

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

District IV

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

Form C-101
August 1, 2011

Permit 301863

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

1. Operator Name and Address Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024		2. OGRID Number 328947
		3. API Number 30-015-49019
4. Property Code 331679	5. Property Name WAUKEE C 36 STATE COM	6. Well No. 051H

7. Surface Location

UL - Lot L	Section 31	Township 17S	Range 28E	Lot Idn 3	Feet From 2220	N/S Line S	Feet From 735	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot L	Section 36	Township 17S	Range 27E	Lot Idn L	Feet From 1830	N/S Line S	Feet From 50	E/W Line W	County Eddy
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9. Pool Information

RED LAKE; GLORIETA-YESO, NORTHEAST	96836
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3676
16. Multiple N	17. Proposed Depth 9804	18. Formation Yeso	19. Contractor	20. Spud Date 12/22/2021
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	1800	664	0
Prod	8.75	7	32	4350	1361	0
Prod	8.75	5.5	20	9804	1361	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	3000	Shaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Sarah Chapman	Approved By: Dean McClure	
Title: Regulatory Director	Title: Petroleum Specialist - A	
Email Address: schapman@spurepllc.com	Approved Date: 10/28/2021	Expiration Date: 10/28/2023
Date: 10/18/2021	Phone: 832-930-8613	Conditions of Approval Attached

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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 Number 30-015-49019	² Pool Code 96836	³ Pool Name RED LAKE; GLORIETA-YESO, NORTHEAST
⁴ Property Code 331679	⁵ Property Name WAUKEE C 36 STATE COM	⁶ Well Number 51H
⁷ OGRID NO. 328947	⁸ Operator Name SPUR ENERGY PARTNERS LLC.	⁹ Elevation 3676'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
3	31	17S	28E		2220	SOUTH	735	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	36	17S	27E		1830	SOUTH	50	WEST	EDDY
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

<p>¹⁶ <u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 650934.0 - E: 575811.5 LAT: 32.7893993° N LONG: 104.2211508° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 1830' FSL & 100' FEL SEC. 36 N: 650530.5 - E: 574979.2 LAT: 32.7882926° N LONG: 104.2238607° W</p> <p><u>LAST TAKE POINT (LTP)</u> 1830' FSL & 100' FWL SEC. 36 N: 650583.6 - E: 569870.4 LAT: 32.7884520° N LONG: 104.2404847° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 650584.2 - E: 569820.5 LAT: 32.7884535° N LONG: 104.2406474° W</p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1941" N: 648755.1 - E: 569774.2</p> <p>B: FOUND BRASS CAP "1941" N: 651389.1 - E: 569768.8</p> <p>C: FOUND BRASS CAP "1941" N: 654022.0 - E: 569763.3</p> <p>D: FOUND BRASS CAP "1941" N: 654002.1 - E: 572411.1</p> <p>E: FOUND BRASS CAP "1941" N: 653983.5 - E: 575058.5</p> <p>F: FOUND BRASS CAP "1941" N: 653999.6 - E: 577752.7</p> <p>G: FOUND BRASS CAP "1941" N: 654017.3 - E: 580331.9</p> <p>H: FOUND BRASS CAP "1941" N: 651411.9 - E: 580372.5</p> <p>I: CALCULATED CORNER N: 648805.9 - E: 580413.8</p> <p>J: FOUND BRASS CAP "1941" N: 648700.0 - E: 575089.7</p> <p>K: FOUND BRASS CAP "1941" N: 651341.8 - E: 575074.4</p>	<p>¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Sarah Chapman</i> 09/23/2021 Signature Date SARAH CHAPMAN</p> <p>Printed Name SCHAPMAN@SPUREPLL.COM</p> <p>E-mail Address</p> <p>¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>07/16/2021 Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p> <p>LS21050500</p>
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Form APD Conditions

Permit 301863

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Spur Energy Partners LLC [328947] 9655 Katy Freeway Houston, TX 77024	API Number: 30-015-49019
	Well: WAUKEE C 36 STATE COM #051H

OCD Reviewer	Condition
kpickford	Notify OCD 24 hours prior to casing & cement
kpickford	Will require a File As Drilled C-102 and a Directional Survey with the C-104
kpickford	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
kpickford	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
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing
kpickford	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

Spur Energy Partners LLC – Waukee C 36 State Com 51H**1. Geologic Formations**

TVD of Target	3,950'
MD at TD	9,804'

Formation	Depth
Quaternary	0'
Tansill	250'
Yates	330'
Seven Rivers	575'
Queen	1115'
Grayburg	1565'
San Andres	1910'
Glorieta	3315'
Yeso	3425'
Base Yeso	5475'

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

2. Casing Program

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

Primary Plan:

