



SPUR



**Nirvana 1H-3H Wells
Case Nos. 21581-21582
NMOCD Exhibits**

Hearing Date: Jan. 7th, 2021

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NOS. R-20642 & R-20642-B, EDDY COUNTY, NEW MEXICO.

**CASE NO. 21581
ORDER NOS. R-20642 & R-20642-B**

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-20643, EDDY COUNTY, NEW MEXICO.

**CASE NO. 21582
ORDER NO. R-20643**

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

**APPLICATION OF SPUR ENERGY
PARTNERS, LLC TO POOL ADDITIONAL
INTEREST OWNERS UNDER THE TERMS
OF ORDER NOS. R-20642 & R-20642-B,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21581
ORDER NOS. R-20642 & R-20642-B**

APPLICATION

Spur Energy Partners, LLC (“Spur”) (OGRID No. 328947), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional interest owners under the terms of Order Nos. R-20642 and R-20642-B. In support of its application, Spur states:

1. Division Order No. R-20642, entered June 24, 2019, in Case No. 20191, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the “Unit”). An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. The Order limited the pooled vertical depths from a stratigraphic equivalent of the top of the San Andres-Yeso formation at 2279 feet measured depth to a depth of 3,200 feet, as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926). The Order dedicated the spacing unit, subject to the pooled vertical limits, to the proposed initial **Nirvana #1H well** to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. A

Submitted by: Spur Energy Partners, LLC

Hearing Date: January 7, 2021

Case Nos. 21581-21582

3. Division Order No. R-20642-B, entered on July 22, 2020, in Case No. 21254, added the **Nirvana #2H well**, to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29, to the approved spacing unit pooled under the terms of Order No. R-20642.

4. Since the entry of Order Nos. R-20642 and R-20642-B, Spur has determined that there are additional interest owners in the Unit who were not provided notice of the either hearing in Case Nos. 20191 and 21254, and as a result, whose interests were not pooled by the terms of Order Nos. R-20642 and R-20642-B.

5. Spur has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

6. The pooling of the additional interest owners under the terms of Order Nos. R-20642 and R-20642-B will prevent waste, will protect correlative rights, and will promote administrative efficiency.

7. In order to permit Spur to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interest owners should be pooled in the Unit pursuant to the terms of Order Nos. R-20642 and R-20642-B.

8. In order to provide proper notice to these additional interest owners and to bring their interests under the terms of Order Nos. R-20642 and R-20642-B, Spur requests that this case called for hearing at the next available examiner docket.

WHEREFORE, Spur requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division pool the additional interest owners pursuant to the terms of Division Order Nos. R-20642 & R-20642-B.

Respectfully submitted,

HOLLAND & HART LLP



By: _____

Michael H. Feldewert

Adam G. Rankin

Julia Broggi

Kaitlyn A. Luck

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrarkin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR SPUR ENERGY PARTNERS, LLC

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

**APPLICATION OF SPUR ENERGY
PARTNERS, LLC TO POOL ADDITIONAL
INTEREST OWNERS UNDER THE TERMS
OF ORDER NO. R-20643,
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21582
ORDER NO. R-20643**

APPLICATION

Spur Energy Partners, LLC (“Spur”) (OGRID No. 328947), through its undersigned attorneys, hereby files this application with the Oil Conservation Division to pool additional interest owners under the terms of Order No. R-20643. In support of its application, Spur states:

1. Division Order No. R-20643, entered June 24, 2019, in Case No. 20263, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the “Unit”). An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.
2. The Order limited the pooled vertical depths from a stratigraphic equivalent of a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of 4,460 feet measured depth, as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926). The Order dedicated the spacing unit, subject to the pooled vertical limits, to the proposed initial **Nirvana #3H well** to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29.

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. B

Submitted by: Spur Energy Partners, LLC

Hearing Date: January 7, 2021

Case Nos. 21581-21582

3. Since the entry of Order No. R-20643, Spur has determined that there are additional interest owners in the Unit who were not provided notice of the hearing in Case No. 20263, and as a result, whose interests were not pooled by the terms of Order No. R-20643.

4. Spur has sought and been unable to obtain voluntary agreement for the development of these lands from all the interest owners in the subject spacing unit.

5. The pooling of the additional interest owners under the terms of Order No. R-20643 will prevent waste, will protect correlative rights, and will promote administrative efficiency.

6. In order to permit Spur to obtain its just and fair share of the oil and gas underlying the subject lands, the additional interest owners should be pooled in the Unit pursuant to the terms of Order No. R-20643.

7. In order to provide proper notice to these additional interest owners and to bring their interests under the terms of Order No. R-20643, Spur requests that this case be called for hearing at the next available examiner docket.

WHEREFORE, Spur requests that this application be set for hearing before an Examiner of the Oil Conservation Division on January 7, 2021, and after notice and hearing as required by law, the Division pool the additional interest owners pursuant to the terms of Division Order No. R-20643.

Respectfully submitted,

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(505) 988-4421

(505) 983-6043 Facsimile

mfeldewert@hollandhart.com

agrarkin@hollandhart.com

jbroggi@hollandhart.com

kaluck@hollandhart.com

ATTORNEYS FOR SPUR ENERGY PARTNERS, LLC

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

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NOS. R-20642 & R-20642-B, EDDY COUNTY, NEW MEXICO.

**CASE NO. 21581
ORDER NOS. R-20642 & R-20642-B**

APPLICATION OF SPUR ENERGY PARTNERS, LLC TO POOL ADDITIONAL INTEREST OWNERS UNDER THE TERMS OF ORDER NO. R-20643, EDDY COUNTY, NEW MEXICO.

**CASE NO. 21582
ORDER NO. R-20643**

**AFFIDAVIT OF MEGAN PEÑA
IN SUPPORT OF CASE NOS. 21581 & 21582**

Megan Peña, of lawful age and being first duly sworn, declares as follows:

1. My name is Megan Peña. I work for Spur Energy Partners, LLC, an affiliate of SEP Permian, LLC, (“Spur”) as a Senior Landman.
2. I have previously testified before the New Mexico Oil Conservation Division as an expert witness in petroleum land matters. My credentials as a petroleum landman have been accepted by the Division and made a matter of record.
3. I am familiar with the applications filed by Spur in these cases, and I am familiar with the status of the subject lands in these cases
4. I do not anticipate any opposition to these consolidated cases or the presentation of these cases by affidavit.

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C
Submitted by: Spur Energy Partners, LLC
Hearing Date: January 7, 2021
Case Nos. 21581-21582**

Case No. 21581

1. In Case No. 21581, Spur seeks to pool additional interest owners under the terms of Order Nos. R-20642 and R-20642-B. Division Order Nos. R-20642 and 20642-B is attached hereto as **Spur Exhibit C-1**.

2. Division Order No. R-20642, entered June 24, 2019, in Case No. 20191, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the "Unit"). An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

3. The Order limited the pooled vertical depths from a stratigraphic equivalent of the top of the San Andres-Yeso formation at 2279 feet measured depth to a depth of 3,200 feet, as defined in the Gamma Ray-Neutron Log from the **Len Mayer 1 Well** (API No. 30-015-05926).

4. The Order dedicated the spacing unit, subject to the pooled vertical limits, to the proposed initial **Nirvana #1H well** to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29.

5. Division Order No. R-20642-B, entered on July 22, 2020, in Case No. 21254, added the **Nirvana #2H well**, to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29, to the approved spacing unit pooled under the terms of Order No. R-20642.

6. Since the entry of Order Nos. R-20642 and R-20642-B, Spur has determined that there are additional interest owners in the Unit who were not provided notice of the either hearing in Case Nos. 20191 and 21254, and as a result, whose interests were not pooled by the terms of Order Nos. R-20642 and R-20642-B.

7. Spur sent a letter to each of the additional interest owners in this case advising them of Spur's intent to include their interests under the terms of Order Nos. R-20642 and R-20642-B. A copy of the letter is attached hereto as **Spur Exhibit C-2**. Spur respectfully requests that these additional interest owners be pooled pursuant to the terms of the Order Nos. R-20642 and R-20642-B.

8. **Spur Exhibit C-3** are C-102s for each well. Additionally, Spur intends to file sundries reflecting the changed orientations of the **Nirvana #1H well** and **Nirvana #2H well** within the spacing unit.

Case No. 21582

9. In **Case No. 21582**, Spur seeks to pool additional interest owners under the terms of Order No. R-20643. Division Order No. R-20643 is attached hereto as **Spur Exhibit C-4**.

10. Division Order No. R-20643, entered June 24, 2019, in Case No. 20263, created a 200-acre, more or less, standard horizontal oil spacing unit in the Penasco Draw; San Andres Yeso Pool (50270) underlying the S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico (the "Unit"). An affiliate entity of Spur is a working interest owner in the proposed horizontal spacing unit and has the right to drill thereon.

11. The Order limited the pooled vertical depths from a stratigraphic equivalent of a depth of 3,201 feet to the base of the Yeso formation at a stratigraphic equivalent of 4,460 feet measured depth, as defined in the Gamma Ray-Neutron Log from the **Len Mayer 1 Well** (API No. 30-015-05926).

12. The Order dedicated the spacing unit, subject to the pooled vertical limits, to the proposed initial **Nirvana #3H well** to be drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 27, to a bottom hole location in the SE/4 SE/4 (Unit P) of Section 29.

13. Since the entry of Order No. R-20643, Spur has determined that there are additional interest owners in the Unit who were not provided notice of the hearing in Case No. 20263, and as a result, whose interests were not pooled by the terms of Order No. R-20643.

14. Spur sent a letter to each of the interest owners in this case advising them of Spur's intent to include their interests under the terms of Order No. R-20643. A copy of the letter is attached hereto as **Spur Exhibit C-5**. Spur respectfully requests that these additional interest owners be pooled pursuant to the terms of Order No. R-20643.

15. Spur Exhibit C-6 is the C-102 for this well. Finally, Spur intends to file a sundry reflecting the changed orientation of the **Nirvana #3H well** within the spacing unit.

16. **Spur Exhibits C-1 through C-6** were either prepared by me or compiled under my direction and supervision.

FURTHER AFFIANT SAYETH NOT.

Megan Peña
MEGAN PEÑA

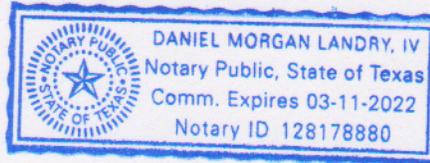
STATE OF TEXAS)
)
COUNTY OF HARRIS)

SUBSCRIBED and SWORN to before me this 30th day of December, 2020 by **MEGAN PEÑA**.

D. Morgan Landry, IV
NOTARY PUBLIC

My Commission Expires:

03-11-2022



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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20191
ORDER NO. R-20642**

**APPLICATION OF PERCUSSION PETROLEUM OPERATING, LLC FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 7, 2019, at Santa Fe, New Mexico, before Examiner Scott A. Dawson.

NOW, on this 24th day of June, 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Case Nos. 20191 and 20263 were consolidated at the hearing for the purpose of testimony and a single order is being issued for each case.

(3) The Applicant, Percussion Petroleum Operating, LLC seeks in this case to compulsory pool all uncommitted oil and gas interests within a spacing unit (“the Unit”) described as follows:

A Horizontal Spacing Unit (the “Unit”) comprising 200 acres (more or less) in the San Andres-Yeso (Assoc) formation, Penasco Draw; San Andres-Yeso (Assoc) Pool (Pool code 50270), comprising the S/2 S/2 of Section 28 and SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

Pooled vertical depths are limited to the depths from 3201 feet to the base of the Yeso.

(4) The Unit will be dedicated to the following “proposed well”. The completed interval for the proposed well within the Unit will be orthodox:

Nirvana No. 1H, API No. 30-015-Pending

SHL: 520 feet from the South line and 665 feet from the West line,
(Unit M) of Section 27, Township 18 South, Range 26 East, NMPM.

BHL: 360 feet from the South line and 1306 feet from the East line,
(Unit P) of Section 29, Township 18 South, Range 26 East, NMPM;

(5) The Penasco Draw; San Andres-Yeso Pool is governed by Division Rule 19.15.15.9(A) NMAC, which specifies 40-acre spacing and proration units [for vertical wells], each comprising a governmental quarter-quarter section.

(6) The allowed setback footage distance for the proposed horizontal Oil well(s) is specified in Paragraph (1) of Subsection C of 19.15.16.15 NMAC effective June 26, 2018. Said rules allow the first or last take points to be no closer than 100 feet to the nearest unit boundary, and the setbacks measured perpendicular to the well path to be a minimum of 330 feet from the outer boundary of the horizontal spacing unit.

(7) No other party entered an appearance in this case or otherwise opposed this application.

