

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

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

Case No. 23100

HEARING EXHIBITS

Compulsory Pooling Checklist

- | | |
|-----------|----------------------------------------------------------------------|
| Exhibit A | Self-Affirmed Statement of Drew Oldis |
| A-1 | Application & Proposed Notice of Hearing |
| A-2 | C-102s |
| A-3 | Plat of Tracts, Tract Ownership, Pooled Parties, Unit Recapitulation |
| A-4 | Sample Well Proposal Letter & AFEs |
| A-5 | Summary of Communications |
| Exhibit B | Self-Affirmed Statement of Matthew Van Wie |
| B-1 | Location Map |
| B-2 | Subsea Structure Map |
| B-3 | Structural Cross Section |
| B-4 | Gunbarrel Diagram |
| Exhibit C | Self-Affirmed Statement of Dana S. Hardy |
| C-1 | Sample Notice Letter to All Interested Parties |
| C-2 | Chart of Notice to All Interested Parties |
| C-3 | Copies of Certified Mail Receipts and Returns |
| C-4 | Affidavit of Publication for October 11, 2022 |

COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case No.:	23100
Hearing Date:	11/3/2022
Applicant	Spur Energy Partners LLC
Designated Operator & OGRID	OGRID # 328947
Applicant's Counsel	Hinkle Shanor LLP
Case Title	Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico
Entries of Appearance/Intervenors	N/A
Well Family	Sierra Nevada
Formation/Pool	
Formation Name(s) or Vertical Extent	Yeso
Primary Product (Oil or Gas)	Oil
Pooling this vertical extent	Yeso
Pool Name and Pool Code	Empire; Glorieta-Yeso Pool (Pool Code 96210)
Well Location Setback Rules	Statewide
Spacing Unit Size	160 acre
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160 acre
Building Blocks	quarter-quarter
Orientation	North/South
Description: TRS/County	W/2 W/2 of Section 23, Township 17 South, Range 28 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	N/A
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Sierra Nevada 23 State Com 10H (API # pending) SHL: 56' FNL & 1368' FWL (Unit C), Section 23, T17S-R28E BHL: 50' FSL & 430' FWL (Unit M), Section 23, T17S-R28E Completion Target: Yeso formation (Approx. 3,787' TVD)
Well #2	Sierra Nevada 23 State Com 60H (API # pending) SHL: 58' FNL & 1388' FWL (Unit C), Section 23, T17S-R28E BHL: 50' FSL & 1050' FWL (Unit M), Section 23, T17S-R28E Completion Target: Yeso formation (Approx. 4,300' TVD)
Horizontal Well First and Last Take Points	Exhibit A-2
Completion Target (Formation, TVD and MD)	Exhibit A-4
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$8,000.00
Production Supervision/Month \$	\$800.00
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%
Notice of Hearing	
Proposed Notice of Hearing	Exhibit A-1

Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C-1, C-2, C-3
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4
Ownership Determination	
Land Ownership Schematic of Spacing Unit	Exhibit A-3
Tract List (including lease numbers & owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	None
Ownership Depth Severance	N/A
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5
Overhead Rates In Proposal Letter	Exhibit A-4
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibit B-1
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-3
Depth Severance Discussion	N/A
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibit B-1
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-3
Additional Information	
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	11/1/2022

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

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

Case No. 23100

SELF-AFFIRMED STATEMENT
OF DREW OLDIS

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

2. I am familiar with the land matters involved in the above-referenced case. Copies of Spur’s Application and proposed hearing notice are attached as **Exhibit A-1**.

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

4. Spur applies for an order pooling all uncommitted interests within the Yeso formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 23, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”).

5. The Unit will be dedicated to the following wells, which will be completed in the Empire; Glorieta-Yeso Pool (Code 96210):

- **Sierra Nevada 23 State Com 10H well**, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 17 South,

Spur Energy Partners LLC
Case No. 23100
Exhibit A

Range 28 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23, Township 17 South, Range 28 East; and

- **Sierra Nevada 23 State Com 60H well**, which will be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 17 South, Range 28 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23, Township 17 South, Range 28 East.

6. The completed intervals of the Wells will be orthodox.

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

8. **Exhibit A-3** contains a plat that identifies ownership by tract in the Unit. This exhibit also includes any applicable lease numbers, a unit recapitulation, and the interests Spur seeks to pool highlighted in yellow. All parties are locatable.

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

11. Spur has conducted a diligent search of all county public records including phone directories and computer databases. Spur also conducted internet searches to identify all potential addresses and contact information for each interest owner it seeks to pool.

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

13. Spur requests overhead and administrative rates of \$8,000.00 per month while the Wells are being drilled and \$800.00 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Spur and other operators in the vicinity.

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

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

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



Drew Oldis

10/24/22

Date

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

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

CASE NO. 23100

APPLICATION

Pursuant to NMSA § 70-2-17, Spur Energy Partners LLC (OGRID No. 328947) (“Applicant”) applies for an order pooling all uncommitted interests in the Yeso formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 23, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”). In support of this application, Spur states the following.

1. Applicant is a working interest owner in the Unit and has the right to drill wells thereon.
2. Applicant seeks to dedicate the Unit to the following proposed wells:
 - a. The **Sierra Nevada 23 State Com 10H** well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 17 South, Range 28 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23, Township 17 South, Range 28 East; and
 - b. The **Sierra Nevada 23 State Com 60H** well, to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 17 South, Range 28 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23, Township 17 South, Range 28 East.
3. The completed intervals of the Wells will be orthodox.

**Spur Energy Partners LLC
Case No. 23100
Exhibit A-1**

4. Applicant has undertaken diligent, good-faith efforts to obtain voluntary agreements from all interest owners to participate in the drilling of the Wells but has been unable to obtain voluntary agreements from all interest owners.

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

6. In order to allow Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted mineral interests in the Unit should be pooled and Applicant should be designated the operator of the Wells and Unit.

WHEREFORE, Applicant requests that this application be set for hearing before an Examiner of the Oil Conservation Division on November 3, 2022, and, after notice and hearing as required by law, the Division enter an order:

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

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy

Jaclyn M. McLean

Yarithza Peña

P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554

Facsimile: (505) 98208623

dhardy@hinklelawfirm.com

jmclean@hinklelawfirm.com

ypena@hinklelawfirm.com

Counsel for Spur Energy Partners LLC

Application of Spur Energy Partners LLC for Compulsory Pooling, Eddy County, New Mexico. Applicant seeks an order pooling all uncommitted interests in the Yeso formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 23, Township 17 South, Range 28 East, Eddy County, New Mexico. Applicant seeks to dedicate the Unit to the Sierra Nevada 23 State Com 10H and Sierra Nevada 23 State Com 60H wells, to be to be drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 17 South, Range 28 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23, Township 17 South, Range 28 East. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of Applicant as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 14.3 miles East and 1.03 miles South of Artesia, New Mexico.

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-		² Pool Code 96210		³ Pool Name EMPIRE; GLORIETA-YESO	
⁴ Property Code		⁵ Property Name SIERRA NEVADA 23 STATE COM			⁶ Well Number 10H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3633'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
C	23	17S	28E		56	NORTH	1368	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	17S	28E		50	SOUTH	430	WEST	EDDY

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

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION
N: 664787.7 - E: 597425.1
LAT: 32.8273953° N
LONG: 104.1507401° W

FIRST TAKE POINT (FTP)
100' FNL 430' FWL
N: 664656.0 - E: 596492.6
LAT: 32.8270378° N
LONG: 104.1537767° W

LAST TAKE POINT (LTP)
100' FSL 430' FWL
N: 659608.1 - E: 596450.3
LAT: 32.8131631° N
LONG: 104.1539421° W

BOTTOM HOLE LOCATION
N: 659558.2 - E: 596448.4
LAT: 32.8130258° N
LONG: 104.1539486° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1941"
N: 659475.1 - E: 596017.9

B: FOUND BRASS CAP "1941"
N: 662071.0 - E: 596116.8

C: FOUND BRASS CAP "1941"
N: 664715.7 - E: 596062.5

D: FOUND BRASS CAP "1941"
N: 664959.0 - E: 598649.4

E: FOUND BRASS CAP "1941"
N: 665202.5 - E: 601236.8

F: FOUND BRASS CAP "1941"
N: 662539.7 - E: 601228.8

G: FOUND BRASS CAP "1941"
N: 659870.2 - E: 601205.0

H: FOUND BRASS CAP "1941"
N: 659675.9 - E: 598617.6

17 OPERATOR CERTIFICATION
I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sarah Chapman 08/18/2022
Signature Date
SARAH CHAPMAN
Printed Name
SCHAPMAN@SPURENERGY.COM
E-mail Address

18 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.

