Form C-101

August 1, 2011 Permit 305335

<u>District I</u> 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 Rd., Aztec, NM 87410

Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505

## **State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505**

Phone:(505) 47	76-3470 Fax:(505) 476-													
Spt	me and Address Ir Energy Partners L 5 Katy Freeway		TION FOR PE	RMI	T TO DRILL, RE-E	NTER, DE	EPEN, P	LUGB	ACK, OF	2.	OGRID	Number 328947		
	ston, TX 77024									3.	API Nu	mper 30-025-4965	7	
4. Property Co	de 866		5. Property Name JG 16 S	STATE	NORTH COM					6.	Well No	o. 060H		
					7. Surfa	ce Location								
UL - Lot D	Section 16	Township 173	Range	32E	Lot Idn	Feet From 1	300	N/S Line	N I	eet From 80		E/W Line W	County	Lea
					8. Proposed Bo	ttom Hole L	ocation							
UL - Lot	Section 16	Township	Range	32E	Lot Idn A	Feet From 1	300	N/S Line	N N	Feet From 50	)	E/W Line E	County	Lea
					9. Pool	Information								
MALJAMAR;	/ESO, WEST										4450	00		
					Additional V	Vell Informa	tion							
11. Work Type Nev	v Well	12. Well Typ	e IIL		13. Cable/Rotary		14. Lease	Type State		15. Ground	Level 4040	Elevation		
16. Multiple N		17. Propose 1	d Depth 1892		18. Formation Blinebry					Spud Date 2/27/2022				
Depth to Ground water Distance from nearest fresh water well						Distance to	Distance to nearest surface water							
We will be	using a closed-loop	system in lie	u of lined pits											
					21. Proposed Casin	g and Ceme	ent Progra	m						
Type	Hole Size	Casing	Size	С	asing Weight/ft	Set	ting Depth		S	acks of Cem	ent		Estimated <sup>-</sup>	ГОС
Surf	17.5	13.37			54.5		925			897			0	
Int1	12.25	9.62	5		36		4250			1264			0	
Prod	8.75	7			32		6500			2429			0	
Prod	8.75	5.5			20		11892			2429			0	

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	925	897	0
Int1	12.25	9.625	36	4250	1264	0
Prod	8.75	7	32	6500	2429	0
Prod	8.75	5.5	20	11892	2429	0

#### **Casing/Cement Program: Additional Comments**

	22. Proposed Blowout Preve	ntion Program	
Туре	Working Pressure	Test Pressure	Manufacturer
Double Ram	5	70	Shaffer

knowledge and	I have complied with 19.15.14.9 (A) N	true and complete to the best of my IMAC ⊠ and/or 19.15.14.9 (B) NMAC		OIL CONSERVAT	TION DIVISION	
Printed Name:	Electronically filed by Sarah Chap	man	Approved By:	Paul F Kautz		
Title: Regulatory Director			Title:	Geologist		
Email Address: schapman@spurenergy.com			Approved Date:	12/17/2021 Expiration Date: 12/17/2023		
Date:	12/16/2021 Phone: 832-930-8613			Conditions of Approval Attached		

District 1 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

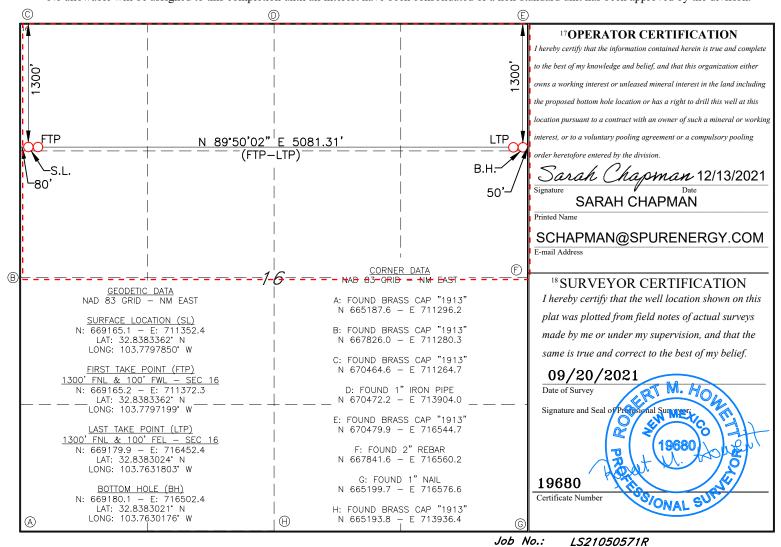
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 2 Pool C 4450			<sup>3</sup> Pool Name MALJAMAR; YESO, WE	ST	
<sup>4</sup> Property Code <b>331866</b>	JG		pperty Name 6 Well Nu TE NORTH COM 60H		
7 OGRID NO. 328947	SPUR	8 Operator N ENERGY PA	Name ARTNERS LLC.	<sup>9</sup> Elevation <b>4040</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
D	16	17S	32E		1300	NORTH	80	WEST	LEA
			11 <b>I</b>	Bottom H	lole Location	If Different Fr	om Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	17S	32E		1300	NORTH	50	EAST	LEA
12 Dedicated Acres	13 Joint	or Infill 14	Consolidation	Code 15 (	Order No.				
320									

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.



