

# *Spear Brothers Group*



## **PERMIAN BASIN FEE LEASE RIGHTS – NAPE 2024**

**T 22S R 27E §20 – Eddy County, New Mexico**

<b>Net Mineral Acreage:</b>	20 +/-
<b>Term:</b>	3 Years *
<b>Depth:</b>	Various
<b>NRI (Delivered):</b>	75%
<b>Bonus:</b>	<b>\$TBD Per Net Mineral Acre</b>

**SOLD**

This offer is subject to prior sale or withdrawal without prior notice.

Contact: Shane Spear  
[Shane@SpearBrothersGroup.com](mailto:Shane@SpearBrothersGroup.com)  
Spear Brothers Group, LLC  
PO Box 1684  
Midland, Texas 79702  
(432) 683-8420 (work)  
(432) 559-8097 (cell)



[www.SpearBrothersGroup.com](http://www.SpearBrothersGroup.com)

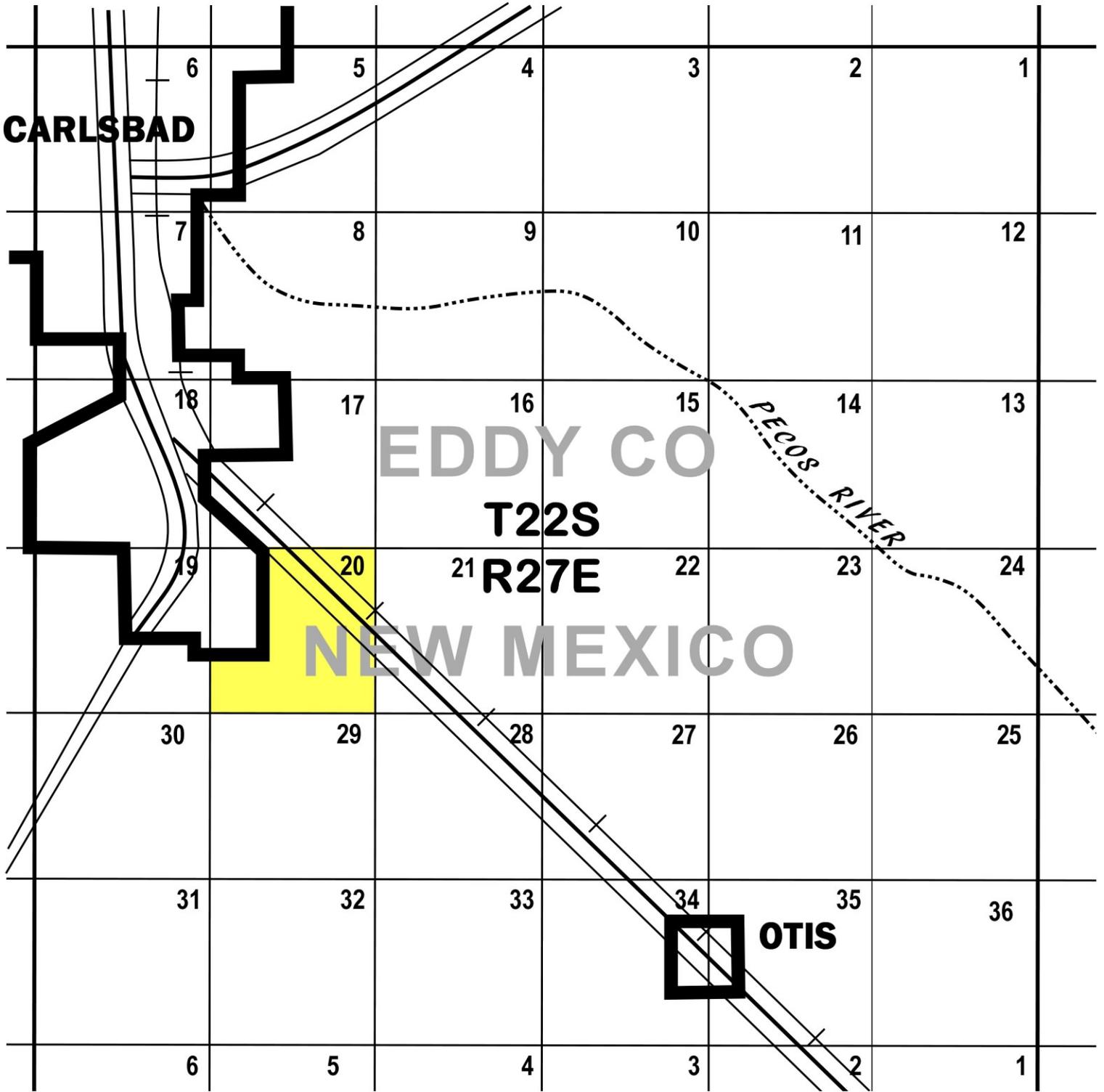


\* These are fee minerals available for lease. In order to complete a drilling project, it is probable that lessees will need to obtain permissions from state and federal authorities who have shown hostility to drilling activities. The ability to get government permissions to drill are subject to the whims and fancies of those capricious state and federal governments.