06/18/2022
Date of Survey
Signature and Seal of Professional Surveyor

19680
Certificate Number

Spur Energy Partners LLC

Job No.: LS22060714

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
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Phone: (575) 748-1283 Fax: (575) 748-9720
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⁴ Property Code		⁵ Property Name SIERRA NEVADA 23 STATE COM			⁶ Well Number 60H
⁷ OGRID NO. 328947		⁸ Operator Name SPUR ENERGY PARTNERS LLC.			⁹ Elevation 3633'

¹⁰ Surface Location

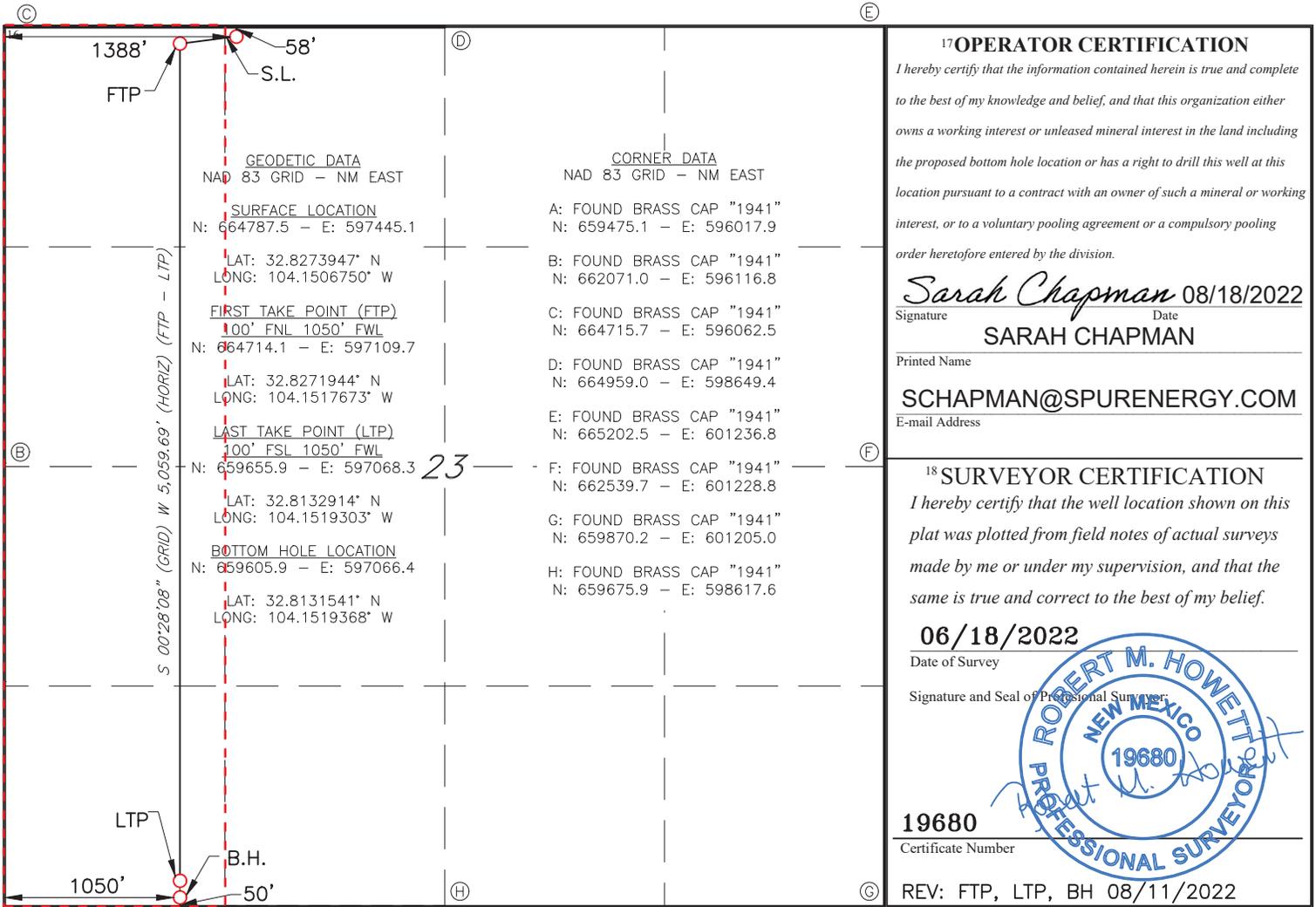
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
C	23	17S	28E		58	NORTH	1388	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	17S	28E		50	SOUTH	1050	WEST	EDDY

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---------------------------------------------	-------------------------------	----------------------------------	-------------------------

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



¹⁷ OPERATOR CERTIFICATION

I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Sarah Chapman 08/18/2022
Signature Date

SARAH CHAPMAN
Printed Name

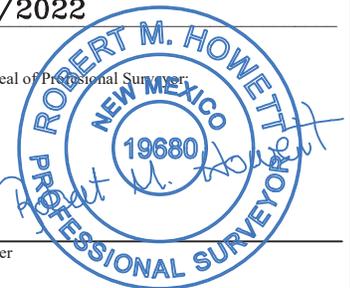
SCHAPMAN@SPURENERGY.COM
E-mail Address

¹⁸ 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.

06/18/2022
Date of Survey

Signature and Seal of Professional Surveyor



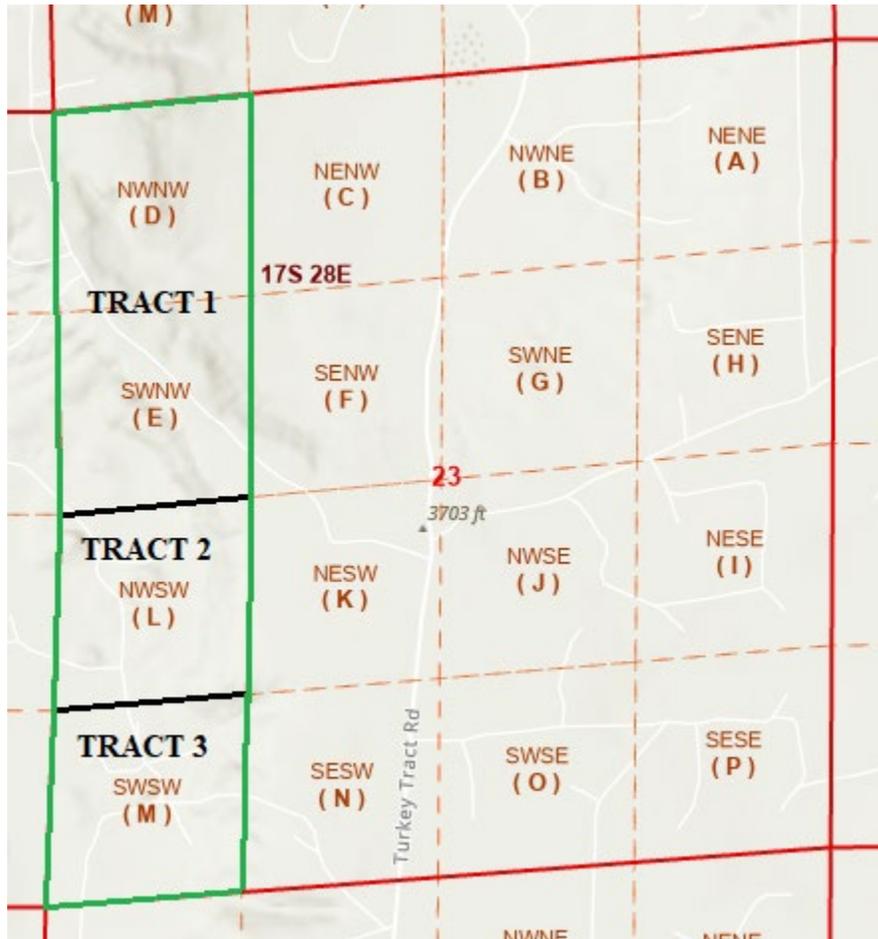
19680
Certificate Number

REV: FTP, LTP, BH 08/11/2022

Job No.: LS22060715

EXHIBIT A-3

**SIERRA NEVADA 23 STATE SPACING UNIT PLAT
W/2 W/2 SECTION 23, T17S, R28E
160 ACRES**



Tract 1: 80 ac., W/2 of NW/4, Sec. 23, T17S, R28E, N.M.P.M.

Tract 2: 40 ac., NW/4 of SW/4, Sec. 23, T17S, R28E, N.M.P.M.

Tract 3: 40 ac., SW/4 of SW/4, Sec. 23, T17S, R28E, N.M.P.M.



SIERRA NEVADA 23 STATE SPACING UNIT

TRACT 1 – STATE ACREAGE (OG-0181-0002)

TRACT 2 – STATE ACREAGE (V0-0220-0003)

TRACT 3 – FEE ACREAGE

**Spur Energy Partners LLC
Case No. 23100
Exhibit A-3**

LAND OWNERSHIP OF SIERRA NEVADA 23 STATE SPACING UNIT

SIERRA NEVADA 23 STATE - TRACT OWNERSHIP SUMMARY				
TRACT NUMBER	LOCATION	STR	ACRES	DSU PARTICIPATION FACTOR
1	W2NW4	23-17S-28E	80	50.00%
2	NW4SW4	23-17S-28E	40	25.00%
3	SW4SW4	23-17S-28E	40	25.00%
			160	100.00%

SIERRA NEVADA 23 STATE - WORKING INTEREST SUMMARY		
WI OWNER	NET DSU ACRES	DSU WI
SEP PERMIAN LLC	116.2000	0.72625000
ZPZ DELAWARE I LLC	40.0000	0.25000000
CARDINAL RIVER ENERGY I LP	1.0336	0.00646024
PAUL STAFFORD	0.5846	0.00365385
GREG WILSON	0.5846	0.00365385
BLACK OAK ENERGY LLC	0.5229	0.00326789
FENERGY LLC	0.2923	0.00182693
ENVIRONMENTAL RISK REDUCTION LLC	0.2923	0.00182693
RIVERLAND EXPLORATION & PRODUCITON LLC	0.2923	0.00182690
HALL ENERGY COMPANY LLC	0.1973	0.00123342
ORRI	0.0000	0.00000000
	160.00	1.0000

SPACING UNIT OWNERSHIP BY TRACT

TRACT 1	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	0.45250000	80.00	36.20	36.20	0.2262500
ZPZ DELAWARE I LLC	WI	0.50000000	80.00	40.00	40.00	0.2500000
CARDINAL RIVER ENERGY I LP	WI	0.01292049	80.00	1.03	1.03	0.0064602
PAUL STAFFORD	WI	0.00730770	80.00	0.58	0.58	0.0036539
GREG WILSON	WI	0.00730770	80.00	0.58	0.58	0.0036539
BLACK OAK ENERGY LLC	WI	0.00653578	80.00	0.52	0.52	0.0032679
FENERGY LLC	WI	0.00365385	80.00	0.29	0.29	0.0018269
ENVIRONMENTAL RISK REDUCTION LLC	WI	0.00365385	80.00	0.29	0.29	0.0018269
RIVERLAND EXPLORATION & PRODUCITON LLC	WI	0.00365380	80.00	0.29	0.29	0.0018269
HALL ENERGY COMPANY LLC	WI	0.00246683	80.00	0.20	0.20	0.0012334
PALO PINTO INVESTMENTS INC	ORRI	0.00000000	80.00	0.00	0.00	0.0000000
JENNA BETH FOUST	ORRI	0.00000000	80.00	0.00	0.00	0.0000000
WESTWAY RANCHES LLC	ORRI	0.00000000	80.00	0.00	0.00	0.0000000
PARSON PETROLEUM LLC	ORRI	0.00000000	80.00	0.00	0.00	0.0000000
SILVERTON PETROLEUM INC	ORRI	0.00000000	80.00	0.00	0.00	0.0000000
		1.000000	80.00	80.00	80.00	0.500000