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
	From (ft)	To (ft)					Collapse		Tension	Tension
12.25	0	1800	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
8.75	0	4350	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4
8.75	4350	9804	5.5	20	L-80	BK-HT	1.125	1.2	1.4	1.4
SF Values will meet or Exceed										

Spur Energy Partners LLC – Waukee C 36 State Com 51H

	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	1800	165%
Production (Lead)	0	3350	100%
Production (Tail)	3350	9804	25%

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H2O (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)	394	13.2	1.84	9.92	6:59	Clas C Premium Plus Cement
Production (Lead)	302	11.8	2.54	15.29	N/A	Clas C Premium Plus Cement
Production (Tail)	1059	13.2	1.81	9.81	N/A	Clas C Premium Plus Cement

Spur Energy Partners LLC – Waukee C 36 State Com 51H**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	Type	✓	Tested to:
12.25" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		
8.75" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		

Spur Energy Partners LLC will be utilizing a 5M BOP

Condition	Specify what type and where?
BH Pressure at deepest TVD	1898 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	113°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 accordance with Onshore Oil and Gas Order #2 III.B.1.i.
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Spur Energy Partners LLC – Waukee C 36 State Com 51H

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

5. BOP Break Testing Request

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

BOP break test under the following conditions:

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

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

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

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

- 1) The void between the wellhead and the pipe rams

6. Mud Program

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

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	1800	Water-Based Mud	8.6-8.9	32-36	N/C
1800	9804	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
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Spur Energy Partners LLC – Waukee C 36 State Com 51H**7. Logging and Testing Procedures**

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

8. Drilling Conditions

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

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

Total estimated cuttings volume: 991.6 bbls.

Spur Energy Partners LLC – Waukee C 36 State Com 51H**9. Other facets of operation**

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

Attachments

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

10. Company Personnel

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



Spur Energy Partners, LLC

Eddy County, NM (NAD 83 - NME)

WAUKEE C 36 STATE COM

51H

Wellbore #1

Plan: PLAN #1

Standard Planning Report

30 September, 2021





Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 51H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Site:	WAUKEE C 36 STATE COM	North Reference:	Grid
Well:	51H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #1		

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

Site		WAUKEE C 36 STATE COM			
Site Position:		Northing:	649,489.60 usft	Latitude:	32.7854290
From:	Map	Easting:	575,829.90 usft	Longitude:	-104.2210960
Position Uncertainty:	0.00 usft	Slot Radius:	13.200 in	Grid Convergence:	0.061

Well	51H					
Well Position	+N/-S	1,444.40 usft	Northing:	650,934.00 usft	Latitude:	32.7893992
	+E/-W	-18.40 usft	Easting:	575,811.50 usft	Longitude:	-104.2211508
Position Uncertainty		0.00 usft	Wellhead Elevation:		Ground Level:	3,676.00 usft

Wellbore	Wellbore #1				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	9/30/2021	6.857	60.307	47,727.73672676

Design	PLAN #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	270.60

Plan Survey Tool Program	Date	9/30/2021			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.00	9,803.69	PLAN #1 (Wellbore #1)	MWD+IGRF	
				OWSG MWD + IGRF or WM	

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.000	
700.80	8.02	159.85	699.49	-26.28	9.64	2.00	2.00	0.00	159.850	
3,074.10	8.02	159.85	3,049.61	-336.98	123.65	0.00	0.00	0.00	0.000	
4,125.88	60.00	270.60	3,923.48	-408.46	-355.99	6.00	4.94	10.53	114.759	
4,325.88	60.00	270.60	4,023.48	-406.66	-529.19	0.00	0.00	0.00	0.000	
4,642.53	91.67	270.60	4,100.00	-403.50	-832.30	10.00	10.00	0.00	0.000	PLAT FTP 51H: 183
9,753.76	91.67	270.60	3,951.45	-350.32	-5,941.10	0.00	0.00	0.00	0.000	PLAT LTP 51H: 183
9,803.69	91.67	270.60	3,950.00	-349.80	-5,991.00	0.00	0.00	0.00	0.000	PLAT BHL 51H: 183



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 51H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Site:	WAUKEE C 36 STATE COM	North Reference:	Grid
Well:	51H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #1		

