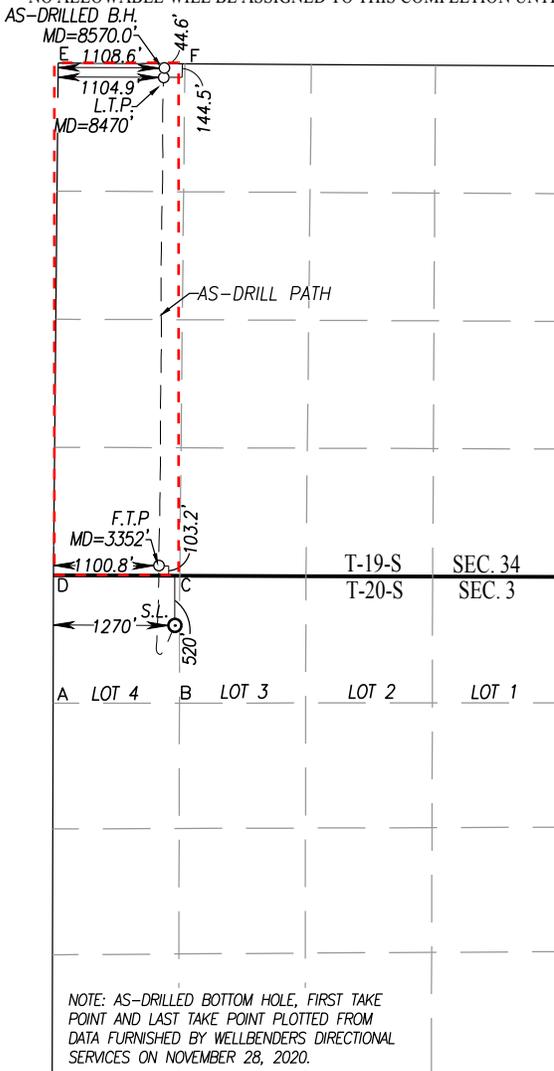
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-46064</b>	Pool Code <b>97565</b>	Pool Name <b>N. SEVEN RIVERS; GLORIETA-YESO</b>
Property Code <b>325865</b>	Property Name <b>LAKWOOD FEDERAL COM</b>	Well Number <b>15H</b>
OGRID No. <b>328947</b>	Operator Name <b>SPUR ENERGY PARTNERS, LLC</b>	Elevation <b>3527'</b>

Surface Location									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	20-S	25-E		520	NORTH	1270	WEST	EDDY

As-Drilled Bottom Hole Location If Different From Surface									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	19-S	25-E		44.6	NORTH	1108.6	WEST	EDDY
Dedicated Acres <b>160</b>	Joint or Infill	Consolidation Code	Order No.						

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



SCALE: 1"=2000'

<b>BOTTOM HOLE LOCATION</b> NAD 83 NME Y= 590893.6 N X= 496947.0 E LAT.=32.624334° N LONG.=104.477520° W	<b>BOTTOM HOLE LOCATION</b> NAD 27 NME Y= 590832.9 N X= 455768.5 E LAT.=32.624221° N LONG.=104.477000° W
<b>LAST TAKE POINT</b> NAD 83 NME Y= 590793.8 N X= 496942.4 E LAT.=32.624060° N LONG.=104.477534° W	<b>LAST TAKE POINT</b> NAD 27 NME Y= 590733.0 N X= 455763.9 E LAT.=32.623946° N LONG.=104.477014° W
<b>CORNER COORDINATES TABLE</b> NAD 27 NME	
A - Y= 584180.0 N, X= 454608.0 E	
B - Y= 584181.2 N, X= 455929.3 E	
C - Y= 585514.1 N, X= 455932.2 E	
D - Y= 585518.4 N, X= 454611.4 E	
E - Y= 590883.8 N, X= 454660.7 E	
F - Y= 590876.2 N, X= 455985.8 E	
<b>CORNER COORDINATES TABLE</b> NAD 83 NME	
A - Y= 584240.6 N, X= 495786.5 E	
B - Y= 584241.8 N, X= 497107.8 E	
C - Y= 585574.7 N, X= 497110.7 E	
D - Y= 585579.0 N, X= 495789.9 E	
E - Y= 590944.5 N, X= 495839.1 E	
F - Y= 590937.0 N, X= 497164.3 E	
<b>FIRST TAKE POINT</b> NAD 83 NME Y= 585678.6 N X= 496891.4 E LAT.=32.609999° N LONG.=104.477677° W	<b>FIRST TAKE POINT</b> NAD 27 NME Y= 585618.0 N X= 455712.9 E LAT.=32.609886° N LONG.=104.477157° W
<b>GEODETTIC COORDINATES</b> NAD 83 NME SURFACE LOCATION Y= 585055.0 N X= 497058.3 E LAT.=32.608285° N LONG.=104.477132° W	<b>GEODETTIC COORDINATES</b> NAD 27 NME SURFACE LOCATION Y= 584994.4 N X= 455879.8 E LAT.=32.608172° N LONG.=104.476613° W

**OPERATOR CERTIFICATION**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest  to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sarah Chapman 3/30/2021  
Signature Date

**SARAH CHAPMAN**  
Printed Name

SCHAPMAN@SPUREPLLC.COM  
E-mail Address

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 24, 2020  
Date of Survey

GARY G. EIDSON  
Signature & Seal of Professional Surveyor

Gary G. Eidson 03/30/2021  
Certificate Number Gary G. Eidson 12641  
Ronald J. Eidson 3239