TRACT 2	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	1.0000	40.00	40.00	40.00	0.250000
DEWEY E. THORNTON	ORRI	0.0000	40.00	0.00	0.00	0.000000
		1.0000	40.00	40.00	40.00	0.250000

TRACT 3	INTERST TYPE	WI	GROSS AC	NET AC	WI ACRES	DSU WI
SEP PERMIAN LLC	WI	1.00000	40	40.00	40.0000	0.25
		1.0000	20	20	20	0.25



Spur Energy Partners LLC
Case No. 23100
Exhibit A-4

August 15, 2022

ZPZ Delaware I LLC
 2000 Post Oak Blvd., Ste. 100
 Houston, TX 77056

RE: Well Proposal
Sierra Nevada 23 State Com 10H & 60H
W/2 of W/2 Section 23, T17S-R28E
Eddy County, New Mexico

Dear Working Interest Owner:

Spur Energy Partners LLC ("SPUR"), an affiliate of SEP Permian LLC ("SEP"), hereby proposes to drill and complete the **Sierra Nevada 23 State Com 10H & 60H** wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Sierra Nevada 23 State Com 10H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 56' FNL & 1,368' FWL, Section 23, T17S-R28E
- Proposed Bottom Hole Location – 50' FSL & 430' FWL, Section 23, T17S-R28E
- TVD: 3,787'

Sierra Nevada 23 State Com 60H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 58' FNL & 1,388' FWL, Section 23, T17S-R28E
- Proposed Bottom Hole Location – 50' FSL & 1,050' FWL, Section 23, T17S-R28E
- TVD: 4,300'

SPUR proposes to form a Drilling Spacing Unit ("DSU") covering the W/2 of the W/2 of Section 23, T17S-R28E, Eddy County, New Mexico, containing 160 acres of land, more or less, from the top of the Yeso formation to the base of the Yeso formation. Portions of these lands may be governed by existing Joint Operating Agreements ("JOAs") which also cover the Yeso formation, and which may govern operations for vertical wells. For the mutually exclusive development of horizontal wells, and any concept wells (i.e. micro seismic wells, pilot hole wells) within the DSU, SPUR proposes creating a new joint operating agreement dated October 1, 2022, ("NJOA") to govern proposals and operations within the DSU. The NJOA shall supersede any existing operations under any JOAs, expressly limited however, to horizontal well development, concept wells and operations within the DSU. The NJOA has the following general provisions:

- Effective Date of October 1, 2022
- Contract Area consisting of the W/2 of the W/2 of Section 23, T17S-R28E, Eddy County, NM
- Limited in depth from the top of the Yeso to the base of the Yeso formation
- 100%/300%/300% non-consenting penalty
- \$8,000/\$800 drilling and producing monthly overhead rate
- Spur Energy Partners LLC named as Operator

The enclosed AFEs reflect the total estimated drilling and completion costs for each well. The AFEs are an estimate only and those parties electing to participate in the Subject Wells shall be responsible for their share of actual well costs, whether more or less than those shown on the enclosed AFEs. Your estimated working interest in the proposed 160-acre DSU is shown on Exhibit "A" enclosed herewith.



SPUR respectfully requests that you select one of the following three options with regard to your interest in the proposed wells:

Option 1: Participate in the drilling and completion of the proposed well and agree to enter into the NJOA with the terms specified above.

Option 2: Not participate in the proposed well (an election of “Non-Consent”).

Option 3 – Term Assignment Option: Assign your leasehold working interest in the W/2 of the W/2 of Section 23, T17S-R28E, exclusive of existing wellbores, to SPUR through a term assignment with a primary term of three (3) years and as long thereafter as production is obtained in paying quantities, for a bonus consideration of \$750 per net mineral acre, with you delivering no less than a 75% leasehold net revenue interest (limited to the Yeso formation).

Option 4 – Assignment Option: Assign your leasehold working interest in the W/2 of the W/2 of Section 23, T17S-R28E, exclusive of existing wellbores, to SEP for a bonus consideration of \$1,500 per net mineral acre, delivering no less than a 75% leasehold net revenue interest (all rights owned).

Should you elect Option 1 or Option 2, SPUR will send the NJOA for your review and execution. If you prefer to review the NJOA prior to making an election, please request a copy by email and SPUR will supply you the NJOA. In the event you elect to assign your leasehold interest under the terms outlined above in the Option 3 – Term Assignment Option, or Option 4 – Assignment Option, please so indicate by signing and returning the enclosed Assignment Election page, and Spur shall provide you with an assignment form for your review and execution. (In the event you do not own all depths within the Yeso formation, the above-stated prices per net mineral acre for Options 3 and 4 shall be re-determined by SPUR.)

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

Please indicate your elections as to each of the Subject Wells in the spaces provided below and execute and return a copy of this letter (together with a signed copy of each AFE for any well(s) you elect to participate in) to the undersigned within 30 days of receipt of this proposal. Should you have any questions regarding this proposal, please feel free to contact me at (832) 982-1081 or via email at doldis@spurenergy.com. Thank you very much for your assistance and cooperation.

Sincerely,

A handwritten signature in blue ink, appearing to read "Drew Oldis".

Drew Oldis
Landman

Enclosures
Exhibit “A”
AFEs



Sierra Nevada 23 State Com 10H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the **Sierra Nevada 23 State Com 10H** well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the **Sierra Nevada 23 State Com 10H**.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide SPUR with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Spur Energy Partners.*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2022.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Sierra Nevada 23 State Com 60H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the **Sierra Nevada 23 State Com 60H** well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the **Sierra Nevada 23 State Com 60H**.*

Should you elect to participate, please also indicate your Well Insurance election below. If you elect to obtain individual Well Insurance coverage, please provide SPUR with a copy of your Certificate of Insurance.

Well Insurance:

_____ *The undersigned requests Well Insurance coverage provided by Spur Energy Partners.*

_____ *The undersigned elects to obtain individual Well Insurance coverage.*

Agreed to and Accepted this _____ day of _____, 2022.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Option 3 - Term Assignment Option

_____ **Option 3)** *The undersigned hereby elects to assign their leasehold working interest in the W/2 of the W/2 of Section 23, T17S-R28E, exclusive of existing wellbores, to SPUR through a term assignment with a primary term of three (3) years and as long thereafter as production is obtained in paying quantities, and a bonus consideration of \$750 per net mineral acre, delivering a 75% leasehold net revenue interest (limited to the Yeso formation).*

Option 4 - Assignment Option

_____ **Option 4)** *The undersigned hereby elects to assign their leasehold working interest in the W/2 of the W/2 of Section 23, T17S-R28E, exclusive of existing wellbores, to SPUR for a bonus consideration of \$1,500 per net mineral acre, delivering a 75% leasehold net revenue interest (all rights owned).*

Agreed to and Accepted this _____ day of _____, 2022.

Company/Individual: _____

By: _____

Name: _____

Title: _____



Exhibit "A" – Estimated working interest in proposed 160-acre DSU

ZPZ Delaware I LLC 0.25



Authority for Expenditure
Drill, Complete, & Equip



Operator : Spur Energy Partners LLC	AFE # : C22063
Well Name : SIERRA NEVADA 23 STATE 10H	
Location : NEW MEXICO / EDDY	
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 62,000	\$ -	\$ -	\$ -	\$ 62,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 73,750	\$ -	\$ -	\$ -	\$ 73,750	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD & COMPL FLUID	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1900	GROUND TRANSPORT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 167,000	\$ -	\$ -	\$ -	\$ 167,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 91,000	\$ -	\$ -	\$ -	\$ 91,000	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 68,000	\$ -	\$ -	\$ -	\$ 68,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 250	\$ -	\$ -	\$ -	\$ 250	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BITS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3400	DESIGN & ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3600	COMPANY LABOR	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-3800	NON OPERATED CHARGES - IDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3900	FUEL, WATER & LUBE	\$ 77,000	\$ -	\$ -	\$ -	\$ 77,000	\$ -
2050-4000	CEMENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CSG CEMENT AND SERVICE	\$ 42,000	\$ -	\$ -	\$ -	\$ 42,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 13,500	\$ -	\$ -	\$ -	\$ 13,500	\$ -
2050-8001	MOB/DEMOB RIG	\$ 75,000	\$ -	\$ -	\$ -	\$ 75,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 84,500	\$ -	\$ -	\$ -	\$ 84,500	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,067,500	\$ -	\$ -	\$ -	\$ 1,067,500	\$ -

TANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2051-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-3800	NON OPERATED CHARGES - TDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5100	SURFACE CASING	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 290,000	\$ -	\$ -	\$ -	\$ 290,000	\$ -
2051-5400	CONDUCTOR PIPE	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000	\$ -
2051-5500	WELLHEAD	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 407,500	\$ -	\$ -	\$ -	\$ 407,500	\$ -
	DRILLING TOTAL	\$ 1,475,000	\$ -	\$ -	\$ -	\$ 1,475,000	\$ -

INTANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2055-1000	LOCATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1001	TITLE WORK AND OPINIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1002	OUTSIDE LEGAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1300	EQUIP RENT	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-1302	DRILLING RENTALS: SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	DRILL MUD & COMPL FLUID	\$ 270,000	\$ -	\$ -	\$ -	\$ 270,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 162,000	\$ -	\$ -	\$ -	\$ 162,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000	\$ -
2055-2300	FRAC PLUGS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-2400	WELL PREP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 42,100	\$ -	\$ -	\$ -	\$ 42,100	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ 2,900	\$ -	\$ -	\$ -	\$ 2,900	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 459,000	\$ -	\$ -	\$ -	\$ 459,000	\$ -
2055-3400	PROPPANT	\$ 325,750	\$ -	\$ -	\$ -	\$ 325,750	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL, WATER & LUBE	\$ 212,000	\$ -	\$ -	\$ -	\$ 212,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2055-8002	KILL TRUCK	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,063,750	\$ -	\$ -	\$ -	\$ 2,063,750	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 2,900	\$ -	\$ -	\$ -	\$ 2,900	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ 12,750	\$ -	\$ -	\$ -	\$ 12,750	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ 52,500	\$ -	\$ -	\$ -	\$ 52,500	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2065-5100	TUBING	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000	\$ -
2065-5300	SUBSURFACE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5600	PUMPING & LIFTING EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5901	LINER HANGER/CASING ACCESSORY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5903	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 164,150	\$ -	\$ -	\$ -	\$ 164,150	\$ -
COMPLETION TOTAL		\$ 2,227,900	\$ -	\$ -	\$ -	\$ 2,227,900	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2056-2014	PIPELINE LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2016	LOCATION/DAMAGES/ROW-LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2017	TITLE WORK/LANDMAN SERVICES - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2019	NON OPERATED CHARGES - IFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE FACILITY SUBTOTAL		\$ 106,500	\$ -	\$ -	\$ -	\$ 106,500	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 23,000	\$ -	\$ -	\$ -	\$ 23,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
TANGIBLE FACILITY SUBTOTAL		\$ 313,500	\$ -	\$ -	\$ -	\$ 313,500	\$ -
FACILITY TOTAL		\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000	\$ -

SIERRA NEVADA 23 STATE 10H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,475,000	\$ -	\$ -	\$ -	\$ 1,475,000	\$ -
COMPLETION TOTAL	\$ 2,227,900	\$ -	\$ -	\$ -	\$ 2,227,900	\$ -
FACILITY TOTAL	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000	\$ -
TOTAL WELL COST	\$ 4,122,900	\$ -	\$ -	\$ -	\$ 4,122,900	\$ -

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



Authority for Expenditure
Drill, Complete, & Equip



Operator : Spur Energy Partners LLC	AFE # : C22064
Well Name : SIERRA NEVADA 23 STATE 60H	
Location : NEW MEXICO / EDDY	
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 23,250	\$ -	\$ -	\$ -	\$ 23,250	\$ -
2050-1001	LOCATION/DAMAGES/ROW-LAND	\$ 62,000	\$ -	\$ -	\$ -	\$ 62,000	\$ -
2050-1002	TITLE WORK/LANDMAN SERVICES - LAND	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000	\$ -
2050-1003	DAMAGES/ROW - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1005	SURVEY - LAND	\$ 4,000	\$ -	\$ -	\$ -	\$ 4,000	\$ -
2050-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1050	DRILLING PERMITS	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2050-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1301	DRILLING RENTALS: SURFACE	\$ 91,000	\$ -	\$ -	\$ -	\$ 91,000	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD & COMPL FLUID	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 31,000	\$ -	\$ -	\$ -	\$ 31,000	\$ -
2050-1900	GROUND TRANSPORT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2050-2000	CONTRACT DRILLING (DAY RATE/TURNKEY)	\$ 195,000	\$ -	\$ -	\$ -	\$ 195,000	\$ -
2050-2001	DRILLING SERVICES-SURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2002	DRILLING SERVICES-SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2004	DIRECTIONAL TOOLS AND SERVICES	\$ 110,500	\$ -	\$ -	\$ -	\$ 110,500	\$ -
2050-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2200	CASED HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2201	OPEN HOLE WIRELINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-2401	FLUID & CUTTINGS DISPOSAL	\$ 68,000	\$ -	\$ -	\$ -	\$ 68,000	\$ -
2050-2402	FRAC TANK RENTALS	\$ 500	\$ -	\$ -	\$ -	\$ 500	\$ -
2050-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3000	BITS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2050-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3400	DESIGN & ENGINEERING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3600	COMPANY LABOR	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-3800	NON OPERATED CHARGES - IDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-3900	FUEL, WATER & LUBE	\$ 95,000	\$ -	\$ -	\$ -	\$ 95,000	\$ -
2050-4000	CEMENT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -
2050-4002	SURFACE AND INTERMEDIATE SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4003	PROD CSG CEMENT AND SERVICE	\$ 42,000	\$ -	\$ -	\$ -	\$ 42,000	\$ -
2050-4004	PROD CSG CREW AND LAYDOWN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-4101	CORES, DST'S, AND ANALYSIS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8000	MUD LOGGER	\$ 17,000	\$ -	\$ -	\$ -	\$ 17,000	\$ -
2050-8001	MOB/DEMOB RIG	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8003	VACUUM TRUCKING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-8005	DRILLPIPE INSPECTION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2050-8007	CONTRACT LABOR/SERVICES	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2050-8009	MISC IDC/CONTINGENCY	\$ 94,000	\$ -	\$ -	\$ -	\$ 94,000	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,132,750	\$ -	\$ -	\$ -	\$ 1,132,750	\$ -

TANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2051-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-3800	NON OPERATED CHARGES - TDC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5100	SURFACE CASING	\$ 54,500	\$ -	\$ -	\$ -	\$ 54,500	\$ -
2051-5200	INTERMEDIATE CASING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051-5300	PRODUCTION/LINER CASING	\$ 375,250	\$ -	\$ -	\$ -	\$ 375,250	\$ -
2051-5400	CONDUCTOR PIPE	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000	\$ -
2051-5500	WELLHEAD	\$ 17,500	\$ -	\$ -	\$ -	\$ 17,500	\$ -
2051-5801	LINER HANGER/CASING ACCESSORY	\$ 24,000	\$ -	\$ -	\$ -	\$ 24,000	\$ -
2051-5803	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TANGIBLE DRILLING SUBTOTAL	\$ 492,250	\$ -	\$ -	\$ -	\$ 492,250	\$ -
	DRILLING TOTAL	\$ 1,625,000	\$ -	\$ -	\$ -	\$ 1,625,000	\$ -

INTANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2055-1000	LOCATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1001	TITLE WORK AND OPINIONS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1002	OUTSIDE LEGAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1100	FISHING TOOLS & SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1300	EQUIP RENT	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-1301	RENTALS: SURFACE IRON	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2055-1302	DRILLING RENTALS: SUBSURFACE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-1500	DRILL MUD & COMPL FLUID	\$ 270,000	\$ -	\$ -	\$ -	\$ 270,000	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 162,000	\$ -	\$ -	\$ -	\$ 162,000	\$ -
2055-1900	GROUND TRANSPORT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2005	DRILLING/DAMAGED-LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2100	PUMPDOWN	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000	\$ -
2055-2200	CASED HOLE WIRELINE	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000	\$ -
2055-2300	FRAC PLUGS	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000	\$ -
2055-2400	WELL PREP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2401	FRAC/FLUID SW DISPOSAL	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	\$ -
2055-2402	FRAC TANK RENTALS	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-2403	FLOWBACK	\$ 42,100	\$ -	\$ -	\$ -	\$ 42,100	\$ -
2055-2600	ES&H	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-2900	INSURANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3000	BITS	\$ 2,900	\$ -	\$ -	\$ -	\$ 2,900	\$ -
2055-3100	OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3125	CONSTRUCTION OVERHEAD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3300	SPECIALIZED SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3301	STIMULATION AND PUMPING SERVICES	\$ 459,000	\$ -	\$ -	\$ -	\$ 459,000	\$ -
2055-3400	PROPPANT	\$ 325,750	\$ -	\$ -	\$ -	\$ 325,750	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL, WATER & LUBE	\$ 212,000	\$ -	\$ -	\$ -	\$ 212,000	\$ -
2055-4000	CEMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-4001	CASING CREWS AND LAYDOWN SERVICES	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8001	COMPLETION/WORKOVER RIG	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000	\$ -
2055-8002	KILL TRUCK	\$ 2,500	\$ -	\$ -	\$ -	\$ 2,500	\$ -
2055-8003	COIL TUBING,SNUBBING,NITRO SVC	\$ 100,000	\$ -	\$ -	\$ -	\$ 100,000	\$ -
2055-8004	CONTRACT LABOR/SERVICES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-8005	CONTRACT LABOR - ARTIFICIAL LIFT	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2055-8006	CONTRACT LABOR - ELECTRICAL/AUTOMATION	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2055-8007	CONTRACT LABOR - WELL LEVEL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2055-8008	CONTRACT LABOR - FRAC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE COMPLETION SUBTOTAL		\$ 2,063,750	\$ -	\$ -	\$ -	\$ 2,063,750	\$ -

TANGIBLE COMPLETION	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2065-2500	SUPPLIES & SMALL TOOLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-2700	COMMUNICATION	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3000	BITS	\$ 2,900	\$ -	\$ -	\$ -	\$ 2,900	\$ -
2065-3200	CONTINGENCIES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-3800	NON OPERATED CHARGES - TCC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-4102	WATER SUPPLY WELL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5001	OVERHEAD POWER	\$ 12,750	\$ -	\$ -	\$ -	\$ 12,750	\$ -
2065-5002	PARTS & SUPPLIES - ARTIFICIAL LIFT	\$ 52,500	\$ -	\$ -	\$ -	\$ 52,500	\$ -
2065-5003	PARTS & SUPPLIES - ELECTRICAL/AUTOMATION	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2065-5004	PARTS & SUPPLIES - WELL LEVEL	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2065-5100	TUBING	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -
2065-5200	TUBING HEAD/XMAS TREE	\$ 21,000	\$ -	\$ -	\$ -	\$ 21,000	\$ -
2065-5300	SUBSURFACE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5400	PACKER AND SUBSURFACE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5500	SUBSURFACE PUMP, RODS, AND ACCES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5600	PUMPING & LIFTING EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5900	HEALTH, SAFETY, AND ENVIRONMENTAL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5901	LINER HANGER/CASING ACCESSORY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5902	PACKERS/OTHER DOWNHOLE EQUIP	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065-5903	MISC TANGIBLE EQUIPMENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TANGIBLE COMPLETION SUBTOTAL		\$ 164,150	\$ -	\$ -	\$ -	\$ 164,150	\$ -
COMPLETION TOTAL		\$ 2,227,900	\$ -	\$ -	\$ -	\$ 2,227,900	\$ -

INTANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2056-1006	ENVIRONMENTAL/ARC - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2002	FACILITY PAD CONSTRUCTION	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2006	MISC INTANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2008	CONTRACT LABOR - AUTOMATION	\$ 6,500	\$ -	\$ -	\$ -	\$ 6,500	\$ -
2056-2009	EQUIPMENT RENTALS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2010	FREIGHT & HANDLING	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2056-2012	CONTRACT LABOR - ELECTRICAL	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2056-2013	FACILITY CONSTRUCTION LABOR	\$ 55,000	\$ -	\$ -	\$ -	\$ 55,000	\$ -
2056-2014	PIPELINE LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2016	LOCATION/DAMAGES/ROW-LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2017	TITLE WORK/LANDMAN SERVICES - LAND	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056-2019	NON OPERATED CHARGES - IFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTANGIBLE FACILITY SUBTOTAL		\$ 106,500	\$ -	\$ -	\$ -	\$ 106,500	\$ -

TANGIBLE FACILITY	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2066-1200	VESSELS	\$ 69,000	\$ -	\$ -	\$ -	\$ 69,000	\$ -
2066-1300	COMPRESSORS/COMPRESSOR PACKAGES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-1500	ELECTRICAL - OVERHEAD & TRANSFORMERS	\$ 23,000	\$ -	\$ -	\$ -	\$ 23,000	\$ -
2066-1600	LACT	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000	\$ -
2066-1700	AUTOMATION METERS, SENSORS, VALVES, & SCREENS	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2066-1900	LEASE AND FLOW LINES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2000	CATHODIC PRCT-SOLAR PWD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2003	MISC FITTINGS & SUPPLIES	\$ 22,500	\$ -	\$ -	\$ -	\$ 22,500	\$ -
2066-2004	PUMPS & PUMP SUPPLIES	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000	\$ -
2066-2005	PUMP & FILTERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2006	MISC TANGIBLE FACILITY COSTS	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -
2066-2007	TANKS (OIL & WATER)	\$ 48,000	\$ -	\$ -	\$ -	\$ 48,000	\$ -
2066-2015	CONTAINMENT	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2017	SWD WELLS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2018	NON OPERATED CHARGES - TFC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066-2019	PIPING	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000	\$ -
2066-2020	ELECTRICAL - FACILITY	\$ 65,000	\$ -	\$ -	\$ -	\$ 65,000	\$ -
TANGIBLE FACILITY SUBTOTAL		\$ 313,500	\$ -	\$ -	\$ -	\$ 313,500	\$ -
FACILITY TOTAL		\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000	\$ -

SIERRA NEVADA 23 STATE 60H TOTAL WELL ESTIMATE		Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,625,000	\$ -	\$ -	\$ -	\$ -	\$ 1,625,000	\$ -
COMPLETION TOTAL	\$ 2,227,900	\$ -	\$ -	\$ -	\$ -	\$ 2,227,900	\$ -
FACILITY TOTAL	\$ 420,000	\$ -	\$ -	\$ -	\$ -	\$ 420,000	\$ -
TOTAL WELL COST	\$ 4,272,900	\$ -	\$ -	\$ -	\$ -	\$ 4,272,900	\$ -

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

EXHIBIT A-5

SPUR ENERGY PARTNERS - SIERRA NEVADA 23 STATE COM 10H & 60H

CASE NO. 23100 - POSTAL DELIVERY REPORT & CORRESPONDENCE HISTORY

COURIER	TRACKING	PARTY	DELIVERY ADDRESS	DELIVERY DATE	CONTACT HISTORY
USPS	9407111898765815854942	ZPZ DELAWARE I LLC	2000 POST OAK BLVD., STE. 100 HOUSTON, TX 77056	8/15/2022	8/15/2022: Well proposal mailed out to working interest owner. 8/18/2022: USPS confirmation of delivery. 8/23/2022: Email from working interest owner confirming receipt of proposal.
USPS	9407111898765815854935	CARDINAL RIVER ENERGY I LP	211 N. ROBINSON, STE. 200 OKLAHOMA CITY, OK 73012	8/15/2022	8/15/2022: Well proposal mailed out to working interest owner. 8/22/2022: USPS confirmation of delivery. 9/13/2022: Missed call and voicemail from working interest owner regarding the deadline for a response and the possibility of an extension. 9/14/2022: Returned phone to working interest owner and left voicemail.
USPS	9407111898765815854973	BLACK OAK ENERGY LLC	701 NW 5TH STREET OKLAHOMA CITY, OK 73012	8/15/2022	8/15/2022: Well proposal mailed out to working interest owner. 8/22/2022: USPS confirmation of delivery.
USPS	9407111898765815854652	PAUL STAFFORD	1105 QUEENSWICK CT. OKLAHOMA CITY, OK 73162	n/a	8/15/2022: Well proposal mailed out to working interest owner. 8/26/2022: USPS unable to deliver proposal as it was not picked up at post office.
USPS	9414811898765819078145	ENVIRONMENTAL RISK REDUCTION LLC	211 N. ROBINSON AVE., STE. 1360 OKLAHOMA CITY OK, 73102	9/12/2022	8/15/2022: Well proposal mailed out to working interest owner. 8/25/2022: USPS unable to deliver proposal due to an error in address. 9/6/2022: Well proposal mailed out to working interest owner with correct address. 9/12/2022: USPS confirmation of delivery.

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

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

Case No. 23100

SELF-AFFIRMED STATEMENT
OF MATTHEW VAN WIE

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

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

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

4. **Exhibit B-1** is a location map of the proposed horizontal spacing unit (“Unit”). Spur’s acreage is shown in yellow and the approximate wellbore paths for the proposed **Sierra Nevada 23 State Com 10H** and **Sierra Nevada 23 State Com 60H** wells (“Wells”) are represented by solid black lines. Nearby wells producing in the target formation are also identified. The exhibit also identifies five wells penetrating the targeted interval that I used to construct a structural cross-section from A to A’. I used these well logs because they penetrate the targeted intervals, are of good quality, and are representative of the geology in the area.

5. **Exhibit B-2** is a subsea structure map that I prepared for the top of the Glorieta (just above the top of the Yeso formation) with a contour interval of 25 feet. The structure map

Spur Energy Partners LLC
Case No. 23100
Exhibit B

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

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

7. **Exhibit B-4** is a gun barrel diagram from B to B' reflecting Spur's intended development in the Yeso formation in this acreage and identifies each initial proposed well relative to the different intervals within the Yeso formation.

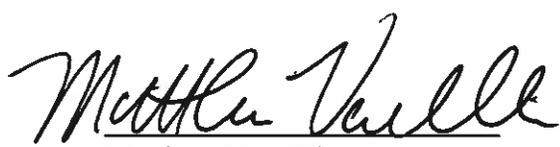
8. There is no identified preferred orientation for exploitation in this portion of the Northwest shelf based on stress orientation or production data. Thus, the stand-up orientation is appropriate to properly develop this acreage using 1-mile laterals that is consistent with Spur's ownership interest, and will avoid interference with the offsetting Spur operated (stand-up) horizontal, Malco 23 Federal Com 13H located in the E/2 of W/2 of Section 23, T17S R28E.

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

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

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

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


Matthew Van Wie

10/20/2022
Date

Exhibit B-1. Sierra Nevada HSU Basemap (Case No. 23100)