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)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00
200.00	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00
400.00	2.00	159.85	399.98	-1.64	0.60	-0.62	2.00	2.00	0.00
500.00	4.00	159.85	499.84	-6.55	2.40	-2.47	2.00	2.00	0.00
600.00	6.00	159.85	599.45	-14.73	5.41	-5.56	2.00	2.00	0.00
700.80	8.02	159.85	699.49	-26.28	9.64	-9.92	2.00	2.00	0.00
800.00	8.02	159.85	797.72	-39.26	14.41	-14.82	0.00	0.00	0.00
900.00	8.02	159.85	896.75	-52.36	19.21	-19.76	0.00	0.00	0.00
1,000.00	8.02	159.85	995.77	-65.45	24.02	-24.70	0.00	0.00	0.00
1,100.00	8.02	159.85	1,094.79	-78.54	28.82	-29.64	0.00	0.00	0.00
1,200.00	8.02	159.85	1,193.82	-91.63	33.62	-34.58	0.00	0.00	0.00
1,300.00	8.02	159.85	1,292.84	-104.72	38.43	-39.52	0.00	0.00	0.00
1,400.00	8.02	159.85	1,391.86	-117.81	43.23	-44.46	0.00	0.00	0.00
1,500.00	8.02	159.85	1,490.89	-130.90	48.03	-49.40	0.00	0.00	0.00
1,600.00	8.02	159.85	1,589.91	-144.00	52.84	-54.34	0.00	0.00	0.00
1,700.00	8.02	159.85	1,688.93	-157.09	57.64	-59.28	0.00	0.00	0.00
1,800.00	8.02	159.85	1,787.95	-170.18	62.45	-64.22	0.00	0.00	0.00
1,900.00	8.02	159.85	1,886.98	-183.27	67.25	-69.16	0.00	0.00	0.00
2,000.00	8.02	159.85	1,986.00	-196.36	72.05	-74.11	0.00	0.00	0.00
2,100.00	8.02	159.85	2,085.02	-209.45	76.86	-79.05	0.00	0.00	0.00
2,200.00	8.02	159.85	2,184.05	-222.54	81.66	-83.99	0.00	0.00	0.00
2,300.00	8.02	159.85	2,283.07	-235.64	86.46	-88.93	0.00	0.00	0.00
2,400.00	8.02	159.85	2,382.09	-248.73	91.27	-93.87	0.00	0.00	0.00
2,500.00	8.02	159.85	2,481.11	-261.82	96.07	-98.81	0.00	0.00	0.00
2,600.00	8.02	159.85	2,580.14	-274.91	100.88	-103.75	0.00	0.00	0.00
2,700.00	8.02	159.85	2,679.16	-288.00	105.68	-108.69	0.00	0.00	0.00
2,800.00	8.02	159.85	2,778.18	-301.09	110.48	-113.63	0.00	0.00	0.00
2,900.00	8.02	159.85	2,877.21	-314.18	115.29	-118.57	0.00	0.00	0.00
3,000.00	8.02	159.85	2,976.23	-327.28	120.09	-123.51	0.00	0.00	0.00
3,074.10	8.02	159.85	3,049.61	-336.98	123.65	-127.17	0.00	0.00	0.00
3,100.00	7.50	170.73	3,075.27	-340.34	124.55	-128.10	6.00	-2.00	42.00
3,150.00	7.37	194.05	3,124.86	-346.67	124.29	-127.92	6.00	-0.26	46.65
3,200.00	8.38	214.81	3,174.40	-352.78	121.43	-125.12	6.00	2.03	41.51
3,250.00	10.21	229.67	3,223.75	-358.64	115.97	-119.72	6.00	3.65	29.73
3,300.00	12.49	239.63	3,272.77	-364.24	107.93	-111.74	6.00	4.56	19.92
3,350.00	15.02	246.42	3,321.34	-369.57	97.33	-101.19	6.00	5.07	13.58
3,400.00	17.70	251.24	3,369.31	-374.60	84.19	-88.10	6.00	5.35	9.65
3,450.00	20.46	254.82	3,416.56	-379.34	68.55	-72.52	6.00	5.53	7.15
3,500.00	23.28	257.57	3,462.96	-383.76	50.46	-54.48	6.00	5.64	5.50
3,550.00	26.14	259.75	3,508.37	-387.84	29.97	-34.03	6.00	5.72	4.36
3,600.00	29.03	261.52	3,552.68	-391.59	7.12	-11.22	6.00	5.77	3.55
3,650.00	31.93	263.00	3,595.77	-394.99	-18.00	13.87	6.00	5.81	2.96
3,700.00	34.85	264.26	3,637.51	-398.03	-45.35	41.18	6.00	5.84	2.51
3,750.00	37.78	265.34	3,677.80	-400.71	-74.84	70.64	6.00	5.86	2.17
3,800.00	40.72	266.29	3,716.51	-403.00	-106.39	102.16	6.00	5.88	1.90
3,850.00	43.67	267.14	3,753.55	-404.92	-139.91	135.66	6.00	5.89	1.69
3,900.00	46.62	267.89	3,788.81	-406.45	-175.32	171.05	6.00	5.90	1.51
3,950.00	49.58	268.58	3,822.20	-407.59	-212.51	208.23	6.00	5.91	1.37
4,000.00	52.54	269.21	3,853.63	-408.34	-251.39	247.10	6.00	5.92	1.26
4,050.00	55.50	269.79	3,883.00	-408.69	-291.84	287.54	6.00	5.93	1.16
4,100.00	58.46	270.33	3,910.24	-408.64	-333.76	329.46	6.00	5.93	1.08
4,125.88	60.00	270.60	3,923.48	-408.46	-355.99	351.69	6.00	5.93	1.03



