

GRISWOLD EXHIBIT 9

SPC RESOURCES, LLC

June 17, 2021

Delivered Via Certified Mail and E-Mail

Oil Conservation Division
Energy, Minerals and Natural Resources Department of New Mexico
Attn: Adrienne Sandoval, Division Director
1220 South St. Francis Drive
Santa Fe, NM 87505
Email: Adrienne.Sandoval@state.nm.us

***Re: SPC Resources, LLC – Caveman 402H
Eddy County, NM***

Dear Ms. Sandoval,

SPC Resources, LLC (“SPC”), an affiliate of Santo Petroleum LLC, is the designated operator of the following two permitted horizontal wells in Eddy County: (i) the Caveman 402H (API#: 30-015-47629) and (ii) Caveman 7 12 WCD #003H (API#: 30-015-47689) (“SPC Wells”). The NMOCD approved the most recent APDs for the SPC Wells in November of 2020. Both SPC Wells have surface hole locations approximately 1.4 miles north of the brine well remediation project (“Brine Well Area”), as depicted on the map attached hereto as **Exhibit “A.”**

SPC is aware the NMOCD has made a verbal request to another operator to delay completion operations of four drilled-uncompleted horizontal wells in the vicinity of the Brine Well Area while an additional study of the Brine Well Area is finalized.

Since we have yet to receive any communication from the NMOCD with respect to our approved APDs in the area, we are proactively contacting you to provide the following information:

(i) Notice of Planned Operations on Caveman 402H

We are hereby notifying you of our plans to spud the Caveman 402H in late June/early July 2021 and complete it in late September/early October 2021. We have contracted a rig to drill the well, begun dirt work on our location, and scheduled our frac. At this time, we plan to return at a future date to drill and complete the Caveman 7 12 WCD #003H.

(ii) **Data from Brine Well Area Monitoring During D&C of Two Closest Offset Wells**

As you are aware, the State began collecting microseismic data via monitoring systems at the Brine Well Area in 2014, and our analysis of this data, which we began in 2017 while purchasing oil and gas interests in the vicinity, makes us comfortable our operations will have no material seismic impact on the Brine Well Area.

The monitoring reports now available via the NMOCD website include seismic data collected during the drilling and hydraulic fracturing of the two horizontal oil and gas wells closest to the Brine Well Area, which are: (i) the COG Operating LLC – CCAP State Com 6H, with a closest perforation approximately one mile laterally from the Brine Well Area and at a subsurface depth of 8,706' TVD and (ii) the Devon Energy Production Company, LP – Grandi 22 2H, with a closest perforation approximately two miles laterally from the Brine Well Area at a subsurface depth of 7,416' TVD. Both wells are shown on Exhibit "A."

We have attached as **Exhibit "B"** snapshots of the Brine Well Area monitoring data from the periods in time the CCAP and the Grandi wells were drilled and completed. **It is SPC's interpretation of the data displayed on Exhibit "B" that drilling and completing the CCAP (~1 mile laterally from Brine Well Area) and Grandi (~2 miles) resulted in no material recorded seismic events at the Brine Well Area. We, therefore, firmly believe SPC's drilling and completion activity at the Caveman 402H (1.4 miles) will also have the same results.**

For additional background information, SPC has been very mindful of the Brine Well Area since prior to beginning our leasing program in the Carlsbad area in 2017. SPC purposefully did not include in its development plans any of the lands within the 0.5-mile area of review around the Brine Well Area established by NMOCD policy on January 9, 2009 ("**AOR**"). We then worked closely with the City of Carlsbad and its technical advisors to ensure both the City and SPC were still comfortable with oil and gas operations, insofar as they pertained to the Brine Well Area, that were situated outside NMOCD's AOR. In 2017, the raw monitoring data and reports were not publicly available, but SPC provided date ranges of the drilling and completion activity of the CCAP and Grandi wells to AMEC Foster Wheeler ("**AMEC**"), the contractor overseeing the Brine Well Area at the time. In turn, AMEC provided verbal confirmation that the operations on those wells did not result in any material seismic event at the Brine Well Area. Now that the monitoring reports are publicly available, we can confirm the same conclusions that were voiced to us by AMEC in 2017.