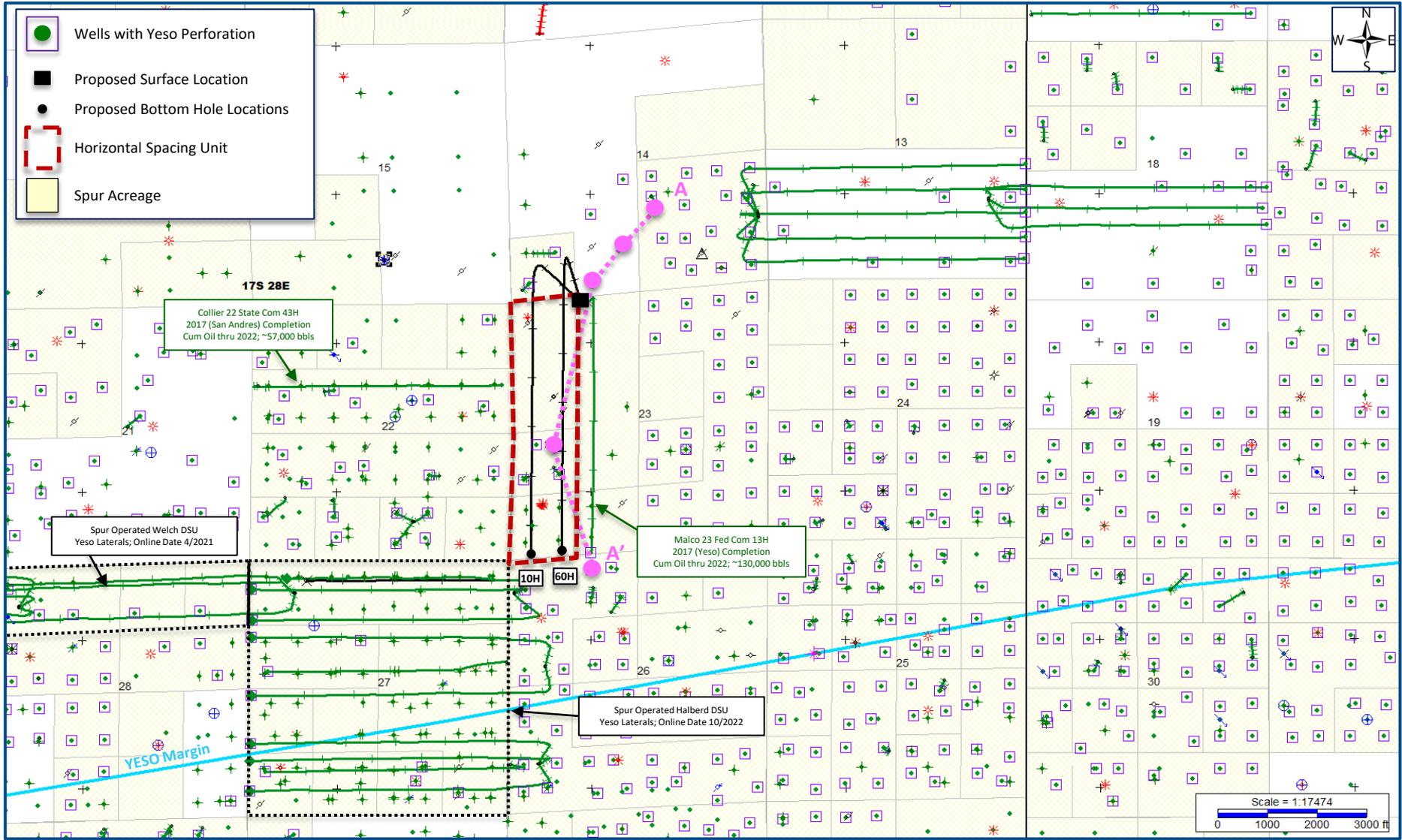


Exhibit B-2. Structure Map (SSTVD) - Top Glorieta

Spur Energy Partners LLC
Case No. 23100
Exhibit B-2

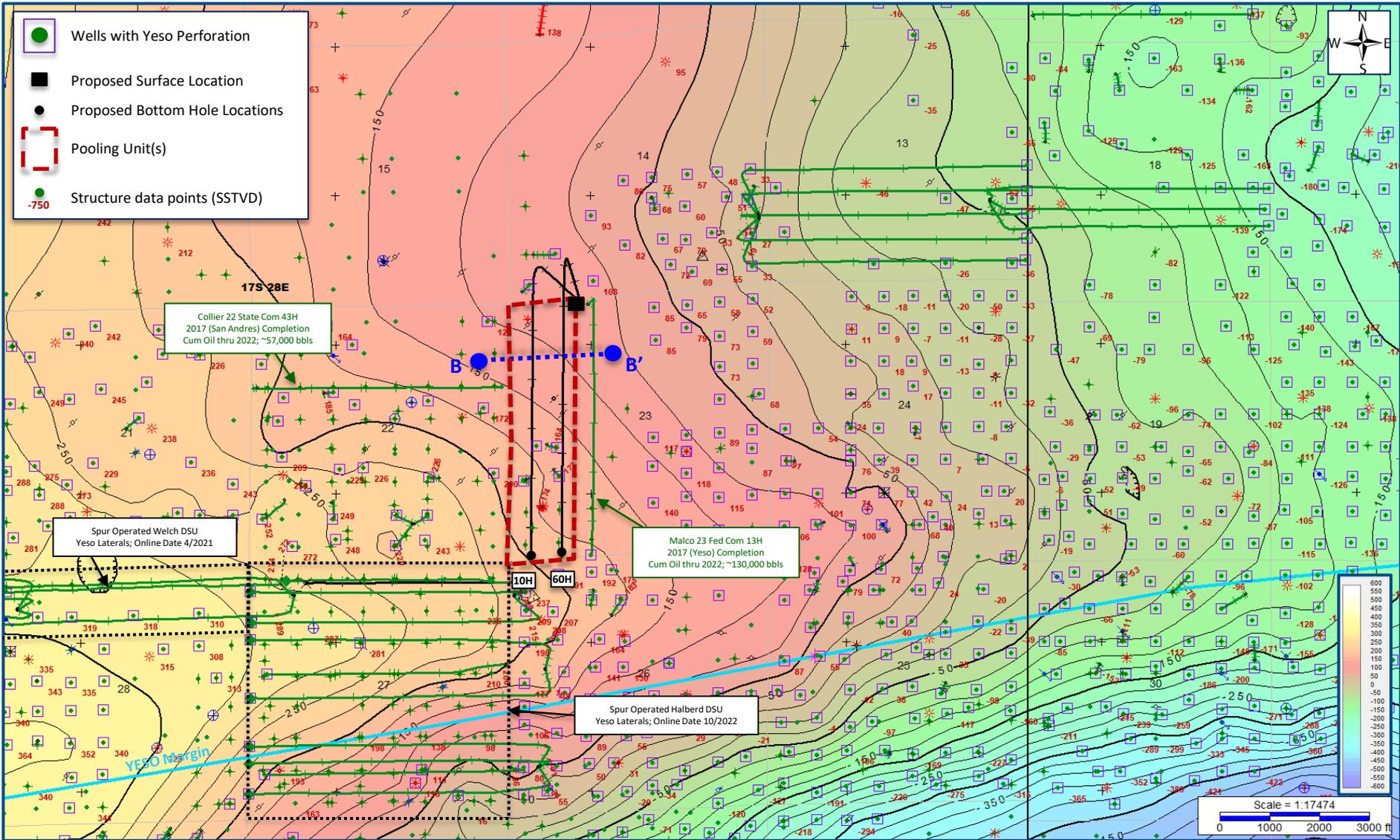


Exhibit B-3. Structural Cross Section A – A' (TVD)



(Case No. 23100)

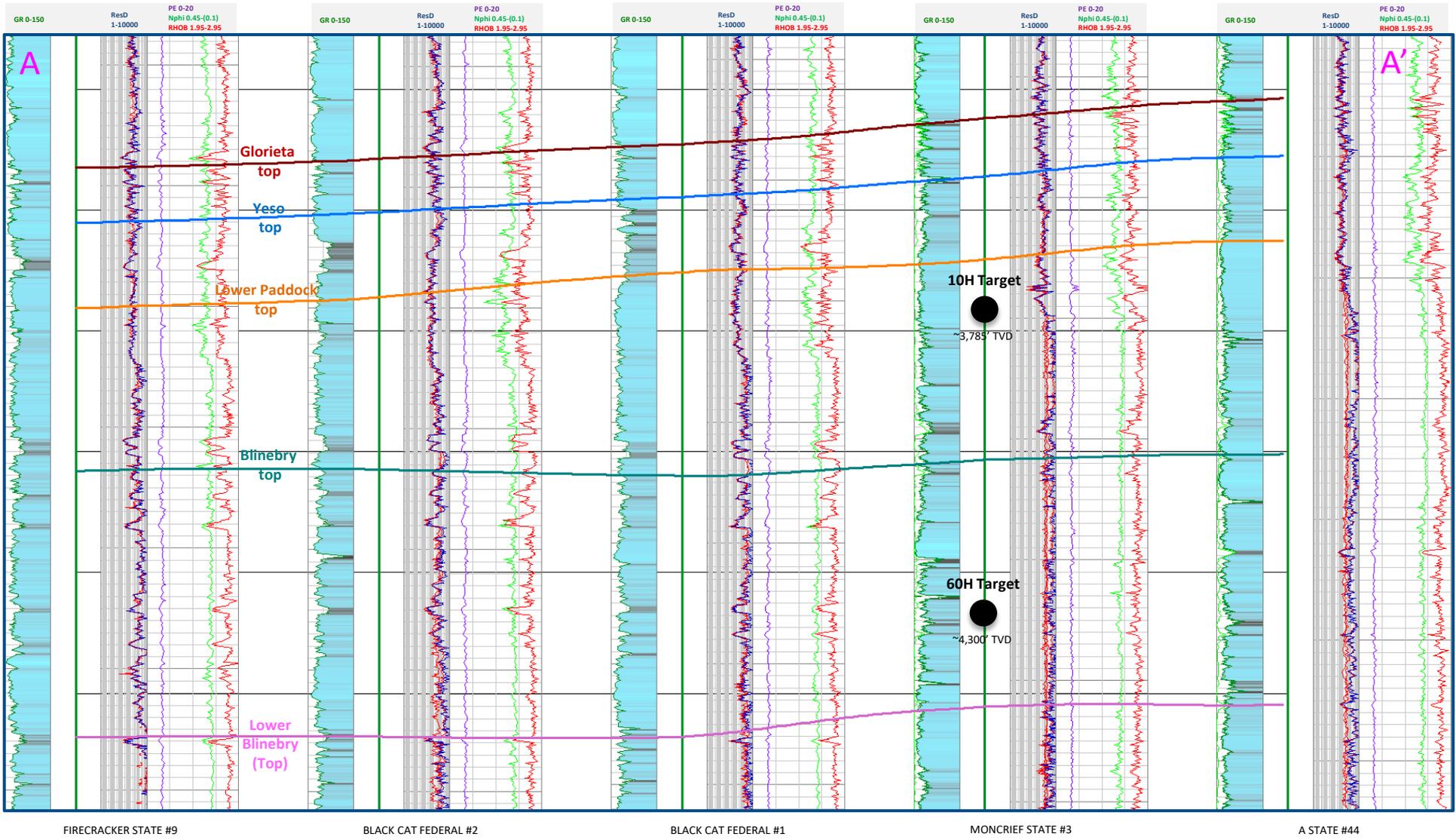
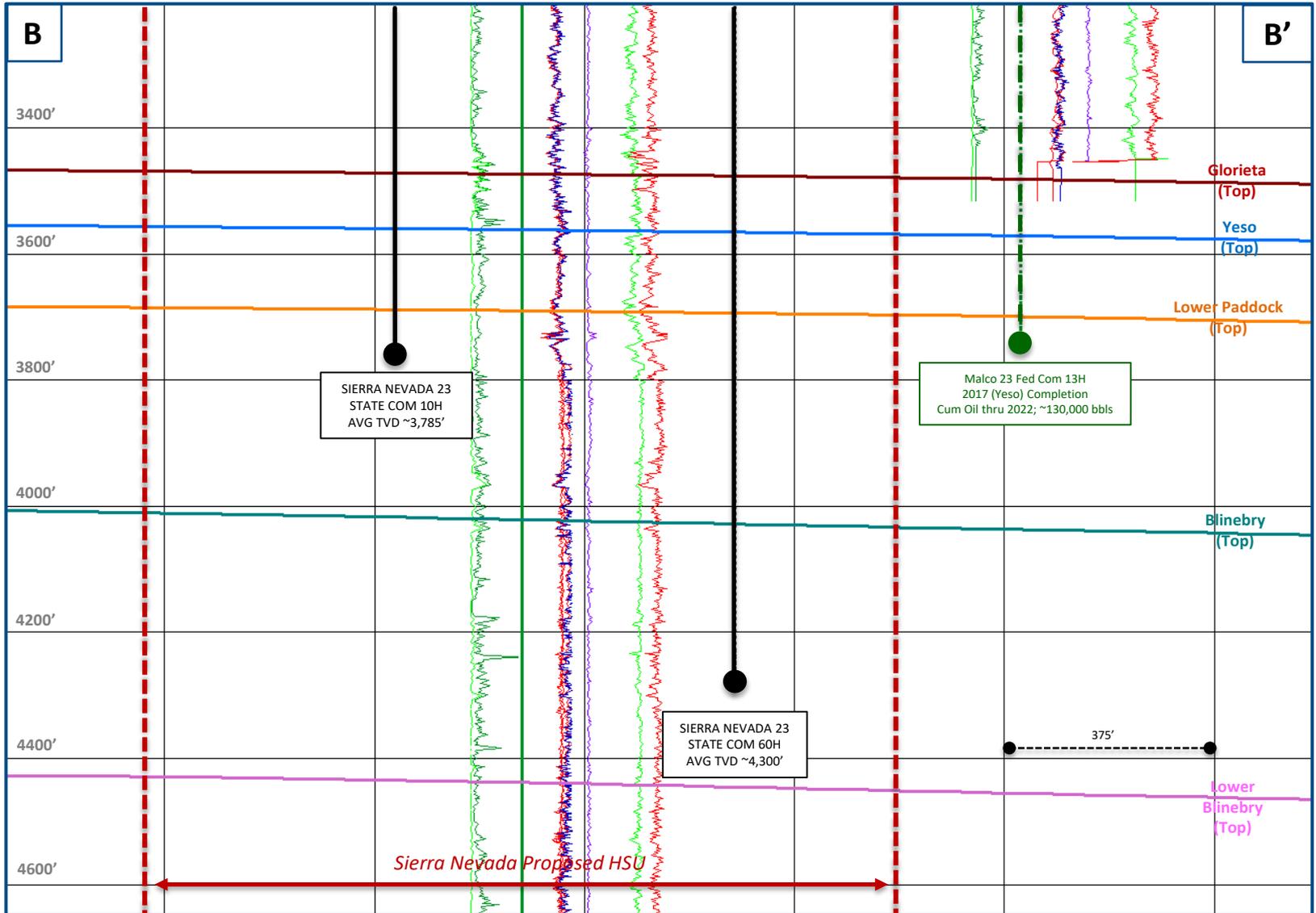


