

**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. 23226

EXHIBIT INDEX

Compulsory Pooling Checklist

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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
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COMPULSORY POOLING APPLICATION CHECKLIST

ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS

Case: 23226	APPLICANT'S RESPONSE
Date	February 16, 2023
Applicant	Spur Energy Partners LLC
Designated Operator & OGRID (affiliation if applicable)	OGRID No. 328947
Applicant's Counsel:	Hinkle Shanor LLP
Case Title:	Application of Spur Energy Partners LLC for Compulsory Pooling, Eddy County, New Mexico.
Entries of Appearance/Intervenors:	None
Well Family	Mayaro
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 (Code 96210)
Well Location Setback Rules:	Statewide
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	160-acres
Building Blocks:	quarter-quarter
Orientation:	North/South
Description: TRS/County	W/2 E/2 of Section 22, Township 17 South, Range 28 East, Eddy County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe and is approval of non-standard unit requested in this application?	Yes.
Other Situations	
Depth Severance: Y/N. If yes, description	No.
Proximity Tracts: If yes, description	No.
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit A-3
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add wells as needed
Well #1	Mayaro 22 State Com 10H (API # ---) SHL: 283' FSL & 2438' FEL (Unit O), Section 15, T17S, R28E BHL: 1125' FSL & 2247' FEL (Unit O), Section 22, T17S, R28E Completion Target: Yeso (Approx. 3,715' TVD)
Well #2	Mayaro 22 State Com 70H (API # ---) SHL: 263' FSL & 2438' FEL (Unit O), Section 15, T17S, R28E BHL: 1125' FSL & 1823' FEL (Unit O), Section 22, T17S, R28E Completion Target: Yeso (Approx. 4,320' 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	Page 3 of 38
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, Exhibit C-2, Exhibit C-3	
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-4	
Ownership Determination		
Land Ownership Schematic of the Spacing Unit	Exhibit A-3	
Tract List (including lease numbers and owners)	Exhibit A-3	
If approval of Non-Standard Spacing Unit is requested, Tract List (including lease numbers and owners) of Tracts subject to notice requirements.	N/A	
Pooled Parties (including ownership type)	Exhibit A-3	
Unlocatable Parties to be Pooled	N/A	
Ownership Depth Severance (including percentage above & below)	N/A	
Joinder		
Sample Copy of Proposal Letter	Exhibit A-4	
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3	
Chronology of Contact with Non-Joined Working Interests	Exhibit A-5	
Overhead Rates In Proposal Letter	Exhibit A-4	
Cost Estimate to Drill and Complete	Exhibit A-4	
Cost Estimate to Equip Well	Exhibit A-4	
Cost Estimate for Production Facilities	Exhibit A-4	
Geology		
Summary (including special considerations)	Exhibit B	
Spacing Unit Schematic	Exhibit B-1	
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-4	
Well Orientation (with rationale)	Exhibit B	
Target Formation	Exhibit B	
HSU Cross Section	Exhibit B-3	
Depth Severance Discussion	N/A	
Forms, Figures and Tables		
C-102	Exhibit A-2	
Tracts	Exhibit A-3	
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3	
General Location Map (including basin)	Exhibit B-1	
Well Bore Location Map	Exhibit B-1	
Structure Contour Map - Subsea Depth	Exhibit B-2	
Cross Section Location Map (including wells)	Exhibit B-3	
Cross Section (including Landing Zone)	Exhibit B-3	
Additional Information		

Special Provisions/Stipulations	N/A
CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.	
Printed Name (Attorney or Party Representative):	Dana S. Hardy
Signed Name (Attorney or Party Representative):	/s/ Dana S. Hardy
Date:	2/13/2023

**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. 23226

**SELF-AFFIRMED STATEMENT
OF DREW OLDIS**

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

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

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

4. Spur applies for an order pooling all uncommitted interests in the Yeso formation underlying a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 22, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”).

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

- **Mayaro 22 State Com 10H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 22; and

**Spur Energy Partners LLC
Case No. 23226
Exhibit A**

- **Mayaro 22 State Com 70H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 22.
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 interest Spur seeks to pool highlighted in yellow. The only party Spur seeks to pool is locatable.
 9. Spur has conducted a diligent search of all county public records including phone directories and computer databases.
 10. **Exhibit A-4** contains a sample well proposal letter and AFEs sent to the working interest owner for the Wells. The estimated costs reflected on the AFEs are fair and reasonable and comparable to the cost of other wells of similar depth and length drilled in the subject formation in the area.
 11. In my opinion, Spur made a good-faith effort to reach voluntary joinder of uncommitted interests in the Wells as indicated by the chronology of contact described in **Exhibit A-5**.
 12. Spur requests overhead and administrative rates of \$8,000 per month while the Wells are being drilled and \$800 per month while the Wells are producing. These rates are fair and are comparable to the rates charged by Spur and other operators in the vicinity.
 13. The attached exhibits were either prepared by me or under my supervision or were compiled from company business records.

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

15. I understand this Self-Affirmed Statement will be used as written testimony in the subject 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



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. 23226

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 E/2 of Section 22, 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 **Mayaro 22 State Com 10H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 22; and
 - b. The **Mayaro 22 State Com 70H** well, to be drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 22.
3. The completed intervals of the Wells will be orthodox.
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.