Based on our interpretation of the seismic data monitoring reports in Exhibit "B," SPC expects its operations will have no material seismic impact on the Brine Well Area and, therefore, plan to proceed in short order with our operations on the Caveman 402H as set forth above. We trust the NMOCD is aware that any action or demand to cease or delay our drilling and/or completion plans would have a significant operational and financial impact on SPC as well as other leasehold and royalty owners in our NMOCD-approved unit, which include the City of Carlsbad, Carlsbad Municipal Schools, and Eddy County, and that any such action or demand issued after drilling but before completion would further exacerbate such impacts.

Please do not hesitate to contact me directly with any questions pursuant to this letter at 713-600-7500 or hyates@santopetroleum.com.

Best regards,



Hanson Yates

President

cc:

Tiffany Polak, Tiffany.Polak@state.nm.us

Jim Griswold, Jim.Griswold@state.nm.us

EXHIBIT "A"

MAP OF SPC RESOURCES APDs AND BRINE WELLS

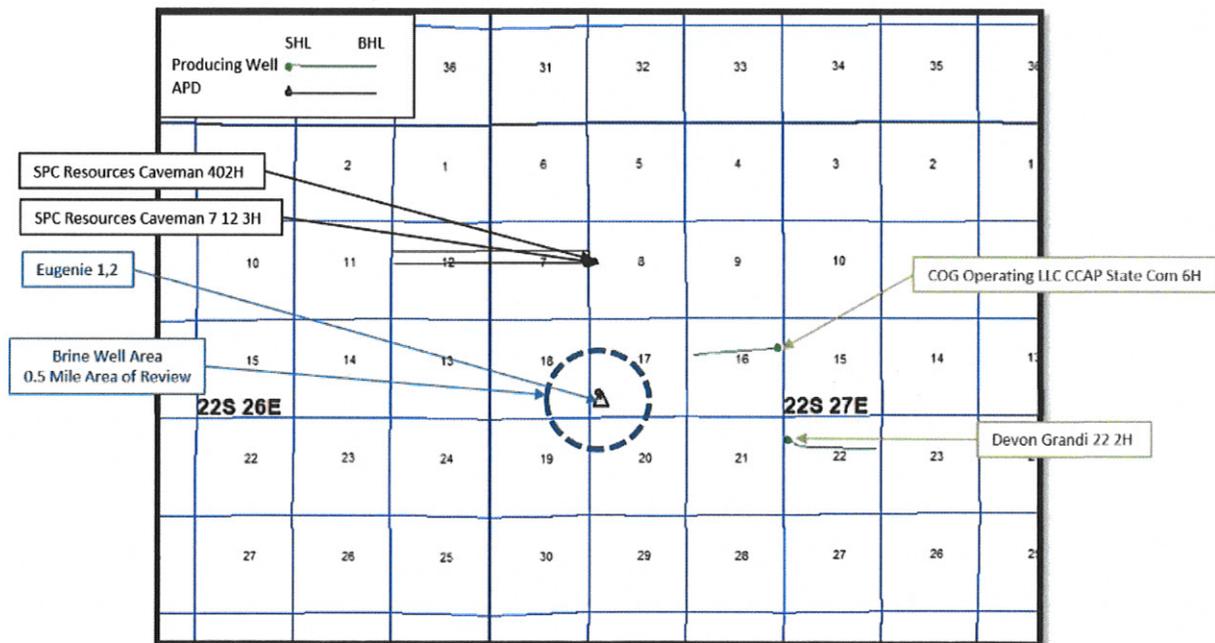
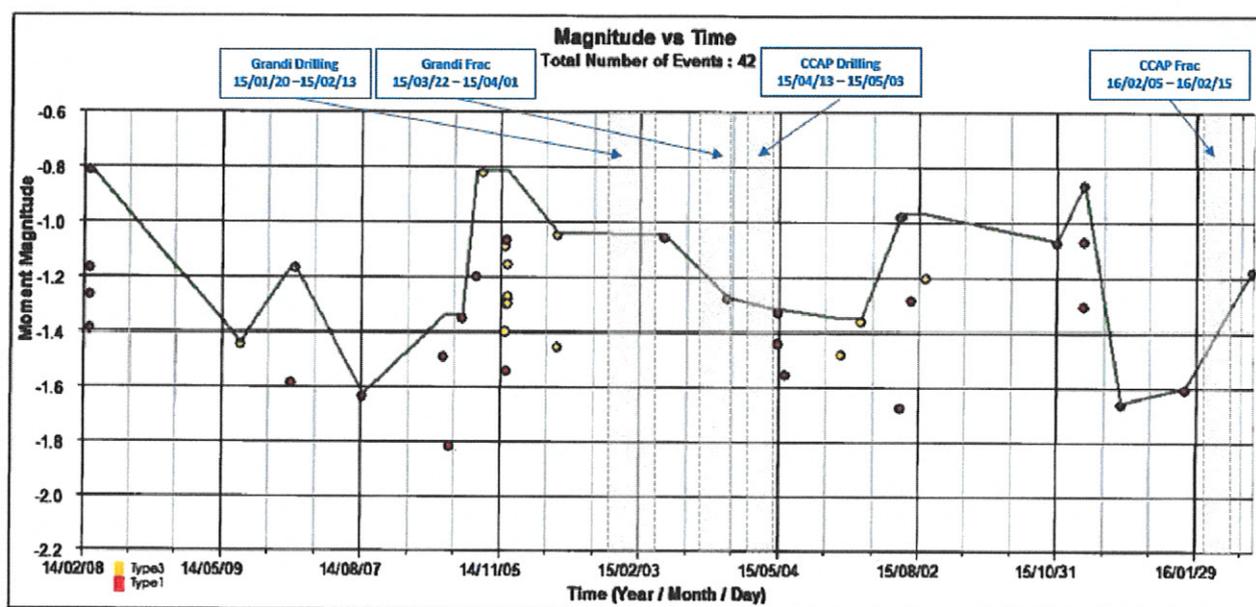