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**State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division** 1220 S. St Francis Dr. **Santa Fe, NM 87505** 

Form APD Conditions

Permit 305335

#### PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
Spur Energy Partners LLC [328947]	30-025-49657
9655 Katy Freeway	Well:
Houston, TX 77024	JG 16 STATE NORTH COM #060H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
pkautz	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface 2) PRODUCTION CASING - Cement must tie back into intermediate casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud

## State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

## NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

## Section 1 – Plan Description Effective May 25, 2021

I. Operator: SPUR	ENERGY PA	RTNERS LLC	OGRID:	32894	7 Date: _	10 / 16 / 2021
II. Type: 🔀 Original [	☐ Amendment	due to □ 19.15.27.9	9.D(6)(a) NMAC	□ 19.15.27.9.D(	(6)(b) NMAC □ (	Other.
If Other, please describe	e:					
III. Well(s): Provide the be recompleted from a s					wells proposed to	be drilled or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
JG 16 STATE NORTH COM 20H	30-025-PEND	D-16-17S-32E	1280' FNL 80' FWL	364 BBL/D	613 MCF/D	1273 BBL/D
JG 16 STATE NORTH COM 21H	30-025-PEND	D-16-17S-32E	1320' FNL 80' FWL	364 BBL/D	613 MCF/D	1273 BBL/D
JG 16 STATE NORTH COM 60H	30-015-PEND	D-16-17S-32E	1300' FNL 80' FWL	274 BBL/D	274 MCF/D	891 BBL/D
W. Control Dolivory P	Point Nomes	IG 16 STATE	COM NORTH	TANK BATTE	RY [See 16	0 15 27 0(D)(1) NMACI

[See 17.13.27.5(D)(1) TWIAC

**V. Anticipated Schedule:** Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached	Completion	Initial Flow	First Production
			Date	Commencement Date	Back Date	Date
JG 16 STATE NORTH COM 20H	30-025-PEND	02/20/2022	02/26/2022	03/21/2022	04/06/2022	04/06/2022
JG 16 STATE NORTH COM 21H	30-025-PEND	03/09/2022	03/18/2022	03/21/2022	04/06/2022	04/06/2022
JG 16 STATE NORTH COM 60H	30-015-PEND	02/27/2022	03/08/2022	03/21/2022	04/06/2022	04/06/2022

- VI. Separation Equipment: X Attach a complete description of how Operator will size separation equipment to optimize gas capture.
- VII. Operational Practices: 

  ✓ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.
- **VIII.** Best Management Practices: 🔀 Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

## Section 2 – Enhanced Plan <u>EFFECTIVE APRIL 1, 2022</u>

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

💢 Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

#### IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF	

#### X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. $\square$ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the
production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

<b>XII. Line Capacity.</b> The natural gas gathering system $\square$ will $\square$	will not have capacity to gather 100% of the anticipated natural gas
production volume from the well prior to the date of first product	on.

XIII. Line Pressure. Operator $\square$ does $\square$ does not anticipate that its existing well(s) connected to the same segment,	or portion,	, of the
natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by	the new w	ell(s).

	olan to manage proc	luction in response to t	the increased line p	oressure
--	---------------------	--------------------------	----------------------	----------

XIV. Confidentiality: Uperator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information	provided in
Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific	information
for which confidentiality is asserted and the basis for such assertion.	

# Section 3 - Certifications Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: 🛮 Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system: or □ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following: Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or Venting and Flaring Plan. 

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including: (a) power generation on lease; **(b)** power generation for grid; compression on lease; (c) (d) liquids removal on lease; reinjection for underground storage; (e)

- **(f)** reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- fuel cell production; and (h)
- other alternative beneficial uses approved by the division.

## Section 4 - Notices

- 1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:
- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: Sarah Chapman
Printed Name: SARAH CHAPMAN
Title: REGULATORY DIRECTOR
E-mail Address: SCHAPMAN@SPURENERGY.COM
Date: 12/16/2021
Phone:
832-930-8613
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:



## Natural Gas Management Plan – Attachment

VI. Separation equipment will be sized by construction engineering staff based on anticipated daily production to ensure adequate capacity.

VII. Spur Energy Partners LLC ("Spur") will take the following actions to comply with the regulations listed in 19.15.27.8:

- A. Spur will maximize the recovery of natural gas by minimizing waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. Spur will ensure that our wells will be connected to a natural gas gathering system with sufficient capacity to transport natural gas.
- B. All drilling operations will be equipped with a rig flare at least 100 feet from the nearest surface hole location. Rig flare will be utilized to combust any natural gas that is brought to surface during normal operations. In the case of emergency, flaring volumes will be reported appropriately.
- C. During completion operations any natural gas brought to surface will be flared. Immediately following completion operations, wells will flow to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. If natural gas does not meet gathering pipeline specifications, Spur will flare for 60 days or until natural gas meets the pipeline specifications. Spur will ensure flare is properly sized and is equipped with an automatic igniter or continuous pilot. Gas samples will be taken twice per week and natural gas will be routed into a gathering system as soon as the pipeline specifications are met.
- D. Natural gas will not be flared with the exception of 19.15.27.8(D)(1-4). If there is no adequate takeaway for the separator gas, wells will be shut-in until that natural gas gathering system is available with exception of emergency or malfunction situations. Volumes will be reported appropriately.
- E. Spur will comply with performance standards pursuant to 19.15.27.8(E)(1-8). All equipment will be designed and sized to handle maximum pressures to minimize waste. Storage tanks constructed after May 25, 2021 will be equipped with an automatic gauging system that reduces venting of natural gas. Flare stacks installed or replaced after May 25, 2021 will be equipped with an automatic ignitor or continuous pilot. Spur will conduct AVO inspections as described in 19.15.27.8(E)(5)(a) with frequencies specified in 19.15.27.8(E)(5)(b) and (c). All emergencies or malfunctions will be resolved as quickly and safely as possible to minimize waste.
- F. The volume of natural gas that is vented or flared as the result of an emergency or malfunction during drilling and/or completion operations will be estimated and reported accordingly. The volume of natural gas that is vented, flared or beneficially used during production operations, will be measured and reported accordingly. Spur will install equipment to measure the volume of natural gas flared from existing piping or a flowline piped from equipment such as high-pressure separators, heater treaters, or VRUs associated with a well or facility associated with a well authorized by an APD after May 25, 2021 that has an average daily production of less than 60,000 cubic feet of natural gas. If metering is not practicable due to circumstances such as low flow rate or low pressure venting or flaring, Spur will estimate the volume of flared or vented natural gas. Measuring equipment will conform to industry standards and will not be equipped with a manifold



that allows the diversion of natural gas around the metering element except for the sole purpose of inspecting and servicing equipment.

VIII. For maintenance activities involving production equipment and compression, venting be limited to the depressurization of the subject equipment to ensure safe working conditions. For maintenance of production equipment, the associated producing wells will be shut-in to eliminate venting. For maintenance of VRUs, all natural gas normally routed to the VRU will be routed to flare.



