

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

Form C-101
August 1, 2011

Permit 388517

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

1. Operator Name and Address Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024		2. OGRID Number 328947
4. Property Code 337337		3. API Number 30-015-56742
5. Property Name PEAKY 8 9 STATE COM		6. Well No. 010H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	8	17S	29E	C	1015	N	1940	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	9	17S	29E	H	1330	N	50	E	Eddy

9. Pool Information

EMPIRE; GLORIETA-YESO, EAST	96610
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3626
16. Multiple N	17. Proposed Depth 12304	18. Formation Paddock	19. Contractor	20. Spud Date 12/1/2026
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	350	218	0
Int1	12.25	9.625	36	1525	395	0
Prod	8.75	7	32	4300	2271	0
Prod	8.75	5.5	20	12304	2271	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5	5000	SHAFFER

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Sarah Chapman	Approved By: Jeffrey Harrison
Title: Regulatory Director	Title: Petroleum Specialist III
Email Address: schapman@spurenergy.com	Approved Date: 6/12/2025 Expiration Date: 6/12/2027
Date: 5/1/2025 Phone: 832-930-8613	Conditions of Approval Attached

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION		Revised July 9, 2024	
			Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
				<input type="checkbox"/> Amended Report
		<input type="checkbox"/> As Drilled		

WELL LOCATION INFORMATION

API Number 30-015-56742	Pool Code 96610	Pool Name EMPIRE; GLORIETA-YESO, EAST
Property Code 337337	Property Name PEAKY 8-9 STATE COM	Well Number 10H
OGRID No. 328947	Operator Name SPUR ENERGY PARTNERS LLC.	Ground Level Elevation 3626'
Surface Owner: <input type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL C	Section 8	Township 17S	Range 29E	Lot	Ft. from N/S 1015 FNL	Ft. from E/W 1940 FWL	Latitude 32.8535523°N	Longitude 104.0992993°W	County EDDY
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Bottom Hole Location

UL H	Section 9	Township 17S	Range 29E	Lot	Ft. from N/S 1330 FNL	Ft. from E/W 50 FEL	Latitude 32.8527280°N	Longitude 104.0714494°W	County EDDY
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Dedicated Acres 480	Infill or Defining Well DEFINING	Defining Well API PENDING	Overlapping Spacing Unit (Y/N) Y	Consolidation Code F & C
Order Numbers. PENDING			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL C	Section 8	Township 17S	Range 29E	Lot	Ft. from N/S 1274 FNL	Ft. from E/W 1817 FWL	Latitude 32.8528413°N	Longitude 104.0997004°W	County EDDY
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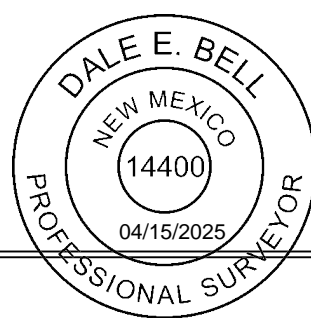
First Take Point (FTP)

UL G	Section 8	Township 17S	Range 29E	Lot	Ft. from N/S 1330 FNL	Ft. from E/W 2544 FEL	Latitude 32.8526845°N	Longitude 104.0966771°W	County EDDY
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Last Take Point (LTP)

UL H	Section 9	Township 17S	Range 29E	Lot	Ft. from N/S 1330 FNL	Ft. from E/W 100 FEL	Latitude 32.8527274°N	Longitude 104.0716122°W	County EDDY
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Unitized Area or Area of Uniform Interest Y	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3626' GL
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OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, 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 a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> Sarah Chapman 04/30/2025		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.</i> 	
Signature SARAH CHAPMAN		Signature and Seal of Professional Surveyor	
Printed Name SCHAPMAN@SPURENERGY.COM		Certificate Number 14400	Date of Survey 02/21/2025
Email Address			

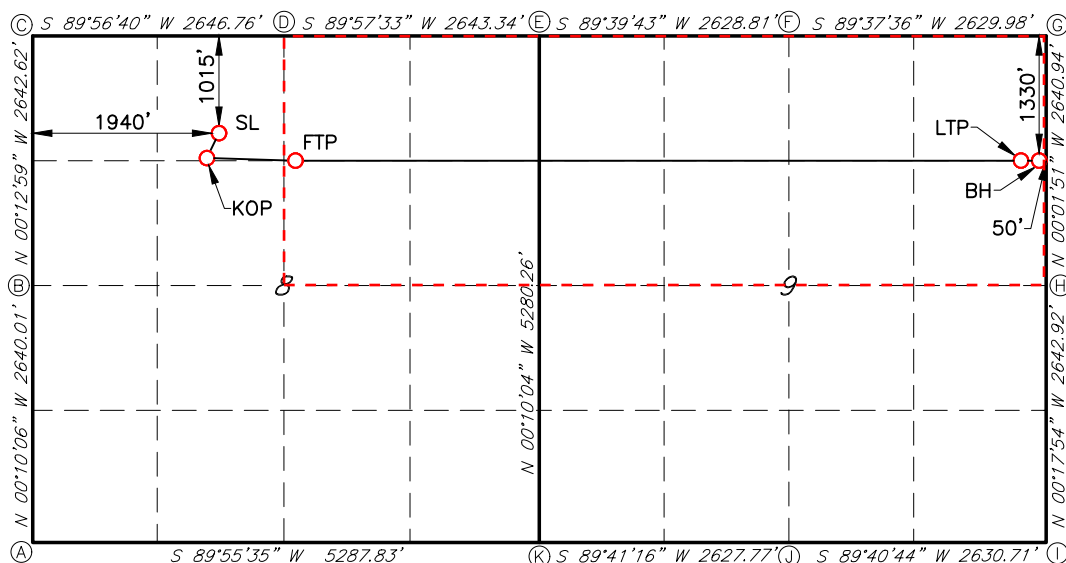
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

PEAKY 8-9 STATE COM #10H



GEODETIC DATA
NAD 83 GRID — NM EAST

SURFACE LOCATION (SL)
N: 674335.2 — E: 613205.2

LAT: 32.8535523° N
LONG: 104.0992993° W

KICK OFF POINT (KOP)
N: 674076.3 — E: 613082.6

LAT: 32.8528413° N
LONG: 104.0997004° W

FIRST TAKE POINT (FTP)
N: 674021.3 — E: 614011.2

LAT: 32.8526845° N
LONG: 104.0966771° W

LAST TAKE POINT (LTP)
N: 674055.1 — E: 621708.2

LAT: 32.8527274° N
LONG: 104.0716122° W

BOTTOM HOLE (BH)
N: 674055.4 — E: 621758.2

LAT: 32.8527280° N
LONG: 104.0714494° W

CORNER DATA
NAD 83 GRID — NM EAST

A: FOUND BRASS CAP "1914"
N: 670067.1 — E: 611279.1

B: FOUND BRASS CAP "1914"
N: 672706.4 — E: 611271.3

C: FOUND BRASS CAP "1914"
N: 675348.3 — E: 611261.3

D: FOUND BRASS CAP "1914"
N: 675350.9 — E: 613907.4

E: FOUND 1/2" REBAR W/
RED PLASTIC CAP "HOWETT 19680"
N: 675352.8 — E: 616550.1

F: FOUND BRASS CAP "1914"
N: 675368.3 — E: 619178.2

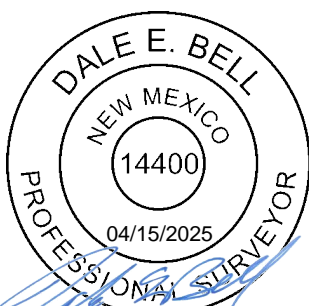
G: FOUND BRASS CAP "1914"
N: 675385.4 — E: 621807.5

H: FOUND BRASS CAP "1914"
N: 672745.1 — E: 621808.9

I: FOUND 1/2" REBAR
N: 670102.9 — E: 621822.7

J: FOUND BRASS CAP "1914"
N: 670088.2 — E: 619192.6

K: FOUND BRASS CAP "1914"
N: 670073.9 — E: 616565.6



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Oil Conservation Division
1220 S. St Francis Dr.
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Form APD Comments

Permit 388517

PERMIT COMMENTS

Operator Name and Address: Spur Energy Partners LLC [328947] 9655 Katy Freeway Houston, TX 77024		API Number: 30-015-56742
		Well: PEAKY 8 9 STATE COM #010H
Created By	Comment	Comment Date
schapman01	This will be pooled on a 480 acre HSU.	5/1/2025

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

Form APD Conditions

Permit 388517

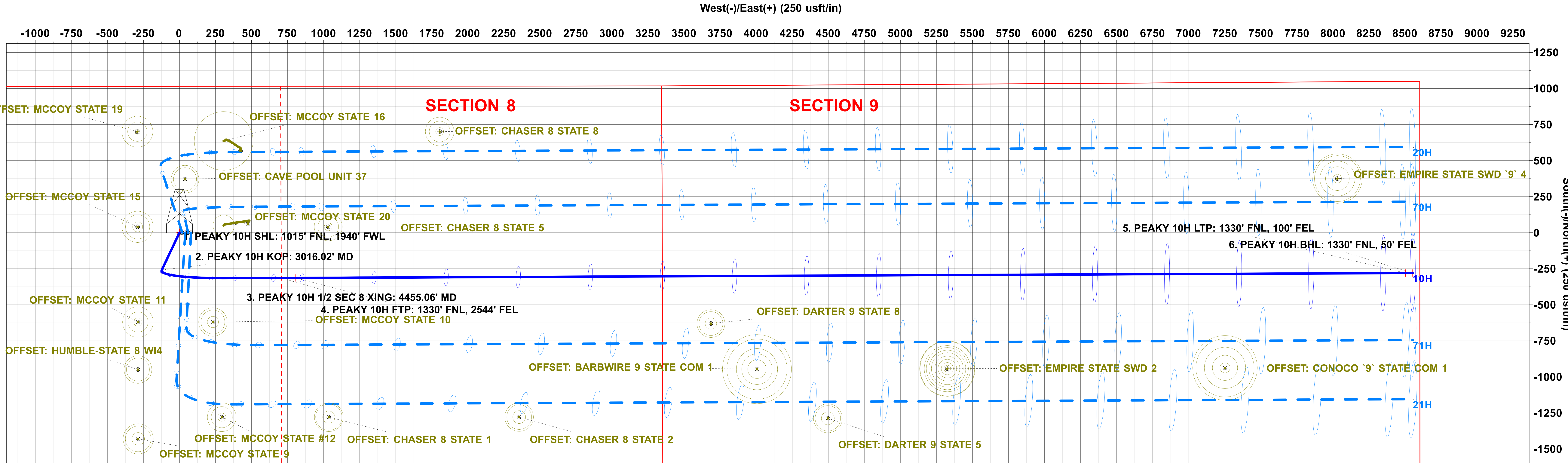
PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Spur Energy Partners LLC [328947] 9655 Katy Freeway Houston, TX 77024	API Number: 30-015-56742
	Well: PEAKY 8 9 STATE COM #010H