**Spur Energy Partners LLC
Case No. 23226
Exhibit A-1**

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 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 January 5, 2023, 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 E/2 of Section 22, Township 17 South, Range 28 East, Eddy County, New Mexico (“Unit”). Applicant seeks to dedicate the Unit to the following proposed wells: **Mayaro 22 State Com 10H** and **Mayaro 22 State Com 70H**, to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 22. 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 13.56 miles east and 0.92 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 MAYARO 22 STATE COM			6 Well Number 70H
7 OGRID NO. 328947		8 Operator Name SPUR ENERGY PARTNERS LLC.			9 Elevation 3560'

10 Surface Location

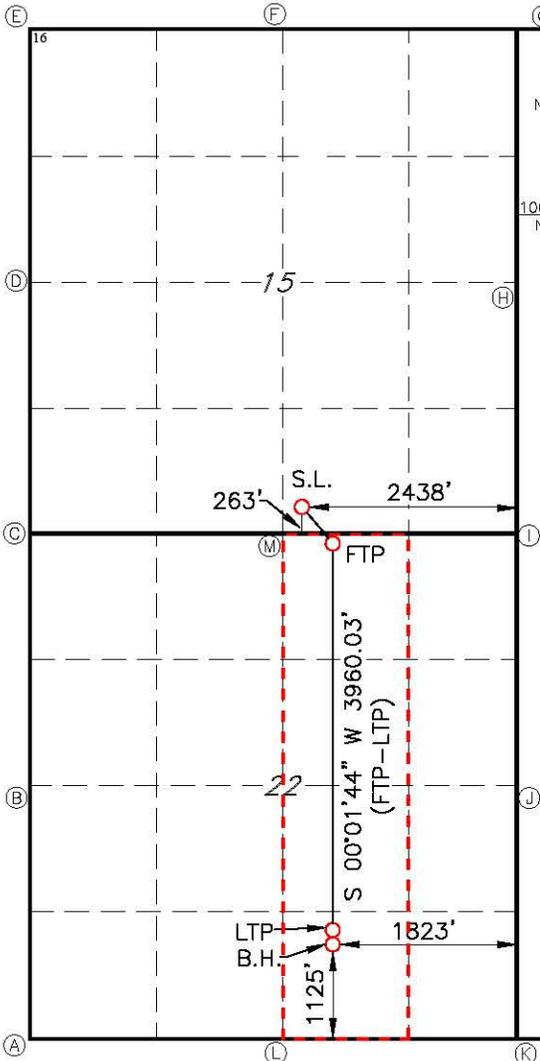
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
0	15	17S	28E		263	SOUTH	2438	EAST	EDDY

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
0	22	17S	28E		1125	SOUTH	1823	EAST	EDDY

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



GEODETTIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL) **LAST TAKE POINT (LTP)**
N: 664960.0 - E: 593617.9 1125' FSL & 1823' FEL (SEC22)
N: 660643.2 - E: 594240.1

LAT: 32.8278862° N LAT: 32.8160181° N
LON: 104.1631334° W LON: 104.1611308° W

FIRST TAKE POINT (FTP) **BOTTOM HOLE (BH)**
100' FNL & 1823' FEL (SEC22) N: 660593.2 - E: 594238.2
N: 664602.2 - E: 594242.1

LAT: 32.8269000° N LAT: 32.8158809° N
LON: 104.1611033° W LON: 104.1611372° W

CORNER DATA
NAD 83 GRID - NM EAST

A: FOUND BRASS CAP "1941"
N: 659457.7 - E: 590794.9

B: FOUND BRASS CAP "1941"
N: 662066.7 - E: 590825.9

C: FOUND BRASS CAP "1941"
N: 664676.8 - E: 590857.1

D: FOUND BRASS CAP "1941"
N: 667324.8 - E: 590770.1

E: CALCULATED CORNER
N: 669970.6 - E: 590686.3

F: FOUND BRASS CAP "1941"
N: 670001.6 - E: 593305.7

G: FOUND BRASS CAP "1941"
N: 670028.0 - E: 595911.3

H: FOUND BRASS CAP "1941"
N: 667371.0 - E: 595986.7

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

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

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

L: FOUND BRASS CAP "1941"
N: 659466.8 - E: 593406.4

M: FOUND BRASS CAP "1941"
N: 664696.3 - E: 593458.5

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 08/16/2022
Signature Date
SARAH CHAPMAN

Printed Name
SCHAPMAN@SPURENERGY.COM
E-mail Address

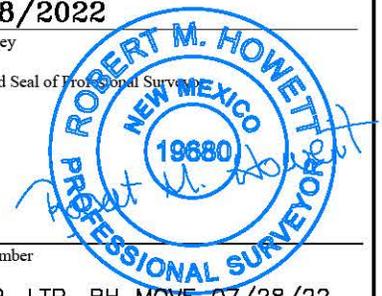
18 SURVEYOR CERTIFICATION

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.

