Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of work: 1b. Type of Well: Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone 9. API Well No. 30 015 48962 2. Name of Operator 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T. R. M. or Blk. and Survey or Area At surface At proposed prod. zone 14. Distance in miles and direction from nearest town or post office* 12. County or Parish 13. State 15. Distance from proposed* 16. No of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start* 23. Estimated duration 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable) 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the SUPO must be filed with the appropriate Forest Service Office). 25. Signature Name (Printed/Typed) Date Title Approved by (Signature) Date Name (Printed/Typed) Title Office Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction



(Continued on page 2)

*(Instructions on page 2)

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the wen, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionany drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service wen or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record win be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM conects this information to anow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Conection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: NWNE / 311 FNL / 2116 FEL / TWSP: 19S / RANGE: 25E / SECTION: 28 / LAT: 32.6382782 / LONG: -104.488006 (TVD: 0 feet, MD: 0 feet)
PPP: SWSE / 100 FSL / 2215 FEL / TWSP: 19S / RANGE: 25E / SECTION: 21 / LAT: 32.6394079 / LONG: -104.4883286 (TVD: 3250 feet, MD: 3738 feet)
PPP: NWNE / 1320 FNL / 2215 FEL / TWSP: 19S / RANGE: 25E / SECTION: 21 / LAT: 32.650001 / LONG: -104.488372 (TVD: 3289 feet, MD: 6738 feet)
PPP: NWNE / 1 FNL / 2215 FEL / TWSP: 19S / RANGE: 25E / SECTION: 21 / LAT: 32.653661 / LONG: -104.488384 (TVD: 3305 feet, MD: 8068 feet)
BHL: SWSE / 1270 FSL / 2215 FEL / TWSP: 19S / RANGE: 25E / SECTION: 16 / LAT: 32.6573099 / LONG: -104.4883869 (TVD: 3334 feet, MD: 10251 feet)

BLM Point of Contact

Name: Gavin Mickwee Title: Land Law Examiner Phone: (575) 234-5972 Email: gmickwee@blm.gov

Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Form C-102 Revised August 1, 2011 Submit one copy to appropriate District Office

☐ AMENDED REPORT

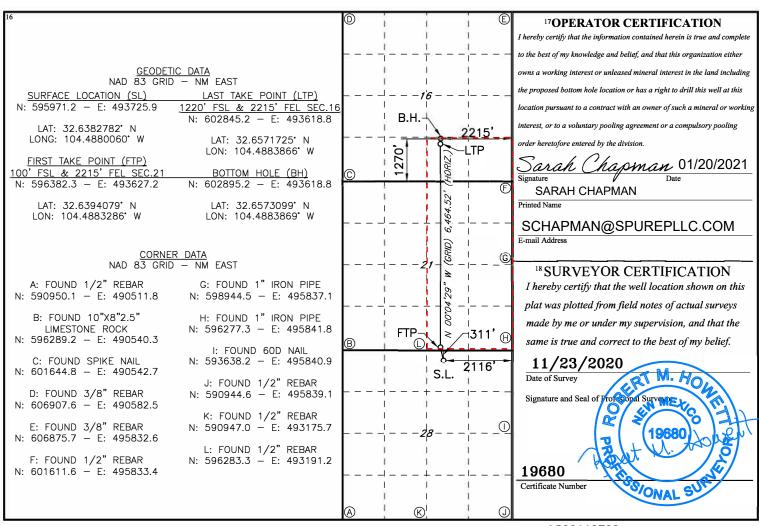
WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Numb	er	² Pool Code	3 Pool Name	
30-015-	_	97565	N. SEVEN RIVERS; GLORIETA-YESO	
⁴ Property Code		5 Property Name 6		6 Well Number
		ALTO AMM 21-16 FEDERAL		61H
7 OGRID NO.		8 Operator Name		9Elevation
328947		SPUR ENERGY	Y PARTNERS LLC.	3488'

¹⁰ Surface Location

					Burrace	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
В	28	19S	25E		311	NORTH	2116	EAST	EDDY
			11]	Bottom H	Iole 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
0	16	19S	25E		1270	SOUTH	2215	EAST	EDDY
12 Dedicated Acres	13 Joint	or Infill 1	4 Consolidation	Code 15 (Order No.				
400									

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.



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 E	NERGY PAF	RTNERS LLC	_OGRID:	328947	Date: (09 / 14 / 2021
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	2:					
III. Well(s): Provide the be recompleted from a second					vells 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
ALTO AMM 21-16 FEDERAL 1H	30-015-PENDING	B-28-19S-25E	311' FNL 2096' FEL	392 BBL/D	549 MCF/D	1176 BBL/D
ALTO AMM 21-16 FEDERAL 21H	30-015-PENDING	B-28-19S-25E	311' FNL 2136' FEL	342 BBL/D	479 MCF/D	1710 BBL/D
ALTO AMM 21-16 FEDERAL 61H	30-015-PENDING	B-28-19S-25E	311' FNL 2116' FEL	367 BBL/D	550 MCF/D	2566 BBL/D
ALTO AMM 21-16 FEDERAL 70H	30-015-PENDING	B-28-19S-25E	311' FNL 2076' FEL	349 BBL/D	524 MCF/D	2792 BBL/D

IV. Central Delivery Point Name: ALTO AMM 21-16 FEDERAL 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.

Ш	Well Name	API	Spud Date	TD Reached	Completion	Initial Flow	First Production
Ш				Date	Commencement Date	Back Date	Date
	ALTO AMM 21-16 FEDERAL 1H	30-015-PENDING	11/08/2022	11/15/2022	12/28/2022	01/21/2023	01/21/2023
	ALTO AMM 21-16 FEDERAL 21H	30-015-PENDING	10/23/2022	10/30/2022	12/28/2022	01/21/2023	01/21/2023
	ALTO AMM 21-16 FEDERAL 61H	30-015-PENDING	10/30/2022	1/08/2022	12/28/2022	01/21/2023	01/21/2023
Ι-	ALTO AMM 21 16 FEDERAL 70H	20 015 DENDING	11/15/2022	11/24/2022	12/20/2022	01/21/2022	04/24/2022

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

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

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).

☐ Attach Operator's plan to manage production in re	sponse to th	he increased	line pressure
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XIV. Confidentiality: \Box Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information pr	ovided 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 in	formation
for which confidentiality is asserted and the basis for such assertion.	

(h)

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;

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

other alternative beneficial uses approved by the division.

fuel cell production; and

- (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: Sarah Chapman
Printed Name: SARAH CHAPMAN
Title: REGULATORY DIRECTOR
E-mail Address: SCHAPMAN@SPUREPLLC.COM
Date: 09/14/2021
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.

1. Geologic Formations

TVD of target	3335'
MD at TD	10251'

Formation	Depth	Lithology	Expected Fluids
Quaternary	0'	Other: Caliche	Water
Grayburg	350'	Dolomite	Oil, gas
San Andres	650'	Dolomite	Oil, gas
Glorieta	2250'	Sandstone, Shale, Anhydrite	Oil, gas
Yeso	2375'	Dolomite	Oil, gas
Lower Yeso	3775'	Dolomite	Oil, gas
Bone Spring	4750'	Sandstone, Silstone, Limestone	Oil, gas
Drinkard	4820'	Dolomite	Oil, gas

^{*}H2S, water flows, loss of circulation, abnormal pressures, etc.

2. Casing Program

Primary Plan:

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

Halo Cino (in)	Casing	Interval	Csg. Size	Weight	Cuada	Conn.	SF	SF Burst	Body SF	Joint SF
Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Grade Comi.	Collapse	or Duist	Tension	Tension
12.25	0	1200	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
8.75	0	3500	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4
8.75	3500	10251	5.5	20	L-80	BK-HT	1.125	1.2	1.4	1.4
						SF Values will i	meet or Exceed	1		

	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?	N
If yes, are there two strings cemented to surface?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

3. Cementing Program

Primary Plan:

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	0	950	100%
Surface (Tail)	950	1200	165%
Production (Lead)	0	2500	0%
Production (Tail)	2500	10251	50%

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description	
Surface (Lead)	270	12.2	2.31	13.48	8:12	Clas C Premium Plus Cement	
Surface (Tail)	123	13.2	1.84	9.92	6:59	Clas C Premium Plus Cement	
Production (Lead)	156	11.8	2.54	15.29	N/A	Clas C Premium Plus Cement	
Production (Tail)	1541	13.2	1.81	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" H-1-	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	✓	
	13-3/8	5M	Pipe Ram	✓	250 psi / 2000 psi
			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	1544 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	107°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.				
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				
accord	lance 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 per the verbal agreement reached over the phone between SPUR/BLM on September 7, 2020. A separate sundry will be sent prior to spud that reflects the pad-based break testing plan.

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		Tymo	Weight	Vigogity	Water Loss	
From (ft)	To (ft)	Туре	(ppg)	Viscosity	water Loss	
0	1200	Water-Based Mud	8.6-8.9	32-36	N/C	
1200	10251	Water-Based Mud	8.6-8.9	32-36	N/C	

What will be used to monitor the loss or gain of fluid? PVT/PASON/Visual Monitoring

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, e	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	is detected in concentrations greater than 100 ppm, the operator will comply with the provisions					
of O	Onshore 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: 937 bbls.

