State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary Adrienne E. Sandoval, Director Oil Conservation Division



Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

Ms. Sarah Chapman SCHAPMAN@SPURENERGY.com

NON-STANDARD LOCATION

Administrative Order NSL - 8435

Spur Energy Partners, LLC [OGRID 328947] Sierra Nevada 23 State Com Well No. 60H API No. 30-015-PENDING

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	58 FNL & 1388 FWL	С	23	17S	28E	Eddy
First Take Point	100 FNL & 1050 FWL	D	23	17S	28E	Eddy
Last Take Point	100 FSL & 1050 FWL	M	23	17S	28E	Eddy
Terminus	50 FSL & 1050 FWL	M	23	17S	28E	Eddy

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
W/2 W/2 of Section 23	160	Empire; Glorieta – Yeso	96210

Reference is made to your application received on September 7th, 2022.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

This well's completed interval is as close as 270 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 23, encroachment to the E/2 W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

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Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells within the Glorieta-Yeso formation underlying E/2 W/2 of Section 23, T17S, R28E.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, Division approves this unorthodox location.

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.



AES/lrl

Date: 10/19/2022