(8) Applicant appeared through counsel and presented the following land and technical evidence:

- (a) The San Andres-Yeso formation in this area is suitable for development by horizontal drilling.
- (b) The proposed orientation of the horizontal well from east to west is appropriate for optimum recovery of oil and gas.
- (c) A depth severance exists in the Yeso formation at 3200 feet. Accordingly, Percussion seeks to compulsory pool in Case No. 20191 from the top of the pool [at a stratigraphic equivalent of 2279 feet measured depth], as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 3200 feet.
- (d) The depth severance was created by virtue of an assignment between two predecessors in interest. This document defines the depth severance due to a pugh clause for an old well, the Mallard HM #2 well. And the document creating the depth severance does define the depth as 3200 feet, as measured in the Mallard HM No. 2 Well (API No. 30-015-22052).
- (e) All owners of the mineral estate above and below the depth severance were notified of the proposed pooling. One overriding interest owner, Helen Holt, had mail returned to sender.

- (f) In addition to parties the Applicant seeks to compulsory pool, the Applicant provided notice of these applications to the vertical offsets who were excluded from the spacing unit that the Applicant seeks to pool. All parties received notice of the pooling and the spacing unit and did not object to the Applicant's plan to pool only a portion of the pool in each case.
- (g) The cross-section submitted at the hearing depicts the Nirvana 1H target interval to be at 2765 feet true vertical feet which is approximately 435 feet above the depth severance at 3200 feet; therefore, the well will not impair correlative rights at 3200 feet or below the 3200-foot depth severance.
- (h) In addition, Applicant provided geologic testimony and exhibits indicating there are silts that act as a frac barriers in each of the two wells and the applicant opines in their affidavit that the silts will act as a frac barrier, preventing drainage from the other side of the depth severance line.
- (i) The proposed well(s) will not drain pressure from, produce oil or gas from, or otherwise affect, or be affected by, production from each other or the respective depth severance at 3200 feet.
- (j) Applicant testified and included in their affidavit statement that their current wells are each about 400 feet from the depth-severance line above and below, and they will not infill closer than those current proposed depths above and below without coming to hearing before the division.
- (k) All quarter-quarter sections to be included in the Unit are expected to be substantially productive in the San Andres-Yeso formation, so that the Unit as requested will not impair correlative rights.
- (l) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.
- (m) Those potentially affected parties whose whereabouts could not be ascertained were noticed by publication as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(9) The application in this case was filed, and the Well(s) were permitted, on or after the June 26, 2018 date on which amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689). Hence the

Well(s) must be spaced, permitted and drilled pursuant 19.15.16.15 NMAC, as amended effective June 26, 2018.

(10) Provided that the Unit constitutes a standard horizontal spacing unit for each of the Well(s) under now effective rules, no non-standard spacing unit approval is needed. If, however, the Unit is not a standard horizontal spacing unit for any of the Well(s), the operator must obtain approval of a non-standard horizontal spacing unit pursuant to 19.15.16.15.B(5) prior to producing such well(s). The Unit shall not be considered non-standard due to the depth limitations approved in this Order.

(11) The depth severance and upper limit of the interval to be pooled was described as follows in applicant's exhibits presented February 7, 2019:

A depth severance exists in the San Andres-Yeso formation at 3200 feet. Accordingly, Percussion seeks to compulsory pool from the top of the pool at a stratigraphic equivalent of 2279 feet measured depth, as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 3200 feet.

(12) Applicant has presented evidence that the proposed horizontal well if drilled in the Penasco Draw; San Andres-Yeso (Assoc) Pool will not be in hydraulic contact with the interval in Penasco Draw; San Andres-Yeso (Assoc) Pool located below the 3200-foot depth severance.

(13) Applicant testified and included in their affidavit statement that their current wells are each about 400 feet from the depth-severance line above and below, and they will not infill closer than those current proposed depths above and below without coming to hearing before the division.

(14) Percussion Petroleum Operating, LLC (OGRID 371755) should be designated the operator of the Well(s) and of the Unit.

(15) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(16) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s).

(17) There are interest owners in the Unit that have not agreed to pool their interests.

(18) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the San Andres-Yeso formation within the Unit.

(19) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(20) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(21) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(22) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "*Accounting Procedure-Joint Operations.*"

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the following described spacing unit ("the Unit") are hereby pooled:

A Horizontal Spacing Unit comprising 200 acres (more or less) within the San Andres-Yeso formation (as it is described below) and in the Penasco Draw; San Andres-Yeso (Assoc) Pool (Pool code 50270) and all other pools hereafter defined within the San Andres-Yeso formation in the S/2 S/2 of Section 28 and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

Pooled Interval: A stratigraphic equivalent of the top of the San Andres-Yeso at 2279 feet measured depth, as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 3200 feet.

(2) The Unit shall be dedicated to the following "proposed well". The completed interval of the proposed well will be orthodox:

Nirvana No. 1H, API No. 30-015-Pending

SHL: 520 feet from the South line and 665 feet from the West line,
(Unit M) of Section 27, Township 18 South, Range 26 East, NMPM.

BHL: 360 feet from the South line and 1306 feet from the East line,
(Unit P) of Section 29, Township 18 South, Range 26 East, NMPM;

(3) Percussion Petroleum Operating, LLC (OGRID 371755) is hereby designated the operator of the Well(s) and Unit.

(4) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(5) The operator of the Unit shall commence drilling the proposed well on or before June 30, 2020 and shall thereafter continue drilling the proposed well with due diligence to test the San Andres-Yeso formation at or about the proposed true vertical and measured depths.

(6) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(8) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(9) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(10) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(11) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(12) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk

charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(13) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(14) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(15) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(16) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division, and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(17) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(18) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(19) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(20) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(21) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(22) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(23) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Handwritten signature of Adrienne Sandoval in blue ink.

ADRIENNE SANDOVAL
Director

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



March 30, 2020

SEP Permian LLC (338479)
[Previous: Percussion Petroleum Operating, LLC (OGRID 371755)]
c/o Ms. Kaitlyn A. Luck, Attorney
KaLuck@hollandhart.com
110 N. Guadalupe Street, Suite 1
Santa Fe, N.M. 87501

RE: Request for Time Extension to Commence drilling
Case No. 20191, R-20642 approved date June 24th, 2019
Deadline to commence drilling June 30, 2020
Applicant/Operator: Percussion Petroleum Operating, LLC
Proposed Well:
Nirvana No.1 H, API No. 30-015-PENDING

Dear Sir or Madam:

The following pertains to your request received by the Division on March 30, 2020 and to the requirements in the captioned hearing order. You have requested an extension of the deadline to commence drilling given by the Division in the captioned order.

As stated, you are requesting an extension to spud these wells due to the change in the drilling plan in order to commence the drilling of these wells. There was no opposition in the captioned case. You are requesting an additional year in which to spud this well. The spud date is now extended to **June 30, 2021**.

Ordering Paragraph No. (5) and No. (6) of the captioned order is hereby amended, changing "June 30, 2020" to "June 30, 2021". The requested additional year in which to commence drilling is hereby granted.

All other provisions of this order remain in full force and effect.

Sincerely,

ADRIENNE SANDOVAL
Director

AS/LRL

cc: Oil Conservation Division – Artesia District Office, Case No. 20191

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

**APPLICATION OF SPUR ENERGY PARTNERS, LLC
TO AMEND ORDER R-20642 TO ADD AN
ADDITIONAL WELL TO THE APPROVED
HORIZONTAL WELL SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

**CASE NO. 21254
ORDER NO. R-20642-B**

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on June 25, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

FINDINGS OF FACT

1. On June 24, 2019, OCD issued Order R-20642 to Spur Energy Partners, LLC (“Spur”) to pool the uncommitted oil and gas interests within the specified spacing unit (“Unit”).
2. Subsequent to the issuance of Order R-20642, Spur Energy Partners, LLC (“Operator”) succeeded to the interest of Percussion in the Unit.
3. Subsequent to the issuance of Order R-20642 Operator decided to add the Nirvana No. 2H Well (“Well”) to the Unit as described in Exhibit A.
4. Operator provided evidence that it gave notice of the Application and the hearing to the previously pooled interest owners.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

CONCLUSIONS OF LAW

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well to a common source of supply at the depth and location in the Unit described in Exhibit A.

11. This Order affords to each owner of an uncommitted interest the opportunity to produce its just and equitable share of the oil or gas in the pool.

ORDER

12. The Well will now be dedicated to the Unit established by Order R-20642.

13. If the location of the well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.

14. The Operator shall commence drilling the Well within one year after the date of this Order, and complete the Well no later than one (1) year after the commencement of drilling the Well.

15. This Order shall terminate automatically if Operator fails to comply with Paragraph 14 unless Operator obtains an extension by an amendment of this Order for good cause shown.

16. Order R-20642 shall remain in full force and effect.

17. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL
DIRECTOR**

AES/tgw

Date: 7/22/2020

Exhibit A

COMPULSORY POOLING APPLICATION CHECKLIST	
ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS	
Case: 21254	APPLICANT'S RESPONSE
Date June 25, 2020	
Applicant	Spur Energy Partners, LLC
Designated Operator & OGRID (affiliation if applicable)	Spur Energy Partners, LLC
Applicant's Counsel:	Holland & Hart LLP
Case Title:	AMENDED APPLICATION OF SPUR ENERGY PARTNERS, LLC TO AMEND ORDER NO. R-20642 TO ADD AN ADDITIONAL WELL TO THE APPROVED HORIZONTAL WELL SPACING UNIT, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	None
Well Family	Nirvana
Formation/Pool	
Formation Name(s) or Vertical Extent:	San Andres-Yeso formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	From a stratigraphic equivalent of the top of the San Andres-Yeso formation at 2279 feet measured depth to a depth of 3,200 feet, as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926).
Pool Name and Pool Code:	SE/4 SE/4 Sec. 29, T 18 S, R 26 E, is in the Penasco Draw; San Andres Yeso Pool (50270). S/2 S/2 Sec. 28, T 18 S, R 26 E, is in the Atoka; Glorieta Yeso Pool (3250).
Well Location Setback Rules:	Statewide Oil Rules
Spacing Unit Size:	200 acres, more or less
Spacing Unit	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	200 acres, more or less
Building Blocks:	40 acres
Orientation:	East to West
Description: TRS/County	S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
Other Situations	
Depth Severance: Y/N. If yes, description	Yes; Depth severance exists at 3,200 feet as defined in the Gamma Ray-Neutron Log from the Len Mayer 1 Well (API No. 30-015-05926).
Proximity Tracts: If yes, description	None
Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Yes
Well(s)	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

Well #1	'Nirvana No. 1H Well (API No. pending): SHL: 520 FSL, 665 FWL (Unit M), Sec. 27, T 18 S, R 26 E, NMPM, Eddy County, New Mexico BHL: 360 FSL, 1306 FEL (Unit P), Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. Standard location.
Well #2	Nirvana No. 2H Well (API No. pending): SHL: 560 FSL, 665 FWL (Unit M), Sec. 27, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. BHL: 913 FSL, 1306 FEL (Unit P), Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. Standard location.
Horizontal Well First and Last Take Points	Nirvana No. 1H Well: FTP: 360 FSL, 100 FEL Sec. 28, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. LTP: 360 FSL, 1226 FEL, Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. Nirvana No. 2H Well: FTP: 910 FSL, 100 FEL FSL Sec. 28, T 18 S, R 26 E, NMPM, Eddy County, New Mexico. LTP: 913 FSL, 1227 FEL, Sec. 29, T 18 S, R 26 E, NMPM, Eddy County, New Mexico.
Completion Target (Formation, TVD and MD)	San Andres-Yeso formation
AFE Capex and Operating Costs	
Drilling Supervision/Month \$	\$7,000
Production Supervision/Month \$	\$700
Justification for Supervision Costs	Order R-20642
Requested Risk Charge	200%; Order R-20642
Notice of Hearing	
Proposed Notice of Hearing	See Amended Application
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit B
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C
Ownership Determination	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-3
Pooled Parties (including ownership type)	Exhibit A-3
Unlocatable Parties to be Pooled	N/A
Ownership Depth Severance (including percentage above & below)	Exhibit A-3
Joinder	
Sample Copy of Proposal Letter	Exhibit A-4
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-3
Chronology of Contact with Non-Joined Working Interests	Exhibit A-3
Overhead Rates In Proposal Letter	Exhibit A
Cost Estimate to Drill and Complete	Exhibit A-4
Cost Estimate to Equip Well	Exhibit A-4
Cost Estimate for Production Facilities	Exhibit A-4
Geology	
Summary (including special considerations)	N/A

Spacing Unit Schematic	N/A
Gunbarrel/Lateral Trajectory Schematic	N/A
Well Orientation (with rationale)	N/A
Target Formation	N/A
HSU Cross Section	N/A
Depth Severance Discussion	See Order R-20642
Forms, Figures and Tables	
C-102	Exhibit A-2
Tracts	S/2 S/2 of Section 28, and the SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit A-3
General Location Map (including basin)	N/A
Well Bore Location Map	N/A
Structure Contour Map - Subsea Depth	N/A
Cross Section Location Map (including wells)	N/A
Cross Section (including Landing Zone)	N/A
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):	Adam G. Rankin
Signed Name (Attorney or Party Representative):	
Date:	9-Jul-20



October 19, 2020

Via FedEx

OXY Y-1 Company
5 Greenway Plaza
Houston, TX 77046

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C2

Submitted by: Spur Energy Partners, LLC

Hearing Date: January 7, 2021

Case Nos. 21581-21582

RE: Well Proposals
Nirvana #1H, #2H and #3H
T18S-R26E, Sections 28 & 29
Eddy County, New Mexico

Dear Working Interest Owner,

Spur Energy Partners, LLC's ("SEP") predecessor in title, Percussion Petroleum Operating, LLC, ("PPO") by proposal and re-proposal dated September 19, 2018 and September 21, 2018, respectively, proposed to drill and complete the Nirvana #1H horizontal Yeso well at the following location (subject to change upon final staking of the well pad):

Nirvana #1H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location: 540' FSL & 670' FWL, Section 27, T18S-R26E
- Proposed Bottom Hole Location: 360' FSL & 1200' FEL, Section 29, T18S-R26E
- Proposed True Vertical Depth: 2765'

In addition, PPO by proposal and re-proposal dated October 1, 2018 and October 2, 2018, respectively, proposed to drill and complete the Nirvana #3H horizontal Yeso well at the following location (subject to change upon final staking of the well pad):

Nirvana #3H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location: 710' FSL & 640' FWL, Section 27, T18S-R26E
- Proposed Bottom Hole Location: 410' FSL & 1285' FEL, Section 29, T18S-R26E
- Proposed True Vertical Depth: 3620'

PPO submitted Applications for Compulsory Pooling, Case Nos. 20191 and 20263, of which a hearing took place on February 7, 2019, resulting in Compulsory Pooling Order Nos. R-20642 and R-20643. A copy of the original PPO proposals, AFEs and both Compulsory Pooling Orders are enclosed.