9. Other facets of operation

or 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 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 Attachment
- _x__ BOP Schematics
- _x__ Spudder Rig Attachment

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



Spur Energy Partners, LLC

Eddy County, NM (NAD 83 - NME) ALTO AMM 21-16 FEDERAL #61H

Wellbore #1

Plan: Plan #1

Standard Planning Report

11 January, 2021





Planning Report



WBDS_SQL_2 Database:

Company: Spur Energy Partners, LLC Project: Eddy County, NM (NAD 83 - NME) ALTO AMM 21-16 FEDERAL Site:

Well: #61H Wellbore: Wellbore #1 Design: Plan #1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well#61H

RKB = 20' @ 3508.00usft RKB = 20' @ 3508.00usft

Minimum Curvature

Project Eddy County, NM (NAD 83 - NME)

US State Plane 1983 Map System: North American Datum 1983 Geo Datum: Map Zone: New Mexico Eastern Zone

System Datum:

Mean Sea Level

Site ALTO AMM 21-16 FEDERAL

Northing: 595,971.20 usft 32.6382785 Site Position: Latitude: From: Мар Easting: 493,766.00 usft Longitude: -104.4878758 **Position Uncertainty:** 0.00 usft **Slot Radius:** 13.200 in **Grid Convergence:** -0.083°

Well #61H

Well Position 0.00 usft 595.971.20 usft 32.6382783 +N/-S Northing: Latitude: +E/-W -40.10 usft -104.4880060 Easting: 493,725.90 usft Longitude:

Position Uncertainty 0.00 usft Wellhead Elevation: Ground Level: 3,488.00 usft

Wellbore #1 Wellbore

Declination Field Strength Magnetics **Model Name** Sample Date **Dip Angle** (°) (°) (nT) 1/8/2021 47.686.65725523 IGRF2020 7.050 60.152

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) (°) 359.93 0.00 0.00 0.00

Date 1/10/2021 **Plan Survey Tool Program**

Depth From Depth To

(usft) (usft) Survey (Wellbore) **Tool Name**

Remarks 0.00 MWD+IGRE 10,251.00 Plan #1 (Wellbore #1)

OWSG MWD + IGRF or WN

Plan Sections Vertical Build Measured Dogleg Turn Depth Inclination **Azimuth** Depth +N/-S +E/-W Rate Rate Rate **TFO** (usft) (usft) (usft) (°/100ft) (°/100ft) (°/100ft) (°) (°) (usft) (°) Target 0.00 0.00 0.00 0.000 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 0.000 708.90 12.27 191.21 705.78 -42.77 -8.48 3.00 3.00 0.00 191.209 2.344.36 12.27 191.21 2.303.90 -383.62 -76.02 0.00 0.00 0.00 0.000 3,073.29 -41.11 -98.12 8.00 18.73 3,245.02 60.00 359.93 5.30 169.740 132.10 3,445.02 60.00 359.93 3,173.29 -98.34 0.00 0.00 0.00 0.000 10.00 0.000 ALTO#61H: FTP/ LI 3,737.54 89.25 359.93 3,250.00 411.10 -98.70 10.00 0.00 10,201.00 89.25 359.93 3,334.35 6,874.00 -107.04 0.00 0.00 0.00 0.000 ALTO#61H: LTP -107.10 10,251.00 89.25 359.93 3,335.00 6,924.00 0.00 0.00 0.00 0.000 ALTO#61H: PBHL (



Planning Report



Database: Company: Project:

Site:

WBDS_SQL_2

Spur Energy Partners, LLC Eddy County, NM (NAD 83 - NME) ALTO AMM 21-16 FEDERAL

Well: #61H Wellbore: Wellbore #1 Design: Plan #1 **Local Co-ordinate Reference:**

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well#61H

RKB = 20' @ 3508.00usft

RKB = 20' @ 3508.00usft

Minimum Curvature

ed Survey									
ieu 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	0.00
100.00	I: SHL (311' FN 0.00			0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00 0.00	100.00 200.00	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
400.00	3.00	191.21	399.95	-2.57	-0.51	-2.57	3.00	3.00	0.00
500.00	6.00	191.21	499.63	-10.26	-2.03	-10.26	3.00	3.00	0.00
600.00	9.00	191.21	598.77	-23.07	-4.57	-23.06	3.00	3.00	0.00
708.90	12.27	191.21	705.78	-42.77	-8.48	-42.76	3.00	3.00	0.00
800.00	12.27	191.21	794.80	-61.76	-12.24	-61.75	0.00	0.00	0.00
900.00	12.27	191.21	892.52	-82.60	-16.37	-82.58	0.00	0.00	0.00
1,000.00	12.27	191.21	990.24	-103.44	-20.50	-103.42	0.00	0.00	0.00
1,100.00	12.27	191.21	1,087.95	-124.28	-24.63	-124.25	0.00	0.00	0.00
1,200.00	12.27	191.21	1,185.67	-145.13	-28.76	-145.09	0.00	0.00	0.00
1,300.00 1,400.00	12.27 12.27	191.21 191.21	1,283.39 1,381.10	-165.97 -186.81	-32.89 -37.02	-165.93 -186.76	0.00 0.00	0.00 0.00	0.00 0.00
•			•						
1,500.00 1,600.00	12.27 12.27	191.21 191.21	1,478.82 1,576.54	-207.65 -228.49	-41.15 -45.28	-207.60 -228.43	0.00 0.00	0.00 0.00	0.00 0.00
1,600.00	12.27	191.21	1,576.54	-228.49 -249.33	-45.28 -49.41	-228.43 -249.27	0.00	0.00	0.00
1,800.00	12.27	191.21	1,771.97	-249.33	-53.54	-249.27 -270.11	0.00	0.00	0.00
1,900.00	12.27	191.21	1,869.69	-291.01	-57.67	-290.94	0.00	0.00	0.00
2,000.00	12.27	191.21	1,967.41	-311.86	-61.80	-311.78	0.00	0.00	0.00
2,100.00	12.27	191.21	2,065.12	-332.70	-65.93	-332.62	0.00	0.00	0.00
2,200.00	12.27	191.21	2,162.84	-353.54	-70.06	-353.45	0.00	0.00	0.00
2,300.00	12.27	191.21	2,260.56	-374.38	-74.19	-374.29	0.00	0.00	0.00
2,344.36	12.27 I: KOP @ 2344	191.21 . 36' MD	2,303.90	-383.62	-76.02	-383.53	0.00	0.00	0.00
	_		2 200 42	-384.78	76.06	-384.68	8.00	7.07	6.95
2,350.00 2,400.00	11.82 7.93	191.60 196.96	2,309.42 2,358.67	-364.76 -393.10	-76.26 -78.29	-304.00	8.00	-7.87 -7.79	10.72
2,450.00	4.22	212.03	2,408.38	-397.96	-80.28	-397.86	8.00	-7.40	30.13
2,500.00	2.20	280.99	2,458.32	-399.34	-82.20	-399.23	8.00	-4.05	137.92
2,550.00	4.88	334.86	2,508.23	-397.23	-84.04	-397.12	8.00	5.36	107.75
2,600.00	8.65	346.76	2,557.87	-391.64	-85.81	-391.53	8.00	7.53	23.81
2,650.00	12.56	351.39	2,607.01	-382.60	-87.48	-382.49	8.00	7.82	9.26
2,700.00	16.51	353.84	2,655.40	-370.15	-89.06	-370.04	8.00	7.91	4.89
2,750.00	20.49	355.36	2,702.81	-354.36	-90.53	-354.25	8.00	7.94	3.04
2,800.00	24.47	356.40	2,749.00	-335.30	-91.89	-335.19	8.00	7.96	2.09
2,850.00	28.45	357.17 357.76	2,793.76	-313.06	-93.13	-312.95	8.00	7.97	1.53
2,900.00 2,950.00	32.44 36.43	357.76 358.24	2,836.85 2,878.08	-287.76 -259.51	-94.24 -95.22	-287.64 -259.39	8.00 8.00	7.98 7.98	1.18 0.95
3,000.00	40.42	358.63	2,917.25	-239.31	-95.22	-239.39	8.00	7.99	0.95
3,050.00	44.42	358.96	2,954.15	-194.73	-96.77	-194.62	8.00	7.99	0.67
3,100.00	48.41	359.25	2,988.61	-158.53	-97.33	-158.41	8.00	7.99	0.58
3,150.00	52.41	359.51	3,020.47	-120.01	-97.74	-119.89	8.00	7.99	0.51
3,200.00	56.40	359.74	3,049.57	-79.36	-98.01	-79.24	8.00	7.99	0.46
3,245.02	60.00	359.93	3,073.29	-41.11	-98.12	-40.99	8.00	7.99	0.42
3,300.00	60.00	359.93	3,100.78	6.51	-98.18	6.63	0.00	0.00	0.00
3,400.00	60.00	359.93	3,150.78	93.11	-98.29	93.23	0.00	0.00	0.00
3,445.02	60.00	359.93	3,173.29	132.10	-98.34	132.22	0.00	0.00	0.00
3,450.00 3,500.00	60.50 65.50	359.93 359.93	3,175.76 3,198.45	136.42 180.96	-98.35 -98.40	136.55 181.08	10.00 10.00	10.00 10.00	0.00 0.00
3,550.00	70.50	359.93	3,196.45	227.30	-98.40 -98.46	227.42	10.00	10.00	0.00
3,600.00	75.50	359.93	3,231.79	275.10	-98.52	275.22	10.00	10.00	0.00