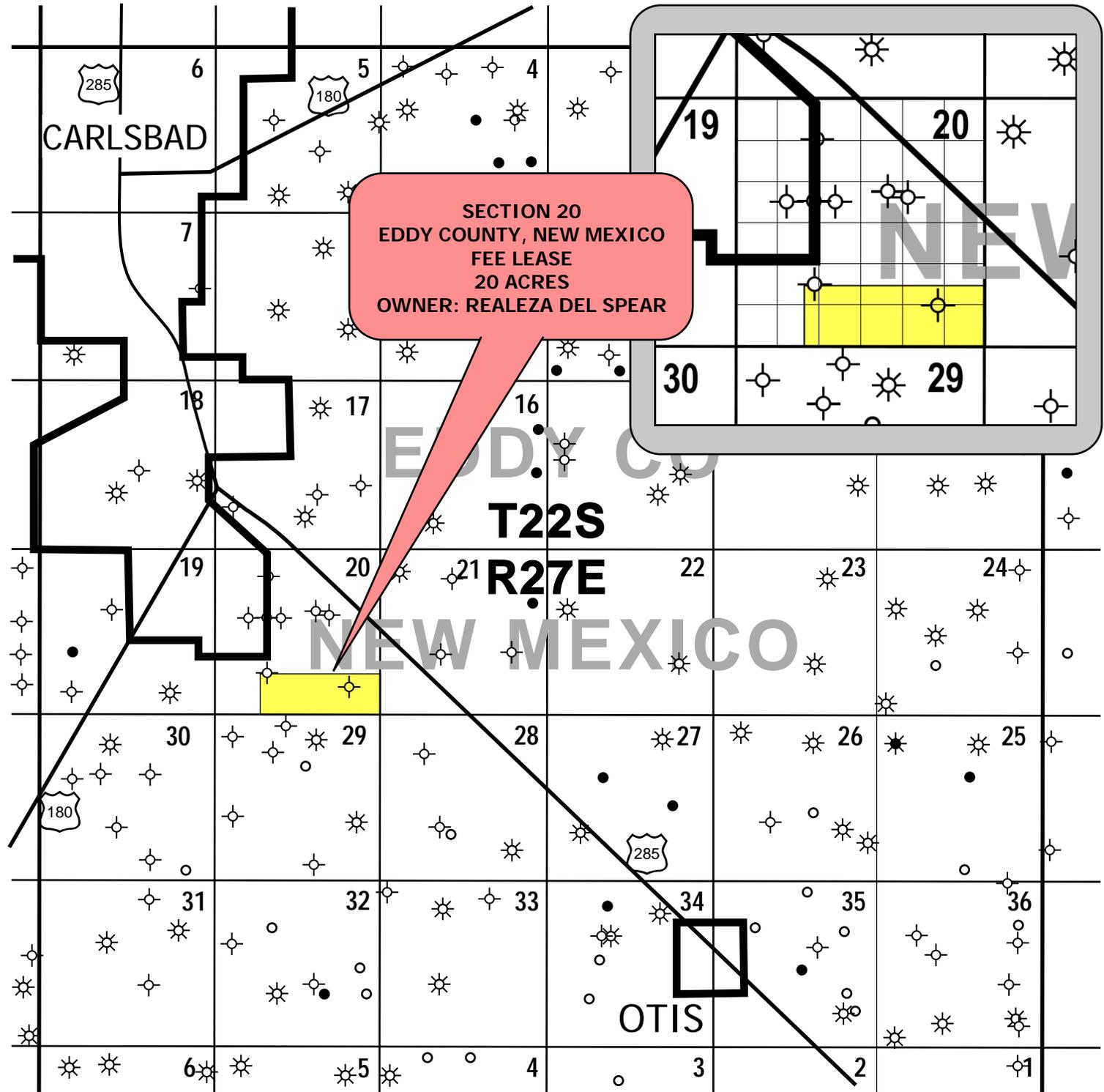
*Spear Brothers Group*





*Spear Brothers Group*





*Spear Brothers Group*



# ALPHA ENERGY PARTNERS

## AUTHORIZATION FOR EXPENDITURE

Well Name: The Dude 20/19 Fee 203H Prospect: Wolfcamp XY Sand

Location: SL: 1,300' FSL & 500' FEL (24, T22S-R26E); BHL: 1,980' FSL & 200' FEL (20) County Eddy ST NM

Sec. 19/20 Blk:            Survey:            TWP: 22S RNG: 26/27E Prop. TVD: 8992 TMD: 19,320

INTANGIBLE COSTS 0180	CODE	TCP	CODE	CC
Regulatory Permits & Surveys	0190-0100	\$15,000	0190-0200	
Location / Road / Site / Preparation	0190-0104	\$100,000	0190-0204	\$45,000
Location / Restoration	0190-0105	\$200,000	0190-0205	\$90,000
Daywork / Turnkey / Footage Drilling 22 days drlg / 4 days comp @\$30000/d	0190-0111	\$705,000	0190-0211	\$128,200
Fuel	0190-0115	\$160,000	0190-0215	\$250,000
Mud, Chemical & Additives	0190-0121	\$270,000	0190-0221	
Horizontal Drillout Services			0190-0222	\$210,000
Cementing	0190-0126	\$179,500	0190-0226	\$40,000
Logging & Wireline Services	0190-0133	\$35,000	0190-0233	\$315,000
Casing / Tubing / Snubbing Service	0190-0136	\$56,000	0190-0236	\$75,000
Mud Logging	0190-0138	\$25,000		
Stimulation 60 Stg 24 Mmgal/ 24 MMlb			0190-0243	\$3,050,100
Stimulation Rentals & Other			0190-0244	\$325,000