Whereas, subsequent to OXY Y-1 Company's ("OXY") receipt of these well proposals and prior to the hearing date, OXY and PPO, et al executed a Term Assignment ("TA"), dated effective November 1, 2018, recorded at Book 1119, Page 329 in the Deed Records of Eddy County, New Mexico. A copy of the TA is enclosed.

Whereas, subsequent to the aforementioned TA, SEP filed an Application to re-open Case No. 20191 to amend the approved well depth under Compulsory Pooling Order No. R-20642. At hearing on October 3, 2019, SEP required this case be dismissed. The Division dismissed re-opened Case No. 20191 without prejudice. Copies of these documents are enclosed.

Whereas, by letters dated March 30, 2020, the Division granted SEP an extension to commence the drilling of the Nirvana #1H and Nirvana #3H wells to June 30, 2021. Copies of these letters are enclosed.



Whereas, subsequent to the aforementioned dismissal of re-opened Case No. 20191 and the extension to commence drilling, SEP filed an Application to amend Compulsory Order No. R-20642 to add an additional well to the approved horizontal well spacing unit, being the Nirvana #2H well. This action resulted in Case No. 21254 which came before hearing on June 25, 2020. The Division granted Compulsory Order No. R-20642-B, whereby the Division ordered that the Nirvana #2H well be dedicated to the Unit established by Compulsory Order No. R-20642. A copy of this Order is enclosed.

Whereas, OXY did not receive the well proposal notice for the Nirvana #2H due to the effectiveness of the TA. However, please find enclosed a copy of the proposal, dated March 11, 2020, sent to the remaining Working Interest owners in the horizontal well spacing unit, for the Nirvana #2H horizontal Yeso well at the following proposed location (subject to change upon final staking of the well pad):

Nirvana #2H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location: 560' FSL & 665' FWL, Section 27, T18S-R26E
- Proposed Bottom Hole Location: 913' FSL & 1306' FEL, Section 29, T18S-R26E
- Proposed True Vertical Depth: 2650'

Due to the impending expiration of the TA on November 1, 2020, please let this letter serve as the well proposal for the Nirvana #1H, #2H and #3H wells. Updated AFEs are included for all wells.

SEP desires to enter into a new Term Assignment, using the same form as the current TA with OXY, to be made effective November 1, 2020. As consideration for the Term Assignment, SEP will pay OXY \$1500 per net mineral acre.

Should OXY not desire to enter into a new Term Assignment with SEP, SEP will provide OXY the opportunity to join the JOA, should OXY elect to participate in the wells. Should OXY not desire to enter into a new Term Assignment nor the JOA with SEP, SEP will file an Application for Compulsory Pooling in order to pool OXY's interest in the horizontal well spacing units.

Please indicate OXY's election by marking your appropriate election, dating, signing and returning the enclosed copy of this well proposal, together with a signed copy of the AFE (should OXY elect to participate), to the undersigned within thirty (30) days.

Should you have any questions pertaining to these proposals, please contact me at mpena@spurellc.com.

Sincerely,
Spur Energy Partners, LLC

A handwritten signature in blue ink that reads "Megan Peña".

Megan Peña
Senior Landman

Enclosures



Nirvana #1H Well Election

Owner: OXY Y-1 Company

WI Decimal: 0.15000000

_____ 1) *The undersigned elects to participate in the drilling and completion of the Nirvana #1H well, the payment of proportionate estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit. By electing to participate, the undersigned agrees to enter into the JOA.*

_____ 2) *The undersigned elects not to participate in the drilling and completion of the Nirvana #1H well and elects to enter into a Term Assignment, to be dated effective November 1, 2020, using the same form as the current Term Assignment dated effective November 1, 2018.*

_____ 3) *The undersigned elects not to participate in the drilling and completion of the Nirvana #1H well.*

Accepted to and Agreed this _____ day of _____, 2020,

OXY Y-1 Company

By: _____

Name: _____

Title: _____



Nirvana #2H Well Election

Owner: OXY Y-1 Company

WI Decimal: 0.15000000

_____ 1) *The undersigned elects to participate in the drilling and completion of the Nirvana #2H well, the payment of proportionate estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit. By electing to participate, the undersigned agrees to enter into the JOA.*

_____ 2) *The undersigned elects not to participate in the drilling and completion of the Nirvana #2H well and elects to enter into a Term Assignment, to be dated effective November 1, 2020, using the same form as the current Term Assignment dated effective November 1, 2018.*

_____ 3) *The undersigned elects not to participate in the drilling and completion of the Nirvana #2H well.*

Accepted to and Agreed this _____ day of _____, 2020,

OXY Y-1 Company

By: _____

Name: _____

Title: _____



Nirvana #3H Well Election

Owner: OXY Y-1 Company

WI Decimal: 0.10000000

_____ 1) *The undersigned elects to participate in the drilling and completion of the Nirvana #3H well, the payment of proportionate estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit. By electing to participate, the undersigned agrees to enter into the JOA.*

_____ 2) *The undersigned elects not to participate in the drilling and completion of the Nirvana #3H well and elects to enter into a Term Assignment, to be dated effective November 1, 2020, using the same form as the current Term Assignment dated effective November 1, 2018.*

_____ 3) *The undersigned elects not to participate in the drilling and completion of the Nirvana #3H well.*

Accepted to and Agreed this _____ day of _____, 2020,

OXY Y-1 Company

By: _____

Name: _____

Title: _____

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19073		COMPANY	
AFE DESC: NIRVANA 1H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP-TIE	SUPPLEMENT	TOTAL	ACTUAL
LOCATION/DAMAGES-LAND		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
TITLE WORK/OPINIONS - LAND		133,000.00	0.00		133,000.00	
TOTAL:		133,000.00	0.00		133,000.00	
DAMAGES/ROW - LAND		83,667.00	0.00		83,667.00	
TOTAL:		83,667.00	0.00		83,667.00	
DRILLING RENTALS: SURFACE		65,000.00	0.00		65,000.00	
TOTAL:		65,000.00	0.00		65,000.00	
DRILLING RENTALS: SUBSURFACE		36,000.00	0.00		36,000.00	
TOTAL:		36,000.00	0.00		36,000.00	
DRILL MUD & COMPL FLUID		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
WELLSITE SUPERVISION		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
GROUND TRANSPORT		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
CONTRACT DRILLING (DAY RATE/TUF		195,000.00	0.00		195,000.00	
TOTAL:		195,000.00	0.00		195,000.00	
DIRECTIONAL TOOLS AND SERVICES		110,500.00	0.00		110,500.00	
TOTAL:		110,500.00	0.00		110,500.00	
FLUID & CUTTINGS DISPOSAL		85,000.00	0.00		85,000.00	
TOTAL:		85,000.00	0.00		85,000.00	
FRAC TANK RENTALS		1,300.00	0.00		1,300.00	
TOTAL:		1,300.00	0.00		1,300.00	
BITS		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
CONTINGENCIES		96,180.00	0.00		96,180.00	
TOTAL:		96,180.00	0.00		96,180.00	
FUEL, WATER & LUBE		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
CEMENT		105,000.00	0.00		105,000.00	
TOTAL:		105,000.00	0.00		105,000.00	
CASING CREWS AND LAYDOWN SER		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
MUD LOGGER		13,000.00	0.00		13,000.00	
TOTAL:		13,000.00	0.00		13,000.00	
MOB/DEMOB RIG		50,000.00	0.00		50,000.00	
TOTAL:		50,000.00	0.00		50,000.00	
VACUUM TRUCKING		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
DRILLPIPE INSPECTION		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
CONTRACT LABOR/SERVICES		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
SURFACE CASING		22,815.00	0.00		22,815.00	
TOTAL:		22,815.00	0.00		22,815.00	
PRODUCTION/LINER CASING		137,620.00	0.00		137,620.00	
TOTAL:		137,620.00	0.00		137,620.00	
CONDUCTOR PIPE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
WELLHEAD		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
LINER HANGER/CASING ACCESSORY		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
EQUIP RENT		175,000.00	0.00		175,000.00	
TOTAL:		175,000.00	0.00		175,000.00	
DRILL MUD & COMPL FLUID		350,000.00	0.00		350,000.00	

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19073		COMPANY	
AFE DESC: NIRVANA 1H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

	TOTAL:	350,000.00	0.00	350,000.00
WELLSITE SUPERVISION		44,000.00	0.00	44,000.00
	TOTAL:	44,000.00	0.00	44,000.00
GROUND TRANSPORT		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
CASED HOLE WIRELINE		160,000.00	0.00	160,000.00
	TOTAL:	160,000.00	0.00	160,000.00
FRAC/FLUID SW DISPOSAL		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
FRAC TANK RENTALS		9,000.00	0.00	9,000.00
	TOTAL:	9,000.00	0.00	9,000.00
FLOWBACK		8,000.00	0.00	8,000.00
	TOTAL:	8,000.00	0.00	8,000.00
BITS		1,000.00	0.00	1,000.00
	TOTAL:	1,000.00	0.00	1,000.00
CONTINGENCIES		151,000.00	0.00	151,000.00
	TOTAL:	151,000.00	0.00	151,000.00
SPECIALIZED SERVICE		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
STIMULATION AND PUMPING SERVIC		990,000.00	0.00	990,000.00
	TOTAL:	990,000.00	0.00	990,000.00
FUEL, WATER & LUBE		260,000.00	0.00	260,000.00
	TOTAL:	260,000.00	0.00	260,000.00
COMPLETION/WORKOVER (RIG)		48,000.00	0.00	48,000.00
	TOTAL:	48,000.00	0.00	48,000.00
CONTRACT LABOR/SERVICES		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
SITE PREPARATION		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
INSTALLATION & LABOR EXPENSES (I		90,000.00	0.00	90,000.00
	TOTAL:	90,000.00	0.00	90,000.00
BATTERY CONSTRUCTION LABOR		70,000.00	0.00	70,000.00
	TOTAL:	70,000.00	0.00	70,000.00
TUBING		60,000.00	0.00	60,000.00
	TOTAL:	60,000.00	0.00	60,000.00
TUBING HEAD/XMAS TREE		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
PUMPING & LIFTING EQUIP		50,000.00	0.00	50,000.00
	TOTAL:	50,000.00	0.00	50,000.00
SEP, DEHY, TREATERS, HEAT EXCHA		57,000.00	0.00	57,000.00
	TOTAL:	57,000.00	0.00	57,000.00
MEASUREMENT EQUIP		23,000.00	0.00	23,000.00
	TOTAL:	23,000.00	0.00	23,000.00
LEASE AND FLOW LINES		11,000.00	0.00	11,000.00
	TOTAL:	11,000.00	0.00	11,000.00
MISC FITTINGS & SUPPLIES		135,000.00	0.00	135,000.00
	TOTAL:	135,000.00	0.00	135,000.00
TANKS (OIL & WATER)		53,000.00	0.00	53,000.00
	TOTAL:	53,000.00	0.00	53,000.00
TOTAL THIS AFE:		4,292,082.00	0.00	4,292,082.00