# Spur Energy Partners, LLC

Lea County, NM (Nad-83/ NME) JG 16 STATE NORTH COM 60H

Wellbore #1

Plan: PLAN #1

## **Standard Planning Report**

12 December, 2021



WBDS\_SQL\_2 Database:

Company: Spur Energy Partners, LLC Project: Lea County, NM (Nad-83/ NME) JG 16 STATE NORTH COM Site:

Well: 60H Wellbore: Wellbore #1 Design: PLAN #1

**Local Co-ordinate Reference:** 

**TVD Reference:** MD Reference: North Reference:

**Survey Calculation Method:** 

Well 60H

RKB = 20' @ 4060.00usft (AKITA 57) RKB = 20' @ 4060.00usft (AKITA 57)

Minimum Curvature

Project Lea County, NM (Nad-83/ NME)

Map System: Geo Datum:

Map Zone:

US State Plane 1983 North American Datum 1983 New Mexico Eastern Zone

System Datum:

Mean Sea Level

JG 16 STATE NORTH COM Site

Northing: 669,185.10 usft 32.838391 Site Position: Latitude: From: Мар Easting: 711,352.20 usft Longitude: -103.779785 **Position Uncertainty:** 0.00 usft Slot Radius: 13.200 in **Grid Convergence:** 0.300°

Well 60H

-20.00 usft +N/-S 0.20 usft +E/-W

Northing: Easting:

669.165.10 usft 711,352.40 usft

Latitude:

32.838336 -103.779785

**Position Uncertainty** 

**Well Position** 

0.00 usft

Wellhead Elevation:

Longitude: Ground Level:

4,040.00 usft

Wellbore #1 Wellbore Magnetics **Model Name** Sample Date Declination Dip Angle Field Strength (°) (°) (nT) IGRF2020 6.634 60.411 47,780.41660266 12/08/21

Design PLAN #1 **Audit Notes:** Version: Phase: **PLAN** Tie On Depth: 0.00 Vertical Section: Depth From (TVD) +N/-S +E/-W Direction (usft) (usft) (usft) (°) 89.83 0.00 0.00 0.00

Plan Survey Tool Program

12/12/21 Date

**Depth From** Depth To (usft)

(usft)

Survey (Wellbore)

**Tool Name** 

Remarks

0.00

11,891.58 PLAN #1 (Wellbore #1) MWD+IFR1+SAG+FDIR

OWSG MWD + IFR1 + Sag + F

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.000	
877.97	11.56	269.84	874.05	-0.17	-58.10	2.00	2.00	0.00	269.836	
5,068.81	11.56	269.84	4,979.90	-2.57	-897.88	0.00	0.00	0.00	0.000	
6,261.46	60.00	89.83	5,998.24	-1.24	-439.78	6.00	4.06	15.09	179.998	
6,461.46	60.00	89.83	6,098.24	-0.73	-266.58	0.00	0.00	0.00	0.000	
6,761.46	90.00	89.83	6,175.00	0.10	19.90	10.00	10.00	0.00	0.000	3. FTP 60H: 1300' FN
11,841.58	90.00	89.83	6,175.00	14.85	5,100.00	0.00	0.00	0.00	0.000	4. LTP 60H: 1300' FN
11,891.58	90.00	89.83	6,175.00	15.00	5,150.00	0.00	0.00	0.00	0.000	5. BHL 60H: 1300' FN



Database: WBDS\_SQL\_2

Company: Spur Energy Partners, LLC
Project: Lea County, NM (Nad-83/ NME)
Site: JG 16 STATE NORTH COM

 Well:
 60H

 Wellbore:
 Wellbore #1

 Design:
 PLAN #1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well 60H

RKB = 20' @ 4060.00usft (AKITA 57) RKB = 20' @ 4060.00usft (AKITA 57)