ACK REL. W.O.:20130582 JWSC W.O.: 21.13.0137

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AMENDED REPORT  
AS-DRILLED

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-46068</b>	Pool Code <b>97565</b>	Pool Name <b>N. SEVEN RIVERS; GLORIETS-YESO</b>
Property Code <b>325865</b>	Property Name <b>LAKWOOD FEDERAL COM</b>	Well Number <b>19H</b>
OGRID No. <b>328947</b>	Operator Name <b>SPUR ENERGY PARTNERS, LLC</b>	Elevation <b>3525'</b>

Surface Location

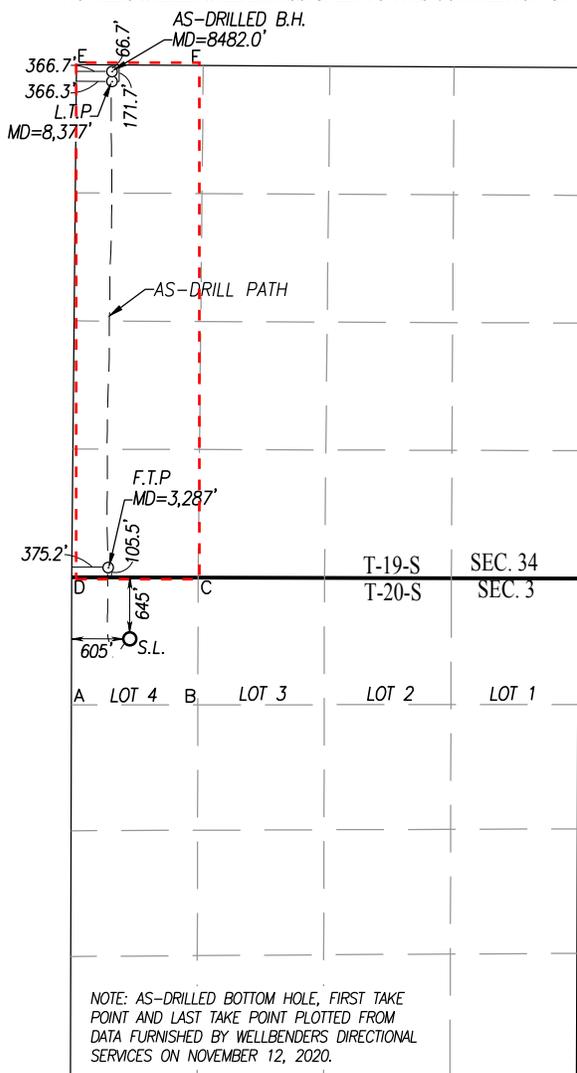
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
4	3	20-S	25-E		645	NORTH	605	WEST	EDDY

As-Drilled Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	34	19-S	25-E		66.7	NORTH	366.7	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
<b>160</b>			

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



SCALE: 1"=2000'

AS-DRILLED BOTTOM HOLE LOCATION NAD 83 NME Y= 590875.8 N X= 496205.1 E LAT.=32.624282° N LONG.=104.479929° W	AS-DRILLED BOTTOM HOLE LOCATION NAD 27 NME Y= 590815.0 N X= 455026.6 E LAT.=32.624169° N LONG.=104.479409° W
LAST TAKE POINT NAD 83 NME Y= 590770.8 N X= 496203.7 E LAT.=32.623994° N LONG.=104.479933° W	LAST TAKE POINT NAD 27 NME Y= 590710.0 N X= 455025.3 E LAT.=32.623881° N LONG.=104.479413° W

CORNER COORDINATES TABLE  
NAD 27 NME

A - Y= 584180.0 N, X= 454608.0 E
B - Y= 584181.2 N, X= 455929.3 E
C - Y= 585514.1 N, X= 455932.2 E
D - Y= 585518.4 N, X= 454611.4 E
E - Y= 590883.8 N, X= 454660.7 E
F - Y= 590876.2 N, X= 455985.8 E

CORNER COORDINATES TABLE  
NAD 83 NME

A - Y= 584240.6 N, X= 495786.5 E
B - Y= 584241.8 N, X= 497107.8 E
C - Y= 585574.7 N, X= 497110.7 E
D - Y= 585579.0 N, X= 495789.9 E
E - Y= 590944.5 N, X= 495839.1 E
F - Y= 590937.0 N, X= 497164.3 E

FIRST TAKE POINT NAD 83 NME Y= 585683.3 N X= 496166.0 E LAT.=32.610009° N LONG.=104.480033° W	FIRST TAKE POINT NAD 27 NME Y= 585622.7 N X= 454987.5 E LAT.=32.609896° N LONG.=104.479513° W
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GEODETIC COORDINATES NAD 83 NME SURFACE LOCATION Y= 584932.2 N X= 496393.1 E LAT.=32.607945° N LONG.=104.479292° W	GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y= 584871.6 N X= 455214.6 E LAT.=32.607832° N LONG.=104.478772° W
--	--

**OPERATOR CERTIFICATION**

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sarah Chapman 4/1/2021  
Signature Date

**SARAH CHAPMAN**  
Printed Name

**SCHAPMAN@SPUREPLLC.COM**  
E-mail Address

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEPTEMBER 24 2020

Date of Survey: 12641  
Signature & Seal of Professional Surveyor:

Gary G. Eidson 04/01/2021

Certificate Number Gary G. Eidson 12641  
Ronald J. Eidson 3239

ACK REL. W.O.:20130583 JWSC W.O.: 21.13.0138

Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 3rd day of March, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

West Half of the West Half (W/2 of W/2), Section 34, T19S, R25E, N.M.P.M., Eddy County, NM.