06/08/2022

Date of Survey

Signature and Seal of Professional Surveyor



19680

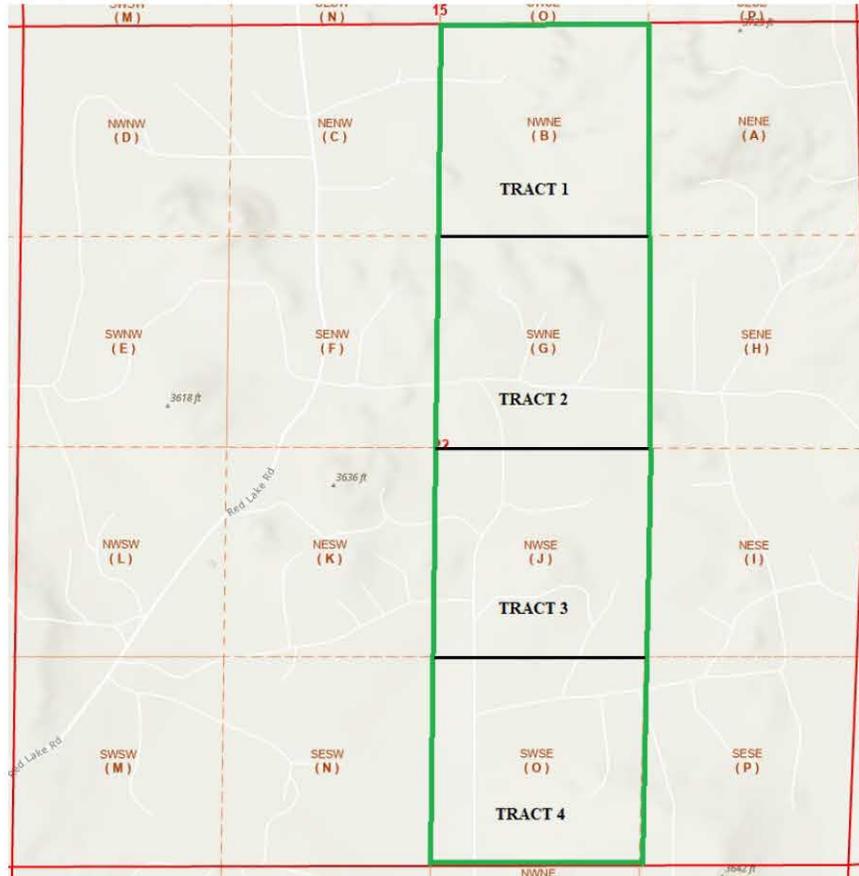
Certificate Number

REV: FTP, LTP, BH MOVE 07/28/22

Job No: LS22060697R

EXHIBIT A-3

MAYARO 22 STATE SPACING UNIT PLAT
W/2 E/2 SECTION 22, T17S, R28E
160 ACRES



Tract 1: 40 ac., NW/4 of NE/4, Sec. 22, T17S, R28E, N.M.P.M

Tract 2: 40 ac., SW/4 of NE/4, Sec. 22, T17S, R28E, N.M.P.M

Tract 3: 40 ac., NW/4 of SE/4, Sec. 22, T17S, R28E, N.M.P.M

Tract 4: 40 ac., SW/4 of SE/4, Sec. 22, T17S, R28E, N.M.P.M

 **MAYARO 22 STATE SPACING UNIT**

TRACT 1 – STATE ACREAGE (B0-1111-0014)

TRACT 2 – STATE ACREAGE (VC-0953-0000)

TRACT 3 – STATE ACREAGE (VC-0954-0001)

TRACT 4 – STATE ACREAGE (VC-0955-0001)

**Spur Energy Partners LLC
Case No. 23226
Exhibit A-3**

LAND OWNERSHIP OF MAYARO 22 STATE SPACING UNIT

MAYARO 22 STATE - TRACT OWNERSHIP SUMMARY				
TRACT NUMBER	LOCATION	STR	ACRES	DSU PARTICIPATION FACTOR
1	NW4NE4	22-17S-28E	40	25.00%
2	SW4NE4	22-17S-28E	40	25.00%
3	NW4SE4	22-17S-28E	40	25.00%
4	SW4SE4	22-17S-28E	40	25.00%
			160	100.00%

SIERRA NEVADA 23 STATE - WORKING INTEREST SUMMARY		
WI OWNER	NET DSU ACRES	DSU WI
SEP PERMIAN LLC	136.0000	0.85000000
ZPZ DELAWARE I LLC	24.0000	0.15000000
	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	0.40000000	40.00	16.00	16.00	0.1000000
ZPZ DELAWARE I LLC	WI	0.60000000	40.00	24.00	24.00	0.1500000
		1.000000	40.00	40.00	40.00	0.250000

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
		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	1.0000	40.00	40.00	40.00	0.250000
		1.0000	40.00	40.00	40.00	0.250000

TRACT 4	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
		1.0000	40.00	40.00	40.00	0.250000

EXHIBIT A-4



October 3, 2022

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

RE: Well Proposal
Mayaro 22 State Com 10H & 70H
W/2 E/2 Section 22, 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 **Mayaro 22 State Com 10H & 70H** wells to the approximate total vertical depths as referenced below as horizontal Yeso wells (the "Subject Wells") at the following proposed locations (subject to change upon staking and survey).

Mayaro 22 State Com 10H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 283' FSL & 2,438' FEL, Section 15, T17S-R28E
- Proposed Bottom Hole Location – 1,125' FSL & 2,247' FEL, Section 22, T17S-R28E
- TVD: 3,715'

Mayaro 22 State Com 70H Well – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location – 263' FSL & 2,438' FEL, Section 15, T17S-R28E
- Proposed Bottom Hole Location – 1,125' FSL & 1,823' FEL, Section 22, T17S-R28E
- TVD: 4,320'

SPUR proposes to form a Drilling Spacing Unit ("DSU") covering the W/2 E/2 of Section 22, 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 the enclosed new joint operating agreement dated December 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 December 1, 2022
- Contract Area consisting of the W/2 E/2 of Section 22, 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 E/2 of Section 22, 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 E/2 of Section 22, 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).

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 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 "D.O.", written over a horizontal line.