Grid

ed Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	l: 1300' FNL, 80' F								
1.00		0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
	23 SHL (AL) - JG	•	•	• •			•	•	
100.00		0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00		0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	2.00	269.84	399.98	0.00	-1.75	-1.75	2.00	2.00	0.00
500.00	4.00	269.84	499.84	-0.02	-6.98	-6.98	2.00	2.00	0.00
600.00		269.84	599.45	-0.04	-15.69	-15.69	2.00	2.00	0.00
700.00		269.84	698.70	-0.08	-27.88	-27.88	2.00	2.00	0.00
800.00	10.00	269.84	797.47	-0.12	-43.52	-43.52	2.00	2.00	0.00
877.97	11.56	269.84	874.05	-0.17	-58.10	-58.10	2.00	2.00	0.00
900.00		269.84	895.64	-0.18	-62.52	-62.52	0.00	0.00	0.00
1,000.00		269.84	993.61	-0.24	-82.56	-82.56	0.00	0.00	0.00
1,100.00		269.84	1,091.58	-0.29	-102.60	-102.60	0.00	0.00	0.00
1,200.00	11.56	269.84	1,189.56	-0.35	-122.63	-122.63	0.00	0.00	0.00
1,300.00	11.56	269.84	1,287.53	-0.41	-142.67	-142.67	0.00	0.00	0.00
1,400.00		269.84	1.385.50	-0.47	-162.71	-162.71	0.00	0.00	0.00
1,500.00		269.84	1,483.47	-0.52	-182.75	-182.75	0.00	0.00	0.00
1,600.00		269.84	1,581.44	-0.58	-202.79	-202.79	0.00	0.00	0.00
1,700.00		269.84	1,679.41	-0.64	-222.83	-222.83	0.00	0.00	0.00
1,800.00	11.56	269.84	1.777.39	-0.70	-242.86	-242.86	0.00	0.00	0.00
1,900.00		269.84	1,875.36	-0.75	-262.90	-262.90	0.00	0.00	0.00
2,000.00		269.84	1,973.33	-0.81	-282.94	-282.94	0.00	0.00	0.00
2,100.00		269.84	2,071.30	-0.87	-302.98	-302.98	0.00	0.00	0.00
2,200.00		269.84	2,169.27	-0.93	-323.02	-323.02	0.00	0.00	0.00
2,300.00	11.56	269.84	2,267.24	-0.98	-343.05	-343.06	0.00	0.00	0.00
2,400.00		269.84	2,365.22	-1.04	-363.09	-363.09	0.00	0.00	0.00
2,500.00		269.84	2,463.19	-1.10	-383.13	-383.13	0.00	0.00	0.00
2,600.00	11.56	269.84	2,561.16	-1.15	-403.17	-403.17	0.00	0.00	0.00
2,700.00	11.56	269.84	2,659.13	-1.21	-423.21	-423.21	0.00	0.00	0.00
2,800.00	11.56	269.84	2,757.10	-1.27	-443.25	-443.25	0.00	0.00	0.00
2,900.00		269.84	2,855.08	-1.33	-463.28	-463.29	0.00	0.00	0.00
3,000.00		269.84	2,953.05	-1.38	-483.32	-483.32	0.00	0.00	0.00
3,100.00	11.56	269.84	3,051.02	-1.44	-503.36	-503.36	0.00	0.00	0.00
3,200.00	11.56	269.84	3,148.99	-1.50	-523.40	-523.40	0.00	0.00	0.00
3,300.00	11.56	269.84	3,246.96	-1.56	-543.44	-543.44	0.00	0.00	0.00
3,400.00		269.84	3,344.93	-1.61	-563.48	-563.48	0.00	0.00	0.00
3,500.00		269.84	3,442.91	-1.67	-583.51	-583.52	0.00	0.00	0.00
3,600.00	11.56	269.84	3,540.88	-1.73	-603.55	-603.55	0.00	0.00	0.00
3,700.00	11.56	269.84	3,638.85	-1.79	-623.59	-623.59	0.00	0.00	0.00
3,800.00	11.56	269.84	3,736.82	-1.84	-643.63	-643.63	0.00	0.00	0.00
3,900.00		269.84	3,834.79	-1.90	-663.67	-663.67	0.00	0.00	0.00
4,000.00		269.84	3,932.76	-1.96	-683.70	-683.71	0.00	0.00	0.00
4,100.00	11.56	269.84	4,030.74	-2.02	-703.74	-703.75	0.00	0.00	0.00
4,200.00	11.56	269.84	4,128.71	-2.07	-723.78	-723.78	0.00	0.00	0.00
4,300.00	11.56	269.84	4,226.68	-2.13	-743.82	-743.82	0.00	0.00	0.00
4,400.00		269.84	4,324.65	-2.19	-763.86	-763.86	0.00	0.00	0.00
4,500.00		269.84	4,422.62	-2.24	-783.90	-783.90	0.00	0.00	0.00
4,600.00		269.84	4,520.60	-2.30	-803.93	-803.94	0.00	0.00	0.00
4,700.00	11.56	269.84	4,618.57	-2.36	-823.97	-823.98	0.00	0.00	0.00
4,800.00	11.56	269.84	4,716.54	-2.42	-844.01	-844.01	0.00	0.00	0.00



Database: WBDS\_SQL\_2

Company: Spur Energy Partners, LLC
Project: Lea County, NM (Nad-83/ NME)
Site: JG 16 STATE NORTH COM

Well: 60H
Wellbore: Wellbore #1
Design: PLAN #1

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well 60H

RKB = 20' @ 4060.00usft (AKITA 57) RKB = 20' @ 4060.00usft (AKITA 57)