Containing **160.00** acres, and this agreement shall include only the Yeso Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Spur Energy Partners L.L.C., 9655 Katy Freeway Ste. 500, Houston, Texas 77024. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of  $1/8^{\text{th}}$  or  $12 \frac{1}{2}$  percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining  $7/8^{\text{th}}$  should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a

forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is March 3, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

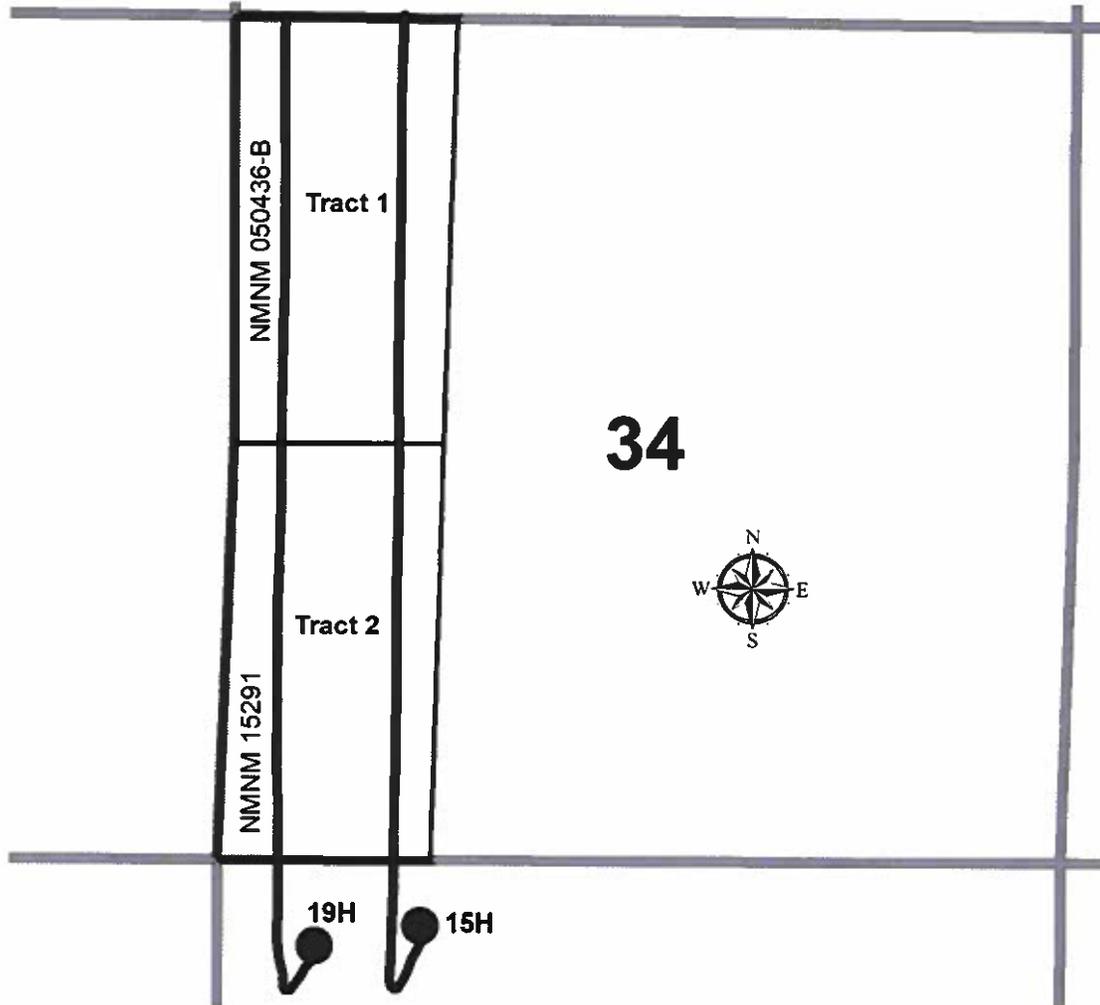




### EXHIBIT "A"

Plat of communitized area covering 160.00 acres in West Half of West Half (W/2 of W/2),  
of Sect. 34, T 19S, R 25E, NMPM, Eddy County, NM.

Lakewood Federal 15H; Lakewood Federal 19H



**EXHIBIT "B"**

Attached to and made a part of that Communitization Agreement dated March 3, 2021 embracing the following described land in the W/2 of the W/2, Section 34, Township 19 South, Range 25 East, Eddy County, New Mexico.

Operator of Communitized Area: Spur Energy Partners L.L.C.

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

Lease Serial Number: NMNM 050436-B

Description of Land Committed: Township 19 South, Range 25 East, N.M.P.M., Section 34: W/2 of NW/4

Number of Acres: 80.00

Current Lessee of Record: American National Petroleum Company

Name of Working Interest Owners:

SEP Permian Holding Corp.	98.709146%
Heirs or Deviseses of Ernie Bello	0.093315%
J.W. Gendron	0.139972%
Joseph R. Hodge	0.015552%
Sanford J. Hodge, III	0.015552%
E.G. Holden Testamentary Trust	0.046657%
Heirs Deviseses of Dr. Isaac A. Kawasaki	0.093315%
Betsy H. Keller	0.046657%
Charles Cline Moore	0.233287%
Nearburg Exploration Company, LLC	0.186630%
Adolph P. Schuman	0.093315%
Space Building Corporation	0.233287%
Frederick Van Vranken	0.093315%

Tract No. 2

Lease Serial Number: NMNM 15291

Description of Land Committed: Township 19 South, Range 25 East, N.M.P.M., Section 34: W/2 of SW/4

Number of Net Acres: 80.00

Current Lessee of Record: Black Stone Energy Company L.L.C.  
Name of Working Interest Owners: SEP Permian Holding Corp. 100%

**RECAPITULATION**

<u>TRACT NO.</u>	<u>NO. OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST IN COMMUNITIZED AREA</u>
1	80.00	50.0000%
2	80.00	50.0000%
Total	160.00	100.0000%

## Federal Communitization Agreement

Contract No. \_\_\_\_\_

THIS AGREEMENT entered into as of the 3rd day of March, 2021, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

### WITNESSETH:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented, authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

East Half of the West Half (E/2 of W/2), Section 34, T19S, R25E, N.M.P.M., Eddy County, NM.