Drew Oldis
Landman

Enclosures
Exhibit “A”
AFEs
NJOA



Mayaro 22 State Com 10H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Mayaro 22 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 Mayaro 22 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: _____



Mayaro 22 State Com 70H

_____ **Option 1)** *The undersigned elects to participate in the drilling and completion of the Mayaro 22 State Com 70H well and agrees to the formation of the DSU and to the terms of the NJOA as detailed in this proposal, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the DSU.*

_____ **Option 2)** *The undersigned elects not to participate in the drilling and completion of the Mayaro 22 State Com 70H.*

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

Well Insurance:

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

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

Agreed to and Accepted this _____ day of _____, 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 E/2 of Section 22, 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 E/2 of Section 22, 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 320-acre DSU

ZPZ Delaware I LLC 0.15



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE # : <u>C22059</u>
Well Name : <u>MAYARO 22 STATE 10H</u>	
Location : <u>NEW MEXICO / EDDY</u>	
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 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	\$ 73,000	\$ -	\$ -	\$ -	\$ 73,000	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,250	\$ -	\$ -	\$ -	\$ 17,250	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD & COMPL FLUID	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 24,750	\$ -	\$ -	\$ -	\$ 24,750	\$ -
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	\$ 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	\$ 83,750	\$ -	\$ -	\$ -	\$ 83,750	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,028,750	\$ -	\$ -	\$ -	\$ 1,028,750	\$ -

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	\$ 289,250	\$ -	\$ -	\$ -	\$ 289,250	\$ -
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	\$ 406,250	\$ -	\$ -	\$ -	\$ 406,250	\$ -
	DRILLING TOTAL	\$ 1,435,000	\$ -	\$ -	\$ -	\$ 1,435,000	\$ -

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	\$ 225,450	\$ -	\$ -	\$ -	\$ 225,450	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 135,280	\$ -	\$ -	\$ -	\$ 135,280	\$ -
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	\$ 384,000	\$ -	\$ -	\$ -	\$ 384,000	\$ -
2055-3400	PROPPANT	\$ 272,000	\$ -	\$ -	\$ -	\$ 272,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL, WATER & LUBE	\$ 177,020	\$ -	\$ -	\$ -	\$ 177,020	\$ -
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		\$ 1,828,750	\$ -	\$ -	\$ -	\$ 1,828,750	\$ -

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		\$ 1,992,900	\$ -	\$ -	\$ -	\$ 1,992,900	\$ -

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	\$ -

MAYARO 22 STATE 10H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,435,000	\$ -	\$ -	\$ -	\$ 1,435,000	\$ -
COMPLETION TOTAL	\$ 1,992,900	\$ -	\$ -	\$ -	\$ 1,992,900	\$ -
FACILITY TOTAL	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000	\$ -
TOTAL WELL COST	\$ 3,847,900	\$ -	\$ -	\$ -	\$ 3,847,900	\$ -

Partner Approval

Signed _____ Company _____

Name _____ Date _____

Title _____



Authority for Expenditure
Drill, Complete, & Equip



Operator : <u>Spur Energy Partners LLC</u>	AFE # : <u>C22060</u>
Well Name : <u>MAYARO 22 STATE 70H</u>	
Location : <u>NEW MEXICO / EDDY</u>	
Project :	
Description :	

INTANGIBLE DRILLING	DESCRIPTION	Original		Supplement		Total	
		8/8ths	Net	8/8ths	Net	8/8ths	Net
2050-1000	LOCATION - OPS	\$ 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	\$ 73,000	\$ -	\$ -	\$ -	\$ 73,000	\$ -
2050-1302	DRILLING RENTALS: SUBSURFACE	\$ 17,250	\$ -	\$ -	\$ -	\$ 17,250	\$ -
2050-1400	EQUIP LOST IN HOLE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050-1500	DRILL MUD & COMPL FLUID	\$ 25,000	\$ -	\$ -	\$ -	\$ 25,000	\$ -
2050-1600	WELLSITE SUPERVISION	\$ 24,750	\$ -	\$ -	\$ -	\$ 24,750	\$ -
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	\$ 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	\$ 83,750	\$ -	\$ -	\$ -	\$ 83,750	\$ -
	INTANGIBLE DRILLING SUBTOTAL	\$ 1,028,750	\$ -	\$ -	\$ -	\$ 1,028,750	\$ -

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	\$ 289,250	\$ -	\$ -	\$ -	\$ 289,250	\$ -
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	\$ 406,250	\$ -	\$ -	\$ -	\$ 406,250	\$ -
	DRILLING TOTAL	\$ 1,435,000	\$ -	\$ -	\$ -	\$ 1,435,000	\$ -

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	\$ 225,450	\$ -	\$ -	\$ -	\$ 225,450	\$ -
2055-1600	WELLSITE SUPERVISION	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000	\$ -
2055-1800	COMPLETION CHEMICALS	\$ 135,280	\$ -	\$ -	\$ -	\$ 135,280	\$ -
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	\$ 384,000	\$ -	\$ -	\$ -	\$ 384,000	\$ -
2055-3400	PROPPANT	\$ 272,000	\$ -	\$ -	\$ -	\$ 272,000	\$ -
2055-3600	COMPANY LABOR	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2055-3750	DAMAGES/ROW	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3800	NON OPERATED CHARGES - ICC	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055-3900	FUEL, WATER & LUBE	\$ 177,020	\$ -	\$ -	\$ -	\$ 177,020	\$ -
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		\$ 1,828,750	\$ -	\$ -	\$ -	\$ 1,828,750	\$ -

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		\$ 1,992,900	\$ -	\$ -	\$ -	\$ 1,992,900	\$ -

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	\$ -

MAYARO 22 STATE 70H TOTAL WELL ESTIMATE	Original		Supplement		Total	
	8/8ths	Net	8/8ths	Net	8/8ths	Net
DRILLING TOTAL	\$ 1,435,000	\$ -	\$ -	\$ -	\$ 1,435,000	\$ -
COMPLETION TOTAL	\$ 1,992,900	\$ -	\$ -	\$ -	\$ 1,992,900	\$ -
FACILITY TOTAL	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000	\$ -
TOTAL WELL COST	\$ 3,847,900	\$ -	\$ -	\$ -	\$ 3,847,900	\$ -