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19074		COMPANY	
AFE DESC: NIRVANA 2H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP-TIE	SUPPLEMENT	TOTAL	ACTUAL
LOCATION/DAMAGES-LAND		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
TITLE WORK/OPINIONS - LAND		133,000.00	0.00		133,000.00	
TOTAL:		133,000.00	0.00		133,000.00	
DAMAGES/ROW - LAND		83,667.00	0.00		83,667.00	
TOTAL:		83,667.00	0.00		83,667.00	
DRILLING RENTALS: SURFACE		65,000.00	0.00		65,000.00	
TOTAL:		65,000.00	0.00		65,000.00	
DRILLING RENTALS: SUBSURFACE		36,000.00	0.00		36,000.00	
TOTAL:		36,000.00	0.00		36,000.00	
DRILL MUD & COMPL FLUID		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
WELLSITE SUPERVISION		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
GROUND TRANSPORT		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
CONTRACT DRILLING (DAY RATE/TUF		195,000.00	0.00		195,000.00	
TOTAL:		195,000.00	0.00		195,000.00	
DIRECTIONAL TOOLS AND SERVICES		110,500.00	0.00		110,500.00	
TOTAL:		110,500.00	0.00		110,500.00	
FLUID & CUTTINGS DISPOSAL		85,000.00	0.00		85,000.00	
TOTAL:		85,000.00	0.00		85,000.00	
FRAC TANK RENTALS		1,300.00	0.00		1,300.00	
TOTAL:		1,300.00	0.00		1,300.00	
BITS		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
CONTINGENCIES		96,180.00	0.00		96,180.00	
TOTAL:		96,180.00	0.00		96,180.00	
FUEL, WATER & LUBE		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
CEMENT		105,000.00	0.00		105,000.00	
TOTAL:		105,000.00	0.00		105,000.00	
CASING CREWS AND LAYDOWN SER		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
MUD LOGGER		13,000.00	0.00		13,000.00	
TOTAL:		13,000.00	0.00		13,000.00	
MOB/DEMOB RIG		50,000.00	0.00		50,000.00	
TOTAL:		50,000.00	0.00		50,000.00	
VACUUM TRUCKING		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
DRILLPIPE INSPECTION		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
CONTRACT LABOR/SERVICES		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
SURFACE CASING		22,815.00	0.00		22,815.00	
TOTAL:		22,815.00	0.00		22,815.00	
PRODUCTION/LINER CASING		137,620.00	0.00		137,620.00	
TOTAL:		137,620.00	0.00		137,620.00	
CONDUCTOR PIPE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
WELLHEAD		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
LINER HANGER/CASING ACCESSORY		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
EQUIP RENT		175,000.00	0.00		175,000.00	
TOTAL:		175,000.00	0.00		175,000.00	
DRILL MUD & COMPL FLUID		350,000.00	0.00		350,000.00	

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19074		COMPANY	
AFE DESC: NIRVANA 2H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

	TOTAL:	350,000.00	0.00	350,000.00
WELLSITE SUPERVISION		44,000.00	0.00	44,000.00
	TOTAL:	44,000.00	0.00	44,000.00
GROUND TRANSPORT		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
CASED HOLE WIRELINE		160,000.00	0.00	160,000.00
	TOTAL:	160,000.00	0.00	160,000.00
FRAC/FLUID SW DISPOSAL		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
FRAC TANK RENTALS		9,000.00	0.00	9,000.00
	TOTAL:	9,000.00	0.00	9,000.00
FLOWBACK		8,000.00	0.00	8,000.00
	TOTAL:	8,000.00	0.00	8,000.00
BITS		1,000.00	0.00	1,000.00
	TOTAL:	1,000.00	0.00	1,000.00
CONTINGENCIES		151,000.00	0.00	151,000.00
	TOTAL:	151,000.00	0.00	151,000.00
SPECIALIZED SERVICE		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
STIMULATION AND PUMPING SERVIC		990,000.00	0.00	990,000.00
	TOTAL:	990,000.00	0.00	990,000.00
FUEL, WATER & LUBE		260,000.00	0.00	260,000.00
	TOTAL:	260,000.00	0.00	260,000.00
COMPLETION/WORKOVER (RIG)		48,000.00	0.00	48,000.00
	TOTAL:	48,000.00	0.00	48,000.00
CONTRACT LABOR/SERVICES		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
SITE PREPARATION		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
INSTALLATION & LABOR EXPENSES (I		90,000.00	0.00	90,000.00
	TOTAL:	90,000.00	0.00	90,000.00
BATTERY CONSTRUCTION LABOR		70,000.00	0.00	70,000.00
	TOTAL:	70,000.00	0.00	70,000.00
TUBING		60,000.00	0.00	60,000.00
	TOTAL:	60,000.00	0.00	60,000.00
TUBING HEAD/XMAS TREE		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
PUMPING & LIFTING EQUIP		50,000.00	0.00	50,000.00
	TOTAL:	50,000.00	0.00	50,000.00
SEP, DEHY, TREATERS, HEAT EXCHA		57,000.00	0.00	57,000.00
	TOTAL:	57,000.00	0.00	57,000.00
MEASUREMENT EQUIP		23,000.00	0.00	23,000.00
	TOTAL:	23,000.00	0.00	23,000.00
LEASE AND FLOW LINES		11,000.00	0.00	11,000.00
	TOTAL:	11,000.00	0.00	11,000.00
MISC FITTINGS & SUPPLIES		135,000.00	0.00	135,000.00
	TOTAL:	135,000.00	0.00	135,000.00
TANKS (OIL & WATER)		53,000.00	0.00	53,000.00
	TOTAL:	53,000.00	0.00	53,000.00
TOTAL THIS AFE:		4,292,082.00	0.00	4,292,082.00

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19075		COMPANY	
AFE DESC: NIRVANA 3H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP-TIE	SUPPLEMENT	TOTAL	ACTUAL
LOCATION/DAMAGES-LAND		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
TITLE WORK/OPINIONS - LAND		133,000.00	0.00		133,000.00	
TOTAL:		133,000.00	0.00		133,000.00	
DAMAGES/ROW - LAND		83,667.00	0.00		83,667.00	
TOTAL:		83,667.00	0.00		83,667.00	
DRILLING RENTALS: SURFACE		105,000.00	0.00		105,000.00	
TOTAL:		105,000.00	0.00		105,000.00	
DRILLING RENTALS: SUBSURFACE		60,000.00	0.00		60,000.00	
TOTAL:		60,000.00	0.00		60,000.00	
DRILL MUD & COMPL FLUID		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
WELLSITE SUPERVISION		63,000.00	0.00		63,000.00	
TOTAL:		63,000.00	0.00		63,000.00	
GROUND TRANSPORT		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
CONTRACT DRILLING (DAY RATE/TUF		315,000.00	0.00		315,000.00	
TOTAL:		315,000.00	0.00		315,000.00	
DIRECTIONAL TOOLS AND SERVICES		178,500.00	0.00		178,500.00	
TOTAL:		178,500.00	0.00		178,500.00	
FLUID & CUTTINGS DISPOSAL		90,000.00	0.00		90,000.00	
TOTAL:		90,000.00	0.00		90,000.00	
FRAC TANK RENTALS		2,100.00	0.00		2,100.00	
TOTAL:		2,100.00	0.00		2,100.00	
BITS		60,000.00	0.00		60,000.00	
TOTAL:		60,000.00	0.00		60,000.00	
CONTINGENCIES		129,260.00	0.00		129,260.00	
TOTAL:		129,260.00	0.00		129,260.00	
FUEL, WATER & LUBE		63,000.00	0.00		63,000.00	
TOTAL:		63,000.00	0.00		63,000.00	
CEMENT		100,000.00	0.00		100,000.00	
TOTAL:		100,000.00	0.00		100,000.00	
CASING CREWS AND LAYDOWN SER		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
MUD LOGGER		21,000.00	0.00		21,000.00	
TOTAL:		21,000.00	0.00		21,000.00	
MOB/DEMOB RIG		50,000.00	0.00		50,000.00	
TOTAL:		50,000.00	0.00		50,000.00	
VACUUM TRUCKING		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
DRILLPIPE INSPECTION		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
CONTRACT LABOR/SERVICES		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
SURFACE CASING		22,815.00	0.00		22,815.00	
TOTAL:		22,815.00	0.00		22,815.00	
PRODUCTION/LINER CASING		151,710.00	0.00		151,710.00	
TOTAL:		151,710.00	0.00		151,710.00	
CONDUCTOR PIPE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
WELLHEAD		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
LINER HANGER/CASING ACCESSORY		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
EQUIP RENT		175,000.00	0.00		175,000.00	
TOTAL:		175,000.00	0.00		175,000.00	
DRILL MUD & COMPL FLUID		350,000.00	0.00		350,000.00	

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19075		COMPANY	
AFE DESC: NIRVANA 3H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

	TOTAL:	350,000.00	0.00	350,000.00
WELLSITE SUPERVISION		44,000.00	0.00	44,000.00
	TOTAL:	44,000.00	0.00	44,000.00
GROUND TRANSPORT		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
CASED HOLE WIRELINE		160,000.00	0.00	160,000.00
	TOTAL:	160,000.00	0.00	160,000.00
FRAC/FLUID SW DISPOSAL		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
FRAC TANK RENTALS		9,000.00	0.00	9,000.00
	TOTAL:	9,000.00	0.00	9,000.00
FLOWBACK		8,000.00	0.00	8,000.00
	TOTAL:	8,000.00	0.00	8,000.00
BITS		1,000.00	0.00	1,000.00
	TOTAL:	1,000.00	0.00	1,000.00
CONTINGENCIES		151,000.00	0.00	151,000.00
	TOTAL:	151,000.00	0.00	151,000.00
SPECIALIZED SERVICE		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
STIMULATION AND PUMPING SERVIC		990,000.00	0.00	990,000.00
	TOTAL:	990,000.00	0.00	990,000.00
FUEL, WATER & LUBE		260,000.00	0.00	260,000.00
	TOTAL:	260,000.00	0.00	260,000.00
COMPLETION/WORKOVER (RIG)		48,000.00	0.00	48,000.00
	TOTAL:	48,000.00	0.00	48,000.00
CONTRACT LABOR/SERVICES		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
SITE PREPARATION		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
INSTALLATION & LABOR EXPENSES (I		90,000.00	0.00	90,000.00
	TOTAL:	90,000.00	0.00	90,000.00
BATTERY CONSTRUCTION LABOR		70,000.00	0.00	70,000.00
	TOTAL:	70,000.00	0.00	70,000.00
TUBING		60,000.00	0.00	60,000.00
	TOTAL:	60,000.00	0.00	60,000.00
TUBING HEAD/XMAS TREE		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
PUMPING & LIFTING EQUIP		50,000.00	0.00	50,000.00
	TOTAL:	50,000.00	0.00	50,000.00
SEP, DEHY, TREATERS, HEAT EXCHA		57,000.00	0.00	57,000.00
	TOTAL:	57,000.00	0.00	57,000.00
MEASUREMENT EQUIP		23,000.00	0.00	23,000.00
	TOTAL:	23,000.00	0.00	23,000.00
LEASE AND FLOW LINES		11,000.00	0.00	11,000.00
	TOTAL:	11,000.00	0.00	11,000.00
MISC FITTINGS & SUPPLIES		135,000.00	0.00	135,000.00
	TOTAL:	135,000.00	0.00	135,000.00
TANKS (OIL & WATER)		53,000.00	0.00	53,000.00
	TOTAL:	53,000.00	0.00	53,000.00
TOTAL THIS AFE:		4,673,052.00	0.00	4,673,052.00

Megan Pena

From: TrackingUpdates@fedex.com
Sent: Tuesday, October 20, 2020 10:12 AM
To: Megan Pena
Subject: FedEx Shipment 771839851670: Your package has been delivered

[EXTERNAL]



Hi. Your package was
delivered Tue, 10/20/2020 at
10:04am.



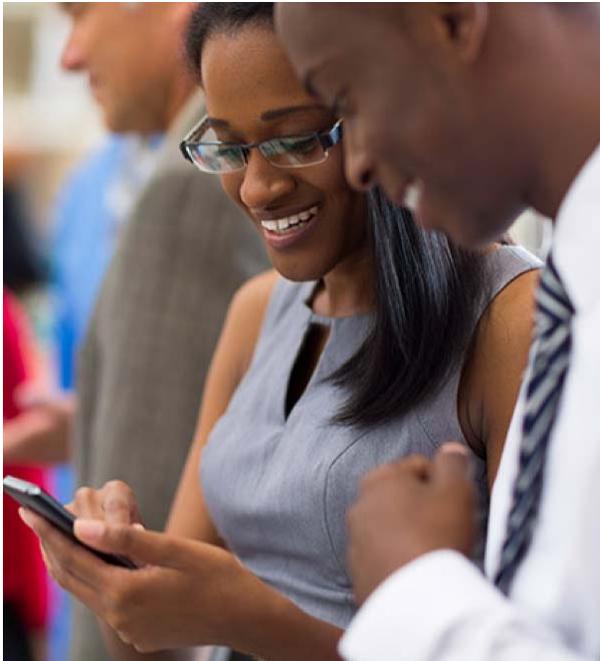
Delivered to 5 GREENWAY PLZ, HOUSTON, TX 77046
Received by O.OLIVAREZ

OBTAIN PROOF OF DELIVERY

TRACKING NUMBER [771839851670](#)

FROM Spur Energy Partners
9655 Katy Freeway
Suite 500
HOUSTON, TX, US, 77024

TO	OXY Y-1 Company 5 Greenway Plaza HOUSTON, TX, US, 77046
REFERENCE	Megan Pena
SHIPPER REFERENCE	Megan Pena
SHIP DATE	Mon 10/19/2020 06:30 PM
DELIVERED TO	Mailroom
PACKAGING TYPE	FedEx Envelope
ORIGIN	HOUSTON, TX, US, 77024
DESTINATION	HOUSTON, TX, US, 77046
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	0.50 LB
SERVICE TYPE	FedEx First Overnight Freight



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Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name NIRVANA			6 Well Number 1H
7 OGRID NO.		8 Operator Name SPUR ENERGY PARTNERS LLC.			9 Elevation 3417'

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	29	18S	26E		890	SOUTH	2075	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
P	28	18S	26E		410	SOUTH	50	EAST	EDDY

12 Dedicated Acres	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.

16

GEODETIC DATA
NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
N: 623523.4 - E: 520070.8
LAT: 32.7140876° N
LONG: 104.4024794° W

FIRST TAKE POINT (FTP)
410' FSL & 1221' FEL - SEC 29
N: 623040.0 - E: 520922.5
LAT: 32.7127604° N
LONG: 104.3997093° W

LAST TAKE POINT (LTP)
410' FSL & 100' FEL - SEC 28
N: 623013.2 - E: 527357.8
LAT: 32.7126960° N
LONG: 104.3787859° W

BOTTOM HOLE (BH)
N: 623013.0 - E: 527407.8
LAT: 32.7126955° N
LONG: 104.3786234° W

CORNER DATA
NAD 83 GRID - NM EAST

G: CALCULATED CORNER
N: 622625.1 - E: 522141.2

A: FOUND FENCE POST
N: 622614.8 - E: 516841.1

H: FOUND 38" REBAR
N: 622636.0 - E: 519499.8

B: CALCULATED CORNER
N: 627902.6 - E: 516889.4

C: CALCULATED CORNER
N: 627898.4 - E: 522165.5

D: FOUND NAIL
N: 627894.1 - E: 527461.9

E: FOUND COTTON SPINDLE
N: 625243.8 - E: 527459.8

F: FOUND REBAR
N: 622603.2 - E: 527457.4

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.