Grid

yıı.	1 27 (14 17 1								
nned Survey									
Measured			Vertical			Vertical	Dogleg	Build	Turn
Depth (usft)	Inclination (°)	Azimuth (°)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Section (usft)	Rate (°/100ft)	Rate (°/100ft)	Rate (°/100ft)
4,900.00	11.56	269.84	4,814.51	-2.47	-864.05	-864.05	0.00	0.00	0.00
5,000.00	11.56	269.84	4,912.48	-2.53	-884.09	-884.09	0.00	0.00	0.00
5,068.81	11.56	269.84	4,979.90	-2.57	-897.88	-897.88	0.00	0.00	0.00
		200.0.	.,0.0.00		007.00	001.00	0.00	0.00	0.00
	@ 5068.81' MD								
5,100.00	9.69	269.84	5,010.55	-2.59	-903.63	-903.63	6.00	-6.00	0.00
5,150.00	6.69	269.84	5.060.04	-2.61	-910.75	-910.75	6.00	-6.00	0.00
5,200.00	3.69	269.84	5,109.83	-2.62	-915.27	-915.27	6.00	-6.00	0.01
5,250.00	0.69	269.87	5,159.78	-2.63	-917.17	-917.18	6.00	-6.00	0.06
5,300.00	2.31	89.82	5,139.76	-2.62		-917.16 -916.47		3.25	
					-916.47		6.00		359.91
5,350.00	5.31	89.83	5,259.66	-2.61	-913.14	-913.15	6.00	6.00	0.01
5,400.00	8.31	89.83	5,309.30	-2.60	-907.21	-907.22	6.00	6.00	0.00
5,450.00	11.31	89.83	5,358.56	-2.57	-898.69	-898.70	6.00	6.00	0.00
5,500.00	14.31	89.83	5,407.31	-2.54	-887.61	-887.61	6.00	6.00	0.00
5,550.00	17.31	89.83	5,455.41	-2.50	-873.98	-873.99	6.00	6.00	0.00
5,600.00	20.31	89.83	5,502.74	-2.45	-857.86	-857.86	6.00	6.00	0.00
5,650.00	23.31	89.83	5,549.15	-2.40	-839.29	-839.29	6.00	6.00	0.00
5,700.00	26.31	89.83	5,594.53	-2.34	-818.31	-818.31	6.00	6.00	0.00
5,750.00	29.31	89.83	5,638.75	-2.27	-794.98	-794.98	6.00	6.00	0.00
5,800.00	32.31	89.83	5,681.69	-2.19	-769.37	-769.37	6.00	6.00	0.00
5,850.00	35.31	89.83	5,723.23	-2.11	-741.55	-741.55	6.00	6.00	0.00
0,000.00		00.00			-7-1.00				
5,900.00	38.31	89.83	5,763.25	-2.03	-711.59	-711.60	6.00	6.00	0.00
5,950.00	41.31	89.83	5,801.65	-1.93	-679.58	-679.59	6.00	6.00	0.00
6,000.00	44.31	89.83	5,838.33	-1.83	-645.61	-645.61	6.00	6.00	0.00
6,050.00	47.31	89.83	5,873.18	-1.73	-609.76	-609.76	6.00	6.00	0.00
6,100.00	50.31	89.83	5,906.10	-1.62	-572.14	-572.14	6.00	6.00	0.00
6,150.00	53.31	89.83	5,937.01	-1.51	-532.84	-532.84	6.00	6.00	0.00
6,200.00	56.31	89.83	5,965.82	-1.39	-491.98	-491.99	6.00	6.00	0.00
6,250.00	59.31	89.83	5,992.45	-1.26	-449.67	-449.68	6.00	6.00	0.00
6,261.46	60.00	89.83	5,998.24	-1.24	-439.78	-439.78	6.00	6.00	0.00
6,300.00	60.00	89.83	6,017.51	-1.14	-406.41	-406.41	0.00	0.00	0.00
0.400.00	00.00	00.00	0.007.54	2.22	0.4.0.00	0.10.01	0.00	2.22	0.00
6,400.00	60.00	89.83	6,067.51	-0.89	-319.80	-319.81	0.00	0.00	0.00
6,461.46	60.00	89.83	6,098.24	-0.73	-266.58	-266.58	0.00	0.00	0.00
6,500.00	63.85	89.83	6,116.37	-0.63	-232.58	-232.58	10.00	10.00	0.00
6,550.00	68.85	89.83	6,136.42	-0.50	-186.79	-186.79	10.00	10.00	0.00
6,600.00	73.85	89.83	6,152.40	-0.36	-139.43	-139.43	10.00	10.00	0.00
6 650 00	70 05	00.02	6 164 10	0.00	00.00	00.06	10.00	10.00	0.00
6,650.00	78.85	89.83	6,164.19	-0.22	-90.86	-90.86	10.00	10.00	0.00
6,700.00	83.85	89.83	6,171.71	-0.08	-41.44	-41.44	10.00	10.00	0.00
6,750.00	88.85	89.83	6,174.89	0.07	8.44	8.44	10.00	10.00	0.00
6,761.46	90.00	89.83	6,175.00	0.10	19.90	19.90	10.00	10.00	0.00
3. FTP 60H: 1	1300' FNL, 100' I	FWL							
6,800.00	90.00	89.83	6,175.00	0.21	58.44	58.44	0.00	0.00	0.00
6.900.00	90.00	89.83	6,175.00	0.50	158.44	158.44	0.00	0.00	0.00
7,000.00	90.00	89.83	6,175.00	0.30	258.44	258.44	0.00	0.00	0.00
7,100.00	90.00	89.83	6,175.00	1.08	358.44	358.44	0.00	0.00	0.00
7,200.00	90.00	89.83	6,175.00	1.37	458.44	458.44	0.00	0.00	0.00
7,300.00	90.00	89.83	6,175.00	1.66	558.44	558.44	0.00	0.00	0.00
7,400.00	90.00	89.83	6,175.00	1.95	658.44	658.44	0.00	0.00	0.00
7,500.00	90.00	89.83	6,175.00	2.25	758.44	758.44	0.00	0.00	0.00
7,600.00	90.00	89.83	6,175.00	2.54	858.43	858.44	0.00	0.00	0.00
7,700.00			,			958.44			
	90.00	89.83	6,175.00 6,175.00	2.83	958.43		0.00	0.00	0.00
7,800.00	90.00	89.83	6,175.00	3.12	1,058.43	1,058.44	0.00	0.00	0.00
7,900.00	90.00	89.83	6,175.00	3.41	1,158.43	1,158.44	0.00	0.00	0.00
8,000.00	90.00	89.83	6,175.00	3.70	1,258.43	1,258.44	0.00	0.00	0.00
,	90.00	89.83	6,175.00	3.99	1,358.43	1,358.44	0.00	0.00	0.00



WBDS\_SQL\_2 Database:

Spur Energy Partners, LLC Company: Project: Lea County, NM (Nad-83/ NME) JG 16 STATE NORTH COM Site:

Well: 60H

Wellbore: Wellbore #1 Design: PLAN #1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

**Survey Calculation Method:** 

Well 60H

RKB = 20' @ 4060.00usft (AKITA 57) RKB = 20' @ 4060.00usft (AKITA 57)