Water & Other @ \$1/bbl FW	0190-0146	\$40,000	0190-0246	\$575,000
Bits	0190-0147	\$100,000	0190-0247	\$8,000
Inspection & Repair Services	0190-0152	\$50,000	0190-0252	\$5,000
Misc. Air & Pumping Services	0190-0157		0190-0257	\$10,000
Testing & Flowback Services	0190-0159	\$15,000	0190-0259	\$30,000
Completion / Workover Rig			0190-0262	\$10,500
Rig Mobilization	0190-0163	\$150,000		
Transportation	0190-0166	\$30,000	0190-0266	\$30,000
Welding Services	0190-0167	\$5,000	0190-0267	\$15,000
Contract Services & Supervision	0190-0173	\$30,000	0190-0273	\$81,000
Directional Services Includes Vertical Control	0190-0177	\$325,000		
Equipment Rental	0190-0182	\$236,000	0190-0282	\$30,000
Well / Lease Legal	0190-0184	\$5,000	0190-0284	
Well / Lease Insurance	0190-0185	\$5,900	0190-0285	
Intangible Supplies	0190-0189	\$20,000	0190-0289	\$10,000
Damages	0190-0192	\$10,000	0190-0292	
ROW & Easements	0190-0193		0190-0293	\$34,000
Pipeline Interconnect			0190-0294	\$88,000
Company Supervision	0190-0195	\$138,000	0190-0295	\$62,800
Overhead Fixed Rate	0190-0196	\$10,000	0190-0296	\$20,000
Well Abandonment	0190-0198		0190-0298	
Contingencies	0190-0199	\$175,000	0190-0299	\$102,000
<b>TOTAL</b>		<b>\$3,090,400</b>		<b>\$5,639,600</b>