Signature _____ Date _____

Printed Name _____

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.

12-30-2020
Date of Survey

Signature and Seal of Professional Surveyor _____

19680
Certificate Number

S 89°45'40" E (GRID) 6,437.00' (HORIZ.)

LS20120847

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		2 Pool Code		3 Pool Name	
4 Property Code		5 Property Name NIRVANA			6 Well Number 2H
7 OGRID NO.		8 Operator Name SPUR ENERGY PARTNERS LLC.			9 Elevation 3417'

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	29	18S	26E		890	SOUTH	2095	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
P	28	18S	26E		913	SOUTH	50	EAST	EDDY

12 Dedicated Acres	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.

16

GEODETIC DATA
 NAD 83 GRID - NM EAST

SURFACE LOCATION (SL)
 N: 623523.5 - E: 520050.8
 LAT: 32.7140877° N
 LONG: 104.4025444° W

FIRST TAKE POINT (FTP)
 913' FSL & 1221' FEL - SEC 29
 N: 623542.9 - E: 520925.0
 LAT: 32.7141426° N
 LONG: 104.3997023° W

LAST TAKE POINT (LTP)
 913' FSL & 100' FEL - SEC 28
 N: 623516.1 - E: 527358.2
 LAT: 32.7140782° N
 LONG: 104.3787853° W

BOTTOM HOLE (BH)
 N: 623515.9 - E: 527408.2
 LAT: 32.7140777° N
 LONG: 104.3786227° W

CORNER DATA
 NAD 83 GRID - NM EAST

G: CALCULATED CORNER
 N: 622625.1 - E: 522141.2

A: FOUND FENCE POST
 N: 622614.8 - E: 516841.1

H: FOUND 38" REBAR
 N: 622636.0 - E: 519499.8

B: CALCULATED CORNER
 N: 627902.6 - E: 516889.4

C: CALCULATED CORNER
 N: 627898.4 - E: 522165.5

D: FOUND NAIL
 N: 627894.1 - E: 527461.9

E: FOUND COTTON SPINDLE
 N: 625243.8 - E: 527459.8

F: FOUND REBAR
 N: 622603.2 - E: 527457.4

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.

Signature _____ Date _____

Printed Name _____

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.

12-30-2020
 Date of Survey

Signature and Seal of Professional Surveyor _____

19680
 Certificate Number

LS20120848

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

**IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION DIVISION TO
CONSIDER:**

**CASE NO. 20263
ORDER NO. R-20643**

**APPLICATION OF PERCUSSION PETROLEUM OPERATING, LLC FOR
COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 7, 2019, at Santa Fe, New Mexico, before Examiner Scott A. Dawson.

NOW, on this 24th day of June 2019, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT

(1) Due public notice has been given and the Division has jurisdiction of this case and the subject matter.

(2) Case Nos. 20191 and 20263 were consolidated at the hearing for the purpose of testimony and a single order is being issued for each case.

(3) The Applicant, Percussion Petroleum Operating, LLC seeks in this case to compulsory pool all uncommitted oil and gas interests within a spacing unit (“the Unit”) described as follows:

A Horizontal Spacing Unit (the “Unit”) comprising 200 acres (more or less) in the San Andres-Yeso (Assoc) formation, Penasco Draw; San Andres-Yeso Pool (Pool code 50270), comprising the S/2 S/2 of Section 28 and SE/4 SE/4 of Section 29, all in Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

Pooled vertical depths are limited from a depth of 3201 feet to the base of the Yeso formation at a stratigraphic equivalent of a measured depth of 4460 feet as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926).

**BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Exhibit No. C4
Submitted by: Spur Energy Partners, LLC
Hearing Date: January 7, 2021
Case Nos. 21581-21582**

(4) The Unit will be dedicated to the following “proposed well”. The completed interval for the proposed well within the Unit will be orthodox:

Nirvana No. 3H, API No. 30-015-Pending

SHL: 690 feet from the South line and 635 feet from the West line,
(Unit M) of Section 27, Township 18 South, Range 26 East, NMPM.
BHL: 410 feet from the South line and 1306 feet from the East line,
(Unit P) of Section 29, Township 18 South, Range 26 East, NMPM;

(5) The Penasco Draw; San Andres-Yeso Pool is governed by Division Rule 19.15.15.9(A) NMAC, which specifies 40-acre spacing and proration units [for vertical wells], each comprising a governmental quarter-quarter section.

(6) The allowed setback footage distance for the proposed horizontal oil well(s) is specified in Paragraph (1) of Subsection C of 19.15.16.15 NMAC effective June 26, 2018. Said rules allow the first or last take points to be no closer than 100 feet to the nearest unit boundary, and the setbacks measured perpendicular to the well path to be a minimum of 330 from the outer boundary of the horizontal spacing unit.

(7) No other party entered an appearance in this case or otherwise opposed this application.

(8) Applicant appeared through counsel and presented the following land and technical evidence:

- (a) The San Andres-Yeso formation in this area is suitable for development by horizontal drilling.
- (b) The proposed orientation of the horizontal well from east to west is appropriate for optimum recovery of oil and gas.
- (c) A depth severance exists in the Yeso formation at 3200 feet. Accordingly, Percussion seeks to compulsory pool two subsets of the Pool:

(Case No. 20191) from the top of the pool [at a stratigraphic equivalent of 2279 feet measured depth], as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 3200 feet, and

(Case No. 20263) from 3201 feet to the base of the Yeso at a stratigraphic equivalent of 4460 feet measured depth as defined in the same log.

- (d) The depth severance was created by virtue of an assignment between two predecessors in interest. This document defines the depth severance due to

a pugh clause for an old well, the Mallard HM #2 well. And the document creating the depth severance does define the depth as 3200 feet, as measured in the Mallard HM No. 2 Well (API No. 30-015-22052).

- (e) All owners of the mineral estate above and below the depth severance were notified of the proposed pooling. One overriding interest owner, Helen Holt, had mail returned to sender.
- (f) In addition to parties the Applicant seeks to compulsory pool, the Applicant provided notice of these applications to the vertical offsets who were excluded from the spacing unit that the Applicant seeks to pool. All parties received notice and did not object to the Applicant's plan to pool only a portion of the pool in each case.
- (g) The cross-section submitted at the hearing depicts the Nirvana 3H target interval to be at 3620 feet true vertical feet which is approximately 420 feet below the depth severance at 3200 feet; therefore, the well will not impair correlative rights at 3200 feet or above the 3200-foot depth severance.
- (h) In addition, Applicant provided geologic testimony and exhibits indicating there are silts that act as frac barriers in each of the two wells and the applicant opines in their affidavit that the silts will act as a frac barrier, preventing drainage from the other side of the depth severance line.
- (i) The proposed well(s) will not drain pressure from, produce oil or gas from, or otherwise affect, or be affected by, production from each other or the respective depth severance at 3200 feet.
- (j) Applicant testified and included in their affidavit statement that their current wells are each about 400 feet off of the depth-severance line above and below, and they will not infill closer than those current proposed depths above and below without coming to hearing before the division.
- (k) All quarter-quarter sections to be included in the Unit are expected to be substantially productive in the San Andres-Yeso formation, so that the Unit as requested will not impair correlative rights.
- (l) Notice by certified mail was provided to all uncommitted interest owners in the proposed Unit whose interests were evidenced by a conveyance instrument, either of record or known to Applicant when the Application was filed, and to heirs known to Applicant of deceased persons who appear as owners in such instruments.

- (m) Those potentially affected parties whose whereabouts could not be ascertained were noticed by publication as provided in Rule 19.15.4.12.B NMAC.

The Division finds and concludes that

(9) The application in this case was filed, and the Well(s) were permitted, on or after the June 26, 2018 date on which amendments to 19.15.16.7 and 19.15.16.15 NMAC (prescribing new spacing rules for horizontal wells) became effective (see Order No. R-14689). Hence the Well(s) must be spaced, permitted and drilled pursuant 19.15.16.15 NMAC, as amended effective June 26, 2018.

(10) Provided that the Unit constitutes a standard horizontal spacing unit for each of the Well(s) under now effective rules, no non-standard spacing unit approval is needed. If, however, the Unit is not a standard horizontal spacing unit for any of the Well(s), the operator must obtain approval of a non-standard horizontal spacing unit pursuant to 19.15.16.15.B(5) prior to producing such well(s). The Unit shall not be considered non-standard due to the depth limitations approved in this Order.

(11) The depth severance and lower limit of the interval to be pooled was described as follows in applicant's exhibits presented February 7, 2019:

A depth severance exists in the San Andres-Yeso formation at 3200 feet. Accordingly, Percussion seeks to compulsory pool from 3201 feet measured depth, as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 4460 feet.

(12) Applicant has presented evidence that the proposed horizontal well if drilled in the Penasco Draw; San Andres-Yeso (Assoc) Pool will not be in hydraulic contact with the interval in Penasco Draw; San Andres-Yeso (Assoc) Pool located above the 3200-foot depth severance.

(13) Applicant testified and included in their affidavit statement that their current wells are each about 400 feet off of the depth-severance line above and below, and they will not infill closer than those current proposed depths above and below without coming to hearing before the division.

(14) Percussion Petroleum Operating, LLC (OGRID 371755) should be designated the operator of the Well(s) and of the Unit.

(15) Two or more separately owned tracts are embraced within the Unit, and/or there are royalty interests and/or undivided interests in oil and gas minerals in one or more tracts included in the Unit that are separately owned.

(16) Applicant is owner of an oil and gas working interest within the Unit. Applicant has the right to drill and proposes to drill the Well(s) to a common source of supply within the Unit at the described depths and location(s).

(17) There are interest owners in the Unit that have not agreed to pool their interests.

(18) To avoid the drilling of unnecessary wells, protect correlative rights, prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense a just and fair share of hydrocarbons, this application should be approved by pooling all uncommitted interests, whatever they may be, in the oil and gas in the San Andres-Yeso formation within the Unit.

(19) To ensure protection of correlative rights, any pooled working interest owner whose address is known, and who has elected to participate under the terms of this order should be notified before the Division grants any extension of the time provided herein for commencing drilling. Any such owner may file an application, with notice to the operator, requesting that the extension be denied.

(20) Infill wells within the Unit should be subject to Division Rules 19.15.13.9 NMAC through 19.15.13.10 NMAC, and to the terms and conditions of this order.

(21) Any pooled working interest owner who does not pay its share of estimated well costs of any well should have withheld from production from such well its share of reasonable well costs plus an additional 200% thereof as a reasonable charge for the risk involved in drilling the Well(s).

(22) Reasonable charges for supervision (combined fixed rates) should be fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates should be adjusted annually pursuant to the COPAS form titled "*Accounting Procedure-Joint Operations.*"

IT IS THEREFORE ORDERED THAT

(1) All uncommitted interests, whatever they may be, in the oil and gas within the following described spacing unit ("the Unit") are hereby pooled:

A Horizontal Spacing Unit comprising 200 acres (more or less) within the San Andres-Yeso formation (as it is described below) and in the Penasco Draw; San Andres-Yeso (Assoc) (Pool code 50270) and all other pools hereafter defined within the San Andres-Yeso formation in the S/2 S/2 of Section 28 and the SE/4 SE/4 of Section 29, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico.