Measured			Vertical			Vertical	Dogleg	Build	Turn
Depth (usft)	Inclination (°)	Azimuth (°)	Depth (usft)	+N/-S (usft)	+E/-W (usft)	Section (usft)	Rate (°/100ft)	Rate (°/100ft)	Rate (°/100ft)
8,200.00	90.00	89.83	6,175.00	4.28	1,458.43	1,458.44	0.00	0.00	0.00
8,300.00	90.00	89.83	6,175.00	4.57	1,558.43	1,558.44	0.00	0.00	0.00
8,400.00	90.00	89.83	6,175.00	4.86	1,658.43	1,658.44	0.00	0.00	0.00
8,500.00	90.00	89.83	6,175.00	5.15	1,758.43	1,758.44	0.00	0.00	0.00
8,600.00	90.00	89.83	6,175.00	5.44	1,858.43	1,858.44	0.00	0.00	0.00
8,700.00	90.00	89.83	6,175.00	5.73	1,958.43	1,958.44	0.00	0.00	0.00
8,800.00	90.00	89.83	6,175.00	6.02	2,058.43	2,058.44	0.00	0.00	0.00
8,900.00	90.00	89.83	6,175.00	6.31	2,158.43	2,158.44	0.00	0.00	0.00
9,000.00	90.00	89.83	6,175.00	6.60	2,258.43	2,258.44	0.00	0.00	0.00
9,100.00	90.00	89.83	6,175.00	6.89	2,358.43	2,358.44	0.00	0.00	0.00
9,200.00	90.00	89.83	6,175.00	7.18	2,458.43	2,458.44	0.00	0.00	0.00
9,300.00	90.00	89.83	6,175.00	7.47	2,558.43	2,558.44	0.00	0.00	0.00
9,400.00	90.00	89.83	6,175.00	7.76	2,658.43	2,658.44	0.00	0.00	0.00
9,500.00	90.00	89.83	6,175.00	8.05	2,758.43	2,758.44	0.00	0.00	0.00
9,600.00	90.00	89.83	6,175.00	8.34	2,858.43	2,858.44	0.00	0.00	0.00
9,700.00	90.00	89.83	6,175.00	8.63	2,958.43	2,958.44	0.00	0.00	0.00
9,800.00	90.00	89.83	6,175.00	8.93	3,058.43	3,058.44	0.00	0.00	0.00
9,900.00	90.00	89.83	6,175.00	9.22	3,158.43	3,158.44	0.00	0.00	0.00
10,000.00	90.00	89.83	6,175.00	9.51	3,258.42	3,258.44	0.00	0.00	0.00
10,100.00	90.00	89.83	6,175.00	9.80	3,358.42	3,358.44	0.00	0.00	0.00
10,200.00	90.00	89.83	6,175.00	10.09	3,458.42	3,458.44	0.00	0.00	0.00
10,300.00	90.00	89.83	6,175.00	10.38	3,558.42	3,558.44	0.00	0.00	0.00
10,400.00	90.00	89.83	6,175.00	10.67	3,658.42	3,658.44	0.00	0.00	0.00
10,500.00	90.00	89.83	6,175.00	10.96	3,758.42	3.758.44	0.00	0.00	0.00
10,600.00	90.00	89.83	6,175.00	11.25	3,858.42	3,858.44	0.00	0.00	0.00
10,700.00	90.00	89.83	6,175.00	11.54	3,958.42	3,958.44	0.00	0.00	0.00
10,800.00	90.00	89.83	6,175.00	11.83	4,058.42	4,058.44	0.00	0.00	0.00
10,900.00	90.00	89.83	6,175.00	12.12	4,158.42	4,158.44	0.00	0.00	0.00
11,000.00	90.00	89.83	6,175.00	12.41	4,258.42	4,258.44	0.00	0.00	0.00
11,100.00	90.00	89.83	6,175.00	12.70	4,358.42	4,358.44	0.00	0.00	0.00
11,200.00	90.00	89.83	6,175.00	12.99	4,458.42	4,458.44	0.00	0.00	0.00
11,300.00	90.00	89.83	6,175.00	13.28	4,558.42	4,558.44	0.00	0.00	0.00
11,400.00	90.00	89.83	6,175.00	13.57	4,658.42	4,658.44	0.00	0.00	0.00
11,500.00	90.00	89.83	6,175.00	13.86	4,758.42	4,758.44	0.00	0.00	0.00
11,600.00	90.00	89.83	6,175.00	14.15	4,858.42	4,858.44	0.00	0.00	0.00
11,700.00	90.00	89.83	6,175.00	14.44	4,958.42	4,958.44	0.00	0.00	0.00
11,800.00	90.00	89.83	6,175.00	14.73	5,058.42	5,058.44	0.00	0.00	0.00
11,841.58	90.00	89.83	6,175.00	14.85	5,100.00	5,100.02	0.00	0.00	0.00
	1300' FNL, 100' F		3,173.30	1 1.00	0,100.00	0,100.02	0.00	0.00	0.00
11.891.58	90.00	89.83	6,175.00	15.00	5,150.00	5,150.02	0.00	0.00	0.00
,	1300' FNL, 50' F		5, 17 5.50	10.00	5, 100.00	0,100.02	0.00	0.00	0.00



Design:

#### Planning Report

Database: WBDS\_SQL\_2

Company: Spur Energy Partners, LLC
Project: Lea County, NM (Nad-83/ NME)
Site: JG 16 STATE NORTH COM

PLAN #1

Well: 60H Wellbore: Wellbore #1 Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:

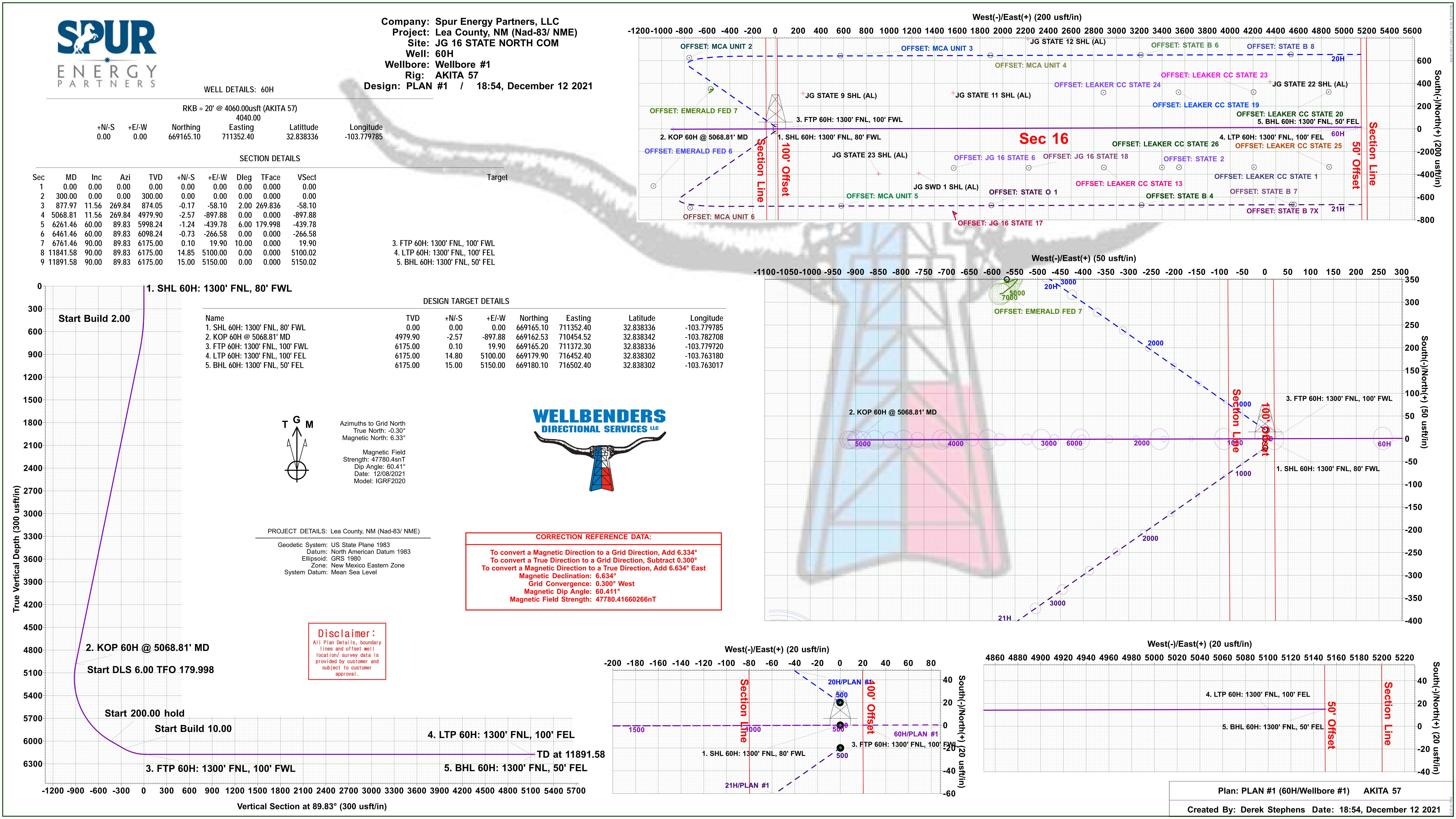
Survey Calculation Method:

Well 60H

RKB = 20' @ 4060.00usft (AKITA 57) RKB = 20' @ 4060.00usft (AKITA 57)

Grid

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
1. SHL 60H: 1300' FNL, - plan hits target cente - Point	0.00 er	0.00	0.00	0.00	0.00	669,165.10	711,352.40	32.838336	-103.779785
2. KOP 60H @ 5068.81' - plan hits target cente - Point	0.00 er	0.00	4,979.90	-2.57	-897.88	669,162.53	710,454.52	32.838342	-103.782708
5. BHL 60H: 1300' FNL, - plan hits target cente - Point	0.00 er	0.01	6,175.00	15.00	5,150.00	669,180.10	716,502.40	32.838302	-103.763018
4. LTP 60H: 1300' FNL, - plan misses target c - Point	0.00 enter by 0.05	0.01 Jusft at 1184	6,175.00 1.58usft MD	14.80 (6175.00 TVD	5,100.00 , 14.85 N, 510	669,179.90 00.00 E)	716,452.40	32.838302	-103.763181
3. FTP 60H: 1300' FNL, - plan hits target cente - Point	0.00 er	0.01	6,175.00	0.10	19.90	669,165.20	711,372.30	32.838336	-103.779720



## 1. Geologic Formations

TVD of Target	6,175'
MD at TD	11,892'

Formation	Depth	Lithology	Expected Fluids
Quaternary	0'	Dolomite, other: Caliche	Useable Water
Rustler	830'	Dolomite, Shale, Anhydrite	Other: Brackish Water
Top Salt	1042'	Anhydrite	Other: Salt
Tansill	2057'	Dolomite, Limestone	None
Yates	2162'	Sandstone	None
Seven Rivers	2515'	Dolomite, Sandstone	Natural Gas, Oil
Queen	3130'	Dolomite, Sandstone	Natural Gas, Oil
San Andres	3885'	Dolomite, Limestone	Natural Gas, Oil
Glorieta	5393'	Dolomits, Siltstone	Natural Gas, Oil
Yeso	5484'	Dolomite	Natural Gas, Oil
Blinebry	5915'	Dolomite	Natural Gas, Oil

<sup>\*</sup>H2S, water flows, loss of circulation, abnormal pressures, etc.

## 2. Casing Program

All casing strings will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.h

Holo Cino (in)	Casing	Interval	Csg. Size	Weight	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Conn.	Collapse	Sr Durst	Tension	Tension
17.5	0	925	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	4250	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
8.75	0	6500	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4
8.75	6500	11892	5.5	20	L-80	BK-HT	1.125	1.2	1.4	1.4
	_							SF Values will i	meet or Exceed	l

	Y or N
Is casing new? If used, attach certification as required in Onshore Order #1	Y
Does casing meet API specifications? If no, attach casing specification sheet.	Y
Is premium or uncommon casing planned? If yes attach casing specification sheet.	N
Does the above casing design meet or exceed BLM's minimum standards? If not provide justification (loading assumptions, casing design criteria).	Y
Will the intermediate pipe be kept at a minimum 1/3 fluid filled to avoid approaching the collapse pressure rating of the casing?	Y
Is well located within Capitan Reef?	N
If yes, does production casing cement tie back a minimum of 50' above the Reef?	
Is well within the designated 4 string boundary.	
Is well located in SOPA but not in R-111-P?	N
If yes, are the first 2 strings cemented to surface and 3 <sup>rd</sup> string cement tied back 500' into previous casing?	
Is well located in R-111-P and SOPA?	N
If yes, are the first three strings cemented to surface?	
Is 2 <sup>nd</sup> string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	N
If yes, are there two strings cemented to surface?	
Is well located in critical Cave/Karst?	N
If yes, are there strings cemented to surface?	

## 3. Cementing Program

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface Tail	0	925	165%
Intermediate (Lead)	0	925	100%
Intermediate (Tail)	925	4250	100%
Production (Lead)	0	5500	100%
Production (Tail)	5500	11892	25%

Casing String	# Sks	Wt.	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface Tail	897	13.2	1.87	9.92	6:59	Clas C Premium Plus Cement
Intermediate (Lead)	140	12	2.4	13.48	8:12	Clas C Premium Plus Cement
Intermediate (Tail)	1124	13.2	1.87	9.92	6:59	Clas C Premium Plus Cement
Production (Lead)	1211	11.4	2.42	15.29	N/A	Clas C Premium Plus Cement
Production (Tail)	1218	13.2	1.56	9.81	N/A	Clas C Premium Plus Cement

## 4. Pressure Control Equipment

## \*Spur Energy Partners LLC variance for flex hose\*

1. Spur requests a variance to use a flex line from the BOP to the choke manifold. Documentation will be attached in the APD and be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no bends).