OCD Reviewer	Condition
jeffrey.harrison	Notify the OCD 24 hours prior to casing & cement.
jeffrey.harrison	A [C-103] Sub. Drilling (C-103N) is required within (10) days of spud.
jeffrey.harrison	File As Drilled C-102 and a directional Survey with C-104 completion packet.
jeffrey.harrison	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.
jeffrey.harrison	Cement is required to circulate on both surface and intermediate1 strings of casing.
jeffrey.harrison	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.
jeffrey.harrison	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.
jeffrey.harrison	Surface casing shall be set a minimum of 25' into the Rustler Anhydrite, above the salt, and below usable fresh water and cemented to the surface. If salt is encountered set casing at least 25 ft. above the salt.



Project: EDDY COUNTY, NM (NAD 83 - NME)
Site: PEAKY 8-9 STATE COM
Well: 10H
Wellbore: OH
Design: PERMIT



WELL DETAILS: 10H

Rig Name:	AKITA 57	RKB = 20' @ 3646.00usft (AKITA 57)
GL: 3626.00	Easting	Latitude
+N/-S	+E/-W	North
0.00	0.00	674335.20
		613205.20
		32.85355
		-104.09930

SECTION DETAILS

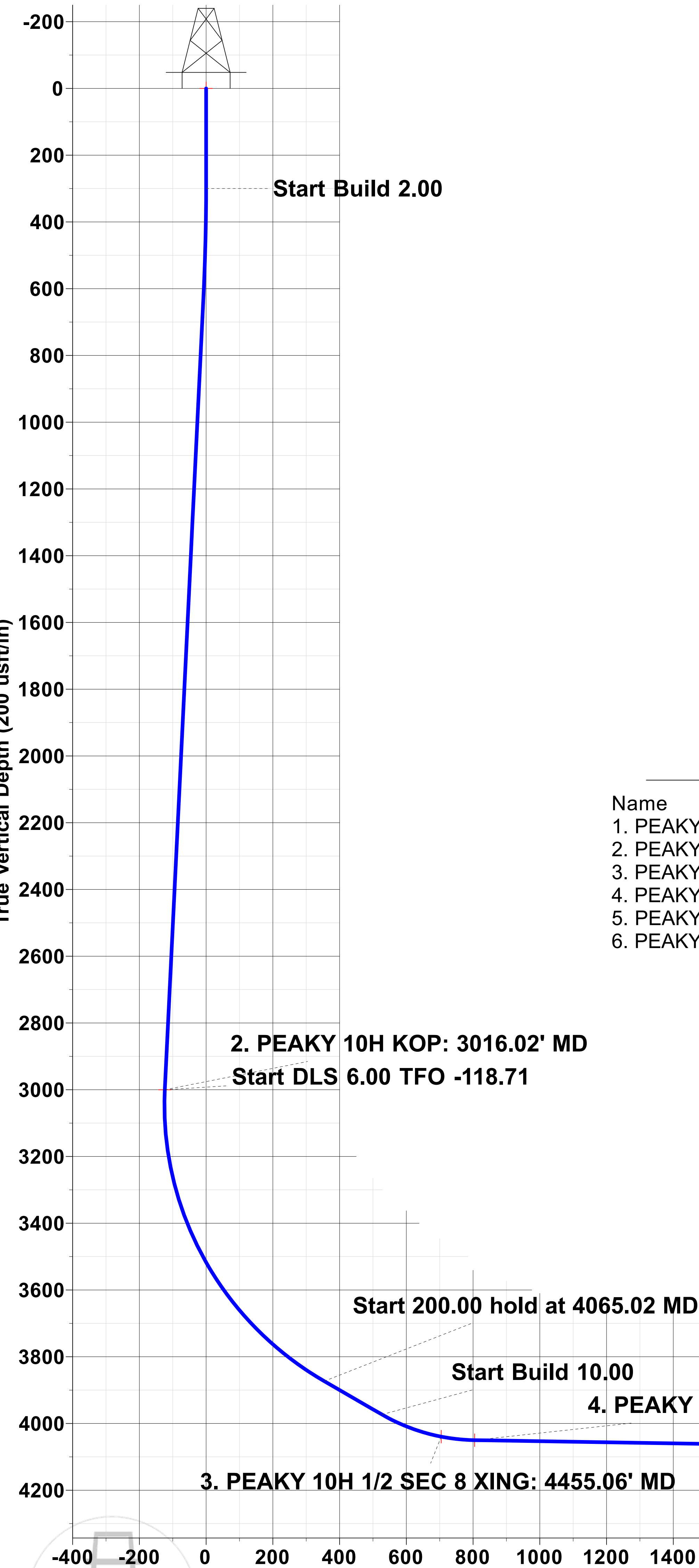
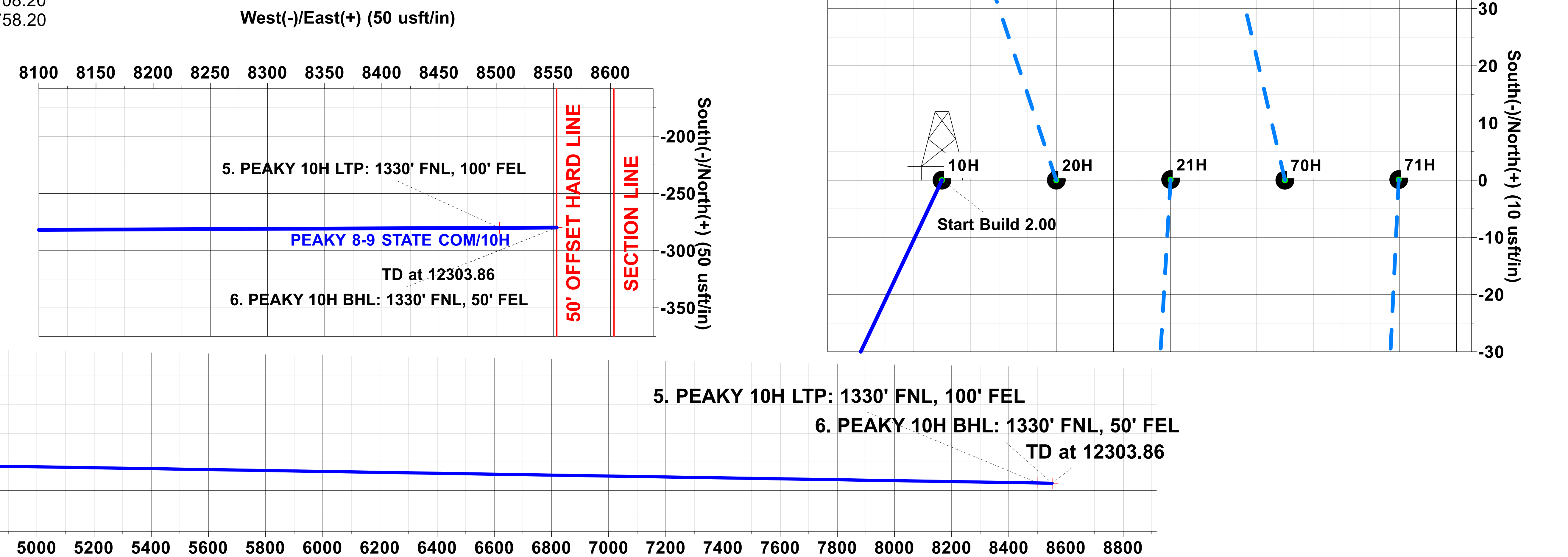
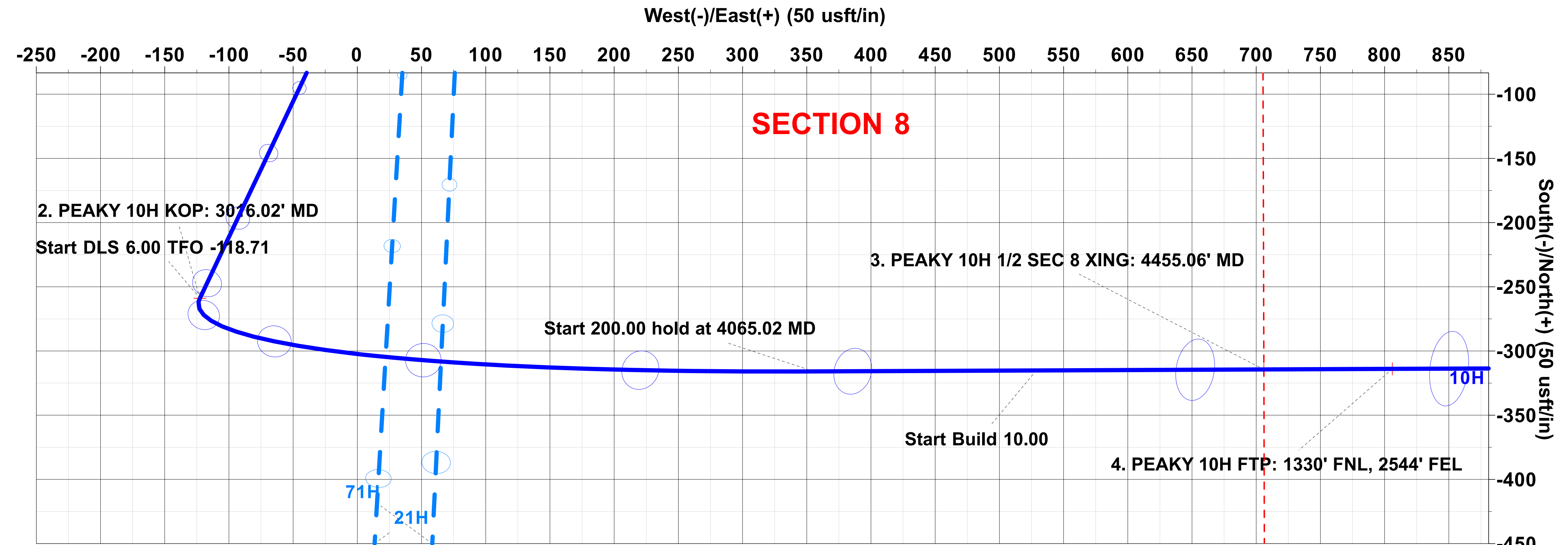
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00
3	621.82	6.44	205.34	621.14	-16.32	-7.73	2.00	-7.80
4	3016.02	6.44	205.34	3000.25	-258.89	-122.58	0.00	-123.71
5	4065.02	60.00	89.75	3873.31	-315.88	355.56	6.00	354.18
6	4265.02	60.00	89.75	3973.31	-315.12	528.77	0.00	527.39
7	4555.78	89.08	89.75	4050.00	-313.90	806.00	10.00	804.62
8	12253.85	89.08	89.75	4174.19	-280.02	8503.00	0.00	8501.70
9	12303.86	89.08	89.75	4175.00	-279.80	8553.00	0.00	8551.70