Planning Report



Database: WBDS_SQL_2

Company: Spur Energy Partners, LLC
Project: Eddy County, NM (NAD 83 - NME)
Site: ALTO AMM 21-16 FEDERAL

Well: #61H Wellbore: Wellbore #1 Design: Plan #1 **Local Co-ordinate Reference:**

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well#61H

RKB = 20' @ 3508.00usft

RKB = 20' @ 3508.00usft

Grid

Minimum Curvature

ned Survey									
Measured Depth	Inclination	Azimuth	Vertical Depth	+N/-S	+E/-W	Vertical Section	Dogleg Rate	Build Rate	Turn Rate
(usft)	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(°/100ft)	(°/100ft)	(°/100ft)
3,650.00	80.50	359.93	3,242.19	324.00	-98.59	324.12	10.00	10.00	0.00
3,700.00 3,737.54	85.50 89.25	359.93 359.93	3,248.28 3,250.00	373.61 411.10	-98.65 -98.70	373.73 411.22	10.00 10.00	10.00 10.00	0.00 0.00
	l: FTP/ LP (100		3,230.00	411.10	-90.70	411.22	10.00	10.00	0.00
3,800.00	89.25	359.93	3,250.82	473.56	-98.78	473.68	0.00	0.00	0.00
3,900.00	89.25	359.93	3,252.12	573.55	-98.91	573.67	0.00	0.00	0.00
4,000.00	89.25	359.93	3,253.43	673.54	-99.04	673.66	0.00	0.00	0.00
4,100.00	89.25	359.93	3,254.73	773.53	-99.17	773.65	0.00	0.00	0.00
4,200.00	89.25	359.93	3,256.04	873.52	-99.30	873.64	0.00	0.00	0.00
4,300.00	89.25	359.93	3,257.34	973.51	-99.43	973.63	0.00	0.00	0.00
4,400.00	89.25	359.93	3,258.65	1,073.50	-99.55	1,073.62	0.00	0.00	0.00
4,500.00	89.25	359.93	3,259.95	1,173.50	-99.68	1,173.62	0.00	0.00	0.00
4,600.00	89.25	359.93	3,261.26	1,273.49	-99.81	1,273.61	0.00	0.00	0.00
4,700.00	89.25	359.93	3,262.56	1,373.48	-99.94	1,373.60	0.00	0.00	0.00
4,800.00	89.25	359.93	3,263.87	1,473.47	-100.07	1,473.59	0.00	0.00	0.00
4,900.00	89.25	359.93	3,265.17	1,573.46	-100.20	1,573.58	0.00	0.00	0.00
5,000.00	89.25	359.93	3,266.48	1,673.45	-100.33	1,673.57	0.00	0.00	0.00
5,100.00	89.25	359.93	3,267.78	1,773.44	-100.46	1,773.56	0.00	0.00	0.00
5,200.00	89.25	359.93 359.93	3,269.09	1,873.43	-100.59	1,873.56	0.00	0.00	0.00
5,300.00	89.25		3,270.39	1,973.43	-100.72	1,973.55	0.00	0.00	0.00
5,400.00	89.25	359.93	3,271.70	2,073.42	-100.84	2,073.54	0.00	0.00	0.00
5,500.00	89.25	359.93	3,273.00	2,173.41	-100.97	2,173.53	0.00	0.00	0.00
5,600.00 5,700.00	89.25 89.25	359.93 359.93	3,274.30 3,275.61	2,273.40 2,373.39	-101.10 -101.23	2,273.52 2,373.51	0.00 0.00	0.00 0.00	0.00 0.00
5,800.00	89.25	359.93	3,276.91	2,473.38	-101.23	2,473.51	0.00	0.00	0.00
5,900.00	89.25	359.93	3,278.22	2,573.37	-101.49	2,573.50	0.00	0.00	0.00
6,000.00	89.25	359.93	3,279.52	2,673.37	-101.49	2,673.49	0.00	0.00	0.00
6,100.00	89.25	359.93	3,280.83	2,773.36	-101.75	2,773.48	0.00	0.00	0.00
6,200.00	89.25	359.93	3,282.13	2,873.35	-101.88	2,873.47	0.00	0.00	0.00
6,300.00	89.25	359.93	3,283.44	2,973.34	-102.00	2,973.46	0.00	0.00	0.00
6,400.00	89.25	359.93	3,284.74	3,073.33	-102.13	3,073.45	0.00	0.00	0.00
6,500.00	89.25	359.93	3,286.05	3,173.32	-102.26	3,173.45	0.00	0.00	0.00
6,600.00	89.25	359.93	3,287.35	3,273.31	-102.39	3,273.44	0.00	0.00	0.00
6,700.00	89.25	359.93	3,288.66	3,373.31	-102.52	3,373.43	0.00	0.00	0.00
6,800.00	89.25	359.93	3,289.96	3,473.30	-102.65	3,473.42	0.00	0.00	0.00
6,900.00	89.25	359.93	3,291.27	3,573.29	-102.78	3,573.41	0.00	0.00	0.00
7,000.00	89.25	359.93	3,292.57	3,673.28	-102.91	3,673.40	0.00	0.00	0.00
7,100.00	89.25	359.93	3,293.88	3,773.27	-103.04	3,773.39	0.00	0.00	0.00
7,200.00 7,300.00	89.25 89.25	359.93 359.93	3,295.18 3,296.49	3,873.26 3,973.25	-103.17 -103.29	3,873.39 3,973.38	0.00 0.00	0.00 0.00	0.00 0.00
7,400.00	89.25	359.93	3,297.79	4,073.25	-103.42	4,073.37	0.00	0.00	0.00
7,500.00 7,600.00	89.25 89.25	359.93 359.93	3,299.10 3,300.40	4,173.24 4,273.23	-103.55 -103.68	4,173.36 4,273.35	0.00 0.00	0.00 0.00	0.00 0.00
7,600.00	89.25 89.25	359.93 359.93	3,300.40	4,273.23 4,373.22	-103.68	4,273.35 4,373.34	0.00	0.00	0.00
7,700.00	89.25	359.93	3,303.01	4,473.21	-103.81	4,473.34	0.00	0.00	0.00
						4,573.33			
7,900.00 8,000.00	89.25 89.25	359.93 359.93	3,304.32 3,305.62	4,573.20 4,673.19	-104.07 -104.20	4,573.33 4,673.32	0.00 0.00	0.00 0.00	0.00 0.00
8,100.00	89.25	359.93	3,306.93	4,073.19	-104.20	4,773.31	0.00	0.00	0.00
8,200.00	89.25	359.93	3,308.23	4,873.18	-104.45	4,873.30	0.00	0.00	0.00
8,300.00	89.25	359.93	3,309.54	4,973.17	-104.58	4,973.29	0.00	0.00	0.00
8,400.00	89.25	359.93	3,310.84	5,073.16	-104.71	5,073.28	0.00	0.00	0.00
8,500.00	89.25	359.93	3,312.15	5,173.15	-104.84	5,173.28	0.00	0.00	0.00
8,600.00	89.25	359.93	3,313.45	5,273.14	-104.97	5,273.27	0.00	0.00	0.00
8,700.00	89.25	359.93	3,314.76	5,373.13	-105.10	5,373.26	0.00	0.00	0.00



Site:

Planning Report



Database: Company: Project: WBDS_SQL_2

Spur Energy Partners, LLC Eddy County, NM (NAD 83 - NME) ALTO AMM 21-16 FEDERAL

Well: #61H Wellbore: Wellbore #1 Design: Plan #1 **Local Co-ordinate Reference:**