TANGIBLE COSTS 0181	CODE	TCP	CODE	CC
Casing (19.1" - 30")	0191-0796			
Casing (10.1" - 19.0") 1450' @\$58.21/ft	0191-0797	\$90,200		
Casing (8.1" - 10.0") 1750' @\$46.74/ft	0191-0798	\$87,400		
Casing (6.1" - 8.0") 9000' @\$51.82/ft	0191-0799	\$500,100		
Casing (4.1" - 6.0") 10370' @\$29.55/ft			0191-0797	\$327,300
Tubing 8400' @\$13/ft			0191-0798	\$116,700
Drilling Head	0191-0880	\$50,000		
Tubing Head & Upper Section			0191-0870	\$29,000
Horizontal Completion Tools			0191-0871	\$75,000
Subsurface Equipment			0191-0880	\$10,000
Artificial Lift Systems				\$25,000
Surface Pumps & Prime Movers			0191-0886	\$55,000
Tanks - Oil			0191-0890	\$90,000
Tanks - Water			0191-0891	\$80,000
Separation / Treating Equipment			0191-0895	\$61,000
Heater Treaters, Line Heaters			0191-0897	\$90,000
Metering Equipment			0191-0898	\$60,000
Line Pipe & Valves - Gathering			0191-0900	\$100,000
Fittings / Valves & Accessories			0191-0906	\$75,000
Cathodic Protection			0191-0908	\$45,000
Electrical Installation			0191-0909	\$79,000
Equipment Installation			0191-0910	\$61,000
Pipeline Construction			0191-0920	\$20,000
<b>TOTAL</b>		<b>\$727,700</b>		<b>\$1,399,000</b>
<b>SUBTOTAL</b>		<b>\$3,818,100</b>		<b>\$7,038,600</b>

**TOTAL WELL COST \$10,856,700**

Extra Expense Insurance

I elect to be covered by Operator's Extra Expense Insurance and pay my proportionate share of the premium.  
Operator has secured Extra Expense Insurance covering costs of well control, clean up and redrilling as estimated in Line Item 0180-0185.

I elect to purchase my own well control insurance policy.

If neither box is checked above, non-operating working interest owner elects to be covered by Operator's well control insurance.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
Joint Owner Name: \_\_\_\_\_

Signature: \_\_\_\_\_

# ALPHA ENERGY PARTNERS

## AUTHORIZATION FOR EXPENDITURE

Well Name: **The Dude 20/19 Fee 204H** Prospect: **Wolfcamp XY Sand**

Location: **SL: 1,250' FSL & 500' FEL (24, T22S-R26E); BHL: 660' FSL & 200' FEL (20)** County: **Eddy** ST: **NM**

Sec. **19/20** Blk:  Survey:  TWP: **22S** RNG: **26/27E** Prop. TVD: **8992** TMD: **19,320**

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<b>TOTAL</b>		<b>\$727,700</b>		<b>\$1,399,000</b>
<b>SUBTOTAL</b>		<b>\$3,818,100</b>		<b>\$7,038,600</b>
<b>TOTAL WELL COST</b>				<b>\$10,856,700</b>

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Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_  
Company Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Joint Owner Interest: \_\_\_\_\_ Amount: \_\_\_\_\_  
Joint Owner Name: \_\_\_\_\_ Signature: \_\_\_\_\_

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

<sup>1</sup> API Number <b>30-015-</b>	<sup>2</sup> Pool Code <b>98220</b>	<sup>3</sup> Pool Name <b>PURPLE SAGE; WOLFCAMP GAS POOL</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>THE DUDE 19/20 FEE</b>	
<sup>7</sup> OGRID No. <b>330859</b>	<sup>8</sup> Operator Name <b>ALPHA ENERGY PARTNERS, LLC</b>	<sup>6</sup> Well Number <b>203H</b>
		<sup>9</sup> Elevation <b>3074'</b>

<sup>10</sup> Surface Location

UL or lot no. <b>M</b>	Section <b>21</b>	Township <b>22</b>	Range <b>27</b>	Lot Idn	Feet from the <b>1280</b>	North/South line <b>SOUTH</b>	Feet from the <b>320</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
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<sup>11</sup> Bottom Hole Location If Different From Surface