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	North	Easting
1. PEAKY 10H SHL: 1015' FNL, 1940' FWL	0.00	0.00	0.00	674335.20	613205.20
2. PEAKY 10H KOP: 3016.02' MD	3000.25	-258.89	-122.58	674076.31	613082.62
3. PEAKY 10H 1/2 SEC 8 XING: 4455.06' MD	4039.56	-314.34	705.96	674020.86	613911.16
4. PEAKY 10H FTP: 1330' FNL, 2544' FEL	4050.00	-313.90	806.00	674021.30	614011.20
5. PEAKY 10H LTP: 1330' FNL, 100' FEL	4174.19	-280.10	8503.00	674055.10	621708.20
6. PEAKY 10H BHL: 1330' FNL, 50' FEL	4175.00	-279.80	8553.00	674055.40	621758.20

PROJECT DETAILS: EDDY COUNTY, NM (NAD 83 - NME)

Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level



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SPUR ENERGY PARTNERS, LLC

EDDY COUNTY, NM (NAD 83 - NME)

PEAKY 8-9 STATE COM

10H

OH

Plan: PERMIT

Standard Planning Report

14 April, 2025

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Site:	PEAKY 8-9 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Project	EDDY COUNTY, NM (NAD 83 - NME)		
Map System:	US State Plane 1983	System Datum:	Mean Sea Level
Geo Datum:	North American Datum 1983		
Map Zone:	New Mexico Eastern Zone		

Well	10H			
Well Position	+N/-S	0.00 usft	Northing:	674,335.20 usft
	+E/-W	0.00 usft	Easting:	613,205.20 usft
Position Uncertainty		0.00 usft	Wellhead Elevation:	usft
Grid Convergence:		0.13 °	Ground Level:	3,626.00 usft

Design	PERMIT			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	89.75

Plan Survey Tool Program	Date	4/7/2025		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	12,303.86	PERMIT (OH)	MWD+IGRF
				OWSG MWD + IGRF or WI

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	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	
621.82	6.44	205.34	621.14	-16.32	-7.73	2.00	2.00	0.00	205.34	
3,016.02	6.44	205.34	3,000.25	-258.89	-122.58	0.00	0.00	0.00	0.00	
4,065.02	60.00	89.75	3,873.31	-315.88	355.56	6.00	5.11	-11.02	-118.71	
4,265.02	60.00	89.75	3,973.31	-315.12	528.77	0.00	0.00	0.00	0.00	
4,555.78	89.08	89.75	4,050.00	-313.90	806.00	10.00	10.00	0.00	0.00	4. PEAKY 10H FTP
12,253.86	89.08	89.75	4,174.19	-280.02	8,503.00	0.00	0.00	0.00	0.00	5. PEAKY 10H LTP
12,303.86	89.08	89.75	4,175.00	-279.80	8,553.00	0.00	0.00	0.00	0.00	6. PEAKY 10H BHL

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Site:	PEAKY 8-9 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1. PEAKY 10H SHL: 1015' FNL, 1940' FWL									
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	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	205.34	399.98	-1.58	-0.75	-0.75	2.00	2.00	0.00
500.00	4.00	205.34	499.84	-6.31	-2.99	-3.01	2.00	2.00	0.00
600.00	6.00	205.34	599.45	-14.18	-6.72	-6.78	2.00	2.00	0.00
621.82	6.44	205.34	621.14	-16.32	-7.73	-7.80	2.00	2.00	0.00
700.00	6.44	205.34	698.83	-24.24	-11.48	-11.58	0.00	0.00	0.00
800.00	6.44	205.34	798.20	-34.37	-16.28	-16.42	0.00	0.00	0.00
900.00	6.44	205.34	897.57	-44.50	-21.07	-21.27	0.00	0.00	0.00
1,000.00	6.44	205.34	996.94	-54.64	-25.87	-26.11	0.00	0.00	0.00
1,100.00	6.44	205.34	1,096.31	-64.77	-30.67	-30.95	0.00	0.00	0.00
1,200.00	6.44	205.34	1,195.68	-74.90	-35.46	-35.79	0.00	0.00	0.00
1,300.00	6.44	205.34	1,295.05	-85.03	-40.26	-40.63	0.00	0.00	0.00
1,400.00	6.44	205.34	1,394.42	-95.16	-45.06	-45.47	0.00	0.00	0.00
1,500.00	6.44	205.34	1,493.79	-105.29	-49.86	-50.31	0.00	0.00	0.00
1,600.00	6.44	205.34	1,593.16	-115.43	-54.65	-55.16	0.00	0.00	0.00
1,700.00	6.44	205.34	1,692.53	-125.56	-59.45	-60.00	0.00	0.00	0.00
1,800.00	6.44	205.34	1,791.90	-135.69	-64.25	-64.84	0.00	0.00	0.00
1,900.00	6.44	205.34	1,891.27	-145.82	-69.04	-69.68	0.00	0.00	0.00
2,000.00	6.44	205.34	1,990.64	-155.95	-73.84	-74.52	0.00	0.00	0.00
2,100.00	6.44	205.34	2,090.01	-166.08	-78.64	-79.36	0.00	0.00	0.00
2,200.00	6.44	205.34	2,189.38	-176.22	-83.44	-84.20	0.00	0.00	0.00
2,300.00	6.44	205.34	2,288.75	-186.35	-88.23	-89.05	0.00	0.00	0.00
2,400.00	6.44	205.34	2,388.12	-196.48	-93.03	-93.89	0.00	0.00	0.00
2,500.00	6.44	205.34	2,487.49	-206.61	-97.83	-98.73	0.00	0.00	0.00
2,600.00	6.44	205.34	2,586.86	-216.74	-102.62	-103.57	0.00	0.00	0.00
2,700.00	6.44	205.34	2,686.22	-226.87	-107.42	-108.41	0.00	0.00	0.00
2,800.00	6.44	205.34	2,785.59	-237.01	-112.22	-113.25	0.00	0.00	0.00
2,900.00	6.44	205.34	2,884.96	-247.14	-117.02	-118.09	0.00	0.00	0.00
3,000.00	6.44	205.34	2,984.33	-257.27	-121.81	-122.93	0.00	0.00	0.00
3,016.02	6.44	205.34	3,000.25	-258.89	-122.58	-123.71	0.00	0.00	0.00
2. PEAKY 10H KOP: 3016.02' MD									
3,050.00	5.74	187.16	3,034.04	-262.30	-123.61	-124.75	6.00	-2.05	-53.49
3,100.00	5.96	157.49	3,083.79	-267.18	-122.93	-124.09	6.00	0.45	-59.34
3,150.00	7.49	135.17	3,133.46	-271.90	-119.63	-120.82	6.00	3.06	-44.64
3,200.00	9.73	121.67	3,182.90	-276.43	-113.74	-114.94	6.00	4.47	-27.01
3,250.00	12.29	113.44	3,231.97	-280.76	-105.26	-106.48	6.00	5.13	-16.45
3,300.00	15.02	108.09	3,280.56	-284.89	-94.22	-95.46	6.00	5.45	-10.71
3,350.00	17.83	104.37	3,328.52	-288.80	-80.64	-81.90	6.00	5.62	-7.44
3,400.00	20.69	101.64	3,375.71	-292.49	-64.57	-65.85	6.00	5.73	-5.45
3,450.00	23.58	99.56	3,422.02	-295.93	-46.06	-47.35	6.00	5.79	-4.17
3,500.00	26.50	97.91	3,467.32	-299.13	-25.14	-26.44	6.00	5.84	-3.30
3,550.00	29.44	96.56	3,511.47	-302.07	-1.88	-3.19	6.00	5.87	-2.69
3,600.00	32.38	95.44	3,554.37	-304.74	23.66	22.33	6.00	5.89	-2.24
3,650.00	35.33	94.49	3,595.89	-307.14	51.41	50.07	6.00	5.91	-1.90
3,700.00	38.29	93.67	3,635.91	-309.27	81.29	79.94	6.00	5.92	-1.65
3,750.00	41.26	92.94	3,674.34	-311.10	113.22	111.87	6.00	5.93	-1.44
3,800.00	44.22	92.30	3,711.06	-312.65	147.12	145.75	6.00	5.94	-1.28
3,850.00	47.20	91.73	3,745.97	-313.91	182.88	181.51	6.00	5.94	-1.15
3,900.00	50.17	91.20	3,778.97	-314.86	220.42	219.04	6.00	5.95	-1.05
3,950.00	53.15	90.72	3,809.99	-315.52	259.63	258.25	6.00	5.95	-0.96