Exhibit B-4. Sierra Nevada Gun Barrel B – B' (TVD)

(Case No. 23100)

Spur Energy Partners LLC
Case No. 23100
Exhibit B-4



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

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

Case No. 23100

SELF-AFFIRMED STATEMENT OF
DANA S. HARDY

1. I am attorney in fact and authorized representative of Spur Energy Partners, LLC, the Applicant herein.
2. I am familiar with the Notice Letter attached as **Exhibit C-1** and caused the Notice Letter to be sent to the parties set out in the chart attached as **Exhibit C-2**.
3. The above-referenced Application was provided, along with the Notice Letters, to the recipients listed in Exhibit C-2.
4. Exhibit C-2 also provides the date each Notice Letter was sent and the date each return was received.
5. Copies of the certified mail green cards and white slips are attached as **Exhibit C-3** as supporting documentation for proof of mailing and the information provided on Exhibit C-2.
6. On October 11, 2022 I caused a notice to be published to all interested parties in the Carlsbad Current Argus. An Affidavit of Publication from the Legal Clerk of the Carlsbad Current Argus, along with a copy of the notice publication, is attached as **Exhibit C-4**.

/s/ Dana S. Hardy
Dana S. Hardy

November 1, 2022
Date

Spur Energy Partners LLC
Case No. 23100
Exhibit C



hinklelawfirm.com

HINKLE SHANOR LLP

ATTORNEYS AT LAW

P.O. BOX 2068

SANTA FE, NEW MEXICO 87504

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

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

September 27, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23100 - Application of Spur Energy Partners, LLC for Compulsory Pooling, Eddy County, New Mexico.

To whom it may concern:

This letter is to advise you that the enclosed application was filed with the New Mexico Oil Conservation Division. The hearing will be conducted on **November 3, 2022** beginning at 8:15 a.m.

Hearings are currently conducted remotely. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <https://www.emnrd.nm.gov/ocd/hearing-info/>. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

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

Please do not hesitate to contact me if you have questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Spur Energy Partners LLC
Case No. 23100
Exhibit C-1

Enclosure

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

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

PO BOX 2068
SANTA FE, NEW MEXICO 87504
(505) 982-4554
FAX (505) 982-8623

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

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

CASE NO. 23100

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
Black Oak Energy LLC 701 NW 5th Street Oklahoma City, OK 73012	09/27/22	10/03/22
Cardinal River Energy I LP 211 N. Robinson, Ste. 200 Oklahoma City, OK 73012	09/27/22	10/03/22
Dewey E. Thornton Estate c/o Lane D. Thornton, Executor 474 Spyglass Drive Willow Park, TX 76008	09/27/22	10/03/22
Environmental Exploration & Production LLC 211 N. Robinson Ave., Ste. 1360 Oklahoma City OK, 73102	09/27/22	10/06/22
Jeanna Beth Foust P.O. Box 951 Graham, TX 76450	09/27/22	10/18/22 Return to sender.
Palo Pinto Investments Inc P.O. Box 1326 Graham, TX 76450	09/27/22	10/24/22 Return to sender.
Parson Petroleum, LLC P.O. Box 163203 Austin, TX 78716	09/27/22	10/04/22
Silverton Petroleum, Inc. P.O. Box 26 Graham, TX 76450	09/27/22	10/07/22
Paul Stafford 11005 Queenswick Ct. Oklahoma City, OK 73162	09/27/22	10/04/22
Westway Ranches LLC P.O. Box 10282 Midland, TX 79702	09/27/22	10/05/22
ZPZ Delaware I LLC 2000 Post Oak Blvd., Ste. 100 Houston, TX 77056	09/27/22	10/11/22

**Spur Energy Partners LLC
Case No. 23100
Exhibit C-2**

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
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For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
 \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage
 \$ _____

Total Postage and Fees
 \$ _____

Jeanna Beth Foust
 P.O. Box 951
 Graham, TX 76450

23100 Spur - Sierra Nevada

Postmark Here
SEP 27 2022

87501-9998

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

Spur Energy Partners LLC
Case No. 23100
Exhibit C-3

CERTIFIED MAIL®

7018 2290 0000 3433 1234

US POSTAGE™ **PITNEY BOWES**

FIRST-CLASS

ZIP 87501 \$ **007.82⁰**
 02 7H
 0006052409 SEP 27 2022

23100 Spur - Sierra Nevada

NIXIE 756 FE 1 0910/07/22

RETURN TO SENDER
 ATTEMPTED - NOT KNOWN
 UNABLE TO FORWARD

BC: 87504206868 *1882-11413-07-18

HINKLE SHANOR LLP
ATTORNEYS AT LAW
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504

RECEIVED
OCT 18 2022

Hinkle Shanor LLP
Santa Fe NM 87504

ANK

Jeanna Beth Foust
P.O. Box 951
Graham, TX 76450

9-30

ANK

7018 2290 0000 3433 1234

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Certified Mail Fee \$
 Extra Services & Fees (check box, add fee as appropriate)
 Return Receipt (hardcopy) \$
 Return Receipt (electronic) \$
 Certified Mail Restricted Delivery \$
 Adult Signature Required \$
 Adult Signature Restricted Delivery \$
 Postage \$
 Total Postage and Fees \$

Postmark Here
 SEP 27 2022
 87801-9998

Send To
 Palo Pinto Investments Inc
 P.O. Box 1326
 Graham, TX 76450
 23100 Spur - Sierra Nevada

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

7018 2290 0000 3433 1210

HINKLE SHANOR LLP
ATTORNEYS AT LAW
POST OFFICE BOX 2068
SANTA FE, NEW MEXICO 87504

CERTIFIED MAIL®

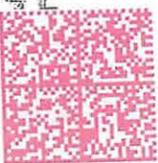


ALBUQUERQUE NM 870

27 SEP 2022 PM 4 L

7018 2290 0000 3433 1210

FIRST-CLASS



US POSTAGE™ PITNEY BOWES

ZIP 87501 \$ 007.82⁰
02 7H
0006052409 SEP 27 2022

RECEIVED
OCT 24 2022

unc

Palo Pinto Investments Inc
P.O. Box 1326
Graham, TX 76450

Hinkle Shanor LLP
Santa Fe NM 87504

23100 Spur - Sierra Nevada

9-30
-5

NIXIE 750 DE 1 0010/19/22

RETURN TO SENDER
UNCLAIMED
UNABLE TO FORWARD

BC: 875042000008 *0700-00000-27-42

9400921882290210

UNC

7018 2290 0000 3433 1210

7018 2290 0000 3427 9826

CERTIFIED MAIL® RECEIPT	
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For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fees as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Black Oak Energy LLC 701 NW 5th Street Oklahoma City, OK 73012 23100 Spur - Sierra Nevada	
PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions	



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature X <i>Linde J Sadler</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Black Oak Energy LLC 701 NW 5th Street Oklahoma City, OK 73012 23100 Spur - Sierra Nevada	B. Received by (Printed Name) Linde J Sadler	C. Date of Delivery 9.30.22
2. Article Number (Transfer from service label) 7018 2290 0000 3427 9826	D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No	
3. Service Type <input type="checkbox"/> Adult Signature <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)	<input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Signature Confirmation Restricted Delivery	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	

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SEP 27 2022

87501-9998

7018 2290 0000 3427 9819

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

Return Receipt (hardcopy)

Return Receipt (electronic)

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To

Cardinal River Energy LLP
211 N. Robinson, Ste. 200
Oklahoma City, OK 73012
23100 Spur - Sierra Nevada

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;"> <p>Cardinal River Energy I LP 211 N. Robinson, Ste. 200 Oklahoma City, OK 73012</p> <p style="text-align: right; font-size: 0.8em;">23100 Spur - Sierra Nevada</p> </div> <div style="text-align: center; margin: 5px 0;"> <p>9590 9402 6746 1074 2496 28</p> </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7018 2290 0000 3427 9819</p>	<p>A. Signature</p> <p><input checked="" type="checkbox"/> <i>Tracy Allen</i> <input checked="" type="checkbox"/> Agent</p> <p><input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p style="text-align: center;"><i>Tracy Allen</i> 9-30-22</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail®</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	<p><input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Signature Confirmation Restricted Delivery</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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Return Receipt (hardcopy) \$