Partner Approval

Signed _____ Company _____

Name _____ Date _____

Title _____

SPUR ENERGY PARTNERS – MAYARO 22 STATE COM 10H & 70H
CASE NO. 23226 - POSTAL DELIVERY REPORT & CORRESPONDENCE HISTORY

COURIER	TRACKING	PARTY	DELIVERY ADDRESS	DELIVERY DATE	CONTACT HISTORY
USPS	9407111898765817214270	ZPZ DELAWARE I LLC	2000 POST OAK BLVD., STE. 100 HOUSTON, TX 77056	10/6/2022	<p>10/3/2022: Well proposal mailed out to working interest owner. 10/6/2022: USPS confirmation of delivery. 10/10/2022: Email from working interest owner confirming receipt of proposal. 12/14/2022: Communication with working interest owner regarding the terms of pooling letter agreement. 12/19/2022: Agreed to pooling letter agreement with working interest partner.</p>

Spur Energy Partners LLC
Case No. 23226
Exhibit A-5

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

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

CASE NO. 23226

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

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

2. I am familiar with the geological matters that pertain to this case.

3. **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 **Mayaro 22 State Com 10H** and **Mayaro 22 State Com 70H** wells (“Wells”) are represented by solid black lines. Nearby wells producing in the target formation are also identified. Of note, a Spur operated lay-down well (Collier 22 State Com 43H) bisects the proposed spacing unit. The subject well is a legacy San Andres Producer and the Spur Mayaro development will target deeper Yeso objectives. 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.

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

Spur Energy Partners LLC
Case No. 23226
Exhibit B

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

5. **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 zones for each well are labeled and marked on the cross-section. The logs in the cross-section demonstrate that the targeted intervals are continuous and consistent along trend.

6. **Exhibit B-4** is a gun barrel diagram from B to B' reflecting Spur's intended development in the Yeso formation in this acreage. The exhibit identifies each initial proposed well (solid black lines) and closest offsetting legacy horizontal wells (green dotted lines) relative to the different intervals within the Yeso formation.

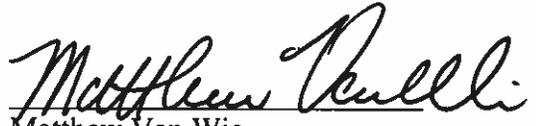
7. There is no identified preferred orientation for exploration in this portion of the Northwest shelf based on stress orientation or production data. Thus, the stand-up orientation is appropriate to properly develop this acreage in a manner that is consistent with Spur's ownership interest and offsetting development.

8. 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.

9. 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.

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

11. 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

2/13/2023
Date

Exhibit B-1: Mayaro 22 State Com HSU Basemap

(Case No. 23226)