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well#61H

RKB = 20' @ 3508.00usft

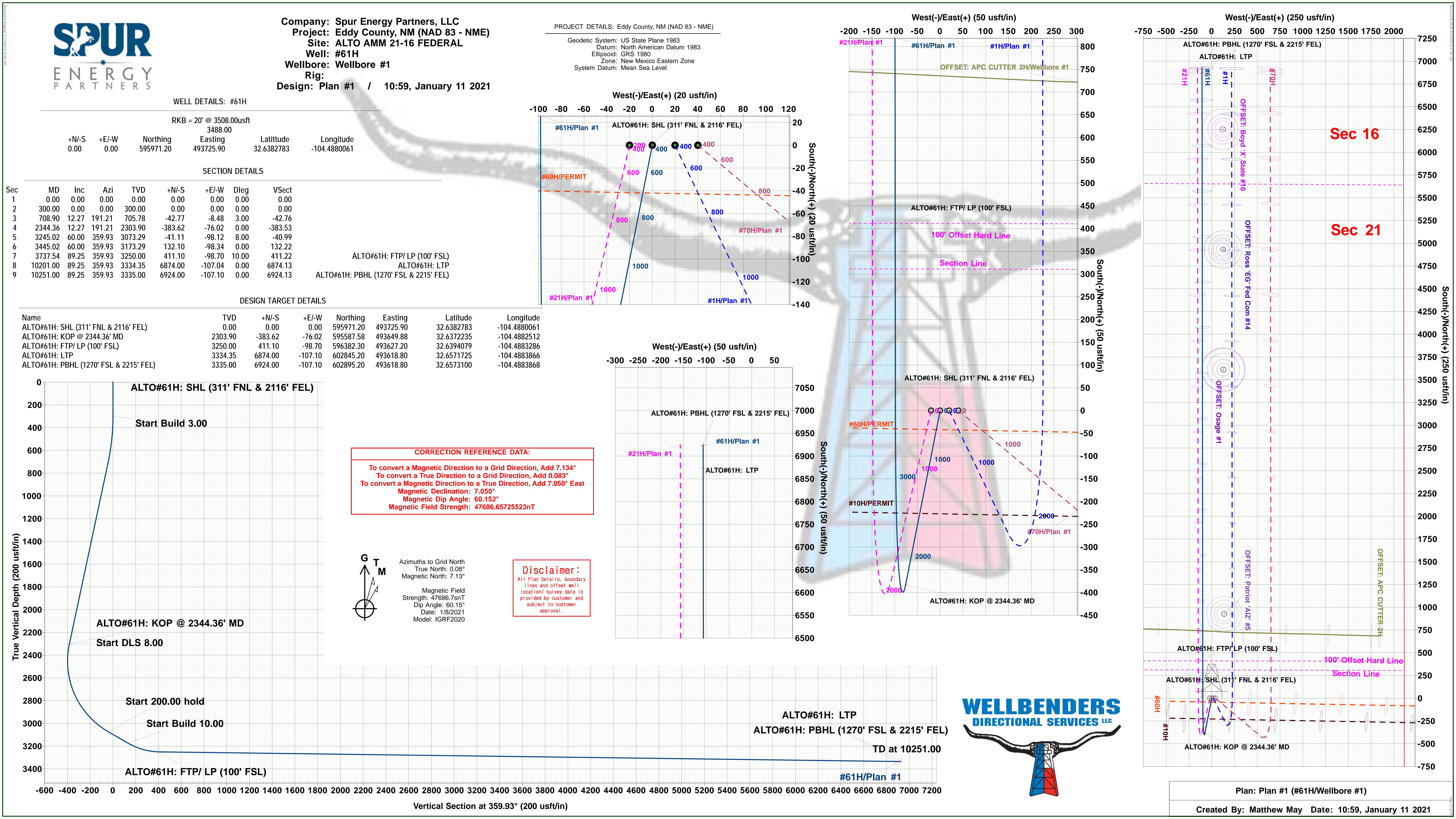
RKB = 20' @ 3508.00usft

Minimum Curvature

Planned 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)
8,800.00	89.25	359.93	3,316.06	5,473.13	-105.23	5,473.25	0.00	0.00	0.00
8,900.00 9,000.00 9,100.00 9,200.00 9,300.00 9,400.00 9,500.00	89.25 89.25 89.25 89.25 89.25 89.25	359.93 359.93 359.93 359.93 359.93 359.93	3,317.37 3,318.67 3,319.98 3,321.28 3,322.59 3,323.89 3,325.20	5,573.12 5,673.11 5,773.10 5,873.09 5,973.08 6,073.07 6,173.07	-105.36 -105.49 -105.62 -105.74 -105.87 -106.00 -106.13	5,573.24 5,673.23 5,773.22 5,873.22 5,973.21 6,073.20 6,173.19	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00 0.00
9,600.00 9,700.00 9,800.00	89.25 89.25 89.25	359.93 359.93 359.93	3,326.50 3,327.81 3,329.11	6,273.06 6,373.05 6,473.04	-106.26 -106.39 -106.52	6,273.18 6,373.17 6,473.16	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
9,900.00 10,000.00 10,100.00 10,201.00	89.25 89.25 89.25 89.25	359.93 359.93 359.93 359.93	3,330.42 3,331.72 3,333.03 3,334.35	6,573.03 6,673.02 6,773.01 6,874.00	-106.65 -106.78 -106.91 -107.04	6,573.16 6,673.15 6,773.14 6,874.13	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
ALTO#61H	I: LTP								
10,251.00	89.25	359.93	3,335.00	6,924.00	-107.10	6,924.13	0.00	0.00	0.00
ALTO#61F	I: PBHL (1270'	FSL & 2215'	FEL)						

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
ALTO#61H: SHL (311 - plan hits target cer - Point	0.00 nter	0.00	0.00	0.00	0.00	595,971.20	493,725.90	32.6382783	-104.4880060
ALTO#61H: KOP @ 2 - plan hits target cer - Point	0.00 nter	360.00	2,303.90	-383.62	-76.02	595,587.58	493,649.88	32.6372236	-104.4882512
ALTO#61H: FTP/ LP (- plan hits target cer - Point	0.00 nter	360.00	3,250.00	411.10	-98.70	596,382.30	493,627.20	32.6394079	-104.4883286
ALTO#61H: LTP - plan misses target - Point	0.00 center by		3,334.35 10201.00u	6,874.00 sft MD (3334	-107.10 3.35 TVD, 68	602,845.20 74.00 N, -107.04	493,618.80 E)	32.6571726	-104.4883866
ALTO#61H: PBHL (12 - plan hits target cer - Point	0.00 nter	0.00	3,335.00	6,924.00	-107.10	602,895.20	493,618.80	32.6573100	-104.4883868



Pecos District

Application for Permit to Drill

Conditions of Approval

Geology Concerns

Potash	⊠ None	☐ Secretary	□ R-111-P
Cave/Karst	☐ Medium	□ High	☐ Critical
H2S	□ None	☐ Below 100 PPM	⊠ Above 100 PPM
Other	☐ 4 String Area	☐ Capitan Reef	☐ SWD Well

Note: The geology of the area where the well is being drilled determines the COAs that apply, not the above table.

Additional Engineering Requirements

Surface casing must be set at: 1,200 feet

General Requirements

- 1. Changes to the approved APD casing program need prior approval.
- 2. The Bureau of Land Management (BLM) will be notified in advance to witness:
 - a. Well spudding (minimum 24 hours notice)
 - b. Setting and cementing of all casing strings (minimum 4 hours notice)
 - c. BOPE tests (minimum 4 hours notice)

Eddy County

620 East Greene Street, Carlsbad, NM 88220 (575) 361-2822

Lea County

414 West Taylor, Hobbs, NM 88240 (575) 393-3612

- 3. The initial wellhead installed on the well will remain on the well with spools used as needed.
- 4. Unless the production casing has been run and cemented or the well has been properly plugged, the drilling rig shall not be removed from over the hole without prior approval.
 - a. In the event the operator has proposed to drill multiple wells utilizing a skid/walking rig:

- i. Operator shall secure the wellbore on the current well, after installing and testing the wellhead, by installing a blind flange of like pressure rating to the wellhead and a pressure gauge that can be monitored while drilling is performed on the other well(s).
- b. When the operator proposes to set surface casing with a Spudder Rig:
 - i. Notify the BLM when moving in and removing the Spudder Rig.
 - ii. Notify the BLM when moving in the 2nd Rig. Rig to be moved in within 90 days of notification that Spudder Rig has left the location.
 - iii. BOP/BOPE test to be conducted per Onshore Oil and Gas Order No. 2 as soon as 2nd Rig is rigged up on well.
- 5. Floor controls are required for 3M or Greater systems. These controls will be on the rig floor, unobstructed, readily accessible to the driller, and will always be operational during drilling and/or completion activities. Rig floor is defined as the area immediately around the rotary table; the area immediately above the substructure on which the draw works are located, this does not include the doghouse or stairway area.
- 6. The record of the drilling rate along with the GR/N well log run from TD to surface (horizontal well vertical portion of hole) shall be submitted to the BLM office as well as all other logs run on the borehole 30 days from completion. If available, a digital copy of the logs is to be submitted in addition to the paper copies. The Rustler top and top and bottom of Salt are to be recorded on the Completion Report.

Pressure Control

- 1. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.
- 2. 5M or higher system requires an HCR valve, remote kill line, and annular to match. The remote kill line is to be installed prior to testing the system and tested to stack pressure.
- 3. The appropriate BLM office shall be notified a minimum of 4 hours in advance for a representative to witness the tests.
 - a. The test shall be run on a 5000 psi chart for a 2-3M BOP/BOP, on a 10000 psi chart for a 5M BOP/BOPE, and on a 15000 psi chart for a 10M BOP/BOPE. If a linear chart is used, it shall be a one hour chart. A circular chart shall have a maximum 2 hour clock. If a twelve hour or twenty-four hour chart is used, tester shall make a notation that it is run with a two hour clock.
 - b. The results of the test shall be reported to the appropriate BLM office.
 - c. All tests are required to be recorded on a calibrated test chart. A copy of the BOP/BOPE test chart and a copy of independent service company test will be submitted to the appropriate BLM office.