Containing **160.00** acres, and this agreement shall include only the Yeso Formation underlying said lands and the oil and gas hereafter referred to as "communitized substances," producible from such formation.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit "A", a plat designating the communitized area and, Exhibit "B", designating the operator of the communitized area and showing the acreage, percentage and

ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.

3. The Operator of the communitized area shall be Spur Energy Partners L.L.C., 9655 Katy Freeway Ste. 500, Houston, Texas 77024. All matters of operations shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and four (4) executed copies of a designation of successor operator shall be filed with the Authorized Officer.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced there from shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.

If the communitized area approved in this Agreement contains unleased Federal lands, the value of 1/8<sup>th</sup> or 12 1/2 percent for the Federal lands, of the production that would be allocated to such Federal lands, described above, if such lands were leased, committed and entitled to participation, shall be payable as compensatory royalties to the Federal government. The remaining 7/8<sup>th</sup> should be placed into an escrow account set up by the operator. Parties to the Agreement holding working interest in committed leases within the applicable communitized area are responsible for such royalty payments on the volume of the production reallocated from the unleased Federal lands to their communitized tracts as set forth in Exhibit "B" attached hereto. The value of such production subject to the payment of said royalties shall be determined pursuant to the method set forth in 30 CFR Part 1206 for the unleased Federal lands. Payment of compensatory royalties on the production reallocated from the unleased Federal lands to the committed tracts within the communitized area shall fulfill the Federal royalty obligation for such production. Payment of compensatory royalties, as provided herein, shall accrue from the date the committed tracts in the communitized area that includes unleased Federal land receive a production allocation, and shall be due and payable by the last day of the calendar month next following the calendar month of actual production. Payment due under this provision shall end when the Federal tract is leased or when production of communitized substances ceases within the communitized area and the Communitization Agreement is terminated, whichever occurs first.

Any party acquiring a Federal lease of the unleased Federal lands included in the communitized area established hereunder, will be subject to this Agreement as of the effective date of the Federal leases to said party (ies). Upon issuance of the Federal lease and payment of its proportionate cost of the well, including drilling, completing and equipping the well, the acquiring party (ies) shall own the working interest described in the Tract, as described on Exhibit "B", and shall have the rights and obligations of said working interest as to the effective date of the Federal Lease.

6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued. It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.
7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation, or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation, or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a

forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.

10. The date of this agreement is March 3, 2021, and it shall become effective as of this date or from the onset of production of communitized substances, whichever is earlier upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect for a period of 2 years and for as long as communitized substances are, or can be, produced from the communitized area in paying quantities: Provided, that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within 60 days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The 2-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.
11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior, or his duly authorized representative.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all Fee and State mineral operations within the communitized area to the extent necessary to monitor production and measurement, and assure that no avoidable loss of hydrocarbons occur in which the United States has an interest pursuant to applicable oil and gas regulations of the Department of the Interior relating to such production and measurement.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all

parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

- 15. Nondiscrimination. In connection with the performance of work under this agreement, the operator agrees to comply with all the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written and have set opposite their respective names the date of execution.

SPUR ENERGY PARTNERS LLC  
Operator

By:   
Operator/Attorney-in-Fact

4/19/21  
Date

### ACKNOWLEDGEMENT

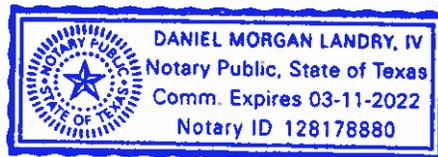
STATE OF TEXAS )  
 ) ss.  
COUNTY OF HARRIS )

On this 19<sup>th</sup> day of April, 2021, before me, a Notary Public for the State of Texas, personally appeared **Nash Bell**, known to me to be the **Vice President, Land** of **Spur Energy Partners L.L.C.**, the corporation that executed the foregoing instrument and acknowledged to me such corporation executed the same.

(SEAL)