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Site:	PEAKY 8-9 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,000.00	56.12	90.28	3,838.92	-315.87	300.39	299.01	6.00	5.96	-0.89
4,050.00	59.10	89.87	3,865.70	-315.93	342.61	341.23	6.00	5.96	-0.83
4,065.02	60.00	89.75	3,873.31	-315.88	355.56	354.18	6.00	5.96	-0.79
4,100.00	60.00	89.75	3,890.80	-315.75	385.85	384.47	0.00	0.00	0.00
4,200.00	60.00	89.75	3,940.80	-315.37	472.46	471.08	0.00	0.00	0.00
4,265.02	60.00	89.75	3,973.31	-315.12	528.77	527.39	0.00	0.00	0.00
4,300.00	63.50	89.75	3,989.87	-314.98	559.57	558.19	10.00	10.00	0.00
4,350.00	68.50	89.75	4,010.20	-314.78	605.23	603.86	10.00	10.00	0.00
4,400.00	73.50	89.75	4,026.47	-314.58	652.49	651.12	10.00	10.00	0.00
4,450.00	78.50	89.75	4,038.57	-314.36	700.99	699.61	10.00	10.00	0.00
4,455.06	79.00	89.75	4,039.56	-314.34	705.96	704.58	10.00	10.00	0.00
3. PEAKY 10H 1/2 SEC 8 XING: 4455.06' MD									
4,500.00	83.50	89.75	4,046.39	-314.14	750.36	748.98	10.00	10.00	0.00
4,550.00	88.50	89.75	4,049.88	-313.93	800.22	798.85	10.00	10.00	0.00
4,555.78	89.08	89.75	4,050.00	-313.90	806.00	804.62	10.00	10.00	0.00
4. PEAKY 10H FTP: 1330' FNL, 2544' FEL									
4,600.00	89.08	89.75	4,050.71	-313.71	850.22	848.84	0.00	0.00	0.00
4,700.00	89.08	89.75	4,052.33	-313.27	950.20	948.83	0.00	0.00	0.00
4,800.00	89.08	89.75	4,053.94	-312.83	1,050.19	1,048.81	0.00	0.00	0.00
4,900.00	89.08	89.75	4,055.55	-312.39	1,150.17	1,148.80	0.00	0.00	0.00
5,000.00	89.08	89.75	4,057.17	-311.94	1,250.16	1,248.79	0.00	0.00	0.00
5,100.00	89.08	89.75	4,058.78	-311.50	1,350.15	1,348.77	0.00	0.00	0.00
5,200.00	89.08	89.75	4,060.39	-311.06	1,450.13	1,448.76	0.00	0.00	0.00
5,300.00	89.08	89.75	4,062.01	-310.62	1,550.12	1,548.75	0.00	0.00	0.00
5,400.00	89.08	89.75	4,063.62	-310.18	1,650.10	1,648.73	0.00	0.00	0.00
5,500.00	89.08	89.75	4,065.23	-309.74	1,750.09	1,748.72	0.00	0.00	0.00
5,600.00	89.08	89.75	4,066.85	-309.30	1,850.08	1,848.71	0.00	0.00	0.00
5,700.00	89.08	89.75	4,068.46	-308.86	1,950.06	1,948.70	0.00	0.00	0.00
5,800.00	89.08	89.75	4,070.07	-308.42	2,050.05	2,048.68	0.00	0.00	0.00
5,900.00	89.08	89.75	4,071.69	-307.98	2,150.03	2,148.67	0.00	0.00	0.00
6,000.00	89.08	89.75	4,073.30	-307.54	2,250.02	2,248.66	0.00	0.00	0.00
6,100.00	89.08	89.75	4,074.91	-307.10	2,350.01	2,348.64	0.00	0.00	0.00
6,200.00	89.08	89.75	4,076.53	-306.66	2,449.99	2,448.63	0.00	0.00	0.00
6,300.00	89.08	89.75	4,078.14	-306.22	2,549.98	2,548.62	0.00	0.00	0.00
6,400.00	89.08	89.75	4,079.75	-305.78	2,649.96	2,648.60	0.00	0.00	0.00
6,500.00	89.08	89.75	4,081.37	-305.34	2,749.95	2,748.59	0.00	0.00	0.00
6,600.00	89.08	89.75	4,082.98	-304.90	2,849.94	2,848.58	0.00	0.00	0.00
6,700.00	89.08	89.75	4,084.59	-304.46	2,949.92	2,948.56	0.00	0.00	0.00
6,800.00	89.08	89.75	4,086.21	-304.02	3,049.91	3,048.55	0.00	0.00	0.00
6,900.00	89.08	89.75	4,087.82	-303.58	3,149.89	3,148.54	0.00	0.00	0.00
7,000.00	89.08	89.75	4,089.43	-303.14	3,249.88	3,248.53	0.00	0.00	0.00
7,100.00	89.08	89.75	4,091.05	-302.70	3,349.87	3,348.51	0.00	0.00	0.00
7,200.00	89.08	89.75	4,092.66	-302.26	3,449.85	3,448.50	0.00	0.00	0.00
7,300.00	89.08	89.75	4,094.27	-301.82	3,549.84	3,548.49	0.00	0.00	0.00
7,400.00	89.08	89.75	4,095.89	-301.38	3,649.82	3,648.47	0.00	0.00	0.00
7,500.00	89.08	89.75	4,097.50	-300.94	3,749.81	3,748.46	0.00	0.00	0.00
7,600.00	89.08	89.75	4,099.11	-300.50	3,849.80	3,848.45	0.00	0.00	0.00
7,700.00	89.08	89.75	4,100.73	-300.06	3,949.78	3,948.43	0.00	0.00	0.00
7,800.00	89.08	89.75	4,102.34	-299.62	4,049.77	4,048.42	0.00	0.00	0.00
7,900.00	89.08	89.75	4,103.95	-299.18	4,149.75	4,148.41	0.00	0.00	0.00
8,000.00	89.08	89.75	4,105.57	-298.74	4,249.74	4,248.40	0.00	0.00	0.00
8,100.00	89.08	89.75	4,107.18	-298.30	4,349.73	4,348.38	0.00	0.00	0.00
8,200.00	89.08	89.75	4,108.79	-297.86	4,449.71	4,448.37	0.00	0.00	0.00
8,300.00	89.08	89.75	4,110.41	-297.42	4,549.70	4,548.36	0.00	0.00	0.00

Planning Report

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Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Site:	PEAKY 8-9 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,400.00	89.08	89.75	4,112.02	-296.98	4,649.68	4,648.34	0.00	0.00	0.00
8,500.00	89.08	89.75	4,113.63	-296.54	4,749.67	4,748.33	0.00	0.00	0.00
8,600.00	89.08	89.75	4,115.25	-296.10	4,849.66	4,848.32	0.00	0.00	0.00
8,700.00	89.08	89.75	4,116.86	-295.66	4,949.64	4,948.30	0.00	0.00	0.00
8,800.00	89.08	89.75	4,118.47	-295.22	5,049.63	5,048.29	0.00	0.00	0.00
8,900.00	89.08	89.75	4,120.09	-294.78	5,149.61	5,148.28	0.00	0.00	0.00
9,000.00	89.08	89.75	4,121.70	-294.34	5,249.60	5,248.27	0.00	0.00	0.00
9,100.00	89.08	89.75	4,123.31	-293.90	5,349.59	5,348.25	0.00	0.00	0.00
9,200.00	89.08	89.75	4,124.93	-293.46	5,449.57	5,448.24	0.00	0.00	0.00
9,300.00	89.08	89.75	4,126.54	-293.02	5,549.56	5,548.23	0.00	0.00	0.00
9,400.00	89.08	89.75	4,128.15	-292.58	5,649.54	5,648.21	0.00	0.00	0.00
9,500.00	89.08	89.75	4,129.77	-292.14	5,749.53	5,748.20	0.00	0.00	0.00
9,600.00	89.08	89.75	4,131.38	-291.70	5,849.52	5,848.19	0.00	0.00	0.00
9,700.00	89.08	89.75	4,132.99	-291.26	5,949.50	5,948.17	0.00	0.00	0.00
9,800.00	89.08	89.75	4,134.61	-290.82	6,049.49	6,048.16	0.00	0.00	0.00
9,900.00	89.08	89.75	4,136.22	-290.38	6,149.47	6,148.15	0.00	0.00	0.00
10,000.00	89.08	89.75	4,137.83	-289.94	6,249.46	6,248.14	0.00	0.00	0.00
10,100.00	89.08	89.75	4,139.45	-289.50	6,349.45	6,348.12	0.00	0.00	0.00
10,200.00	89.08	89.75	4,141.06	-289.06	6,449.43	6,448.11	0.00	0.00	0.00
10,300.00	89.08	89.75	4,142.67	-288.62	6,549.42	6,548.10	0.00	0.00	0.00
10,400.00	89.08	89.75	4,144.29	-288.18	6,649.40	6,648.08	0.00	0.00	0.00
10,500.00	89.08	89.75	4,145.90	-287.74	6,749.39	6,748.07	0.00	0.00	0.00
10,600.00	89.08	89.75	4,147.51	-287.30	6,849.38	6,848.06	0.00	0.00	0.00
10,700.00	89.08	89.75	4,149.12	-286.86	6,949.36	6,948.04	0.00	0.00	0.00
10,800.00	89.08	89.75	4,150.74	-286.42	7,049.35	7,048.03	0.00	0.00	0.00
10,900.00	89.08	89.75	4,152.35	-285.98	7,149.33	7,148.02	0.00	0.00	0.00
11,000.00	89.08	89.75	4,153.96	-285.54	7,249.32	7,248.01	0.00	0.00	0.00
11,100.00	89.08	89.75	4,155.58	-285.10	7,349.31	7,347.99	0.00	0.00	0.00
11,200.00	89.08	89.75	4,157.19	-284.66	7,449.29	7,447.98	0.00	0.00	0.00
11,300.00	89.08	89.75	4,158.80	-284.22	7,549.28	7,547.97	0.00	0.00	0.00
11,400.00	89.08	89.75	4,160.42	-283.78	7,649.26	7,647.95	0.00	0.00	0.00
11,500.00	89.08	89.75	4,162.03	-283.34	7,749.25	7,747.94	0.00	0.00	0.00
11,600.00	89.08	89.75	4,163.64	-282.90	7,849.24	7,847.93	0.00	0.00	0.00
11,700.00	89.08	89.75	4,165.26	-282.46	7,949.22	7,947.91	0.00	0.00	0.00
11,800.00	89.08	89.75	4,166.87	-282.02	8,049.21	8,047.90	0.00	0.00	0.00
11,900.00	89.08	89.75	4,168.48	-281.58	8,149.19	8,147.89	0.00	0.00	0.00
12,000.00	89.08	89.75	4,170.10	-281.14	8,249.18	8,247.88	0.00	0.00	0.00
12,100.00	89.08	89.75	4,171.71	-280.70	8,349.17	8,347.86	0.00	0.00	0.00
12,200.00	89.08	89.75	4,173.32	-280.26	8,449.15	8,447.85	0.00	0.00	0.00
12,253.86	89.08	89.75	4,174.19	-280.02	8,503.00	8,501.70	0.00	0.00	0.00
5. PEAKY 10H LTP: 1330' FNL, 100' FEL									
12,303.86	89.08	89.75	4,175.00	-279.80	8,553.00	8,551.70	0.00	0.00	0.00
6. PEAKY 10H BHL: 1330' FNL, 50' FEL									