- d. The BOP/BOPE test shall include a low pressure test from 250 to 300 psi. The test will be held for a minimum of 10 minutes if test is done with a test plug and 30 minutes without a test plug. This test shall be performed prior to the test at full stack pressure.
- e. BOP/BOPE must be tested by an independent service company within 500 feet of the top of the Wolfcamp formation if the time between the setting of the intermediate casing and reaching this depth exceeds 20 days. This test does not exclude the test prior to drilling out the casing shoe as per Onshore Order No. 2.
- f. In a water basin, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. The casing cut-off and BOP installation can be initiated four hours after installing the slips, which will be approximately six hours after bumping the plug. For those casing strings not using slips, the minimum wait time before cut-off is eight hours after bumping the plug. BOP/BOPE testing can begin after cut-off or once cement reaches 500 psi compressive strength (including lead when specified), whichever is greater. However, if the float does not hold, cut-off cannot be initiated until cement reaches 500 psi compressive strength (including lead when specified).
- g. In potash areas, for all casing strings utilizing slips, these are to be set as soon as the crew and rig are ready and any fallback cement remediation has been done. For all casing strings, casing cut-off and BOP installation can be initiated at twelve hours after bumping the plug. However, no tests shall commence until the cement has had a minimum of 24 hours setup time.
- h. The tests shall be done by an independent service company utilizing a test plug not a cup or J-packer. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to Onshore Order 2 with the pressure not to exceed 70% of the burst rating for the casing. Any test against the casing must meet the WOC time for water basin (8 hours) or potash (24 hours) or 500 pounds compressive strength, whichever is greater, prior to initiating the test (see casing segment as lead cement may be critical item).
- 4. If the operator has proposed using a 5,000 (5M) Annular on a 10M BOP:
 - a. Minimum working pressure of the blowout preventer (BOP) and related equipment (BOPE) required for drilling below the surface casing shoe shall be 10,000 (10M) psi.
- 5. If the operator has proposed a multi-bowl wellhead assembly in the APD. The following requirements must be met:
 - a. Wellhead shall be installed by manufacturer's representatives, submit documentation with subsequent sundry.
 - b. If the welding is performed by a third party, the manufacturer's representative shall monitor the temperature to verify that it does not exceed the maximum temperature of the seal.

- c. Manufacturer representative shall install the test plug for the initial BOP test.
- d. Whenever any seal subject to test pressure is broken, all the tests in OOGO2.III.A.2.i must be followed.
- e. If the cement does not circulate and one inch operations would have been possible with a standard wellhead, the well head shall be cut off, cementing operations performed and another wellhead installed.
- 6. If a variance is approved for break testing the BOPE, the following requirements apply:
 - a. BOPE break testing is only approved for a BOP rated at 5M or less.
 - b. A full BOP test shall be performed every 21 days (at a minimum).
 - c. A full BOP test is required prior to drilling the first intermediate hole section (if applicable). If any subsequent intermediate hole interval is deeper than the first, a full BOP test shall be required.
 - d. A full BOP test is required prior to drilling the first production hole section. If any subsequent production hole interval is deeper than the first, a full BOP test shall be required.
 - e. While in transfer, the BOP shall be secured by the hydraulic carrier or cradle.
 - f. Pressure tests shall be performed on any BOPE components that have been disconnected. A low pressure (250-300 psi) and a high pressure (BOP max pressure rating) test are required.
 - g. If a testing plug is used, pressure shall be maintained for at least 10 minutes. If there is any bleed off in pressure, the test shall be considered to have failed.
 - h. If no testing plug is used, pressure shall be maintained for at least 30 minutes. If there is a decline in pressure of more than 10 percent, the test shall be considered to have failed.
 - i. The appropriate Bureau of Land Management (BLM) office shall be notified a minimum of 4 hours before testing occurs.
- 7. If a variance is approved for a flexible hose to be installed from the BOP to the choke manifold, the following requirements apply:
 - a. The flex line must meet the requirements of API 16C.
 - b. Check condition of flexible line from BOP to choke manifold (replace if exterior is damaged or if line fails test).
 - c. Line is to be as straight as possible with no hard bends and is to be anchored according to Manufacturer's requirements.
 - d. The flexible hose can be exchanged with a hose of equal size and equal or greater pressure rating.
 - e. Anchor requirements, specification sheet and hydrostatic pressure test certification matching the hose in service, to be onsite for review. These documents shall be posted in the company man's trailer and on the rig floor.

Casing and Cement

- 1. Changes to the approved cement program need prior approval if the altered cement plan has less volume or strength or if the changes are substantial (i.e. Multistage tool, ECP, etc.).
- 2. On any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. The formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- 3. Provide compressive strengths (including hours to reach required 500 pounds compressive strength) prior to cementing each casing string. Have well specific cement details onsite prior to pumping the cement for each casing string.
- 4. The surface casing shall be set at a minimum of 25 feet into the Rustler Anhydrite and 80 feet above the salt and cemented to the surface.
 - a. If cement does not circulate to the surface, the appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.
 - b. Wait on cement (WOC) time for a primary cement job will be a minimum of 8 hours (or 24 hours in the Potash Area) or 500 pounds compressive strength, whichever is greater. (This is to include the lead cement)
 - c. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
 - d. If cement falls back, remedial cementing will be done prior to drilling out that string.
- 5. Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.
- 6. Intermediate casing must be cemented to surface. For medium/high cave/karst, potash, and Capitan Reef, wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
- 7. The production cement should tie-back at least 200 feet (500 feet in Secretary Potash, surface in R-111-P potash) into previous casing string. Operator shall provide method of verification.

- 8. Production liner cement should tie-back at least 100 feet into previous casing string. Operator shall provide verification of cement top.
- 9. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 10. No pea gravel permitted for remedial cement or fall back remedial cement without prior authorization from a BLM petroleum engineer.
- 11. If hardband drill pipe is rotated inside casing, returns will be monitored for metal. If metal is found in samples, drill pipe will be pulled and rubber protectors which have a larger diameter than the tool joints of the drill pipe will be installed prior to continuing drilling operations.

12. DV tools:

- a. First stage to DV tool (The DV tool may be cancelled if cement circulates to surface on the first stage):
 - i. Cement to circulate. If cement does not circulate off the DV tool, contact the appropriate BLM office before proceeding with second stage cement job.
- b. Second stage above DV tool:
 - i. For intermediate casing, cement to surface.
 - ii. For production casing, cement should tie-back at least 200 feet (500 feet in Secretary Potash, surface in R-111-P potash) into previous casing string. Operator shall provide method of verification.
 - iii. If cement does not circulate, contact the appropriate BLM office.

13. Wait on cement (WOC) for Potash Areas:

- a. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
- b. After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met:
 - i. Cement reaches a minimum compressive strength of 500 psi for all cement blends
 - ii. Until cement has been in place at least 24 hours.
- c. WOC time will be recorded in the driller's log.
- d. Whenever a casing string is cemented in the R-111-P potash area, the NMOCD requirements shall be followed.

14. Wait on cement (WOC) for Water Basin:

a. After cementing but before commencing any tests, the casing string shall stand cemented under pressure until both of the following conditions have been met:

- i. Cement reaches a minimum compressive strength of 500 psi at the shoe
- ii. Until cement has been in place at least 8 hours.
- b. WOC time will be recorded in the driller's log.
- 15. Wait on cement (WOC) for Medium and High Cave/Karst Areas:
 - a. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
- 16. If cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

Drilling Mud

1. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be operating before drilling into the Wolfcamp formation, and shall be used until production casing is run and cemented.

Waste Material and Fluids

- 1. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of drilling operations and completion operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.
- 2. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.

Special Requirements

- 1. Communitization Agreement
 - a. The operator will submit a Communitization Agreement to the Carlsbad Field Office (620 E Greene St. Carlsbad, New Mexico 88220), at least 90 days before the anticipated date of first production from a well subject to a spacing order issued by the New Mexico Oil Conservation Division.
 - b. The Communitization Agreement will include the signatures of all working interest owners in all Federal and Indian leases subject to the Communitization Agreement (i.e., operating rights owners and lessees of record), or certification that the operator has obtained the written signatures of all such owners and will make those signatures available to the BLM immediately upon request.
 - i. If the operator does not comply with this condition of approval, the BLM may take enforcement actions that include, but are not limited to, those specified in 43 CFR 3163.1.
 - c. In addition, the well sign shall include the surface and bottom hole lease numbers.
 - i. When the Communitization Agreement number is known, it shall also be on the sign.

2. Unit Wells

- a. The well sign for a unit well shall include the unit number in addition to the surface and bottom hole lease numbers. This also applies to participating area numbers.
 - i. If a participating area has not been established, the operator can use the general unit designation, but will replace the unit number with the participating area number when the sign is replaced.

b. Commercial Well Determination

i. A commercial well determination shall be submitted after production has been established for at least six months (this is not necessary for secondary recovery unit wells).

3. Hydrogen Sulfide (H2S)

- a. If H2S is encountered, provide measured values and formations to the BLM.
- b. An H2S area must meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items.
- c. An H2S Drilling Plan shall be activated 500 feet prior to drilling into the any formation designated as having H2S.
- d. Hydrogen Sulfide monitors shall be installed prior to drilling out the surface shoe. If H2S is detected in concentrations greater than 100 ppm, the Hydrogen Sulfide area shall meet Onshore Order 6 requirements, which includes equipment and personnel/public protection items.

4. Capitan Reef

- a. If lost circulation (50% or greater) occurs below the Base of the Salt, the operator shall do the following (Use this for 3 string wells in the Capitan Reef, if 4 string well ensure fresh water based mud used across the Capitan interval):
 - i. Switch to fresh water mud to protect the Capitan Reef and use fresh water mud until setting the intermediate casing. The appropriate BLM office is to be notified for a PET to witness the switch to fresh water.
 - ii. Daily drilling reports from the Base of the Salt to the setting of the intermediate casing are to be submitted to the BLM CFO engineering staff via e-mail by 0800 hours each morning. Any lost circulation encountered is to be recorded on these drilling reports.
 - iii. The daily drilling report should show mud volume per shift/tour.
 - iv. Failure to submit these reports will result in an Incidence of Non-Compliance being issued for failure to comply with the Conditions of Approval.
 - v. If not already planned, the operator shall run a caliper survey for the intermediate well bore and submit to the appropriate BLM office.