03-11-2022  
My Commission Expires

  
Notary Public

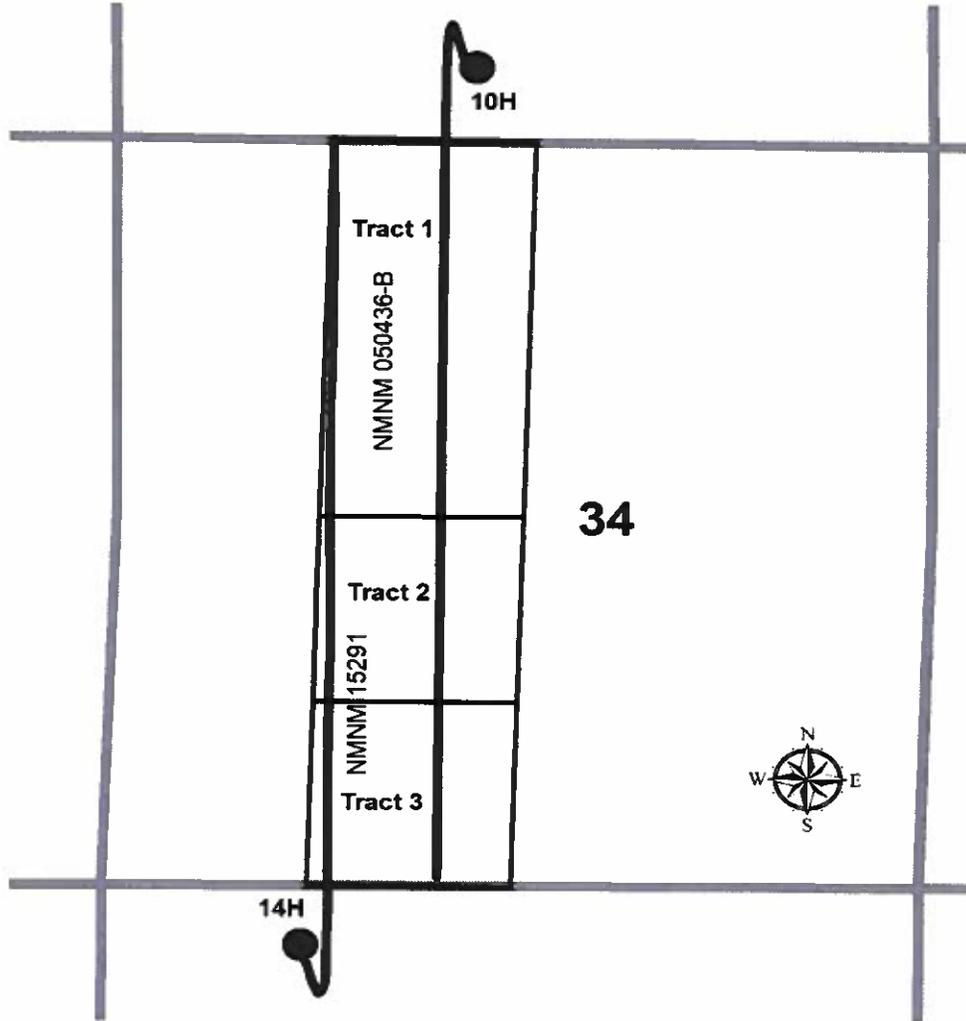




### EXHIBIT "A"

Plat of communitized area covering 160.00 acres in East Half of West Half (E/2 of W/2),  
of Sect. 34, T 19S, R 25E, NMPM, Eddy County, NM.

Lakewood Federal 10H; Lakewood Federal 14H



**EXHIBIT "B"**

Attached to and made a part of that Communitization Agreement dated March 3, 2021 embracing the following described land in the E/2 of the W/2, Section 34, Township 19 South, Range 25 East, Eddy County, New Mexico.

Operator of Communitized Area: Spur Energy Partners L.L.C.

**DESCRIPTION OF LEASES COMMITTED****Tract No. 1**

Lease Serial Number:	NMNM 050436-B	
Description of Land Committed:	Township 19 South, Range 25 East, N.M.P.M., Section 34: E/2 of NW/4	
Number of Acres:	80.00	
Current Lessee of Record:	American National Petroleum Company	
Name of Working Interest Owners:	SEP Permian Holding Corp.	98.709146%
	Heirs or devisees of Ernie Bello	0.093315%
	J.W. Gendron	0.139972%
	Joseph R. Hodge	0.015552%
	Sanford J. Hodge, III	0.015552%
	E.G. Holden Testamentary Trust	0.046657%
	Heirs Devisees of Dr. Isaac A. Kawasaki	0.093315%
	Betsy H. Keller	0.046657%
	Charles Cline Moore	0.233287%
	Nearburg Exploration Company, LLC	0.186630%
	Adolph P. Schuman	0.093315%
	Space Building Corporation	0.233287%
	Frederick Van Vranken	0.093315%

**Tract No. 2**

Lease Serial Number:	NMNM 15291	
Description of Land Committed:	Township 19 South, Range 25 East, N.M.P.M., Section 34: NE/4 of SW/4	
Number of Net Acres:	40.00	

Current Lessee of Record: Black Stone Energy Company L.L.C.  
 Name of Working Interest Owners: SEP Permian Holding Corp. 100%

Tract No. 3

Lease Serial Number: NMNM 15291  
 Description of Land Committed: Township 19 South, Range 25 East,  
 N.M.P.M., Section 34: SE/4 of SW/4  
 Number of Net Acres: 40.00  
 Current Lessee of Record: Black Stone Energy Company L.L.C.

Name of Working Interest Owners: SEP Permian Holding Corp. 84.810525%  
 Fred M. Allison, III 0.07345%  
 Challenger Crude, LTD. 0.05875%  
 In-House, LTD. 0.24675%  
 Lamar B. Roemer 4.214261%  
 Alliance Income Fund, L.P. 0.596264%  
 KE2, LP. 1.666667%  
 Stringer Family Interests, L.P. 0.833333%  
 Gary L. Richards 0.5%  
 Loin Energy Corporation 7.0%

**RECAPITULATION**

<u>TRACT NO.</u>	<u>NO. OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST IN COMMUNITIZED AREA</u>
1	80.00	50.0000%
2	40.00	25.0000%
3	40.00	25.0000%
<b>Total</b>	<b>160.00</b>	<b>100.0000%</b>

RECEIVED:	REVIEWER:	TYPE:	APP NO:
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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Geological & Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Applicant:** \_\_\_\_\_ **OGRID Number:** \_\_\_\_\_  
**Well Name:** \_\_\_\_\_ **API:** \_\_\_\_\_  
**Pool:** \_\_\_\_\_ **Pool Code:** \_\_\_\_\_

**SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW**

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]  
 A. Location – Spacing Unit – Simultaneous Dedication  
 NSL       NSP (PROJECT AREA)       NSP (PRORATION UNIT)       SD
- B. Check one only for [ I ] or [ II ]  
 [ I ] Commingling – Storage – Measurement  
 DHC    CTB    PLC    PC    OLS    OLM  
 [ II ] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery  
 WFX    PMX    SWD    IPI    EOR    PPR

- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.  
 A.  Offset operators or lease holders  
 B.  Royalty, overriding royalty owners, revenue owners  
 C.  Application requires published notice  
 D.  Notification and/or concurrent approval by SLO  
 E.  Notification and/or concurrent approval by BLM  
 F.  Surface owner  
 G.  For all of the above, proof of notification or publication is attached, and/or,  
 H.  No notice required

<u>FOR OCD ONLY</u>	
<input type="checkbox"/>	Notice Complete
<input type="checkbox"/>	Application Content Complete

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

\_\_\_\_\_  
 Print or Type Name

\_\_\_\_\_  
 Date

*Sarah Chapman*  
 \_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Phone Number

\_\_\_\_\_  
 e-mail Address

**From:** [Engineer, OCD, EMNRD](#)  
**To:** [Sarah Chapman](#)  
**Cc:** [McClure, Dean, EMNRD](#); [Hawkins, James, EMNRD](#); [Powell, Brandon, EMNRD](#); [lisa@rwbyram.com](mailto:lisa@rwbyram.com); [Glover, James](#); [Paradis, Kyle O](#); [Walls, Christopher](#)  
**Subject:** Approved Administrative Order CTB-1010  
**Date:** Wednesday, December 22, 2021 5:21:11 PM  
**Attachments:** [CTB1010 Order.pdf](#)

NMOCD has issued Administrative Order CTB-1010 which authorizes Spur Energy Partners, LLC (328947) to surface commingle or off-lease measure, as applicable, the following wells:

Well API	Well Name	UL or Q/Q	S-T-R	Pool Code
30-015-46122	Lakewood Federal Com #14H	E/2 W/2	34-19S-25E	97565
30-015-46064	Lakewood Federal Com #15H	W/2 W/2	34-19S-25E	97565
30-015-46068	Lakewood Federal Com #19H	W/2 W/2	34-19S-25E	97565

The administrative order is attached to this email and can also be found online at OCD Imaging.

Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.

Dean McClure  
 Petroleum Engineer, Oil Conservation Division  
 New Mexico Energy, Minerals and Natural Resources Department  
 (505) 469-8211

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Notice

**Order: CTB-1010**

**Operator: Spur Energy Partners, LLC (328947)**

**Publication Date: 10/28/2021**

**Submittal Date: 8/26/2021**

### Noticed Persons

Date	Person	Certified Tracking Number	Status
8/31/2021	United States of America	94148118987658002460 65	Delivered
8/30/2021	William H. Bown Trust dated December 11, 19	94148118987658002465 46	Delivered
8/30/2021	Drilmor, Inc.	94148118987658002419 54	Delivered
9/7/2021	Charles Wiggins, a single man	94148118987658002416 64	Delivered
9/2/2021	Richard H. Coats and wife, Sigrid M. Coats	94148118987658002411 07	Delivered
9/2/2021	Fort Worth Royalty Company	94148118987658002410 60	In-Transit
8/31/2021	Feagan Energy, Inc.	94148118987658002414 73	Delivered
8/31/2021	Iatan Royalty, LLC	94148118987658002415 34	Delivered
8/31/2021	John and Theresa Hillman Family Properties, l	94148118987658002797 66	Delivered
8/30/2021	BAS Energy, LP	94148118987658002799 33	Delivered
8/30/2021	Heirs or devisees of Ernie Bello	94148118987658002796 74	Delivered
8/31/2021	Robert B. Bunn, Trustee of the Robert B. Bunn	94148118987658002790 94	Delivered
9/6/2021	J.W. Gendron, marital status unknown	94148118987658002794 76	In-Transit
10/27/2021	Joseph R Hodge, marital status unknown	94148118987658002732 07	Delivered
8/30/2021	Sanford J. Hodge, III, marital status unknown	94148118987658002737 71	Delivered
8/30/2021	E.G. Holden Testamentary Trust	94148118987658002733 51	Delivered
9/1/2021	Heirs or Devises of Dr. Isaac A. Kawasaki	94148118987658002743 58	Delivered
8/30/2021	Betsy H. Keller, marital status unknown	94148118987658002759 97	Delivered
8/30/2021	EOG Resources, Inc.	94148118987658002727 29	Delivered
9/2/2021	Adolph P. Schuman, marital status unknown c/	94148118987658002726 06	In-Transit
8/31/2021	Space Building Corporation	94148118987658002723 23	Delivered
8/30/2021	Frederick Van Vranken, marital status unknow	94148118987658002720 71	Delivered
8/28/2021	Nearburg Exploration Company, LLC	94148118987658002725 52	Delivered
8/28/2021	Nina Feroze Meher-Homji	94148118987658002702 06	Delivered
8/28/2021	Black Stone Energy Company, LLC	94148118987658002709 23	Delivered
	Tierra Oil Company	94148118987658002706 22	Unknown
8/30/2021	DEBCO, LLC	94148118987658002703 12	Delivered
9/17/2021	The Nell Blackmar Limited Partnership	94148118987658002700 08	Delivered
8/28/2021	XTO Holdings, LLC	94148118987658002704 04	Delivered
8/28/2021	Nearburg Producing Company Employee Fund	94148118987658002705 96	Delivered
9/1/2021	Movest Capital	94148118987658002782 71	Delivered
8/30/2021	William S. Allison, marital status unknown	94148118987658002788 44	Delivered
8/31/2021	A. R. Mersiovsky, marital status unknown	94148118987658002789 98	In-Transit
9/1/2021	Flynt Chancellor, marital status unknown	94148118987658002786 77	Delivered
8/30/2021	Bobby M. Gleason, marital status unknown	94148118987658002783 25	Delivered
8/30/2021	Jeana Chambers Moss	94148118987658002780 97	Delivered
	Ronnie Harold Chambers	94148118987658005784 24	Unknown
9/1/2021	Jack Lee Roy Crain	94148118987658002785 16	Delivered
9/2/2021	Cascade Acquisition Partners, LP	94148118987658002772 98	Delivered