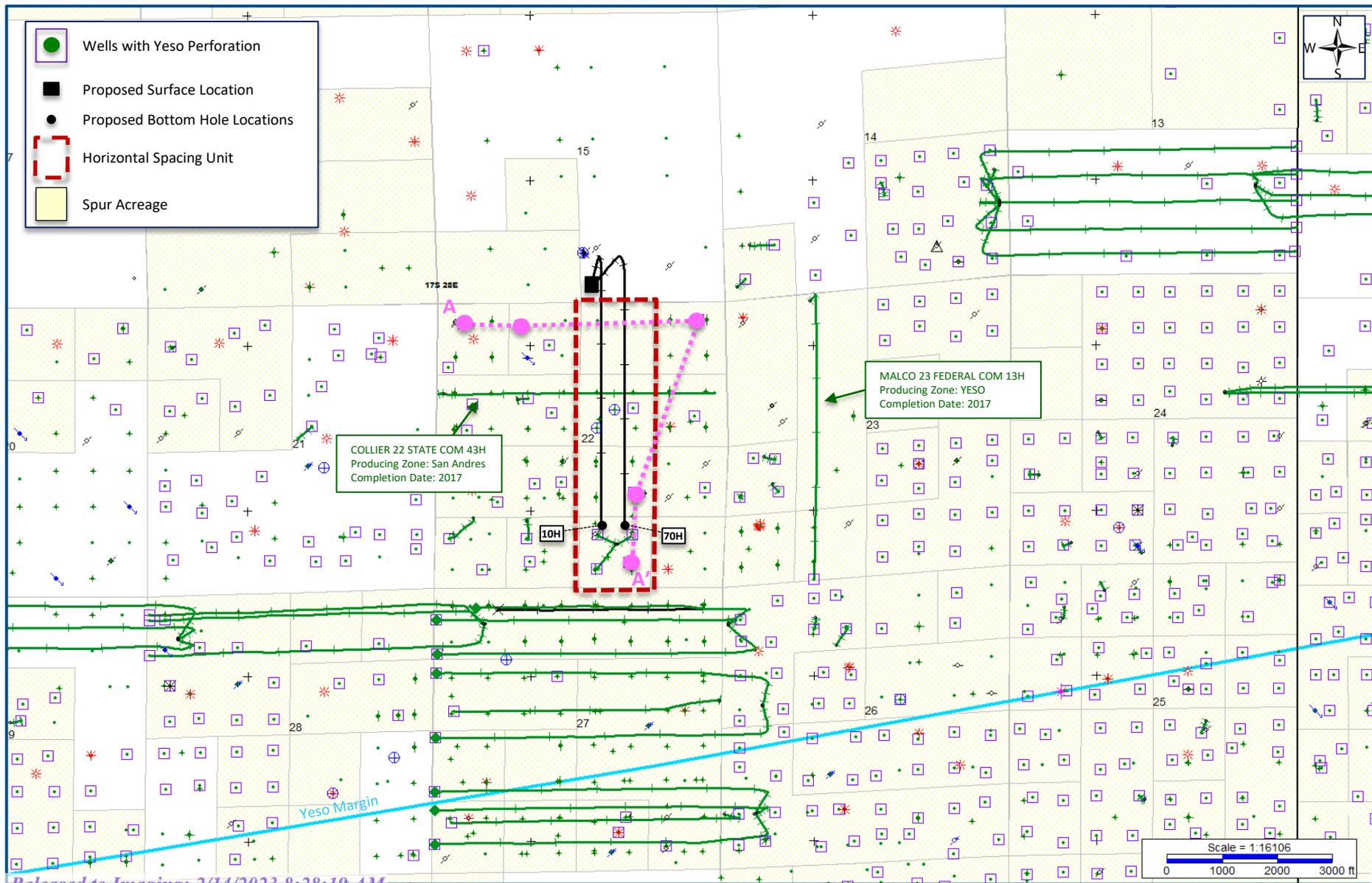


Exhibit B-2: Structure Map (SSTVD) – Top Glorieta (Case No. 23226)

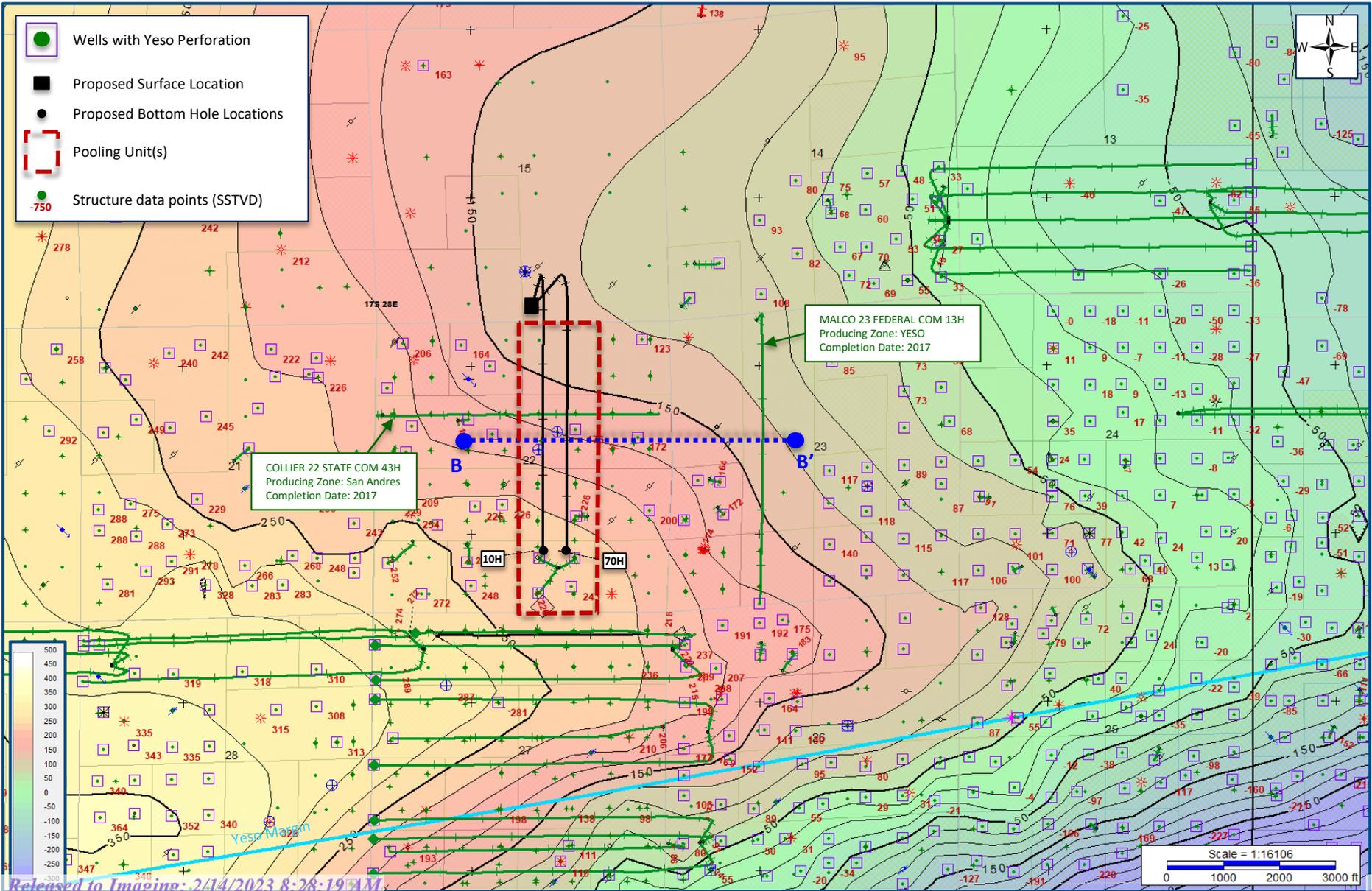


Exhibit B-3. Structural Cross Section A – A' (TVD)

(Case No. 23226)