- 5. Salt Water Disposal Wells
 - a. The operator shall supply the BLM with a copy of a mudlog over the permitted disposal interval and estimated in situ water salinity based on open-hole logs.
 - b. If hydrocarbons are encountered while drilling, the operator shall notify the BLM.
 - c. The operator shall provide to the BLM a summary of formation depth picks based on mudlog and geophysical logs along with a copy of the mudlog and open-hole logs from total depth to top of Devonian.
 - d. An NOI sundry with the completion procedure for this well shall be submitted and approved prior to commencing completion work. The procedure will be reviewed to verify that the completion proposal will allow the operator to:
 - i. Properly evaluate the injection zone utilizing open-hole logs, swab testing and/or any other method to confirm that hydrocarbons cannot be produced in paying quantities. This evaluation shall be reviewed by the BLM prior to injection commencing.
 - ii. Restrict the injection fluid to the approved formation.
 - iii. If a step rate test will be run, an NOI sundry shall be submitted to the BLM for approval.
 - e. If off-lease water will be disposed in this well, the operator shall provide proof of right-of-way approval.

Spur Energy Partners LLC 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	T	1	1
EHS Manager - Braidy Moulder	Artestia	575-616-5400	713-264-2517
Superintendent - Jerry Mathews	Artestia	575-616-5400	575-748-5234
Asst. Superintendent - Kenny Kidd	Artestia	575-616-5400	575-703-5851
Regulatory Director - Sarah Chapman	Houston	832-930-8613	281-642-5503
Regulatory Agencies	Carlahad	E7E 000 0E44	I
Burea of Land Management Burea of Land Management	Carlsbad Hobbs	575-886-6544 575-393-3612	
Burea of Land Management Burea of Land Management	Roswell	575-393-3612	
Burea of Land Management	Santa Fe	505-954-2000	
DOT Judicial Pipelnes - Incident Reporting NM Public	Santa Fe	505-827-3549	
Regulation Commission		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 Qulaity Bureau	Santa Fe	505-827-1494	
New Mexico Oil Conservation Division	Artestia	575-748-1283	After Hours 575-370-7545
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 Sherrif's Department	Eunice	575-384-2020
Lea County Sherrif's Department	Hobbs	575-393-2515
Lea County Sherrif'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
Carslbad 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	1	<u> </u>
FBI	Albuquerque	505-224-2000
FBI	Midland	432-570-0255
Law Enforcement - DPS (911)	1	
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
Carslbad	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		
Tuoumoan	Tucumcari	911

Ambulance (911)			
Abernathy Ambulance	Abernathy	806-298-2241	
Amistad/Rosebud	Amistad/Rosebud	575-633-9113	
Artesia Ambulance	Artesia	575-746-2701	
Carslbad 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	



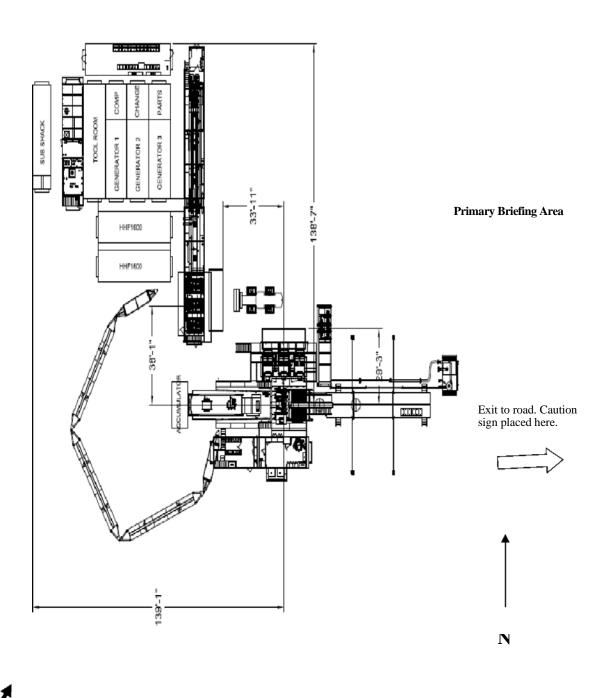
Permian Drilling Hydrogen Sulfide Drilling Operations Plan Alto Amm 21-16 Federal 61H

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







RIG # 57_{1,150 HP Double}

- 161'-4" ·

Mast Drilling Rig

SUBSTRUCTURE

One Piece Step Down

One Piece Step Down
Floor Height: 18' 9" (on 4' pony sub moving system)
Clear Height (beneath rotary beams): 15' 5"
Rotary Capacity: 400,000 lbf
Max Pipe Setback: 400,000 lbf
Note: All floor heights above are based on the substructure sitting on 6" mats & 4' pony sub moving system

106' telescoping, Drill Line: 1-1/8" Static Hook Load: 440,000 lbf

Racking Capacity: 18,000' of 4" DP, 12,500' of 5" DP

DRAWWORKS

TSM 850 425.000lbs w/ 10 Lines

Input Power: 1,150 hp AC traction motor

Main Brake: 1,150 hp AC traction motor (Dynamic)

Aux Parking Brake: Eaton brake & drum / band brake system

TOP DRIVE
Tesco EXI 600 AC 350 Ton: Max speed 220 rpm,
Continuous Drill Torque: 30,000 ft-lbs
Max Torque (Make / Break): 45,000 ft-lbs
600 hp AC induction motor & drive system with PLC
250 Ton 5 x 36" Becket Block Assembly

IRON ROUGHNECK

NOV ST-80C Conn Range: 4 ½ to 8 ½ Spin Speed: 75 rpm nominal on 5" drill pipe

Spin Torque: 1,750 ft-lbs

Maximum Make-up torque: 60,000 ft-lbs

Maximum Break-out torque: 80,000 ft-lbs

National 27 $\frac{1}{2}$ " 500 Ton with hydraulic drive to position tools only

27 ½" Diameter opening

POWER SYSTEM VFD, MCC, Eaton Drives, Current Power Systems Controls, three Caterpillar C32 gen

sets. 1220 BHP.

MUD PUMP #1

HHF1600 Triplex Rated Power: 1600 hp Stroke: 12"

Input Power: 1500 hp AC traction motor Pressure Rating: 5000 psi

HHF1600 Triplex Rated Power: 1600 hp

Stroke: 12"
Input Power: 1500 hp AC traction motor
Pressure Rating: 5000 psi

Two Tank system w/ 1200 bbls total capacity

Shakers: Three MI Swaco Mongoose 4 panel dual motion Mud Gas Separator: MI Swaco 4' OD x 12' tall Pill Tank: 54 bbls

MUD SYSTEM 5000 psi Max Pressure

5" Main plumbing and standpipe

SCALPING TANK

Main Tank: 186 bbls capacity

Trip Tank: 24 bbls capacity
Shakers: Three NOV Venom shakers dual motion

11" x 5000 psi WP Spherical Annular 11" x 5000 psi WP Double Ram

11" x 5000 psi WP Single Ram (Optional)

MANIFOLD 3-1/8" 5,000 psi c/w two 3 1/8" manual chokes

ACCUMULATOR CTI: 160 gal 6 station 3000 psi, c/w N2 Backup & electric triplex pump

Ja-co Power Catwalk, tubular max length 47' 6", max OD 13 5", max weight 10,000lbs

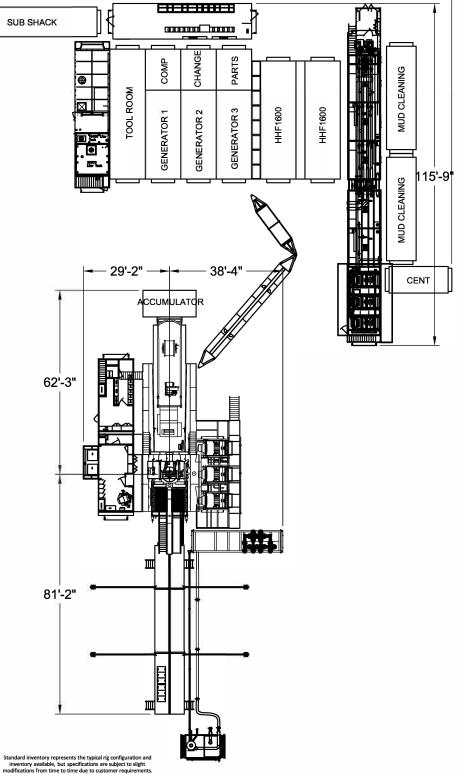
Drill Pipe: Supplied as needed, per availability

Drill Collars & heaviwate: Supplied as needed, per availability

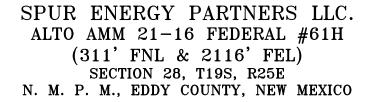
Water Tank: 409 bbls; Fuel Tank 189 bbls; Screw Compressor Boiler: 125 hp with Full Winterization

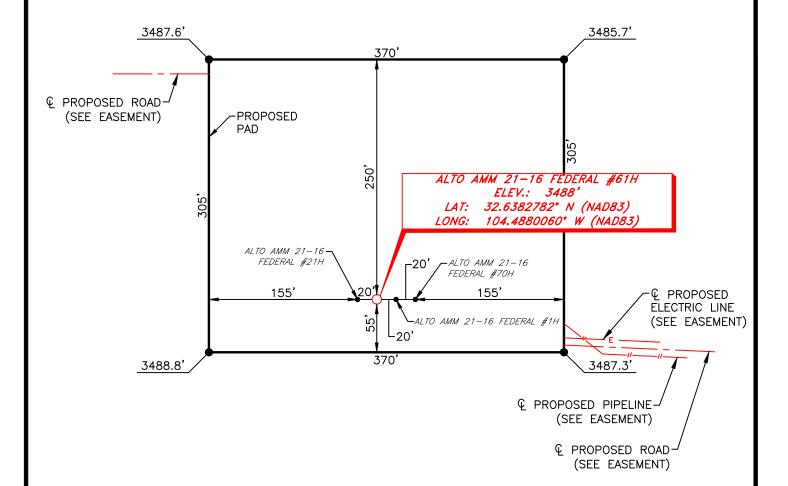
Walking beam hydraulic pony sub moving system for linear motion & side shift 350' of Utility Suitcase style [50' lengths] connection for hydraulic and electrical

TOOL/ STORAGE/ CAMP
Parts Storage Room and Tool House Room
Rig Manage Trailer: 14' x 44' skid mounted



All ratings quoted herin are manufacturer specifications. AKITA's normal operating parameters are 90% of manufacturer mast ratings and 80% of mud pump manufacturer pressure rating. Operation of rig equipment beyond these parameters requires approval from AKITA field office management.