EXHIBIT "B"

DATA FROM BRINE WELLS MONITORING DURING D&C OF TWO CLOSEST OFFSET WELLS



Data Source: Presentation attached to the letter dated August 5, 2016 from AMEC Foster Wheeler to the attention of Jim Griswold at the NMOCOD regarding "Task 1a Site Monitoring - Summary of Instrument Responses to Microseismic Events Reported by ESG Seismic Monitoring for the Period of December 1, 2015 through May 31, 2016." Graph is on page 13 of the ESG presentation and page 36 of the PDF. The file is located on the NMOCOD FTP site (<http://164.64.106.6/Public/CBWR/ArchivedSiteMonitoringReports/>) in the folder labeled "2016" in the document entitled DOC083.pdf.

[See SPC notes on above graph on following page]

EXHIBIT "B" (CONTINUED)**SPC Notes on Above Graph of Data from Brine Well Area Monitoring Stations**

- No material seismic events were recorded at the Brine Well Area during the period of time shown on the above graph from February 2, 2014 to March 7, 2016, including during the drilling or completion operations of the CCAP (~1 mile laterally from Brine Well Area) and Grandi (~2 miles).
- The only Type 1 seismic event to occur during the drilling or completion operations of the CCAP or Grandi wells was a Type 1 event of -1.28 Mw at the end of the completion operations of the Grandi well on April 1, 2015. It appears unlikely to SPC that the small event was related to the Grandi operations, but nonetheless, that Type 1 event was not material. By way of comparison, the Texas earthquake on March 26, 2020 with an epicenter approximately 33 miles south of the Brine Well Area was around 500 Million (5×10^8) times more powerful than the Type 1 event registered at the Brine Well Area on April 1, 2015.
- Lastly, the following comment is listed under the above graph on the ESG data report: "Considering back to January 2014, the largest events (-0.8Mw) were recorded on February 12, 2014 and October 24, 2014." Note that those two largest events were recorded during periods of time before the operations of the CCAP or Grandi wells and were also still immaterial to the Brine Well Area.