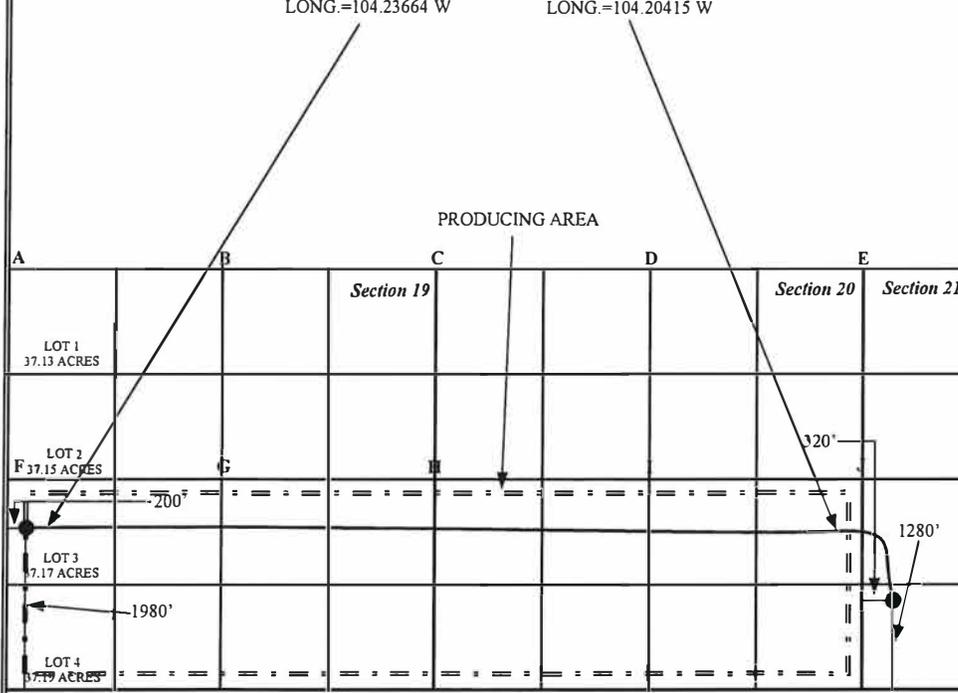
UL or lot no. <b>3</b>	Section <b>19</b>	Township <b>22</b>	Range <b>27</b>	Lot Idn	Feet from the <b>1980</b>	North/South line <b>SOUTH</b>	Feet from the <b>200</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
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<sup>12</sup> Dedicated Acres <b>634.36</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> <b>PROPOSED BHL</b> Y= X= LAT.= 32.37580 N LONG.=104.23703 W  <b>LTP</b> 1980' FSL, 330' FWL Y= X= LAT.= 32.37581 N LONG.=104.23664 W  <b>FTP</b> 1980' FSL, 330' FEL Y= X= LAT.=32.37626 N LONG.=104.20415 W  <b>PROPOSED SHL</b> Y= X= LAT.= 32.37431 N LONG.=104.20204 W	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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.   <span style="float: right;">11/16/23</span> Signature Date  <b>RILEY MORRIS</b> Printed Name  <b>RILEY@ALPHAPERMIAN.COM</b> E-mail Address	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.   Date of Survey Signature and Seal of Professional Surveyor:   Certificate Number	

PRODUCING AREA



CORNER	A	B	C	D	E	F	G	
LAT. (N)	32.38500	32.38518	32.38540	32.38561	32.38560	32.37778	32.37795	
LONG. (W)	104.23756	104.22891	104.22021	104.21155	104.20304	104.23761	104.22910	
CORNER	H	I	J	K	L	M	N	O
LAT. (N)	32.37813	32.37810	32.37821	32.37039	32.37045	32.37056	32.37083	32.37081
LONG. (W)	104.22025	104.21158	104.20309	104.23768	104.22917	104.22023	104.21159	104.20303

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OIL CONSERVATION DIVISION  
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Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-015-</b>		<sup>2</sup> Pool Code <b>98220</b>		<sup>3</sup> Pool Name <b>PURPLE SAGE; WOLFCAMP GAS POOL</b>	
<sup>4</sup> Property Code		<sup>5</sup> Property Name <b>THE DUDE 19/20 FEE</b>			<sup>6</sup> Well Number <b>204H</b>
<sup>7</sup> OGRID No. <b>330859</b>		<sup>8</sup> Operator Name <b>ALPHA ENERGY PARTNERS, LLC</b>			<sup>9</sup> Elevation <b>3079'</b>