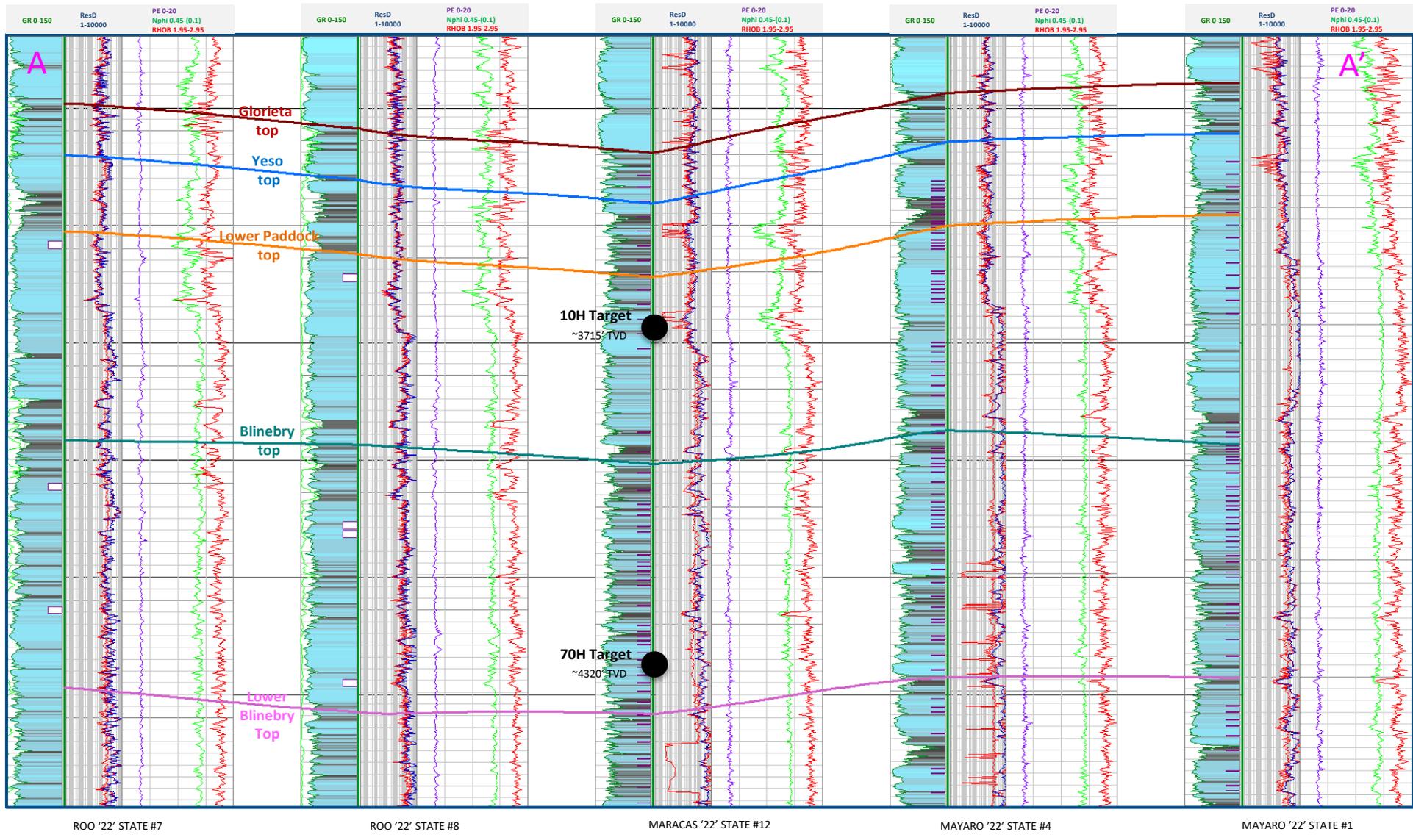
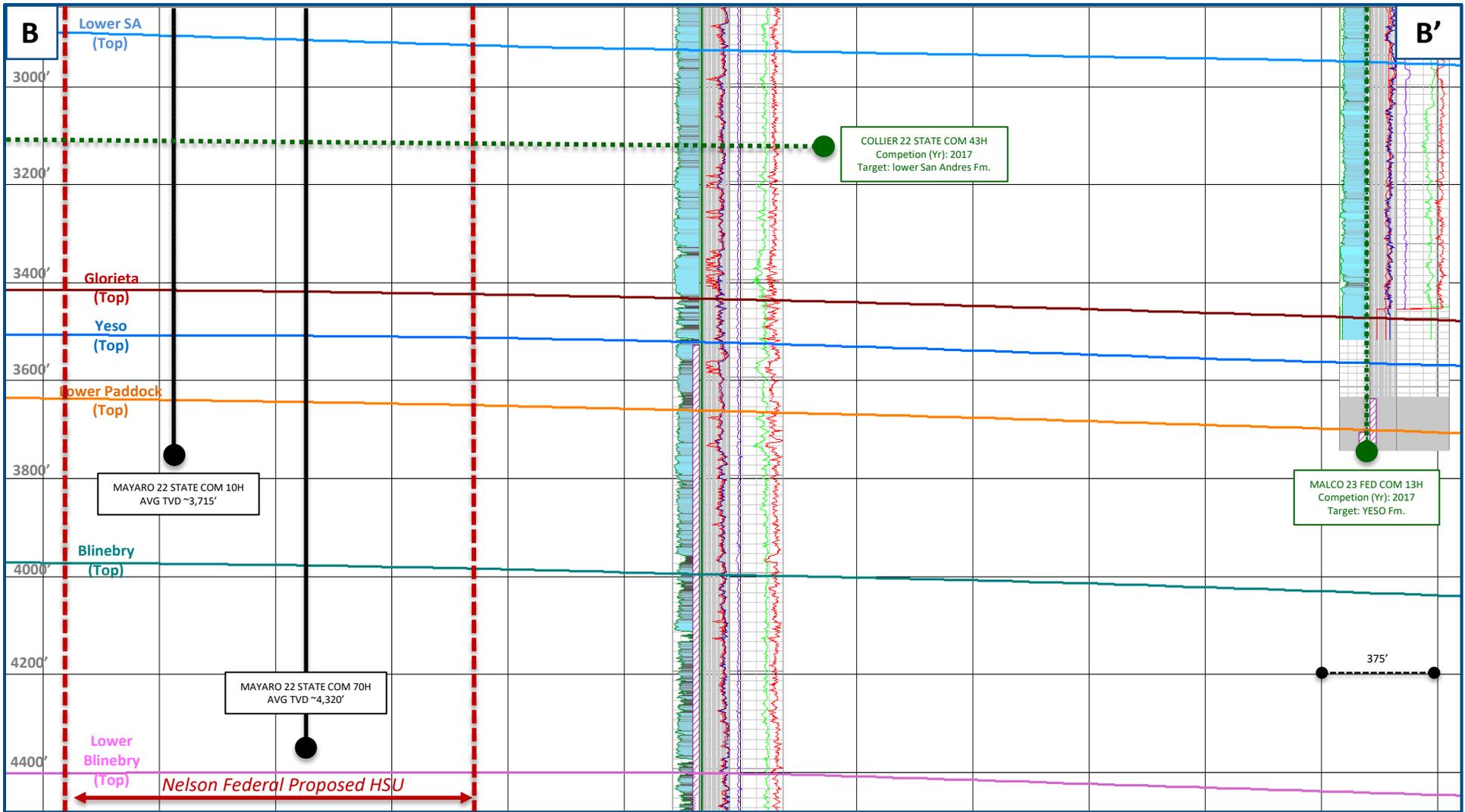