Return Receipt (electronic) \$

Certified Mail Restricted Delivery \$

Adult Signature Required \$

Adult Signature Restricted Delivery \$

Postage \$

Total Postage and Fees \$

Dewey E. Thornton Estate
c/o Lane D. Thornton, Executor
474 Spyglass Drive
Willow Park, TX 76008
23100 Spur - Sierra Nevada

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

7018 2290 0000 3427 9857

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87501-9998

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Lane D. Thornton</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery <i>LANE D. THORNTON</i></p>
<p>1. Article Addressed to:</p> <p>Dewey E. Thornton Estate c/o Lane D. Thornton, Executor 474 Spyglass Drive Willow Park, TX 76008 23100 Spur - Sierra Nevada</p>  <p>9590 9402 6746 1074 2496 66</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p>
<p>2. Article Number (Transfer from service label) 7018 2290 0000 3427 9857</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

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Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Environmental Exploration & Production LLC
211 N. Robinson Ave., Ste. 1360
Oklahoma City OK, 73102
23100 Spur - Sierra Nevada

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

7018 2290 0000 3427 9840

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. <p>1. Article Addressed to:</p> <p style="text-align: center;">Environmental Exploration & Production LLC 211 N. Robinson Ave., Ste. 1360 Oklahoma City OK, 73102 23100 Spur - Sierra Nevada</p> <div style="text-align: center;">  9590 9402 6746 1074 2496 59 </div> <p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.2em; font-weight: bold;">7018 2290 0000 3427 9840</p>	<p>A. Signature</p> <p><i>Kelly Duncan</i> <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p><i>Kelly Duncan</i> 10-3-22</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:</p> <div style="text-align: center; font-size: 2em; font-weight: bold; color: green;">RECEIVED</div> <p style="text-align: center; font-size: 1.2em; font-weight: bold;">OCT - 6 2022</p> <p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Parson Petroleum, LLC
 P.O. Box 163203
 Austin, TX 78716

23100 Spur - Sierra Nevada

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

7018 2290 0000 3433 1258

SANTA FE MAIN POST OFFICE
 SEP 27 2022
 87501-9998

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p>	
<p>1. Article Addressed to:</p> <p>Parson Petroleum, LLC P.O. Box 163203 Austin, TX 78716</p> <p>23100 Spur - Sierra Nevada</p>  <p>9590 9402 6746 1074 2497 03</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below.</p> <p>RECEIVED OCT - 4 2022</p>	
<p>2. Article Number (Transfer from service label)</p> <p>7018 2290 0000 3433 1258</p>	<p>3. Service Type Hinkle Shanor LLP</p> <p><input type="checkbox"/> Adult Signature Santa Fe NM 87504 <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt	

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Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

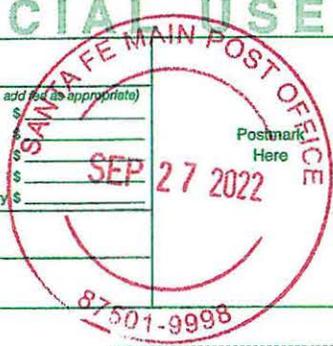
Total Postage and Fees \$ _____

Silverton Petroleum, Inc.
P.O. Box 26
Graham, TX 76450

23100 Spur - Sierra Nevada

PS Form 3800, April 2015 PSN 7530-02-000-8047 See Reverse for Instructions

7018 2290 0000 3427 9727



SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery _____</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Silverton Petroleum, Inc. P.O. Box 26 Graham, TX 76450</p> <p style="text-align: right; font-size: 0.8em;">23100 Spur - Sierra Nevada</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; color: green;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em;">OCT -7 2022</p>
<p style="text-align: center;"> 9590 9402 6746 1074 2497 10 </p> <p>2. Article Number (Transfer from service label) 7018 2290 0000 3427 9727 </p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053 Domestic Return Receipt</p>	

7018 2290 0000 3427 9833

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Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Paul Stafford
1105 Queenswick Ct.
Oklahoma City, OK 73162
23100 Spur - Sierra Nevada

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

Postmark Here: SEP 27 2022 87501-9998

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Paul Stafford</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Paul Stafford</i></p> <p>C. Date of Delivery <i>10/1/22</i></p> <p>D. Is delivery address different from item 1? <input checked="" type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>11005 RECEIVED <i>Oklahoma City, OK 73162</i> OCT - 4 2022</p>
<p>1. Article Addressed to:</p> <p>Paul Stafford 1105 Queenswick Ct. Oklahoma City, OK 73162 23100 Spur - Sierra Nevada</p>  <p>9590 9402 6746 1074 2496 42</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p>7018 2290 0000 3427 9833</p>	
<p>PS Form 3811, July 2020 PSN 7530-02-000-9053</p>	<p>Domestic Return Receipt</p>

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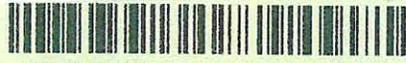
SANTA FE, NM 87501-9998
SEP 7 2022
87501-9998

7018 2290 0000 3433 1241

Certified Mail Fee	
\$	
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	
\$	
Total Postage and Fees	
\$	

Westway Ranches LLC
P.O. Box 10282
Midland, TX 79702
23100 Spur - Sierra Nevada

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

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> ■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature <input checked="" type="checkbox"/> <i>Maria</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) <i>Mariela Herrera</i> C. Date of Delivery <i>10/3/22</i></p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p style="text-align: center; font-size: 2em; font-weight: bold;">RECEIVED</p> <p style="text-align: center; font-size: 1.5em;">OCT - 5 2022</p>
<p>1. Article Addressed to:</p> <p style="text-align: center;">Westway Ranches LLC P.O. Box 10282 Midland, TX 79702 23100 Spur - Sierra Nevada</p> <p style="text-align: center;"> 9590 9402 6746 1074 2496 97</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature <input type="checkbox"/> Priority Mail Express® <input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™ <input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery <input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™ <input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery <input type="checkbox"/> Collect on Delivery Restricted Delivery <input type="checkbox"/> Insured Mail <input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
<p>2. Article Number (Transfer from service label)</p> <p style="font-size: 1.5em; font-weight: bold;">7018 2290 0000 3433 1241</p>	
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

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Certified Mail Fee \$ _____

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

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Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

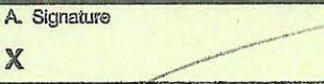
ZPZ Delaware I LLC
 2000 Post Oak Blvd., Ste. 100
 Houston, TX 77056

23100 Spur - Sierra Nevada

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

7018 2290 0000 3427 7778

SEP 27 2022
 87501-9998

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	<p>A. Signature  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) _____ C. Date of Delivery 10-4-22</p>
<p>1. Article Addressed to:</p> <p>ZPZ Delaware I LLC 2000 Post Oak Blvd., Ste. 100 Houston, TX 77056</p> <p>23100 Spur - Sierra Nevada</p>  <p>9590 9402 6746 1074 2496 11</p>	<p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <input type="checkbox"/> No</p> <p>RECEIVED OCT 11 2022</p>
<p>2. Article Number (Transfer from service label) 7018 2290 0000 3427 7778</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Adult Signature Hinkle Shanor LLC <input type="checkbox"/> Priority Mail Express®</p> <p><input type="checkbox"/> Adult Signature Restricted Delivery <input type="checkbox"/> Registered Mail™</p> <p><input type="checkbox"/> Certified Mail® <input type="checkbox"/> Registered Mail Restricted Delivery</p> <p><input type="checkbox"/> Certified Mail Restricted Delivery <input type="checkbox"/> Signature Confirmation™</p> <p><input type="checkbox"/> Collect on Delivery <input type="checkbox"/> Signature Confirmation Restricted Delivery</p> <p><input type="checkbox"/> Collect on Delivery Restricted Delivery</p> <p><input type="checkbox"/> Insured Mail</p> <p><input type="checkbox"/> Insured Mail Restricted Delivery (over \$500)</p>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Carlsbad Current Argus.

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Affidavit of Publication

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218 MONTEZUMA

SANTA FE, NM 87501

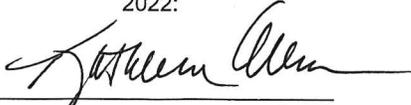
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements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

10/11/2022



Legal Clerk

Subscribed and sworn before me this October 11, 2022:



State of WI, County of Brown
NOTARY PUBLIC

1-7-25

My commission expires

KATHLEEN ALLEN
Notary Public
State of Wisconsin

Ad # 0005441682

PO #:
of Affidavits 1

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This is to notify all interested parties, including ZPZ Delaware I LLC; Cardinal River Energy I LP; Black Oak Energy LLC; Paul Stafford; Environmental Exploration & Production LLC; Dewey E. Thornton Estate; Palo Pinto Investments Inc.; Jeanna Beth Foust; Westway Ranches LLC; Parson Petroleum, LLC; Silverton Petroleum, Inc.; and their successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Spur Energy Partners, LLC (Case No. 23100). The hearing will be conducted remotely on November 3, 2022, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website for that date: <https://www.emnrd.nm.gov/ocd/hearing-info/>. Applicant applies for an order pooling all uncommitted mineral interests in the Yeso formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 W/2 of Section 23, Township 17 South, Range 28 East, Eddy County, New Mexico ("Unit"). The Unit will be dedicated to the **Sierra Nevada 23 State Com 10H and Sierra Nevada 23 State Com 60H wells**, to be horizontally drilled from a surface hole location in the NE/4 NW/4 (Unit C) of Section 23, Township 17 South, Range 28 East, to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 23, Township 17 South, Range 28 East. The completed intervals of the wells will be orthodox. Also to be considered will be the cost of drilling and completing the wells and the allocation of the cost, the designation of Spur as the operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells. The wells are located approximately 14.3 miles East and 1.03 miles South of Artesia, New Mexico. #5441682, Current Argus, October 11, 2022

Spur Energy Partners LLC
Case No. 23100
Exhibit C-4