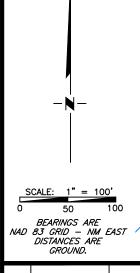
DIRECTIONS TO LOCATION

From the intersection of U.S. Hwy 285 (Seven Rivers Hwy) and CR-#21 (Rocking R Red Rd.);

Go West on CR-#21 approx. 5.4 miles to a lease road on the left;

Turn left and go South approx. 1.0 miles to a proposed road on the left;

Turn left and go East approx. 0.1 miles to location on the right.



REVISION

JOB NO.: LS20110720

DWG. NO.: 20110720-4

NO.

I, R. M. Howett, a N. M. Professional Surveyor, hereby certify that I prepared this unclassified survey of a well location from an actual survey made on the ground under my direct supervision, said survey and plat meet the Min. Stds. for Land Surveying in the State of N. M. and are true and correct to the best of my knowledge and belief.

Robert M. Howett NM PS 19680

RRC

701 S. CECIL ST., HOBBS, NM 88240 (575) 964-8200

M. O. 11/30/20
M. O.

Copyright 2016 – All Rights Reserved

SCALE: 1" = 100'

DATE: 11-23-2020

SURVEYED BY: TM/RU

DRAWN BY: GA

APPROVED BY: RMH

SHEET: 1 OF 1

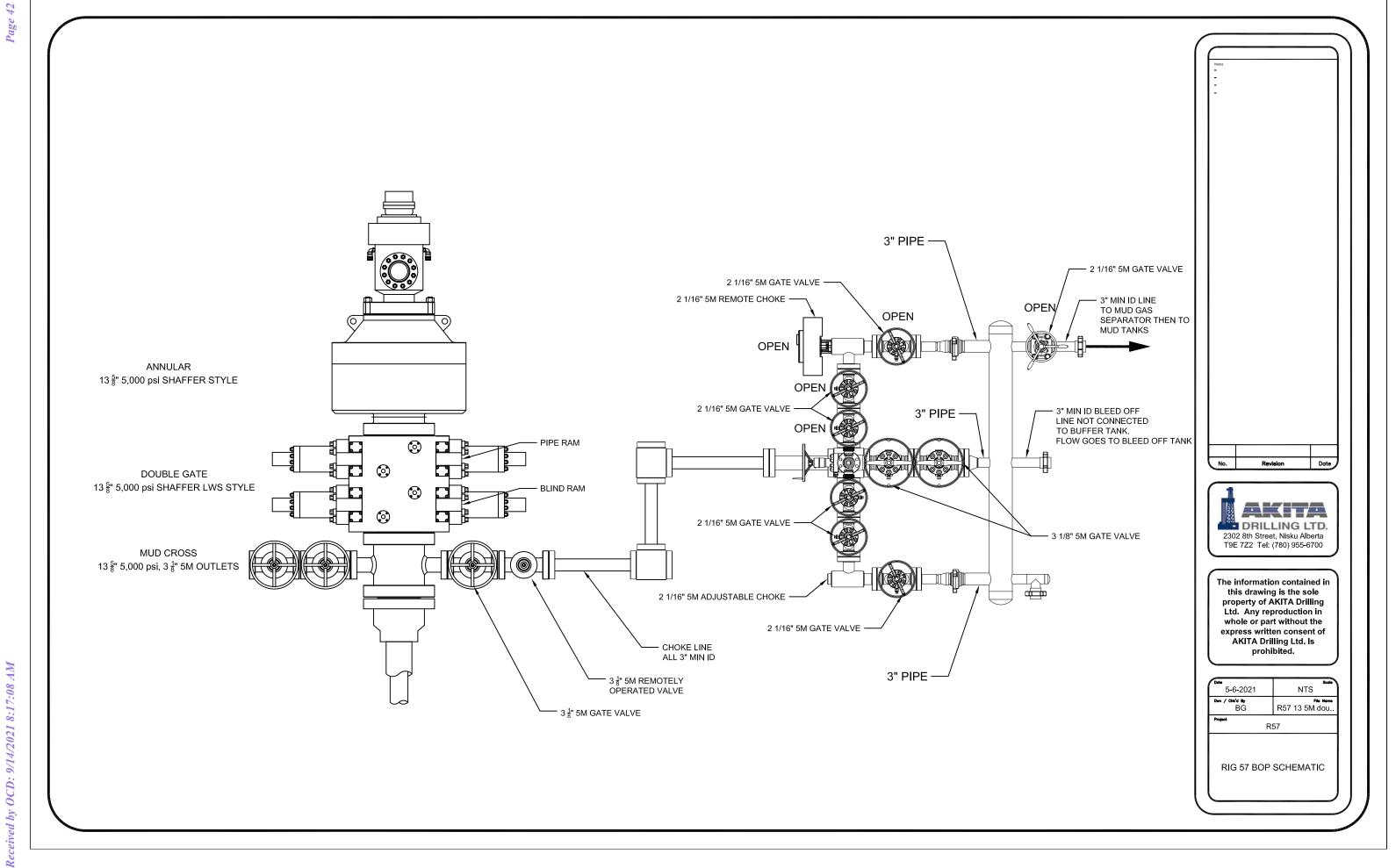
Released to Imaging: 9/17/2021 8:55:48 AM

DATE

TRANSCEND RIG 4	Contractor Specification
Make	Schram
Model	TXD 130
Year of Manufacture	2006
Truck Mounted	YES
Rated Drilling Depth	130,000# hook load
Rated Depth with Tubing	150,000m Hook load
Derrick Height	69' 9''
Derrick Type	Telescoping Hydraulic
Derrick Capacity	130,000#
Elevators	N/A
Drawworks	760 HP Detroit
Wire Diameter	Hydraulic Hydraulic
Workfloor Max Height	8'
Tongs	Hydraulic Iron Roughneck
Slips	Manual Slips
Included Tubing Handling	• 13 3/8" handling tools
Tools	13 3/6 Handing tools
Included Rod Handling	85jts of 4.5" drill pipe
Tools	Segue of the dam pape
BOP Class Compatibility	
Weight Indicator	Hydraulic
Rig Safety Equipment	Eye wash station, fire extengushers,
	wind sock
Pad Size	60' x 60'
Requirements/Limitations	
Guy Line Spacing	N/A
Other Supplied Rig Equipment	Standard Rig Hand Tools:
	• (2) 36" pipe wrenches
1- F800 pump	• (2) 24" pipe wrenches
1- Pill pit 80bbl	• (2) 18" pipe wrenches
1- 400 bbl mud mix	• (1) 24" crescent wrench
1- Shaker 150mesh	• (2) 12" crescent wrenches
1- 500 bbl fresh water frac	• (1) 4 lb shop hammer
tank	• (1) 12 lb sledge hammer
	• (1) 4 foot pry bar
	Vehicles for Contractor personnel
	Air Impact Wrench with Sockets
	Mud Scales (as needed)

Inten ⁻	t	As Dril	led									
API#												
Ope	rator Nar	me:				Property N	lame					Well Number
Kick C	Off Point	(KOP)										
UL	Section	Township	Range	Lot	Feet	From N	1/S	Feet	Fro	om E/W	County	
Latitu	ıde				Longitu	ıde					NAD	
UL	Section	t (FTP)	Range	Lot	Feet	From N	1/S	Feet	Fro	om E/W	County	
Latitu	ıde				Longitu	ıde					NAD	
Last T UL Latitu	Section	t (LTP) Township	Range	Lot	Feet Longitu	From N/S	Feet		From E/W	Coun	ty	
					Longite					, with		
s this	well the	defining w	vell for th	ie Hori	zontal Տլ	pacing Unit?]			
s this	well an	infill well?										
	l is yes p ng Unit.	lease provi	de API if	availal	ole, Ope	rator Name	and v	vell nu	umber fo	r Defini	ng well fo	or Horizontal
API#												
Ope	rator Nar	me:	ı			Property N	lame					Well Number

KZ 06/29/2018





MTR DATA BOOK

CL2013

CUSTOMER: GATES CANADA INC

DATE: 12/19/2017

Purchase Order: D235455 (PO 45750)

Sales Order #: 509128

Product Description: $_{5K\ 3\ 1/2}$ in. 17 FT. Fire Rated Choke & Kill Gates Hose Assembly c/w 3 1/8

5K Flange with Safety Clamps & Slings Attached

Hose S/N: H-121917-14

PART NUMBER: FR5K3.517.0CK31/85KFLG S/C

CONTENTS INCLUDED

GMCO	FITTINGS

17-309-1 INSERT STEM 15-095-1A FERRULE

3 1/8 in. 5K FIXED FLANGE X 3 1/8 in. 5K FLOAT FLANGE

V4131 FIXED FLANGE V5054 FLOAT FLANGE

WELDING SPECIFICATIONS

Certification and Procedure for welding

NDE RESULTS

1622371-03/1622371-01 Ultrasonic Test Results and Imaging

Safey Clamps

34145/34144

TEST CHART

Chart Recording of Hydrostatic Test

TEST CERTIFICATE

Document Product Details & Positive Results of Hydrostatic Testing

CERTIFICATE OF CONFORMANCE

A Declaration of the conformity with the type approval

IMAGES

Images of the product prior to shipping.