Exhibit B-4. Mayaro 22 State Com Gun Barrel B – B' (TVD)

(Case No. 23226)

Case No. 23226
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. 23226

**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, along with the Application in this case, to be sent to the parties set out in the chart attached as **Exhibit C-2**.

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

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

5. On December 20, 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**.

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

/s/ Dana S. Hardy
Dana S. Hardy

February 13, 2023
Date

**Spur Energy Partners LLC
Case No. 23226
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

December 8, 2022

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

TO ALL PARTIES ENTITLED TO NOTICE

Re: Case No. 23226 - 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 **January 5, 2023** beginning at 8:15 a.m.

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

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

Please contact Drew Oldis, Landman for Spur Energy Partners LLC by phone at (832) 930-8502 if you have any questions regarding this matter.

Sincerely,

/s/ Dana S. Hardy

Dana S. Hardy

Enclosure

Spur Energy Partners LLC
Case No. 23226
Exhibit C-1

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. 23226

NOTICE LETTER CHART

PARTY	NOTICE LETTER SENT	RETURN RECEIVED
ZPZ Delaware I LLC 2000 Post Oak Blvd., Suite 100 Houston, TX 77056	12/08/22	12/16/22

**Spur Energy Partners LLC
Case No. 23226
Exhibit C-2**

7021 0950 0002 0374 2897

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

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

OFFICIAL RECEIPT

Certified Mail Fee \$ _____

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

Return Receipt (hardcopy) \$ _____

Return Receipt (electronic) \$ _____

Certified Mail Restricted Delivery \$ _____

Adult Signature Required \$ _____

Adult Signature Restricted Delivery \$ _____

Postage \$ _____

Total Postage and Fees \$ _____

Sent To
 ZPZ Delaware I LLC
 2000 Post Oak Blvd., Suite 100
 Houston, TX 77056
 23226 - Spur Mayaro

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

SANTA FE, NM 87501
 Postmark Here
DEC 08 2022
 USPS

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"/> Age <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Addressee</p> <p>B. Received by (Printed Name) C. Date of Delivery</p> <p>D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below.</p>
<p>1. Article Addressed to:</p> <p>ZPZ Delaware I, LLC 2000 Post Oak Blvd., Suite 100 Houston, TX 77056 23226 - Spur Mayaro</p> <p>9590 9402 7543 2098 9473 94</p>	<p>RECEIVED DEC 16 2022 Hinkle Shanor LLP</p>
<p>2. Article Number (Transfer from service label)</p> <p>7021 0950 0002 0374 2897</p>	<p>3. Service Type Santa Fe NM 87501</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>
PS Form 3811, July 2020 PSN 7530-02-000-9053	Domestic Return Receipt

Spur Energy Partners LLC
Case No. 23226
Exhibit C-3

Carlsbad Current Argus.

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Affidavit of Publication

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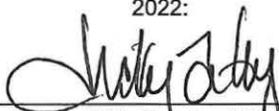
I, a legal clerk of the **Carlsbad Current Argus**, a newspaper published daily at the City of Carlsbad, in said county of Eddy, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements 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:

12/20/2022



Legal Clerk

Subscribed and sworn before me this December 20, 2022:



State of WI, County of Brown
NOTARY PUBLIC

9/19/25

My commission expires

This is to notify all interested parties, including ZPZ Delaware I LLC, and its successors and assigns, that the New Mexico Oil Conservation Division will conduct a hearing on an application submitted by Spur Energy Partners (Case No. 23226). The hearing will be conducted remotely on January 5, 2023, 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.emnr.d.nm.gov/ocd/hearing-info/>. 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 E/2 of Section 22, Township 17 South, Range 28 East, Eddy County, New Mexico ("Unit"). Applicant seeks to dedicate the Unit to the following proposed wells: **Mayaro 22 State Com 10H** and **Mayaro 22 State Com 70H**, to be horizontally drilled from a surface hole location in the SW/4 SE/4 (Unit O) of Section 15 to a bottom hole location in the SW/4 SE/4 (Unit O) of Section 22. 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 13.56 miles east and 0.92 miles south of Artesia, New Mexico.
#0005526912, CurrentArgus, 12/20/2022

VICKY FELTY
Notary Public
State of Wisconsin

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PO #: Case No. 23226
of Affidavits 1

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Spur Energy Partners LLC
Case No. 23226
Exhibit C-4