9/7/2021	The Mark J. Mourne, Jr. and LaDonna S. Mou	94148118987658002776 32	Delivered
8/30/2021	Fred M. Allison, III, marital status unknown c/	94148118987658002770 07	Delivered
8/28/2021	Challenger Crude, Ltd.	94148118987658002775 40	Delivered
8/30/2021	Lamar B. Roemer, marital status unknown	94148118987658002767 89	Delivered
9/7/2021	Alliance Income Fund, Limited Partnership	94148118987658002769 32	Delivered
8/31/2021	KE2, LP	94148118987658002766 80	Delivered
	Loin Energy Corporation	94148118987658002763 14	Returned
9/13/2021	Gary L. Richards, marital status unknown	94148118987658002760 55	Returned

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

**APPLICATION FOR SURFACE COMMINGLING  
SUBMITTED BY SPUR ENERGY PARTNERS, LLC**

**ORDER NO. CTB-1010**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the OCD Engineering Bureau, issues the following Order.

**FINDINGS OF FACT**

1. Spur Energy Partners, LLC (“Applicant”) submitted a complete application to surface commingle the oil and gas production from the pools, leases, and wells identified in Exhibit A (“Application”).
2. Applicant proposed a method to allocate the oil and gas production to the pools, leases, and wells to be commingled.
3. To the extent that ownership is identical, Applicant submitted a certification by a licensed attorney or qualified petroleum landman that the ownership in the pools, leases, and wells to be commingled is identical as defined in 19.15.12.7.B. NMAC.
4. To the extent that ownership is diverse, Applicant provided notice of the Application to all persons owning an interest in the oil and gas production to be commingled, including the owners of royalty and overriding royalty interests, regardless of whether they have a right or option to take their interests in kind, and those persons either submitted a written waiver or did not file an objection to the Application.
5. Applicant provided notice of the Application to the Bureau of Land Management (“BLM”) or New Mexico State Land Office (“NMSLO”), as applicable.
6. Applicant submitted or intends to submit one or more proposed communitization agreement(s) (“Proposed Agreement(s)”) to the BLM or NMSLO, as applicable, identifying the acreage of each lease to be consolidated into a single pooled area (“Pooled Area”), as described in Exhibit B.

**CONCLUSIONS OF LAW**

7. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, 70-2-16, and 70-2-17, 19.15.12. NMAC, and 19.15.23. NMAC.
8. Applicant satisfied the notice requirements for the Application in accordance with 19.15.12.10.A.(2) NMAC, 19.15.12.10.C.(4)(c) NMAC, and 19.15.12.10.C.(4)(e) NMAC, as applicable.

9. Applicant satisfied the notice requirements for the Application in accordance with 19.15.23.9.A.(5) NMAC and 19.15.23.9.A.(6) NMAC, as applicable.
10. Applicant's proposed method of allocation, as modified herein, complies with 19.15.12.10.B.(1) NMAC or 19.15.12.10.C.(1) NMAC, as applicable.
11. Commingling of oil and gas production from state, federal, or tribal leases shall not commence until approved by the BLM or NMSLO, as applicable, in accordance with 19.15.12.10.B.(3) NMAC and 19.15.12.10.C.(4)(h) NMAC.
12. By granting the Application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

### **ORDER**

1. Applicant is authorized to surface commingle oil and gas production from the pools, leases, and wells identified in Exhibit A.

Applicant is authorized to store and measure oil and gas production off-lease from the pools, leases, and wells identified in Exhibit A at a central tank battery described in Exhibit A.

2. For each Pooled Area described in Exhibit B, Applicant shall submit a Proposed Agreement to the BLM or NMSLO, as applicable, prior to commencing oil and gas production. If Applicant fails to submit the Proposed Agreement, this Order shall terminate on the following day.

No later than sixty (60) days after the BLM or NMSLO approves or denies a Proposed Agreement, Applicant shall submit Form C-103 to OCD with a copy of the decision and a description of the approved lands, as applicable. If Applicant withdraws or the BLM or NMSLO denies a Proposed Agreement, this Order shall terminate on the date of such action, and Applicant shall cease commingling the production from the Pooled Area. If the BLM or NMSLO approves but modifies the Proposed Agreement(s), Applicant shall comply with the approved Agreement(s), and no later than sixty (60) days after such decision, Applicant shall submit a new surface commingle application to OCD to conform this Order with the approved Agreement(s). If OCD denies the new surface commingle application, this Order shall terminate on the date of such action.

Applicant shall allocate the oil and gas production to each lease within a Pooled Area in proportion to the acreage that each lease bears to the entire acreage of the Pooled Area described in Exhibit B until the Proposed Agreement which includes the Pooled Area is approved. After the Proposed Agreement is approved, the oil and gas production from the Pooled Area shall be allocated as required by the BLM's or NMSLO's, as applicable, approval of the Agreement, including any production that had been allocated previously in accordance with this Order.