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>21</b>	<b>22</b>	<b>27</b>		<b>1230</b>	<b>SOUTH</b>	<b>350</b>	<b>WEST</b>	<b>EDDY</b>

<sup>11</sup> 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
<b>4</b>	<b>19</b>	<b>22</b>	<b>27</b>		<b>660</b>	<b>SOUTH</b>	<b>200</b>	<b>WEST</b>	<b>EDDY</b>

<sup>12</sup> Dedicated Acres <b>634.36</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<sup>16</sup> <b>PROPOSED BHL</b> Y= X= LAT.= 32.37217 N LONG.=104.23702 W				<b>LTP</b> 660' FSL, 330' FWL Y= X= LAT.= 32.37218 N LONG.=104.23660 W				<b>FTP</b> 660' FSL, 330' FEL Y= X= LAT.=32.37261 N LONG.=104.20412 W				<b>PROPOSED SHL</b> Y= X= LAT.= 32.37416 N LONG.=104.20205 W				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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. <i>Riley Morris</i> 11/16/23 Signature Date	
<p style="text-align: center;">PRODUCING AREA</p>																<b>RILEY MORRIS</b> Printed Name <b>RILEY@ALPHAPERMIAN.COM</b> E-mail Address	
<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.  Date of Survey Signature and Seal of Professional Surveyor:																Certificate Number	
CORNER		A	B	C	D	E	F	G									
LAT. (N)		32.38500	32.38518	32.38540	32.38561	32.38560	32.37778	32.37795									
LONG. (W)		104.23756	104.22891	104.22021	104.21155	104.20304	104.23761	104.22910									
CORNER		H	I	J	K	L	M	N	O								
LAT. (N)		32.37813	32.37810	32.37821	32.37039	32.37045	32.37056	32.37083	32.37081								
LONG. (W)		104.22025	104.21158	104.20309	104.23768	104.22917	104.22023	104.21159	104.20303								

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Dylan M. Fuge**  
Deputy Secretary (Acting)

**Dylan M. Fuge**, Division Director  
Oil Conservation Division



November 13, 2023

**Amended Notice of Resumption of Drilling and Completion Activity in Proximity to the  
Carlsbad Brine Well**

Dear Operators:

You are receiving this notice because you are the registered Operator of well(s) affected by temporary restrictions on drilling and completion activities planned within five miles of the Carlsbad Brine Well (“backfilled void”). These include activities at proposed wells encroaching within in 1-mile of the backfilled voided affected by Division Orders R-21888, R-22063, R-21100-B, R-21104-C, and R-21123-C, restricted by Conditions of Approval (“COAs”) attached to Applications for Permits to Drill (“APDs”) approved after July 2, 2021, and the OCD’s first Notice of Resumption of Certain Drilling and Completion Activity in Proximity to the Carlsbad Brine Well. This Notice announces that such activities may resume regardless of their distance to the backfilled void, subject to the conditions detailed below.

Effective January 1, 2024 the Director has determined that drilling and completion activities associated with oil and gas production may resume *within a one-mile radius* of the backfilled void. Wells, or any portion of wells, or any activity, planned within one mile of the backfilled void may resume subject to the Conditions stated below:

- Operator shall provide written notice to OCD at least 14 days prior to the start of any drilling or completion activities occurring within five miles of the backfilled void. The notice shall be filed with [OCD.Engineer@state.nm.us](mailto:OCD.Engineer@state.nm.us).
- Vertical portions of wells may not advance within ¼-mile of the backfilled void.
- Lateral portions of wells occurring within 1-mile of the backfilled void may not occur at depths less than 5,000 feet.
- Completion activities (hydraulic fracturing) may not occur simultaneously.
  - OCD may require operators to modify their completion schedules if multiple completions are planned to occur simultaneously based on the written notice required above. .
- OCD may require additional safeguards for drilling operations progressing through the shallow Salado Formation.

This Notice is effective immediately. Please contact Jesse Tremaine at [JesseK.Tremaine@emnrd.nm.gov](mailto:JesseK.Tremaine@emnrd.nm.gov) or (505) 231-9312 with any questions about this Notice, affected Division Orders, COAs, or individual activities.

Sincerely,



---

Dylan Fuge

Director