Planning Report

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Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3646.00usft (AKITA 57)
Site:	PEAKY 8-9 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Design Targets									
Target Name									
- hit/miss target	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- Shape	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
1. PEAKY 10H SHL: 1	0.00	0.00	0.00	0.00	0.00	674,335.20	613,205.20	32.85355	-104.09930
- plan hits target center									
- Point									
2. PEAKY 10H KOP: 1	0.00	0.00	3,000.25	-258.89	-122.58	674,076.30	613,082.62	32.85284	-104.09970
- plan hits target center									
- Point									
3. PEAKY 10H 1/2 SE	0.00	0.00	4,039.56	-314.34	705.96	674,020.85	613,911.16	32.85268	-104.09701
- plan hits target center									
- Point									
4. PEAKY 10H FTP: 1	0.00	0.00	4,050.00	-313.90	806.00	674,021.30	614,011.20	32.85269	-104.09668
- plan hits target center									
- Point									
5. PEAKY 10H LTP: 1	0.00	0.00	4,174.19	-280.10	8,503.00	674,055.10	621,708.20	32.85273	-104.07161
- plan misses target center by 0.08usft at 12253.85usft MD (4174.19 TVD, -280.02 N, 8503.00 E)									
- Point									
6. PEAKY 10H BHL: 1	0.00	0.00	4,175.00	-279.80	8,553.00	674,055.40	621,758.20	32.85273	-104.07145
- plan hits target center									
- Point									

Spur Energy Partners LLC – Peak 8-9 State Com 10H

1. Geologic Formations

TVD of Target	4,175'
MD at TD	12,304'

Formation	Depth	Lithology	Expected Fluids
Quaternary	0'	Dolomite, other: Caliche	Useable Water
Rustler	225'	Dolomite, Shale, Anhydrite	Other: Brackish Water
Base Salt	650'	Anhydrite	Other: Salt
Tansill	725'	Sandstone, Dolomite	None
Yates	845'	Dolomite, Limestone, Shale, Siltstone	None
Seven Rivers	1090'	Dolomite, Limestone	None
Queen	1640'	Anhydrite, Dolomite, Sandstone	None
Grayburg	2055'	Anhydrite	Natural Gas, Oil
San Andres	2400'	Dolomite	Natural Gas, Oil
Glorieta	3810'	Dolomite, Siltstone	Natural Gas, Oil
Paddock	3895'	Dolomite, Limestone	Natural Gas, Oil
Blinberry	4280'	Dolomite, Limestone	Natural Gas, Oil
Tubb	5185'	Dolomite, Limestone	Natural Gas, Oil

*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

Casing Formation Set Interval	Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
		From (ft)	To (ft)					Collapse		Tension	Tension
Rustler	17.5	0	350	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
Seven Rivers	12.25	0	1525	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
N/A	8.75	0	4300	7	32	L-80	GBCD	1.125	1.2	1.4	1.4
Yeso	8.75	4300	12304	5.5	20	L-80	GBCD	1.125	1.2	1.4	1.4
SF Values will meet or Exceed											

Spur Energy Partners LLC – Peak 8-9 State Com 10H

	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 rd 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 nd string set 100' to 600' below the base of salt?	
Is well located in high Cave/Karst?	Y
If yes, are there two strings cemented to surface?	Y
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface Tail	0	350	100%
Intermediate (Lead)	0	350	50%
Intermediate (Tail)	350	1525	100%
Production (Lead)	0	3300	0%
Production (Tail)	3300	12304	50%

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface Tail	218	13.2	2.32	9.92	6:59	Clas C Premium Plus Cement
Intermediate (Lead)	69	12.2	1.84	13.48	8:12	Clas C Premium Plus Cement
Intermediate (Tail)	326	13.2	2.32	9.92	6:59	Clas C Premium Plus Cement
Production (Lead)	466	11.8	2.54	15.29	N/A	Clas C Premium Plus Cement
Production (Tail)	1805	13.2	1.81	9.81	N/A	Clas C Premium Plus Cement

Spur Energy Partners LLC – Peak 8-9 State Com 10H**4. Pressure Control Equipment*****Spur Energy Partners LLC variance for flex hose***

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	Type	✓	Tested to:
12.25" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		
8.75" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		

Spur Energy Partners LLC will be utilizing a 5M BOP

Condition	Specify what type and where?
BH Pressure at deepest TVD	1933 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	114°F

*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.
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Spur Energy Partners LLC – Peak 8-9 State Com 10H

	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 3rd 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)				
0	350	Water-Based Mud	8.6-8.9	32-36	N/C
450	1525	Brine	9.0-10.0	32-36	N/C
1525	12304	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
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Spur Energy Partners LLC – Peak 8-9 State Com 10H**7. Logging and Testing Procedures**

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 Completion Report and submitted to the BLM.	
No	Logs are planned based on well control or offset log information.	
No	Drill stem test? If yes, explain	
No	Coring? If yes, explain	
Additional 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.

Hydrogen Sulfide (H ₂ S) monitors will be installed prior to drilling out the surface shoe. If H ₂ S is detected in concentrations greater than 100 ppm, the operator will comply with the provisions of Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and formations will be provided to the BLM.	
N	H ₂ S is present
Y	H ₂ S Plan attached

Total estimated cuttings volume: 1090.1 bbls.

Spur Energy Partners LLC – Peak 8-9 State Com 10H**9. Other facets of operation**

	Yes/No
Will more than one drilling rig be used for drilling operations? If yes, describe. 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.	Yes

Attachments

- ☒ Directional Plan
☒ H2S Contingency Plan
☒ Akita 57 Attachments
☒ BOP Schematics
☒ Transcend Spudder Rig Attachments

10. Company Personnel

Name	Title	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



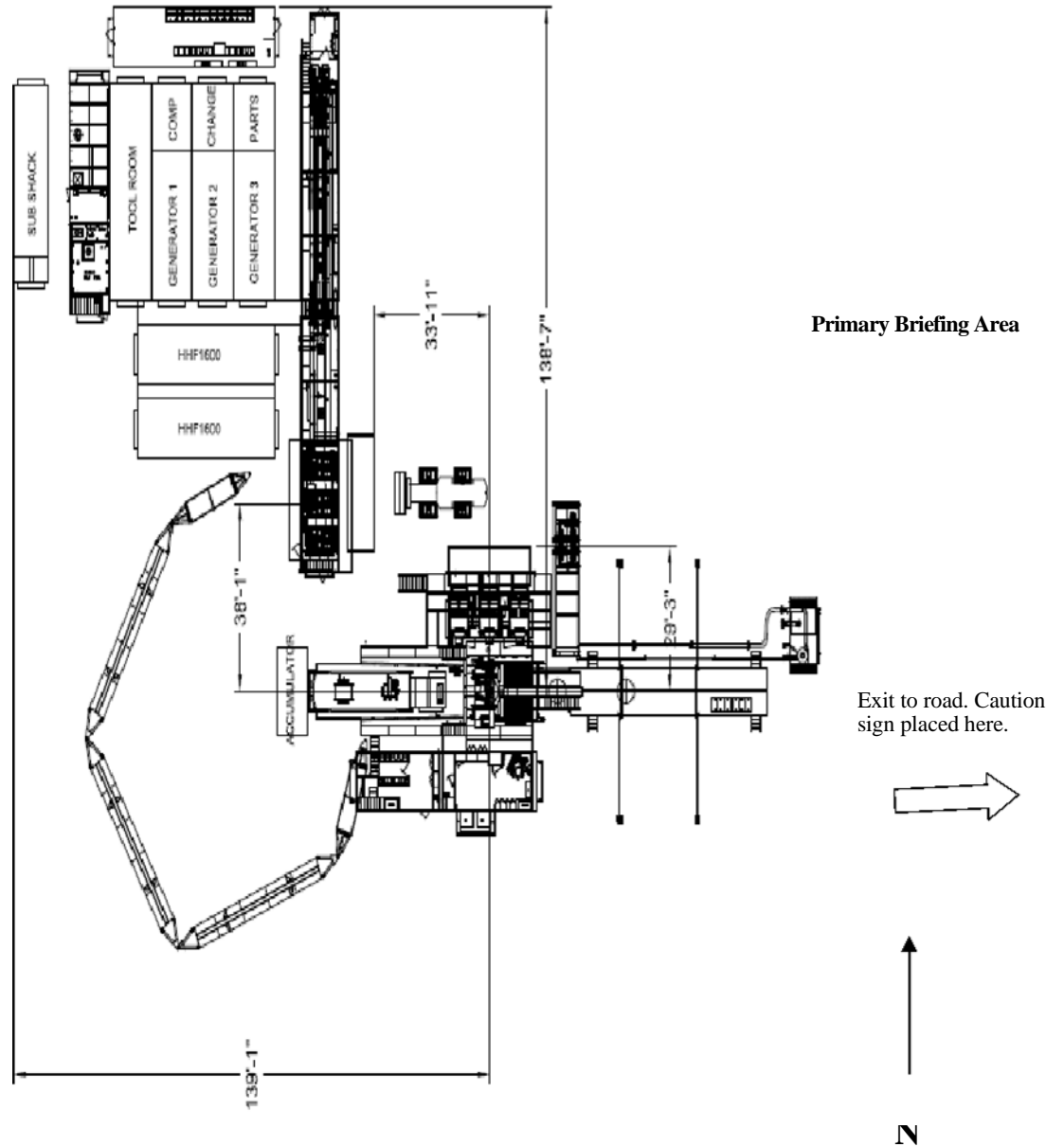
Permian Drilling Hydrogen Sulfide Drilling Operations Plan Peak 8 9 State Com Development