3. The allocation of oil and gas production shall be based on the production life of each well as measured for three periods: (a) the initial production period shall be measured from the first production until the earlier of either the peak production rate or thirty (30) days after the first

production; (b) the plateau period shall be measured from the end of the initial production period to the peak decline rate; and (c) the decline period shall be measured from the end of the plateau period until the well is plugged and abandoned.

During the initial production period, the oil and gas production for each well identified in Exhibit A shall be allocated using a production curve calculated from a minimum of ten (10) well tests per month, except that any day in which a well test cannot achieve an accurate result due to a temporary change in oil and gas production shall not be included in the computation of time determining the well test schedule. The production curve shall be calculated by interpolating daily production for each day using the known daily production obtained by well tests and shall use a method of interpolation that is at minimum as accurate as maintaining a constant rate of change for each day's production between the known daily production values.

During the plateau period, the oil and gas production for each well identified in Exhibit A shall be allocated using a minimum of three (3) well tests per month.

During the decline period, the oil and gas production for each well identified in Exhibit A shall be allocated as follows: (a) a minimum of three (3) well tests per month when the decline rate is greater than twenty-two percent (22%) per month; (b) a minimum of two (2) well tests per month when the decline rate is between twenty-two percent (22%) and ten percent (10%) per month; and (c) a minimum of one (1) well test per month when the decline rate is less than ten percent (10%) per month.

Upon OCD's request, Applicant shall submit a Form C-103 to the OCD Engineering Bureau that contains the decline rate curve and other relevant information demonstrating the production life of a well.

Applicant shall conduct a well test by separating and metering the oil and gas production from that well for either (a) a minimum of twenty-four (24) consecutive hours; or (b) a combination of nonconsecutive periods that meet the following conditions: (i) each period shall be a minimum of six (6) hours; and (ii) the total duration of the nonconsecutive periods shall be a minimum of eighteen (18) hours.

The well test requirements of this Order shall be suspended for any well shut-in for a period that continues for more than fifteen (15) days until the well commences production.

4. Applicant shall measure and market the commingled oil at a central tank battery described in Exhibit A in accordance with this Order and 19.15.18.15. NMAC or 19.15.23.8. NMAC.
5. Applicant shall measure and market the commingled gas at a well pad, central delivery point, central tank battery, or gas title transfer meter described in Exhibit A in accordance with this Order and 19.15.19.9. NMAC, provided however that if the gas is vented or flared, and regardless of the reason or authorization pursuant to 19.15.28.8.B. NMAC for such venting or flaring, Applicant shall measure or estimate the gas in accordance with 19.15.28.8.E. NMAC.

6. Applicant shall calibrate the meters used to measure or allocate oil and gas production in accordance with 19.15.12.10.C.(2) NMAC.
7. If the commingling of oil and gas production from any pool, lease, or well reduces the value of the commingled oil and gas production to less than if it had remained segregated, no later than sixty (60) days after the decrease in value has occurred Applicant shall submit a new surface commingling application to OCD to amend this Order to remove the pool, lease, or well whose oil and gas production caused the decrease in value. If Applicant fails to submit a new application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
8. Applicant shall not commence commingling oil or gas production from state, federal, or tribal leases until approved by the BLM or NMSLO, as applicable.
9. If OCD determines that Applicant has failed to comply with any provision of this Order, OCD may take any action authorized by the Oil and Gas Act or the New Mexico Administrative Code (NMAC).
10. OCD retains jurisdiction of this matter and reserves the right to modify or revoke this Order as it deems necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



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**ADRIENNE SANDOVAL  
DIRECTOR**

**DATE:** 12/22/2021

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit A

**Order: CTB-1010**  
**Operator: Spur Energy Partners, LLC (328947)**  
**Central Tank Battery: Lakewood Federal Com South Tank Battery**  
**Central Tank Battery Location: Unit D, Section 3, Township 20 South, Range 25 East**  
**Gas Title Transfer Meter Location: Unit D, Section 3, Township 20 South, Range 25 East**

### Pools

Pool Name	Pool Code
N. SEVEN RIVERS; GLORIETA-YESO	97565

### Leases as defined in 19.15.12.7(C) NMAC

Lease	UL or Q/Q	S-T-R
NMNM 0504364B	NW/4	34-19S-25E
NMNM 015291	SW/4	35-19S-25E

### Wells

Well API	Well Name	UL or Q/Q	S-T-R	Pool
30-015-46122	Lakewood Federal Com #14H	E/2 W/2	34-19S-25E	97565
30-015-46064	Lakewood Federal Com #15H	W/2 W/2	34-19S-25E	97565
30-015-46068	Lakewood Federal Com #19H	W/2 W/2	34-19S-25E	97565

State of New Mexico  
Energy, Minerals and Natural Resources Department

## Exhibit B

Order: CTB-1010  
Operator: Spur Energy Partners, LLC (328947)

### Pooled Areas

Pooled Area	UL or Q/Q	S-T-R	Acres	Pooled Area ID
CA Yeso NMNM 143338	W/2 W/2	34-19S-25E	160	A
CA Yeso NMNM 143337	E/2 W/2	34-19S-25E	160	B

### Leases Comprising Pooled Areas

Lease	UL or Q/Q	S-T-R	Acres	Pooled Area ID
NMNM 0504364B	W/2 NW/4	34-19S-25E	80	A
NMNM 015291	W/2 SW/4	34-19S-25E	80	A
NMNM 0504364B	E/2 NW/4	34-19S-25E	80	B
NMNM 015291	E/2 SW/4	34-19S-25E	80	B

**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 Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 44311

**CONDITIONS**

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 44311
	Action Type: [C-107] Surface Commingle or Off-Lease (C-107B)

**CONDITIONS**

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	12/22/2021