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре	~	Tested to:
		5M	Annular	✓	70% of working pressure
12.25" Hole	13-5/8"		Blind Ram	✓	
12.25" Hole		5M	Pipe Ram	✓	250: / 2000:
			Double Ram		250 psi / 3000 psi
			Other*		
		5M	Annular	✓	70% of working pressure
8.75" Hole	13-5/8"		Blind Ram	✓	
8./3 Hole		5) (	Pipe Ram	✓	250: / 2000:
		5M	Double Ram		250 psi / 3000 psi
			Other*		

## \*Spur Energy Partners LLC will be utilizing a 5M BOP\*

Condition	Specify what type and where?
BH Pressure at deepest TVD	2858 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	130°F

<sup>\*</sup>Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Formation integrity test will be performed per Onshore Order #2.					
On Exploratory wells or on that portion of any well approved for a 5M BOPE system or					
greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in					
accordance with Onshore Oil and Gas Order #2 III.B.1.i.					
Y	Are anchors required by manufacturer?				

A conventional wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days.

See attached schematics.

## **5.** BOP Break Testing Request

Spur Energy Partners LLC requests permission to adjust the BOP break testing requirements as follows:

BOP break test under the following conditions:

- After a full BOP test is conducted
- When skidding to drill the production section, where the surface casing point is shallower than the 3 Bone Spring or 10,000 TVD.
- When skidding to drill a production section that does not penetrate the 3<sup>rd</sup> Bone Spring or deeper.

If the kill line is broken prior to skid, four tests will be performed.

- 1) The void between the wellhead and the spool (this consists of two tests)
- 2) The spool between the kill lines and the choke manifold (this consists of two tests)

If the kill line is not broken prior to skid, two tests will be performed.

1) The void between the wellhead and the pipe rams

#### 6. Mud Program

Sufficient mud materials to maintain mud properties and meet minimum lost circulation and weight increase requirements will be kept on location at all times. The following is a general list of products: Barite, Bentonite, Gypsum, Lime, Soda Ash, Caustic Soda, Nut Plug, Cedar Fiber, Cotton Seed Hulls, Drilling Paper, Salt Water Clay, CACL2. Spur will use a closed mud system.

Depth		Type Weight (ppg)		Viscosity	Water Loss	
	From (ft)	To (ft)	Туре	Weight (ppg)	viscosity	water Loss
	0	925	Water-Based Mud	8.6-8.9	32-36	N/C
	925	4250	Brine	9.0-10.0	32-36	N/C
	4250	11892	Brine	9.0-10.0	32-36	N/C

What will be used to monitor the loss or gain of fluid?	PVT/PASON/Visual Monitoring
What will be used to monitor the loss of gain of flata.	1 V 1/1 / 1501 V V Isaar Wolfftoning

## 7. Logging and Testing Procedures

Logg	Logging, Coring and Testing.						
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs						
	run will be in the Comp	letion Report and submitted to the Bl	LM.				
No	Logs are planned based	on well control or offset log informa	tion.				
No	Drill stem test? If yes, o	explain					
No	Coring? If yes, explain						
Addi	tional logs planned	Interval					
No	Resistivity						
No	Density						
No	CBL						
Yes	Mud log	ICP - TD					
No	PEX						

## 8. Drilling Conditions

Pump high viscosity sweeps as needed for hole cleaning. The mud system will be monitored visually/manually as well as with an electronic PVT. The necessary mud products for additional weight and fluid loss control will be on location at all times. Appropriately weighted mud will be used to isolate potential gas, oil, and water zones until such time as casing can be cemented into place for zonal isolation.

Hyd	rogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S
is de	etected in concentrations greater than 100 ppm, the operator will comply with the provisions
of O	Inshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and
form	nations will be provided to the BLM.
N	H2S is present
Y	H2S Plan attached

Total estimated cuttings volume: 1146.9 bbls.

## 9. Other facets of operation

	Yes/No
Will more than one drilling rig be used for drilling operations? If yes, describe.	Yes
Spur Energy Partners LLC. requests the option to contract a Surface Rig to drill,	
set surface/intermediate casing, and cement for this well. If the timing between	
rigs is such that Spur Energy Partners LLC. would not be able to preset surface,	
the Primary Rig will MIRU and drill the well in its entirety per the APD. Please	
see the attached document for information on the spudder rig.	

#### Attachments

- \_x\_\_ Directional Plan
- \_x\_\_ H2S Contingency Plan
- \_x\_\_ Akita 57 Attachments
- \_x\_\_ BOP Schematics
- \_x\_\_ Transcend Spudder Rig Attachments

## 10. Company Personnel

<u>Name</u>	<u>Title</u>	Office Phone	Mobile Phone		
Christopher Hollis	Drilling Manager	832-930-8629	713-380-7754		
Johnny Nabors	Senior Vice President Operations	832-930-8502	281-904-8811		

Intent	t	As Dril	ed										
API#													
Ope	Operator Name:					Property	Name	:					Well Number
Viel C	off Daint	(KOD)											
UL UL	Off Point	Township	Range	Lot	Feet	From	N/S	Feet		From	F/W	County	
Latitu	ide				Longitu	ide						NAD	
		. (575)											
UL	ake Poin	t (FTP) Township	Range	Lot	Feet	From	N/S	Feet		From	F/\\/	County	
		TOWNSHIP	nunge	LOT			14,3	1000		110111	L, **		
Latitu	ide				Longitu	ide						NAD	
Last I	ake Poin		Pango	Lot	Feet	From N/S	Least		From E	/\\	Count	.,	
	Section	Township	Range	Lot		From N/S Feet From E/W County					у		
Latitu	ıde				Longitu	Longitude NAD							
							г		٦				
Is this	well the	defining w	ell for th	e Hori:	zontal Sp	oacing Unit	? [						
Ic thic	Is this well an infill well?												
15 (1115	wellall	min wen:			_								
	If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.												
API#													
Ope	rator Nar	ne:				Property	Name						Well Number
													K2 06/20/2019

KZ 06/29/2018