Open drill site. No homes or buildings are near the proposed location.

1. Escape

Personnel shall escape upwind of wellbore in the event of an emergency gas release. Escape can take place through the lease road on the Southeast side of the location. Personnel need to move to a safe distance and block the entrance to location. If the primary route is not an option due to the wind direction, then a secondary egress route should be taken.

Secondary Briefing Area



WIND: Prevailing winds are from the Southwest

Secondary Egress

Spur Energy Partners New Mexico Operations Hydrogen Sulfide Operation Plan

A. Introduction:

The Safety of all personnel at Spur Energy Partners Facilities is of utmost importance to the company, and therefor management and employees must take responsibility for their safety and for the safety of all employees and others at a facility. If you have any concerns about the safe operations of the facility, contract personnel, or vendors, please contact the Company's Safety Contact, Superintendent, or Production Foreman immediately.

The objective of this contingency plan is to provide an organized plan of action for alerting, responding to and protecting employees, other workers and the public from H₂S exposure in the event of a release of a potentially hazardous volume of H₂S to the atmosphere. This plan should be activated immediately if any such release occurs. The Superintendent is responsible for initiating and carrying out the plan.

B. Scope:

Prevent the uncontrolled release of H₂S into the atmosphere. Provide proper procedures and equipment to alert and respond to emergencies.

Provide immediate and adequate medical attention should an injury occur.

To provide Company employees working at actual or potential Hydrogen Sulfide (H₂S) facilities with a safe procedure to comply with applicable Federal, State and Company requirements.

This document is intended to provide general policy, procedures and expectations surrounding elevated levels of H₂S. The intent is to promote sound and safe operations, while seeking effective communication surrounding operational considerations working around H₂S.

This procedure applies to all Company employees and contractors working at facilities that have the potential to release 100 ppm or higher concentrations of H₂S.

The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H₂S).

C. Hydrogen Sulfide Gas (H₂S) Characteristics:

1. H₂S is a toxic, poisonous gas that could cause death or injury. And it is also flammable.
2. H₂S is an irritant and extremely toxic gas that is several times deadlier than carbon monoxide (CO).
3. H₂S is heavier than air with a specific gravity of 1.1895 @ 600 F. so it will tend to lie in lower areas. Wind movement or air currents can readily disperse H₂S since wind currents can easily overcome the heavier weight. On calm days, with no wind, the H₂S will tend to accumulate in dangerous concentrations; however, if the H₂S is warmer than the surrounding air it may rise.
4. H₂S is colorless.
5. In small concentrations, H₂S has the characteristic odor of rotten eggs. It may be detected by smell at a concentration in air of about 2 ppm but may NOT be detected

at high concentrations. DO NOT DEPEND ON THE SENSE OF SMELL TO DETECT H₂S! H₂S will paralyze the olfactory nerve causing a loss of the sense of smell within 2 – 15 minutes of an exposure in concentrations as low as 100-150 ppm.

6. H₂S burns with a blue flame and has an auto ignition temperature of 5000 F. H₂S forms an explosive mixture in the range of 4.3% to 45% by volume with air. H₂S, when ignited, produces Sulfur Dioxide (SO₂). SO₂ is another toxic gas but less toxic than H₂S.
7. Physiological Effects
 - 1,000-2,000+ ppm: Loss of consciousness and possible death.
 - 100-1,000 ppm: Serious respiratory, central nervous, and cardiovascular system effects.
 - 150-200 ppm: Olfactory fatigue (sense of smell is significantly impaired).
 - 100 ppm: Immediately Dangerous to Life and Health (IDLH concentration).
 - 5-30 ppm: Moderate irritation of the eyes.
 - 5-10 ppm: Relatively minor metabolic changes in exercising individuals during short-term exposures.
 - Less than 5 ppm: Metabolic changes observed in exercising individuals, but not clinically significant.
 - 5 ppm: Increase in anxiety symptoms (single exposure).
 - 5 ppm: Start of the dose-response curve (short-term exposure).
 - 0.032-0.02 ppm: Olfactory threshold (begin to smell).

D. H₂S Training

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing work at an effected facility:

1. The hazards and characteristics of hydrogen sulfide (H₂S)
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.
5. The procedures for operating process equipment.

In addition, supervisory personnel will be trained in the following areas:

1. Corrective action and shutdown procedures when a release or leak occurs.
2. Notification process

Annual drills will be conducted to utilize the procedures and make improvements as needed. It will also serve as refresher training on the process.

Note: All H₂S safety equipment and systems will be installed, tested, and operational when operation commences.

E. Protective equipment controls:

Any facility that has the potential to emit H₂S at 100 ppm or higher will be required to install and utilize the below controls:

1. Where applicable, area air monitors will be installed and function tested and calibrated no less than monthly and set on a quarterly basis PM schedule.
2. Facility operators will use self contained breathing apparatuses (SCBA's) to perform routine operations in areas where H₂S may be present.
3. Trigger of 100 PPM or more must be communicated and work proceeding the trigger must use the buddy system.
4. Visible windsocks must be installed at key locations surrounding the facility.
5. H₂S warning signs must be placed at the entrance to the facility as well as other key locations.
6. Personal H₂S Monitor are required to be worn by all personnel on locations.
7. Stairs and ladders leading to the top of a tank or vessel containing 300 ppm or greater shall be chained or marked to restrict entry.

F. Emergency Procedures

1. Spill or Release of H₂S gas

If a spill or leak releases H₂S the following action must be initiated and completed:

- a. Internally – Employee contacts supervisor and HSE Department and performs “d” below.
- b. Externally - Someone identifies a possible H₂S emergency and reports it to Company Management, via the listed phone number on posted facility signs.
- c. The Company dispatches an employee to investigate possible H₂S emergency and will secure situation or initiate emergency call for backup.
- d. If the Radius of Exposure has been breached begin the following:
 - Establish safe command center.
 - Call for additional personnel and delegate the following:
 - i. Notifying public safety agencies (Sheriff, Fire Department, Department of Public Safety, Hwy. Department).
 - ii. Safeguarding the facility and effected area.
 - iii. Blocking roads as needed.
 - iv. Notifying/evacuating public.
 - v. Notifying regulatory agencies.
 - vi. Gathering additional information about release ie., location, flowrate, quantity, etc.
 - vii. Stopping release if safe to do so (use 2 trained persons)
 - viii. Notifying company management.
 - ix. Cleanup/repair facilities.

e. Facility Standard Operating Procedure

- Evacuate the area, travel crosswind then proceed upwind.
- Gather at muster point. Ensure Primary Muster point is upwind
- Notify managers & appropriate EMS if required.
- Safely shut down (ESD) facility if the facility hasn't already shut in.
- Pick up SCBA (should be a 30 minute - 1 hour pack, located at Muster point.)
- Use buddy system for man down scenario with rescuers assigned.
 - 1 person to mask up to operate facility controls as needed.
 - 1 person for rescue if needed.
 - 1 person for calling EMS and company management
- Investigate area and isolate release of gas if safe to do and ensure closure using 4 gas monitor.
- If venting gas can't be isolated, return to muster point, and re-evaluate path forward.
- Give detailed description where/how gas is being released.
- After isolation verify that area monitors return to 0 and are not in alarm.
- Resume normal operations, once managers agree the ROOT CAUSE has been addressed and corrected.

G. Contacting Authorities

Company personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the NM Emergency Response Commission must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. Spur Energy Partners response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER).