PACKING LIST

Details of Shipping Contents, Dimensions and Weights



GATES ENGINEERING & SERVICES NORTH AMERICA 7603 Prairie Oak Dr. Suite 190 Houston, TX. 77086

PHONE: +1 (281) 602-4100 FAX: +1 (281) 602-4147

EMAIL: gesna.quality@gates.com WEB: www.gates.com/ollandgas

PRESSURE TEST CERTIFICATE

Customer:

GATES CANADA INC

Test Date:

12/19/2017

Customer Ref.:

D235455 (PO 45750)

Hose Serial No.:

H-121917-14

Invoice No.:

509128

Created By:

Cristian Rivera

Product Description:

5K 3 1/2 in. 17 FT. Fire Rated Choke & Kill c/w 3 1/8 5K Flange with Safety Clamps & Slings Attached

End Fitting 1:

Oracle Star No.:

CUSTOMER P/N:

3 1/8 in. 5K FIXED FLG 68903550-9725917

FR5K3.517.0CK31/85KFLG S/C

End Fitting 2: Assembly Code:

Test Pressure: Working Pressure: 3 1/8 in. 5K FLOAT FLG

15M5019042016H-121917-14

7,500 psi.

5,000 psi.

Gates Engineering & Services North America certifies that:

The following hose assembly has successfully passed all pressure testing requirements set forth in Gates specifications: GTS-04-052 (for 5K assemblies) or GTS-04-053 (10K assemblies) or GTS-04-048 (15K assemblies), which include reference to Specification API 16C (2nd Edition); sections 7.5.4, 7.5.9, and 10.8.7. A test graph will accompany this test certificate to illustrate conformity to test requirements. This hose assembly was pressure tested using equipment and instrumentation that has been calibrated in accordance with the requirements set-forth in the GESNA management system.

Quality:

Date:

QUALITY 8/5/2021

Date:

Signature:

Signature:

Production:

Revision 6_05032021

PRODUCTION

8/5/2021

F-PRD-005B



GATES ENGINEERING & SERVICES NORTH AMERICA 7603 Prairie Oak Dr. Houston, TX. 77086 PHONE: +1 (281) 602-4100 FAX: +1 (281) 602-4147

EMAIL: gesna.quality@gates.com WEB: www.gates.com/ollandgas

CERTIFICATE OF CONFORMANCE

This is to certify that all parts and materials included in this shipment have manufactured and/or processed in accordance with various Gates and API assembly and test specifications. Records of required tests are on-file and subject to examination. Test reports and subsequent test graphs have been made available with this shipment. Additional supporting documentation related to materials, welding, weld inspections, and heat-treatment activities are available upon request.

CUSTOMER:

GATES CANADA INC

CUSTOMER P.O.#:

D235455 (PO 45750)

PART DESCRIPTION:

FR5K3.517.0CK31/85KFLG S/C

PART DESCRIPTION:

5K 3 1/2 in. 17 FT. Fire Rated Choke & Kill c/w 3 1/8 5K Flange with Safety Clamps

& Slings Attached

SALES ORDER #:

509128

QUANTITY:

1

SERIAL #:

H-121917-14

SIGNATURE:	Keyora	
TITLE:	QUALITY ASSURANCE	
DATE:	8/5/2021	

North America

7603 Prairie Oak dr.

Houston,TX

Hydrostatic Test

Customer = GATES CANADA

Date of test= 12/19/17

Serial # = H-121917-13,-14

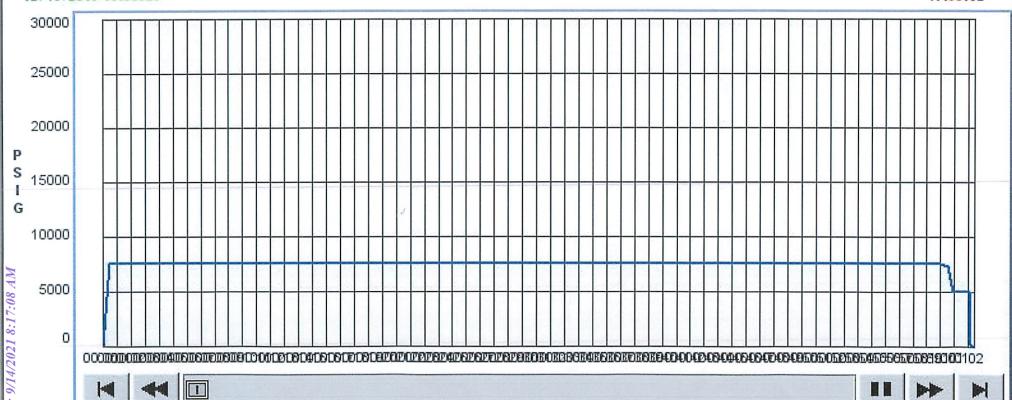
Description = 3.5 5K 3 1/8 FLG 5K

Technician= CHRIS OLIVO



17:55:52

Released to Imaging: 9/17/2021 8:55:48 AM





1385 Hwy. 35 Bypass S. P.O. Box 2350 Rockport, TX 78381 O: (361) 790-7910 F: (361) 790-7927

tedwards@edwardsfabrication.com www.edwardsfabrication.com

CERTIFICATE OF TEST

Client: Gates E & S North America 134 44th Street Corpus Christi, TX 78405 Purchase Order: 1592198/0

Certificate Number				Date of Examination
34145				04/27/17
ID#	Part Number	Description	SWL*	Proofload
34145	E3.5S	3.5" E Safety Clamp	6016 lbs.	12031 lbs.

The Safety Clamp unit identified on this certificate has been load tested completely assembled; including the clamp body, (2) 3/4" shackles, 5/8" x 48" wire rope sling and anchor tab. Thus, all components are tested at the "Proof" load. Do not disassemble. Do not interchange any part or parts of this tested unit with parts of other Safety Clamp units. DO NOT WELD, CUT, ADD-TO, TAKE AWAY ANY COMPONENTS OR MAKE ANY MODIFICATION TO THIS CLAMP UNIT. Doing so voids this test certificate.

Cutting/Removing either one or both stainless steel Tamper-proof hardware cables renders this Test Certificate VOID.

* Safe Work Load

THIS PRODUCT IS MANUFACTURED IN THE U.S.A.

We hereby verify that the above information is correct as contained in the records of Edwards Fabrication L.L.C.

ISO 9001:2008

BUREAU VERITAS

Certification

1828

Edwards Fabrication L.L.C. is certified as having a Quality Management System.

Thomas F. Edwards

President

Edwards Fabrication L.L.C.



1385 Hwy. 35 Bypass S. P.O. Box 2350 Rockport, TX 78381 O: (361) 790-7910 F: (361) 790-7927

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CERTIFICATE OF TEST

Client: Gates E & S North America 134 44th Street Corpus Christi, TX 78405 Purchase Order: 1592198/0

Certificate	Number			Date of Examination
34144				04/27/17
ID#	Part Number	Description	SWL*	Proofload
34144	E3.5S	3.5" E Safety Clamp	6014 lbs.	12027 lbs.

The Safety Clamp unit identified on this certificate has been load tested completely assembled; including the clamp body, (2) 3/4" shackles, 5/8" x 48" wire rope sling and anchor tab. Thus, all components are tested at the "Proof" load. Do not disassemble. Do not interchange any part or parts of this tested unit with parts of other Safety Clamp units. DO NOT WELD, CUT, ADD-TO, TAKE AWAY ANY COMPONENTS OR MAKE ANY MODIFICATION TO THIS CLAMP UNIT. Doing so voids this test certificate.

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180 9001:2008

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Thomas F. Edwards

President

Edwards Fabrication L.L.C.

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720 District II

811 S. First St., Artesia, NM 88210 Phone:(575) 748-1283 Fax:(575) 748-9720

District III 1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170

1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

COMMENTS

Action 48274

COMMENTS

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	48274
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

COMMENTS

Created By	Comment	Comment Date
kpickford	KP GEO Review 9/16/2021	9/16/2021

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

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9655 Katy Freeway	Action Number:
Houston, TX 77024	48274
	Action Type:
	[C-101] BLM - Federal/Indian Land Lease (Form 3160-3)

CONDITIONS

Created	Condition	Condition
Ву		Date
kpickford	Notify OCD 24 hours prior to casing & cement	9/16/2021
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104	9/16/2021
	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	9/16/2021
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing	9/16/2021
	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	9/16/2021