Pooled Interval: A stratigraphic equivalent from 3201 feet measured depth, as defined in the Gamma Ray-Neutron Log of the Len Mayer No. 1 Well (API No. 30-015-05926) to a depth of 4460 feet.

(2) The Unit shall be dedicated to the following "proposed well". The completed interval of the proposed well will be orthodox:

Nirvana No. 3H, API No. 30-015-Pending

SHL: 690 feet from the South line and 635 feet from the West line,
(Unit M) of Section 27, Township 18 South, Range 26 East, NMPM.

BHL: 410 feet from the South line and 1306 feet from the East line,
(Unit P) of Section 29, Township 18 South, Range 26 East, NMPM;

(3) Percussion Petroleum Operating, LLC (OGRID 371755) is hereby designated the operator of the Well(s) and Unit.

(4) If any of the Well(s) is completed at an unorthodox location under applicable rules in effect at the time such well is completed, the operator shall provide notice and apply administratively for a location exception prior to producing the well.

(5) The operator of the Unit shall commence drilling the proposed well on or before June 30, 2020 and shall thereafter continue drilling the proposed well with due diligence to test the San Andres-Yeso formation at or about the proposed true vertical and measured depths.

(6) In the event the operator does not commence drilling the Well(s) on or before the date provided in the foregoing paragraph, the compulsory pooling provision of this order shall be of no effect, unless the operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(7) In the event the operator does not commence completion operations within one year after commencement of drilling operations pursuant to this order, then the compulsory pooling provisions of this order shall be of no effect unless operator obtains a written time extension from the Division Director pursuant to a written request stating its reasons for such extension and attaching satisfactory evidence.

(8) The operator shall provide a copy of any request for extension of time to drill or complete any well filed with the Director pursuant to this order to each pooled working interest owner who has elected to participate in the drilling of any well that is the subject of the request. Such copy shall be sent at the same time the request is sent to the Director.

(9) Upon final plugging and abandonment of the Well(s) and any other well drilled on the Unit pursuant to Division Rule 19.15.13.9 NMAC, the pooled unit created by this order shall terminate unless this order has been amended to authorize further operations.

(10) Infill wells within the Unit shall be subject to Division Rule 19.15.13.9 NMAC and to the terms and conditions of this order.

(11) After pooling, uncommitted working interest owners are referred to as pooled working interest owners. ("Pooled working interest owners" are owners of working interests in the Unit, including unleased mineral interests, who are not parties to an operating agreement governing the Unit.) After the effective date of this order, the operator shall furnish the Division and each

known pooled working interest owner in the Unit separate itemized schedules of estimated costs of drilling, completing and equipping each of the Well(s) ("well costs").

(12) Within 30 days from the date the schedule of estimated well costs for any well is furnished, any pooled working interest owner shall have the right to elect to pay its share of estimated well costs to the operator in lieu of paying its share of reasonable well costs out of production as hereinafter provided. Payment shall be rendered within 90 days after expiration of the 30-day election period and any such owner who pays its share of estimated well costs as provided above for any well shall remain liable for operating costs but shall not be liable for risk charges to the extent computed based on costs of such well. Pooled working interest owners who do not elect to pay their share of estimated well costs, or who do not render timely payment to the operator, as provided in this paragraph shall thereafter be referred to as "non-consenting working interest owners."

(13) The operator shall furnish the Division and each known pooled working interest owner (including non-consenting working interest owners) an itemized schedule of actual well costs of each well within 180 days following completion of the proposed well. If no objection to the actual well costs for any well is received by the Division, and the Division has not objected, within 45 days following receipt of the schedule for such well, the actual well costs shall be deemed to be the reasonable well costs. If there is an objection to actual well costs within the 45-day period, the Division will determine reasonable well costs for such well after public notice and hearing.

(14) Within 60 days following determination of reasonable well costs for any well, any pooled working interest owner who has paid its share of estimated costs of such well in advance as provided above shall pay to the operator its share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator the amount, if any, that the estimated well costs it has paid for such well exceed its share of reasonable well costs.

(15) The operator is hereby authorized to withhold the following costs and charges from each non-consenting working interest owner's share of production from each well:

(a) the proportionate share of reasonable well costs attributable to the non-consenting working interest owner; and

(b) as a charge for the risk involved in drilling the well, 200% of the above costs.

(16) During the cost recovery period, the operator shall furnish to the Division and to each known non-consenting pooled working interest owner, annually, and within 90 days after payout occurs, a schedule of all revenues attributable to each proposed well, and all charges for supervision and operating costs charged against such revenues. Operating costs shall include all reasonable costs incurred for the maintenance and operation of the well, except for "well costs" reported pursuant to prior ordering paragraphs, that are properly chargeable to the joint account pursuant to COPAS procedures. If no objection to the operating costs is received by the Division,

and the Division has not objected, within 45 days following receipt of any schedule, the costs shall be deemed to be the reasonable operating costs. If there is an objection to the accuracy or reasonableness of operating costs reported within the 45-day period, the Division will determine reasonable operating costs after public notice and hearing.

(17) The operator shall distribute the costs and charges withheld from production, proportionately, to the parties who advanced the well costs for such well.

(18) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$7000 per month, per well, while drilling and \$700 per month, per well, while producing, provided that these rates shall be adjusted annually pursuant to the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production from each well the proportionate share of both the supervision charges and the actual expenditures required for operating of such well, not more than what are reasonable, attributable to pooled working interest owners.

(19) Except as provided in the foregoing paragraphs, all proceeds from production from the Well(s) that are not disbursed for any reason shall be held for the account of the person or persons entitled thereto pursuant to the Oil and Gas Proceeds Payment Act (NMSA 1978 Sections 70-10-1 through 70-10-6, as amended). If not sooner disbursed, such proceeds shall be turned over to the appropriate authority as and when required by the Uniform Unclaimed Property Act (NMSA 1978 Sections 7-8A-1 through 7-8A-31, as amended).

(20) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for allocating costs and charges under this order. Any costs that are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(21) Should all the parties to this compulsory pooling order reach voluntary agreement after entry of this order, this order shall thereafter be of no further effect.

(22) The operator of the wells and Unit shall notify the Division in writing of the subsequent voluntary agreement of any party subject to the compulsory pooling provisions of this order.

(23) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in blue ink, appearing to read "AS" or "Adrienne Sandoval".

ADRIENNE SANDOVAL
Director

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Director
Oil Conservation Division



March 30, 2020

SEP Permian LLC (338479)
[Previous: Percussion Petroleum Operating, LLC (OGRID 371755)]
c/o Ms. Kaitlyn A. Luck, Attorney
KaLuck@hollandhart.com
110 N. Guadalupe Street, Suite 1
Santa Fe, N.M. 87501

RE: Request for Time Extension to Commence drilling
Case No. 20263, R-20643 approved date June 24th, 2019
Deadline to commence drilling June 30, 2020
Applicant/Operator: Percussion Petroleum Operating, LLC
Proposed Well:
Nirvana No. 3H, API No. 30-015-PENDING

Dear Sir or Madam:

The following pertains to your request received by the Division on March 30, 2020 and to the requirements in the captioned hearing order. You have requested an extension of the deadline to commence drilling given by the Division in the captioned order.

As stated, you are requesting an extension to spud these wells due to the change in the drilling plan in order to commence the drilling of these wells. There was no opposition in the captioned case. You are requesting an additional year in which to spud this well. The spud date is now extended to **June 30, 2021**.

Ordering Paragraph No. (5) and No. (6) of the captioned order is hereby amended, changing "June 30, 2020" to "June 30, 2021". The requested additional year in which to commence drilling is hereby granted.

All other provisions of this order remain in full force and effect.

Sincerely,

ADRIENNE SANDOVAL
Director

AS/LRL

cc: Oil Conservation Division – Hobbs District Office, Case No. 20263



October 19, 2020

Via FedEx

**OXY Y-1 Company
5 Greenway Plaza
Houston, TX 77046**

BEFORE THE OIL CONSERVATION DIVISION

Santa Fe, New Mexico

Exhibit No. C5

Submitted by: Spur Energy Partners, LLC

Hearing Date: January 7, 2021

Case Nos. 21581-21582

RE: Well Proposals
Nirvana #1H, #2H and #3H
T18S-R26E, Sections 28 & 29
Eddy County, New Mexico

Dear Working Interest Owner,

Spur Energy Partners, LLC's ("SEP") predecessor in title, Percussion Petroleum Operating, LLC, ("PPO") by proposal and re-proposal dated September 19, 2018 and September 21, 2018, respectively, proposed to drill and complete the Nirvana #1H horizontal Yeso well at the following location (subject to change upon final staking of the well pad):

Nirvana #1H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location: 540' FSL & 670' FWL, Section 27, T18S-R26E
- Proposed Bottom Hole Location: 360' FSL & 1200' FEL, Section 29, T18S-R26E
- Proposed True Vertical Depth: 2765'

In addition, PPO by proposal and re-proposal dated October 1, 2018 and October 2, 2018, respectively, proposed to drill and complete the Nirvana #3H horizontal Yeso well at the following location (subject to change upon final staking of the well pad):

Nirvana #3H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location: 710' FSL & 640' FWL, Section 27, T18S-R26E
- Proposed Bottom Hole Location: 410' FSL & 1285' FEL, Section 29, T18S-R26E
- Proposed True Vertical Depth: 3620'

PPO submitted Applications for Compulsory Pooling, Case Nos. 20191 and 20263, of which a hearing took place on February 7, 2019, resulting in Compulsory Pooling Order Nos. R-20642 and R-20643. A copy of the original PPO proposals, AFEs and both Compulsory Pooling Orders are enclosed.

Whereas, subsequent to OXY Y-1 Company's ("OXY") receipt of these well proposals and prior to the hearing date, OXY and PPO, et al executed a Term Assignment ("TA"), dated effective November 1, 2018, recorded at Book 1119, Page 329 in the Deed Records of Eddy County, New Mexico. A copy of the TA is enclosed.

Whereas, subsequent to the aforementioned TA, SEP filed an Application to re-open Case No. 20191 to amend the approved well depth under Compulsory Pooling Order No. R-20642. At hearing on October 3, 2019, SEP required this case be dismissed. The Division dismissed re-opened Case No. 20191 without prejudice. Copies of these documents are enclosed.

Whereas, by letters dated March 30, 2020, the Division granted SEP an extension to commence the drilling of the Nirvana #1H and Nirvana #3H wells to June 30, 2021. Copies of these letters are enclosed.



Whereas, subsequent to the aforementioned dismissal of re-opened Case No. 20191 and the extension to commence drilling, SEP filed an Application to amend Compulsory Order No. R-20642 to add an additional well to the approved horizontal well spacing unit, being the Nirvana #2H well. This action resulted in Case No. 21254 which came before hearing on June 25, 2020. The Division granted Compulsory Order No. R-20642-B, whereby the Division ordered that the Nirvana #2H well be dedicated to the Unit established by Compulsory Order No. R-20642. A copy of this Order is enclosed.

Whereas, OXY did not receive the well proposal notice for the Nirvana #2H due to the effectiveness of the TA. However, please find enclosed a copy of the proposal, dated March 11, 2020, sent to the remaining Working Interest owners in the horizontal well spacing unit, for the Nirvana #2H horizontal Yeso well at the following proposed location (subject to change upon final staking of the well pad):

Nirvana #2H – Horizontal Yeso Well, Eddy County, NM

- Proposed Surface Hole Location: 560' FSL & 665' FWL, Section 27, T18S-R26E
- Proposed Bottom Hole Location: 913' FSL & 1306' FEL, Section 29, T18S-R26E
- Proposed True Vertical Depth: 2650'

Due to the impending expiration of the TA on November 1, 2020, please let this letter serve as the well proposal for the Nirvana #1H, #2H and #3H wells. Updated AFEs are included for all wells.

SEP desires to enter into a new Term Assignment, using the same form as the current TA with OXY, to be made effective November 1, 2020. As consideration for the Term Assignment, SEP will pay OXY \$1500 per net mineral acre.

Should OXY not desire to enter into a new Term Assignment with SEP, SEP will provide OXY the opportunity to join the JOA, should OXY elect to participate in the wells. Should OXY not desire to enter into a new Term Assignment nor the JOA with SEP, SEP will file an Application for Compulsory Pooling in order to pool OXY's interest in the horizontal well spacing units.

Please indicate OXY's election by marking your appropriate election, dating, signing and returning the enclosed copy of this well proposal, together with a signed copy of the AFE (should OXY elect to participate), to the undersigned within thirty (30) days.

Should you have any questions pertaining to these proposals, please contact me at mpena@spurellc.com.

Sincerely,
Spur Energy Partners, LLC

A handwritten signature in blue ink that reads "Megan Peña".