H. Call List

Spur Energy Partners Emergency Contact List			
Person	Location	Office Phone	Cell Phone
Drilling and Completions Department			
Drilling Manager - Chris Hollis	Houston	832-930-8629	713-380-7754
Completions Manager - Theresa Voss	Houston	832-930-8614	832-849-8635
VP of Operations - Seth Ireland	Houston	832-930-8527	940-704-6375
Senior VP of Operations - John Nabors	Houston	832-930-8526	281-904-8811
Executive VP of Operations - Todd Mucha	Houston	832-930-8515	281-795-2286
HES/Environmental and Regulatory Department			
EHS Manager - Braidy Moulder	Artesia	575-616-5400	713-264-2517
Superintendent - Jerry Mathews	Artesia	575-616-5400	575-748-5234
Asst. Superintendent - Kenny Kidd	Artesia	575-616-5400	575-703-5851
Regulatory Director - Sarah Chapman	Houston	832-930-8613	281-642-5503
Regulatory Agencies			
Bureau of Land Management	Carlsbad	575-886-6544	
Bureau of Land Management	Hobbs	575-393-3612	
Bureau of Land Management	Roswell	575-622-5335	
Bureau of Land Management	Santa Fe	505-954-2000	
DOT Judicial Pipelines - Incident Reporting NM Public Regulation Commission	Santa Fe	505-827-3549 505-490-2375	
EPA Hotline	Dallas	214-665-6444	
Federal OSHA, Area Office	Lubbock	806-472-7681	
National Response Center	Washington, D.C.	800-424-8803	
National Infrastructure Coordinator Center	Washington, D.C.	202-282-2901	
New Mexico Air Quality Bureau	Santa Fe	505-827-1494	
New Mexico Oil Conservation Division	Artesia	575-748-1283 575-370-7545After	
New Mexico Oil Conservation Division	Hobbs	575-393-6161	
New Mexico Oil Conservation Division	Santa Fe	505-476-3770	
New Mexico OCD Environmental Bureau	Santa Fe	505-827-7152 505-476-3470	
New Mexico Environmental Department	Hobbs	575-827-9329	
NM State Emergency Response Center	Santa Fe	505-476-9600	

Medical Facilities		
Artesia General Hospital	Artesia	575-748-3333
Covenant Medical Center	Lubbock	806-725-1011
Covenant Medical Center Lakeside	Lubbock	806-725-6000
Guadalupe County Hospital	Carlsbad	575-887-6633
Lea Regional Hospital	Hobbs	575-492-5000
Medical Center Hospital	Odessa	432-640-4000
Midland Memorial Hospital	Midland	432-685-1111
Nor-Lea General Hospital	Lovington	575-396-6611
Odessa Regional Hospital	Odessa	432-334-8200
Union County General Hospital	Clayton	575-374-2585
University Medical Center	Lubbock	806-725-8200
Law Enforcement - Sheriff		
Ector County Sheriff's Department	Odessa	432-335-3050
Ector County Sheriff's Department	Artesia	575-746-2704

Ector County Sheriff's Department	Carlsbad	575-887-7551
Lea County Sherri's Department	Eunice	575-384-2020
Lea County Sherri's Department	Hobbs	575-393-2515
Lea County Sherri's Department	Lovington	575-396-3611
Lubbock County Sheriff's Department	Abernathy	806-296-2724
Midland County Sheriff's Department	Midland	432-688-1277
Union County Sheriff's Department	Clayton	575-374-2583
Law Enforcement - Police		
Abernathy Police Department	Abernathy	806-298-2545
Artesia City Police	Artesia	575-746-2704
Carlsbad City Police	Carlsbad	575-885-2111
Clayton City Police	Clayton	575-374-2504
Eunice City Police	Eunice	575-394-2112
Hobbs City Police	Hobbs	575-397-9265 575-393-2677
Jal City Police	Jal	575-395-2501
Lovington City Police	Lovington	575-396-2811

Midland City Police	Midland	432-685-7113
Odessa City Police	Odessa	432-335-3378
Law Enforcement - FBI		
FBI	Albuquerque	505-224-2000
FBI	Midland	432-570-0255
Law Enforcement - DPS (911)		
NM State Police	Artesia	575-746-2704
NM State Police	Carlsbad	575-885-3137
NM State Police	Eunice	575-392-5588
NM State Police	Hobbs	575-392-5588
NM State Police	Clayton	575-374-2473
Firefighting and Rescue (911)		
Abernathy	Abernathy	806-298-2022
Amistad/Rosebud	Amistad/Rosebud	575-633-9113
Artesia	Artesia	575-746-5751
Carlsbad	Carlsbad	575-885-3125
Clayton	Clayton	575-374-2435
Eunice	Eunice	575-394-2111
Hobbs	Hobbs	575-397-9308
Jal	Jal	575-395-2221
Lovington	Lovington	575-396-2359
Maljamar	Maljamar	575-676-4100
Midland	Midland	432-685-7346
Nara Visa	Nara Visa	575-461-3300
Odessa	Odessa	432-335-4659
Tucumcari	Tucumcari	911
West Odessa	Odessa	432-381-3033

Ambulance (911)		
Abernathy Ambulance	Abernathy	806-298-2241
Amistad/Rosebud	Amistad/Rosebud	575-633-9113
Artesia Ambulance	Artesia	575-746-2701
Carlsbad Ambulance	Carlsbad	575-885-2111
Clayton Ambulance	Clayton	575-374-2501
Eunice Ambulance	Eunice	575-394-3258
Hobbs Ambulance	Hobbs	575-397-9308
Jal Ambulance	Jal	575-395-3501
Lovington Ambulance	Lovington	575-396-2811
Midland Ambulance	Midland	432-685-7499
Nara Visa Ambulance	Nara Visa	575-461-3300
Odessa Ambulance	Odessa	432-335-3378
Tucumcari Ambulance	Tucumcari	911
Medical Air Ambulance Service		
AEROCARE - Methodist Hospital	Lubbock	800-627-2376
Southwest MediVac	Hobbs	800-242-6199
Odessa Care Star	Odessa	888-624-3571

I. List of Facilities with the potential for 500ppm or higher H₂S exposure.

ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW

ALASKA 29 FEE TANK BATTERY	CHASER 8 STATE 2 TANK BATTERY
ARABIAN 6 FEE TANK BATTERY	CHEYENNE FEDERAL TNK BTY
ARCO 26 A STATE OIL BATTERY	CLYDESDALE 1 FEE #1H BAT
ARCO B FEDERAL COM NO. 001	CLYDESDALE 1 FEE 6H - BATTERY
ARKANSAS STATE 23 TANK BATTERY	COAL TRAIN FEDERAL COM #1
AVALON FEDERAL #001	COFFIN STATE #1
B&B/ROSS RANCH OIL TANK BATTERY	COLLIER 22 STATE COM #43H
BC FEDERAL 10 (9-13) TNK BTY	COLLIER STATE OIL BATTERY
BC FEDERAL 1-8 &14 TNK BTY	CONOCO 8 STATE 4 TB
BC FEDERAL 42 TNK BTY	CONTINENTAL A STATE TNK BTY
BEE FED OIL BATTERY	CONTINENTAL B YESO TANK BTY
BEECH 25 FEDERAL #9H BATTERY	CONTINENTAL STATE 15A TNK BTY
BEECH FEDERAL 1	CRYPT 30 STATE #1H
BEECH FEDERAL 2 BATTERY	DAGGER DRAW FED/FOSTER FED TANK BATTERY
BERRY A FEDERAL #005 SWB	DARNER 9 STATE 1 TANK BATTERY
BERRY A FEDERAL PADD BATTERY	DARNER 9 STATE 2
BIG BOY STATE TB	DARTER 9 STATE 8 TANK BATTERY
BLUETAIL 8 FEDERAL 2 TANK BATTERY	DARNER 9 STATE CTB
BONE YARD 11 FEE TANK BATTERY	DEXTER FEDERAL PAD TNK BTY
BOOT HILL 25 1H SWB	DODD 10A OIL BATTERY
BOSE IKARD 4 ST COM 18H BATTERY	DODD 10B TK BTTY
BRANTLEY FEDERAL #001	DODD FED #14C TK BATT
BR-549 STATE BATTERY	DODD FED 11A BATTERY
BRADLEY 8 FEE #3H-BATTERY	DODD FED UNIT 980H BATTERY
BRADLEY 8 FEE BATTERY	DODD FEDERAL 14A-TB
BRAGG 10 FEE 1 BATTERY	DODD FEDERAL UNIT 15A BTTY
BRIGHAM H 2	DODD FEDERAL UNIT NORTH BTTY
BRIGHAM H FED (NORTH) BATTERY	DODD FEDERAL UNIT SOUTH BTTY
BURCH KEELY 13C TK BTY	DOGWOOD FEDERAL TNK BTY
BURCH KEELY 18A TK BATT	DORAMI 33 FEDERAL COM 2H.4H.9H TANK BATTERY
BURCH KEELY 19A OIL BATT	EBONY STATE TB
BURCH KEELY 23A TK BATT	EDWARD STATE TNK BTY
BURCH KEELY EAST 18B TANK BAT	ELECTRA FEDERAL 33 (NORTH) BATTERY
BURCH KEELY SEC 13A NORTH BTTY	ELECTRA FEDERAL 5 (SWEET) TNK BTY
BURCH KEELY SEC 13B SOUTH BTTY	ELECTRA FEDERAL SOUR TNK BTY
BURCH KEELY UNIT CTB BTTY	EMPIRE SOUTH DEEP UNIT 21
BURCH KEELY UNIT E BATTERY	FALABELLA 31 FEE #1H TK BATT
BURKETT 16 STATE	FALABELLA 31 FEE 8H TK BTY
CADDO FEDERAL BATTERY	FAT TIRE 12 COM FEDERAL CTB
CADILLAC ST 4 BATTERY	FEDERAL BA COM NO. 001
CALIFORNIA 29 FEE 1	FEDERAL BB NO. 001
CARMEN 3 FEDERAL BATTERY	FLAT HEAD FED COM 6H TANK BATTERY
CARRINGTON 12 ST 3,4,7 BATTERY	FLAT HEAD FED COM 27H TANK BATTERY

ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW

FIR FEDERAL TNK BTY	IVAR THE BONELESS FED 11H - BATTERY
FIRECRACKER STATE TB	JC FEDERAL 13 TNK BTY
FLEMMING STATE OIL BATTERY	JC FEDERAL 2 (SOUR) TNK BTY
FOLK FEDERAL B TNK BTY	JC FEDERAL 27 TNK BTY
FOLK FEDERAL TNK BTY	JENKINS B FEDERAL TNK BTY
FOLK STATE TANK BATTERY	JG STATE 16 1 TANK BATTERY
FORAN STATE OIL BATTERY	JG STATE 16 7 TANK BATTERY
GC FEDERAL 11 TNK BTY	JON BOB 1
GC FEDERAL 27 TNK BTY	JUNIPER STATE TNK BTY
GC FEDERAL TNK BTY	KIOWA OIL BATTERY
GILLESPIE STATE OIL BATTERY	KOOL AID STATE
GISSLER FEDERAL 13H TANK BATT	LAKEWOOD NORTH TANK BATTERY
GJ WEST COOP SOUTH TB	LAKEWOOD SOUTH TANK BATTERY
GJ WEST COOP UNIT 092 BTY	LARA MICHELLE STATE OIL BTTY
GJ WEST COOP UNIT 191 BTY	LEAKER CC STATE TB
GJ WEST COOP UNIT 210 BTY	LEE 3 FEE 6H - TK BATT
GJ WEST COOP UNIT CENTRAL	LIVE OAK TANK BATTERY
GJ WEST COOP UNIT N TNK BTY	MALCO 23 FEDERAL COM #13H
GOLD STAR TNK BTY	MAPLE STATE
GOODMAN 22 TANK BATTERY	MARACAS 22 STATE TANK BATTERY
GRAVE DIGGER FEDERAL COM TANK BATTERY	MARY FEDERAL OIL BATTERY
GRAVE DIGGER ST COM #3H TANK BATTERY	MAYARO 22 STATE TANK BATTERY
GRAVE DIGGER STATE COM #8H SWB	MC FEDERAL 14 TANK BATTERY
HALBERD 27 ST 3H BATTERY	MC FEDERAL 6 DEVONIAN
HANOVER STATE #3 (YESO)	MC FEDERAL PADDOCK TNK BTY
HARPER STATE TNK BTY	MC SOUTHEAST BATTERY
HARVARD FEDERAL TNK BTY	MC STATE OIL BATTERY
HATFIELD B TB	MCCOY STATE TB
HEARSE 36 ST COM TANK BATTERY	MCINTYRE A EAST TANK BATTERY
HOBGOBLIN 7 FED COM 4H TK BAT	MCINTYRE B 10
HOLDER CB 11 TNK BTY	MCINTYRE B 4
HOLDER CB FEDERAL 6&7 TNK BTY	MCINTYRE B TNK BTY
HOLIDAY	MCINTYRE DK 15 TNK BTY
HOUMA STATE TNK BTY	MCINTYRE DK FEDERAL 28H SWB
HT 18 FED 01.05.04 TANK BATTERY	MEADOWHAWK 5 FEDERAL 3
HT 18 FEDERAL 8	MELROSE FEDERAL TNK BTY
HUBER 10,11,12 FEDERAL OIL TANK BATTERY	MERAK 7 FEDERAL 8 TANK BATTERY
HUBER 3 FEDERAL OIL TANK BATTERY	MESILLA STATE 3 & 5 TNK BTY
HUBER 5 FEDERAL OIL TANK BATTERY	MESILLA STATE TNK BTY
HYDRUS 10 FED 03.07.08.11 TANK BATTERY	MESQUITE STATE TANK BATTERY
HYDRUS 10 FED 04.05 TANK BATTERY	MIMOSA STATE TNK BTY
HYDRUS 10 FED 06.09.10.12 TANK BATTERY	MIRANDA FEDERAL B TNK BTY
IMPERIAL STATE TNK BTY	MIRANDA FEDERAL TB

ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW

MOE FEDERAL OIL BATTERY	ROSE SOUTH TANK BATTERY
MOHAWK FEDERAL TNK BTY	ROSS RANCH 09.13.14 BATTERY
MONCRIEF 3 OIL BATTERY	SAM ADAMS 12 FED 4H UBB TK BATT
MOORE STATE OIL BATTERY	SANDY CROSSING 32 STATE COM 1
MORRIS BOYD 26 FEE COM 1H	SCHLEY FEDERAL TNK BTY
MORRIS BOYD TANK BATTERY	SHAWNEE FEDERAL TNK BTY
MORRIS E & F TANK BATTERY	SHELBY 23 BATTERY
MUSKEGON SOUTH STATE OIL BATTERY	SHERMAN 4 FEE 4H BATTERY
NAVAHO FEDERAL TNK BTY	SHERMAN 4 FEE 6H BATTERY
NELSON 13.23. TNK BATT	SHORTY 2 STATE COM TANK BATTERY
NEWCASTLE 6 FED COM - TANK BATTERY	SINCLAIR PARKE (PADDOCK) TNK BTY
NIRVANA TANK BATTERY	SKELLY 605 BATTERY
NOOSE FED 10 TANK BATTERY	SKELLY 942 BATTERY
NOOSE FED 5 TANK BATTERY	SKELLY 968 BATTERY
OKLAHOMA 32 TANK BATTERY	SKELLY 973 BATTERY
OSAGE BOYD 15 FED 09.12.13.14 TANK BATTERY	SKELLY 989 BATTERY
OSAGE BOYD YESO TANK BATTERY	SKELLY UNIT 907 CTB BATTERY
PAINT 32 FEE OIL BATTERY	SKELLY UNIT 940 BATTERY
PAN CANADIAN A2-B3 TANK BATTERY	SOUTH BOYD FED COM OIL TANK BATTERY
PASSION 1 FED PDK 5H TK BATT	SOUTH EMPIRE STATE COM 1
PATTON 5 FEE 2H OIL BATTERY	SPIKETAIL 5 STATE 2 TANK BATTERY
PATTON 5 FEE 8H OIL BATTERY	SPRUCE FEDERAL TNK BTY
PAWNEE STATE TNK BTY	STATE B GAS COM NO. 001
PEACEMAKER 25 FEDERAL TANK BATTERY	STATE S-19 YESO (SOUR) TNK BTY
PERE MARQUETTE 18 FEDERAL 1 TANK BATTERY	STONEWALL 9 FEE #1H TBAT
PILUM 15 FEE 2H BATTERY	STONEWALL 9 FEE 8H BATTERY
PINTO 36 STATE COM 1H TNK BTY	SUBMARINE 10 FED COM 2H OIL BAT
PINTO 36 STATE COM 4H TNK BTY	TAYLOR D TANK BATTEY
PINTO 36 STATE TB	TENNECO STATE TNK BTY
POLARIS B 5-10 TANK BTTY	TEX MACK FED
POSEIDON 3 FEDERAL 4 TANK BATTERY	TEXACO BE TNK BTY
POSEIDON 3 FEDERAL 05.07.17.18 TANK BATTERY	TEXAS 32 FEE TANK BATTERY
PUCKETT 13 FEDERAL COM 35H	TEXMACK 36 STATE COM #1
PUCKETT 13 FEDERAL TB	TH STATE #1
RAGNAR FED COM 25H - BATTERY	THO STATE OIL BATTRY
RANDALL FED 3 BATTERY	THORNTAIL 31 FEDERAL 1
RED LAKE 32 TANK BATTERY	THUNDER ROAD FEDERAL OIL BTTY
REDBUD FEDERAL TNK BTY	TUMAK FED 3 BAT
RINCON STATE TANK BATTERY	VEGA 9 FED TANK BATTERY
RJ UNIT NORTH TANK BATTERY	VT 36 STATE #1H
RJ UNIT SOUTH TANK BATTERY	W D MCINTYRE C 10
RONCO FEDERAL #1	WAUKEE 36 STATE COME CTB
ROSE 02.03.04.05.06 TANK BATTERY	WD MCINTYRE C 8-9 TNK BTY

ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW

WD MCINTYRE E TNK BTY
WELCH A 28 10.20.50 CTB
WESTERN FEDERAL TNK BTY
WHITE OAK STATE B TB
WHITE OAK STATE TNK BTY
WHITE STAR FEDERAL TNK BTY
WICHITA STATE TNK BTY
WILLOW STATE TNK BTY
YALE B OIL BATTERY
YALE STATE TANK BTY
YUCCA STATE TNK BTY

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

Submit Electronically
Via E-permitting

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 PARTNERS LLC **OGRID:** 328947 **Date:** 05 / 01 / 2025

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): 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	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
PEAKY 8 9 STATE COM 10H	30-015-	C-8-17S-29E	1015' FNL 1940' FWL	369 BBL/D	602 MCF/D	2216 BBL/D
PEAKY 8 9 STATE COM 20H	30-015-	C-8-17S-29E	1015' FNL 1960' FWL	369 BBL/D	602 MCF/D	2216 BBL/D
PEAKY 8 9 STATE COM 21H	30-015-	C-8-17S-29E	1015' FNL 1980' FWL	369 BBL/D	602 MCF/D	2216 BBL/D
PEAKY 8 9 STATE COM 70H	30-015-	C-8-17S-29E	1015' FNL 2000' FWL	338 BBL/D	1014 MCF/D	2367 BBL/D
PEAKY 8 9 STATE COM 71H	30-015-	C-8-17S-29E	1015' FNL 2020' FWL	338 BBL/D	1014 MCF/D	2367 BBL/D

IV. Central Delivery Point Name: PEAKY 8 9 STATE COM TANK BATTERY [See 19.15.27.9(D)(1) NMAC]

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 Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
PEAKY 8 9 STATE COM 10H	30-015-	10/24/2026	11/03/2026	12/22/2026	01/11/2027	01/26/2027
PEAKY 8 9 STATE COM 20H	30-015-	11/03/2026	11/13/2026	12/22/2026	01/11/2027	01/26/2027
PEAKY 8 9 STATE COM 21H	30-015-	11/13/2026	11/23/2026	12/22/2026	01/11/2027	01/26/2027
PEAKY 8 9 STATE COM 70H	30-015-	11/23/2026	12/03/2026	12/22/2026	01/11/2027	01/26/2027
PEAKY 8 9 STATE COM 71H	30-015-	12/03/2026	12/13/2026	12/22/2026	01/11/2027	01/26/2027

VI. Separation Equipment: ☒ 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

EFFECTIVE APRIL 1, 2022

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. ☐ 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.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ 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 well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator 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;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) 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

(b) 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:	<i>Sarah Chapman</i>
Printed Name:	SARAH CHAPMAN
Title:	REGULATORY DIRECTOR
E-mail Address:	SCHAPMAN@SPUREENERGY.COM
Date:	05/01/2025
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 igniter 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.