Megan Peña
Senior Landman

Enclosures



Nirvana #1H Well Election

Owner: OXY Y-1 Company

WI Decimal: 0.15000000

_____ 1) *The undersigned elects to participate in the drilling and completion of the Nirvana #1H well, the payment of proportionate estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit. By electing to participate, the undersigned agrees to enter into the JOA.*

_____ 2) *The undersigned elects not to participate in the drilling and completion of the Nirvana #1H well and elects to enter into a Term Assignment, to be dated effective November 1, 2020, using the same form as the current Term Assignment dated effective November 1, 2018.*

_____ 3) *The undersigned elects not to participate in the drilling and completion of the Nirvana #1H well.*

Accepted to and Agreed this _____ day of _____, 2020,

OXY Y-1 Company

By: _____

Name: _____

Title: _____



Nirvana #2H Well Election

Owner: OXY Y-1 Company

WI Decimal: 0.15000000

_____ 1) *The undersigned elects to participate in the drilling and completion of the Nirvana #2H well, the payment of proportionate estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit. By electing to participate, the undersigned agrees to enter into the JOA.*

_____ 2) *The undersigned elects not to participate in the drilling and completion of the Nirvana #2H well and elects to enter into a Term Assignment, to be dated effective November 1, 2020, using the same form as the current Term Assignment dated effective November 1, 2018.*

_____ 3) *The undersigned elects not to participate in the drilling and completion of the Nirvana #2H well.*

Accepted to and Agreed this _____ day of _____, 2020,

OXY Y-1 Company

By: _____

Name: _____

Title: _____



Nirvana #3H Well Election

Owner: OXY Y-1 Company

WI Decimal: 0.10000000

_____ 1) *The undersigned elects to participate in the drilling and completion of the Nirvana #3H well, the payment of proportionate estimated AFE costs based upon the calculation of its working interest as stated above, with the cost and maintenance of all surface facilities, including any shared well pads, being reapportioned between each well drilled in the Unit. By electing to participate, the undersigned agrees to enter into the JOA.*

_____ 2) *The undersigned elects not to participate in the drilling and completion of the Nirvana #3H well and elects to enter into a Term Assignment, to be dated effective November 1, 2020, using the same form as the current Term Assignment dated effective November 1, 2018.*

_____ 3) *The undersigned elects not to participate in the drilling and completion of the Nirvana #3H well.*

Accepted to and Agreed this _____ day of _____, 2020,

OXY Y-1 Company

By: _____

Name: _____

Title: _____

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19073		COMPANY	
AFE DESC: NIRVANA 1H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP-TIE	SUPPLEMENT	TOTAL	ACTUAL
LOCATION/DAMAGES-LAND		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
TITLE WORK/OPINIONS - LAND		133,000.00	0.00		133,000.00	
TOTAL:		133,000.00	0.00		133,000.00	
DAMAGES/ROW - LAND		83,667.00	0.00		83,667.00	
TOTAL:		83,667.00	0.00		83,667.00	
DRILLING RENTALS: SURFACE		65,000.00	0.00		65,000.00	
TOTAL:		65,000.00	0.00		65,000.00	
DRILLING RENTALS: SUBSURFACE		36,000.00	0.00		36,000.00	
TOTAL:		36,000.00	0.00		36,000.00	
DRILL MUD & COMPL FLUID		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
WELLSITE SUPERVISION		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
GROUND TRANSPORT		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
CONTRACT DRILLING (DAY RATE/TUF		195,000.00	0.00		195,000.00	
TOTAL:		195,000.00	0.00		195,000.00	
DIRECTIONAL TOOLS AND SERVICES		110,500.00	0.00		110,500.00	
TOTAL:		110,500.00	0.00		110,500.00	
FLUID & CUTTINGS DISPOSAL		85,000.00	0.00		85,000.00	
TOTAL:		85,000.00	0.00		85,000.00	
FRAC TANK RENTALS		1,300.00	0.00		1,300.00	
TOTAL:		1,300.00	0.00		1,300.00	
BITS		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
CONTINGENCIES		96,180.00	0.00		96,180.00	
TOTAL:		96,180.00	0.00		96,180.00	
FUEL, WATER & LUBE		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
CEMENT		105,000.00	0.00		105,000.00	
TOTAL:		105,000.00	0.00		105,000.00	
CASING CREWS AND LAYDOWN SER		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
MUD LOGGER		13,000.00	0.00		13,000.00	
TOTAL:		13,000.00	0.00		13,000.00	
MOB/DEMOB RIG		50,000.00	0.00		50,000.00	
TOTAL:		50,000.00	0.00		50,000.00	
VACUUM TRUCKING		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
DRILLPIPE INSPECTION		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
CONTRACT LABOR/SERVICES		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
SURFACE CASING		22,815.00	0.00		22,815.00	
TOTAL:		22,815.00	0.00		22,815.00	
PRODUCTION/LINER CASING		137,620.00	0.00		137,620.00	
TOTAL:		137,620.00	0.00		137,620.00	
CONDUCTOR PIPE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
WELLHEAD		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
LINER HANGER/CASING ACCESSORY		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
EQUIP RENT		175,000.00	0.00		175,000.00	
TOTAL:		175,000.00	0.00		175,000.00	
DRILL MUD & COMPL FLUID		350,000.00	0.00		350,000.00	

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19073		COMPANY	
AFE DESC: NIRVANA 1H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

	TOTAL:	350,000.00	0.00	350,000.00
WELLSITE SUPERVISION		44,000.00	0.00	44,000.00
	TOTAL:	44,000.00	0.00	44,000.00
GROUND TRANSPORT		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
CASED HOLE WIRELINE		160,000.00	0.00	160,000.00
	TOTAL:	160,000.00	0.00	160,000.00
FRAC/FLUID SW DISPOSAL		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
FRAC TANK RENTALS		9,000.00	0.00	9,000.00
	TOTAL:	9,000.00	0.00	9,000.00
FLOWBACK		8,000.00	0.00	8,000.00
	TOTAL:	8,000.00	0.00	8,000.00
BITS		1,000.00	0.00	1,000.00
	TOTAL:	1,000.00	0.00	1,000.00
CONTINGENCIES		151,000.00	0.00	151,000.00
	TOTAL:	151,000.00	0.00	151,000.00
SPECIALIZED SERVICE		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
STIMULATION AND PUMPING SERVIC		990,000.00	0.00	990,000.00
	TOTAL:	990,000.00	0.00	990,000.00
FUEL, WATER & LUBE		260,000.00	0.00	260,000.00
	TOTAL:	260,000.00	0.00	260,000.00
COMPLETION/WORKOVER (RIG)		48,000.00	0.00	48,000.00
	TOTAL:	48,000.00	0.00	48,000.00
CONTRACT LABOR/SERVICES		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
SITE PREPARATION		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
INSTALLATION & LABOR EXPENSES (I		90,000.00	0.00	90,000.00
	TOTAL:	90,000.00	0.00	90,000.00
BATTERY CONSTRUCTION LABOR		70,000.00	0.00	70,000.00
	TOTAL:	70,000.00	0.00	70,000.00
TUBING		60,000.00	0.00	60,000.00
	TOTAL:	60,000.00	0.00	60,000.00
TUBING HEAD/XMAS TREE		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
PUMPING & LIFTING EQUIP		50,000.00	0.00	50,000.00
	TOTAL:	50,000.00	0.00	50,000.00
SEP, DEHY, TREATERS, HEAT EXCHA		57,000.00	0.00	57,000.00
	TOTAL:	57,000.00	0.00	57,000.00
MEASUREMENT EQUIP		23,000.00	0.00	23,000.00
	TOTAL:	23,000.00	0.00	23,000.00
LEASE AND FLOW LINES		11,000.00	0.00	11,000.00
	TOTAL:	11,000.00	0.00	11,000.00
MISC FITTINGS & SUPPLIES		135,000.00	0.00	135,000.00
	TOTAL:	135,000.00	0.00	135,000.00
TANKS (OIL & WATER)		53,000.00	0.00	53,000.00
	TOTAL:	53,000.00	0.00	53,000.00
TOTAL THIS AFE:		4,292,082.00	0.00	4,292,082.00

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19074		COMPANY	
AFE DESC: NIRVANA 2H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP-TIE	SUPPLEMENT	TOTAL	ACTUAL
LOCATION/DAMAGES-LAND		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
TITLE WORK/OPINIONS - LAND		133,000.00	0.00		133,000.00	
TOTAL:		133,000.00	0.00		133,000.00	
DAMAGES/ROW - LAND		83,667.00	0.00		83,667.00	
TOTAL:		83,667.00	0.00		83,667.00	
DRILLING RENTALS: SURFACE		65,000.00	0.00		65,000.00	
TOTAL:		65,000.00	0.00		65,000.00	
DRILLING RENTALS: SUBSURFACE		36,000.00	0.00		36,000.00	
TOTAL:		36,000.00	0.00		36,000.00	
DRILL MUD & COMPL FLUID		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
WELLSITE SUPERVISION		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
GROUND TRANSPORT		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
CONTRACT DRILLING (DAY RATE/TUF		195,000.00	0.00		195,000.00	
TOTAL:		195,000.00	0.00		195,000.00	
DIRECTIONAL TOOLS AND SERVICES		110,500.00	0.00		110,500.00	
TOTAL:		110,500.00	0.00		110,500.00	
FLUID & CUTTINGS DISPOSAL		85,000.00	0.00		85,000.00	
TOTAL:		85,000.00	0.00		85,000.00	
FRAC TANK RENTALS		1,300.00	0.00		1,300.00	
TOTAL:		1,300.00	0.00		1,300.00	
BITS		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
CONTINGENCIES		96,180.00	0.00		96,180.00	
TOTAL:		96,180.00	0.00		96,180.00	
FUEL, WATER & LUBE		39,000.00	0.00		39,000.00	
TOTAL:		39,000.00	0.00		39,000.00	
CEMENT		105,000.00	0.00		105,000.00	
TOTAL:		105,000.00	0.00		105,000.00	
CASING CREWS AND LAYDOWN SER		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
MUD LOGGER		13,000.00	0.00		13,000.00	
TOTAL:		13,000.00	0.00		13,000.00	
MOB/DEMOB RIG		50,000.00	0.00		50,000.00	
TOTAL:		50,000.00	0.00		50,000.00	
VACUUM TRUCKING		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
DRILLPIPE INSPECTION		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
CONTRACT LABOR/SERVICES		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
SURFACE CASING		22,815.00	0.00		22,815.00	
TOTAL:		22,815.00	0.00		22,815.00	
PRODUCTION/LINER CASING		137,620.00	0.00		137,620.00	
TOTAL:		137,620.00	0.00		137,620.00	
CONDUCTOR PIPE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
WELLHEAD		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
LINER HANGER/CASING ACCESSORY		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
EQUIP RENT		175,000.00	0.00		175,000.00	
TOTAL:		175,000.00	0.00		175,000.00	
DRILL MUD & COMPL FLUID		350,000.00	0.00		350,000.00	

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19074		COMPANY	
AFE DESC: NIRVANA 2H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

	TOTAL:	350,000.00	0.00		350,000.00
WELLSITE SUPERVISION		44,000.00	0.00		44,000.00
	TOTAL:	44,000.00	0.00		44,000.00
GROUND TRANSPORT		10,000.00	0.00		10,000.00
	TOTAL:	10,000.00	0.00		10,000.00
CASED HOLE WIRELINE		160,000.00	0.00		160,000.00
	TOTAL:	160,000.00	0.00		160,000.00
FRAC/FLUID SW DISPOSAL		10,000.00	0.00		10,000.00
	TOTAL:	10,000.00	0.00		10,000.00
FRAC TANK RENTALS		9,000.00	0.00		9,000.00
	TOTAL:	9,000.00	0.00		9,000.00
FLOWBACK		8,000.00	0.00		8,000.00
	TOTAL:	8,000.00	0.00		8,000.00
BITS		1,000.00	0.00		1,000.00
	TOTAL:	1,000.00	0.00		1,000.00
CONTINGENCIES		151,000.00	0.00		151,000.00
	TOTAL:	151,000.00	0.00		151,000.00
SPECIALIZED SERVICE		30,000.00	0.00		30,000.00
	TOTAL:	30,000.00	0.00		30,000.00
STIMULATION AND PUMPING SERVIC		990,000.00	0.00		990,000.00
	TOTAL:	990,000.00	0.00		990,000.00
FUEL, WATER & LUBE		260,000.00	0.00		260,000.00
	TOTAL:	260,000.00	0.00		260,000.00
COMPLETION/WORKOVER (RIG)		48,000.00	0.00		48,000.00
	TOTAL:	48,000.00	0.00		48,000.00
CONTRACT LABOR/SERVICES		30,000.00	0.00		30,000.00
	TOTAL:	30,000.00	0.00		30,000.00
SITE PREPARATION		10,000.00	0.00		10,000.00
	TOTAL:	10,000.00	0.00		10,000.00
INSTALLATION & LABOR EXPENSES (I		90,000.00	0.00		90,000.00
	TOTAL:	90,000.00	0.00		90,000.00
BATTERY CONSTRUCTION LABOR		70,000.00	0.00		70,000.00
	TOTAL:	70,000.00	0.00		70,000.00
TUBING		60,000.00	0.00		60,000.00
	TOTAL:	60,000.00	0.00		60,000.00
TUBING HEAD/XMAS TREE		15,000.00	0.00		15,000.00
	TOTAL:	15,000.00	0.00		15,000.00
PUMPING & LIFTING EQUIP		50,000.00	0.00		50,000.00
	TOTAL:	50,000.00	0.00		50,000.00
SEP, DEHY, TREATERS, HEAT EXCHA		57,000.00	0.00		57,000.00
	TOTAL:	57,000.00	0.00		57,000.00
MEASUREMENT EQUIP		23,000.00	0.00		23,000.00
	TOTAL:	23,000.00	0.00		23,000.00
LEASE AND FLOW LINES		11,000.00	0.00		11,000.00
	TOTAL:	11,000.00	0.00		11,000.00
MISC FITTINGS & SUPPLIES		135,000.00	0.00		135,000.00
	TOTAL:	135,000.00	0.00		135,000.00
TANKS (OIL & WATER)		53,000.00	0.00		53,000.00
	TOTAL:	53,000.00	0.00		53,000.00
TOTAL THIS AFE:		4,292,082.00	0.00		4,292,082.00

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19075		COMPANY	
AFE DESC: NIRVANA 3H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

DETAIL OF EXPENDITURES	DRYHOLE	COMPLETION	EQUIP-TIE	SUPPLEMENT	TOTAL	ACTUAL
LOCATION/DAMAGES-LAND		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
TITLE WORK/OPINIONS - LAND		133,000.00	0.00		133,000.00	
TOTAL:		133,000.00	0.00		133,000.00	
DAMAGES/ROW - LAND		83,667.00	0.00		83,667.00	
TOTAL:		83,667.00	0.00		83,667.00	
DRILLING RENTALS: SURFACE		105,000.00	0.00		105,000.00	
TOTAL:		105,000.00	0.00		105,000.00	
DRILLING RENTALS: SUBSURFACE		60,000.00	0.00		60,000.00	
TOTAL:		60,000.00	0.00		60,000.00	
DRILL MUD & COMPL FLUID		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
WELLSITE SUPERVISION		63,000.00	0.00		63,000.00	
TOTAL:		63,000.00	0.00		63,000.00	
GROUND TRANSPORT		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
CONTRACT DRILLING (DAY RATE/TUF		315,000.00	0.00		315,000.00	
TOTAL:		315,000.00	0.00		315,000.00	
DIRECTIONAL TOOLS AND SERVICES		178,500.00	0.00		178,500.00	
TOTAL:		178,500.00	0.00		178,500.00	
FLUID & CUTTINGS DISPOSAL		90,000.00	0.00		90,000.00	
TOTAL:		90,000.00	0.00		90,000.00	
FRAC TANK RENTALS		2,100.00	0.00		2,100.00	
TOTAL:		2,100.00	0.00		2,100.00	
BITS		60,000.00	0.00		60,000.00	
TOTAL:		60,000.00	0.00		60,000.00	
CONTINGENCIES		129,260.00	0.00		129,260.00	
TOTAL:		129,260.00	0.00		129,260.00	
FUEL, WATER & LUBE		63,000.00	0.00		63,000.00	
TOTAL:		63,000.00	0.00		63,000.00	
CEMENT		100,000.00	0.00		100,000.00	
TOTAL:		100,000.00	0.00		100,000.00	
CASING CREWS AND LAYDOWN SER		30,000.00	0.00		30,000.00	
TOTAL:		30,000.00	0.00		30,000.00	
MUD LOGGER		21,000.00	0.00		21,000.00	
TOTAL:		21,000.00	0.00		21,000.00	
MOB/DEMOB RIG		50,000.00	0.00		50,000.00	
TOTAL:		50,000.00	0.00		50,000.00	
VACUUM TRUCKING		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
DRILLPIPE INSPECTION		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
CONTRACT LABOR/SERVICES		35,000.00	0.00		35,000.00	
TOTAL:		35,000.00	0.00		35,000.00	
SURFACE CASING		22,815.00	0.00		22,815.00	
TOTAL:		22,815.00	0.00		22,815.00	
PRODUCTION/LINER CASING		151,710.00	0.00		151,710.00	
TOTAL:		151,710.00	0.00		151,710.00	
CONDUCTOR PIPE		25,000.00	0.00		25,000.00	
TOTAL:		25,000.00	0.00		25,000.00	
WELLHEAD		10,000.00	0.00		10,000.00	
TOTAL:		10,000.00	0.00		10,000.00	
LINER HANGER/CASING ACCESSORY		15,000.00	0.00		15,000.00	
TOTAL:		15,000.00	0.00		15,000.00	
EQUIP RENT		175,000.00	0.00		175,000.00	
TOTAL:		175,000.00	0.00		175,000.00	
DRILL MUD & COMPL FLUID		350,000.00	0.00		350,000.00	

SEP Permian LLC
AUTHORITY FOR EXPENDITURE

AFE NO.: D19075		COMPANY	
AFE DESC: NIRVANA 3H		DIVISION	
DATE: 12/10/2019	OPERATOR:		
AFE TYPE: DRILL COMPLETE AND EQUIP	102 - SEP PERMIAN,		
GROSS/NET: GROSS	LLC		

	TOTAL:	350,000.00	0.00	350,000.00
WELLSITE SUPERVISION		44,000.00	0.00	44,000.00
	TOTAL:	44,000.00	0.00	44,000.00
GROUND TRANSPORT		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
CASED HOLE WIRELINE		160,000.00	0.00	160,000.00
	TOTAL:	160,000.00	0.00	160,000.00
FRAC/FLUID SW DISPOSAL		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
FRAC TANK RENTALS		9,000.00	0.00	9,000.00
	TOTAL:	9,000.00	0.00	9,000.00
FLOWBACK		8,000.00	0.00	8,000.00
	TOTAL:	8,000.00	0.00	8,000.00
BITS		1,000.00	0.00	1,000.00
	TOTAL:	1,000.00	0.00	1,000.00
CONTINGENCIES		151,000.00	0.00	151,000.00
	TOTAL:	151,000.00	0.00	151,000.00
SPECIALIZED SERVICE		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
STIMULATION AND PUMPING SERVIC		990,000.00	0.00	990,000.00
	TOTAL:	990,000.00	0.00	990,000.00
FUEL, WATER & LUBE		260,000.00	0.00	260,000.00
	TOTAL:	260,000.00	0.00	260,000.00
COMPLETION/WORKOVER (RIG)		48,000.00	0.00	48,000.00
	TOTAL:	48,000.00	0.00	48,000.00
CONTRACT LABOR/SERVICES		30,000.00	0.00	30,000.00
	TOTAL:	30,000.00	0.00	30,000.00
SITE PREPARATION		10,000.00	0.00	10,000.00
	TOTAL:	10,000.00	0.00	10,000.00
INSTALLATION & LABOR EXPENSES (I		90,000.00	0.00	90,000.00
	TOTAL:	90,000.00	0.00	90,000.00
BATTERY CONSTRUCTION LABOR		70,000.00	0.00	70,000.00
	TOTAL:	70,000.00	0.00	70,000.00
TUBING		60,000.00	0.00	60,000.00
	TOTAL:	60,000.00	0.00	60,000.00
TUBING HEAD/XMAS TREE		15,000.00	0.00	15,000.00
	TOTAL:	15,000.00	0.00	15,000.00
PUMPING & LIFTING EQUIP		50,000.00	0.00	50,000.00
	TOTAL:	50,000.00	0.00	50,000.00
SEP, DEHY, TREATERS, HEAT EXCHA		57,000.00	0.00	57,000.00
	TOTAL:	57,000.00	0.00	57,000.00
MEASUREMENT EQUIP		23,000.00	0.00	23,000.00
	TOTAL:	23,000.00	0.00	23,000.00
LEASE AND FLOW LINES		11,000.00	0.00	11,000.00
	TOTAL:	11,000.00	0.00	11,000.00
MISC FITTINGS & SUPPLIES		135,000.00	0.00	135,000.00
	TOTAL:	135,000.00	0.00	135,000.00
TANKS (OIL & WATER)		53,000.00	0.00	53,000.00
	TOTAL:	53,000.00	0.00	53,000.00
TOTAL THIS AFE:		4,673,052.00	0.00	4,673,052.00

Megan Pena

From: TrackingUpdates@fedex.com
Sent: Tuesday, October 20, 2020 10:12 AM
To: Megan Pena
Subject: FedEx Shipment 771839851670: Your package has been delivered

[EXTERNAL]



Hi. Your package was
delivered Tue, 10/20/2020 at
10:04am.



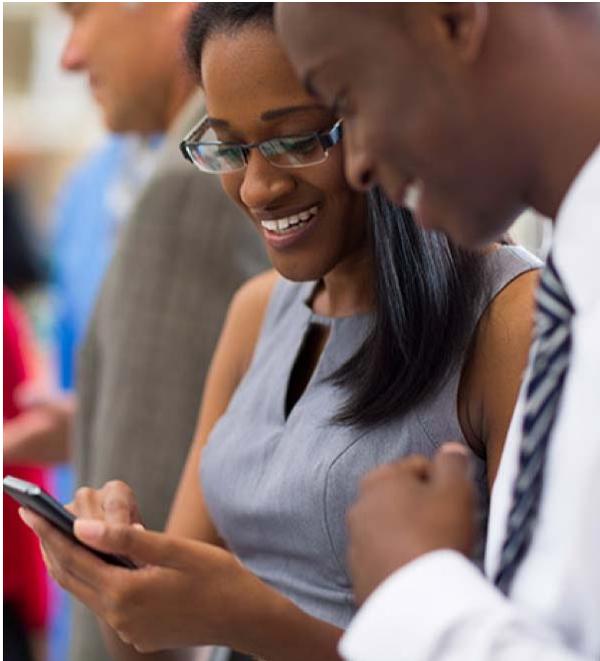
Delivered to 5 GREENWAY PLZ, HOUSTON, TX 77046
Received by O.OLIVAREZ

OBTAIN PROOF OF DELIVERY

TRACKING NUMBER [771839851670](#)

FROM Spur Energy Partners
9655 Katy Freeway
Suite 500
HOUSTON, TX, US, 77024

TO	OXY Y-1 Company 5 Greenway Plaza HOUSTON, TX, US, 77046
REFERENCE	Megan Pena
SHIPPER REFERENCE	Megan Pena
SHIP DATE	Mon 10/19/2020 06:30 PM
DELIVERED TO	Mailroom
PACKAGING TYPE	FedEx Envelope
ORIGIN	HOUSTON, TX, US, 77024
DESTINATION	HOUSTON, TX, US, 77046
NUMBER OF PIECES	1
TOTAL SHIPMENT WEIGHT	0.50 LB
SERVICE TYPE	FedEx First Overnight Freight



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FOLLOW FEDEX

Kaitlyn A. Luck

Kaitlyn A. Luck

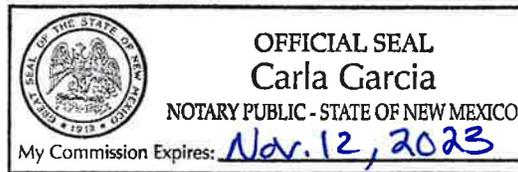
SUBSCRIBED AND SWORN to before me this 28th day of December, 2020 by Kaitlyn A.

Luck.

Carla Garcia
Notary Public

My Commission

Expires: Nov. 12, 2023





December 18, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

OXY Y-1 Company
5 Greenway Plaza
Houston, TX 77046

**Re: Application of Spur Energy Partners, LLC to Pool Additional Interest Owners
Under the Terms of Order Nos. R-20642 & R-20642-B, Eddy County, New
Mexico.**
Nirvana #1H and #2H wells

Ladies & Gentlemen:

This letter is to advise you that Spur Energy Partners, LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 7, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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. Parties appearing in cases are required by Division Rule 19.15.4.13.B to file a Pre-hearing Statement four business days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address 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.

If you have any questions about this matter, please contact Megan Peña at (832) 930-8581 or mpena@spurepllc.com.

Sincerely,

Kaitlyn A. Luck
ATTORNEY FOR SPUR ENERGY PARTNERS, LLC



December 18, 2020

VIA CERTIFIED MAIL
CERTIFIED RECEIPT REQUESTED

OXY Y-1 Company
5 Greenway Plaza
Houston, TX 77046

**Re: Application of Spur Energy Partners, LLC to Pool Additional Interest Owners
Under the Terms of Order No. R-20643, Eddy County, New Mexico.**
Nirvana #3H well

Ladies & Gentlemen:

This letter is to advise you that Spur Energy Partners, LLC has filed the enclosed application with the New Mexico Oil Conservation Division.

During the COVID-19 Pubic Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on January 7, 2021, beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the OCD Hearings website: <http://www.emnrd.state.nm.us/OCD/announcements.html>.

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If you have any questions about this matter, please contact Megan Peña at (832) 930-8581 or mpena@spurepllc.com.

Sincerely,

Kaitlyn A. Luck
ATTORNEY FOR SPUR ENERGY PARTNERS,
LLC

SEP - Nirvana 1H-3H
Case Nos. 21581-21582 Postal Delivery Report

TrackingNo	ToName	DeliveryAddress	City	State	Zip	USPS_Status
9414811898765895872231	OXY Y-1 Company	5 Greenway Plz	Houston	TX	77046-0526	Your item departed our NORTH HOUSTON TX DISTRIBUTION CENTER destination facility on December 30, 2020 at 9:53 pm. The item is currently in transit to the destination.