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 51H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Site:	WAUKEE C 36 STATE COM	North Reference:	Grid
Well:	51H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #1		

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)
4,200.00	60.00	270.60	3,960.54	-407.79	-420.18	415.89	0.00	0.00	0.00
4,300.00	60.00	270.60	4,010.54	-406.89	-506.78	502.49	0.00	0.00	0.00
4,325.88	60.00	270.60	4,023.48	-406.66	-529.19	524.90	0.00	0.00	0.00
4,350.00	62.41	270.60	4,035.10	-406.44	-550.33	546.04	10.00	10.00	0.00
4,400.00	67.41	270.60	4,056.29	-405.96	-595.59	591.31	10.00	10.00	0.00
4,450.00	72.41	270.60	4,073.46	-405.48	-642.53	638.25	10.00	10.00	0.00
4,500.00	77.41	270.60	4,086.47	-404.97	-690.79	686.51	10.00	10.00	0.00
4,550.00	82.41	270.60	4,095.23	-404.46	-740.00	735.72	10.00	10.00	0.00
4,600.00	87.41	270.60	4,099.66	-403.94	-789.78	785.51	10.00	10.00	0.00
4,642.53	91.67	270.60	4,100.00	-403.50	-832.30	828.03	10.00	10.00	0.00
4,700.00	91.67	270.60	4,098.33	-402.90	-889.74	885.48	0.00	0.00	0.00
4,800.00	91.67	270.60	4,095.42	-401.86	-989.70	985.43	0.00	0.00	0.00
4,900.00	91.67	270.60	4,092.52	-400.82	-1,089.65	1,085.39	0.00	0.00	0.00
5,000.00	91.67	270.60	4,089.61	-399.78	-1,189.60	1,185.35	0.00	0.00	0.00
5,100.00	91.67	270.60	4,086.70	-398.74	-1,289.55	1,285.31	0.00	0.00	0.00
5,200.00	91.67	270.60	4,083.80	-397.70	-1,389.51	1,385.26	0.00	0.00	0.00
5,300.00	91.67	270.60	4,080.89	-396.66	-1,489.46	1,485.22	0.00	0.00	0.00
5,400.00	91.67	270.60	4,077.99	-395.62	-1,589.41	1,585.18	0.00	0.00	0.00
5,500.00	91.67	270.60	4,075.08	-394.58	-1,689.36	1,685.14	0.00	0.00	0.00
5,600.00	91.67	270.60	4,072.17	-393.54	-1,789.31	1,785.10	0.00	0.00	0.00
5,700.00	91.67	270.60	4,069.27	-392.50	-1,889.27	1,885.05	0.00	0.00	0.00
5,800.00	91.67	270.60	4,066.36	-391.46	-1,989.22	1,985.01	0.00	0.00	0.00
5,900.00	91.67	270.60	4,063.45	-390.42	-2,089.17	2,084.97	0.00	0.00	0.00
6,000.00	91.67	270.60	4,060.55	-389.38	-2,189.12	2,184.93	0.00	0.00	0.00
6,100.00	91.67	270.60	4,057.64	-388.34	-2,289.08	2,284.88	0.00	0.00	0.00
6,200.00	91.67	270.60	4,054.73	-387.30	-2,389.03	2,384.84	0.00	0.00	0.00
6,300.00	91.67	270.60	4,051.83	-386.25	-2,488.98	2,484.80	0.00	0.00	0.00
6,400.00	91.67	270.60	4,048.92	-385.21	-2,588.93	2,584.76	0.00	0.00	0.00
6,500.00	91.67	270.60	4,046.02	-384.17	-2,688.89	2,684.72	0.00	0.00	0.00
6,600.00	91.67	270.60	4,043.11	-383.13	-2,788.84	2,784.67	0.00	0.00	0.00
6,700.00	91.67	270.60	4,040.20	-382.09	-2,888.79	2,884.63	0.00	0.00	0.00
6,800.00	91.67	270.60	4,037.30	-381.05	-2,988.74	2,984.59	0.00	0.00	0.00
6,900.00	91.67	270.60	4,034.39	-380.01	-3,088.70	3,084.55	0.00	0.00	0.00
7,000.00	91.67	270.60	4,031.48	-378.97	-3,188.65	3,184.50	0.00	0.00	0.00
7,100.00	91.67	270.60	4,028.58	-377.93	-3,288.60	3,284.46	0.00	0.00	0.00
7,200.00	91.67	270.60	4,025.67	-376.89	-3,388.55	3,384.42	0.00	0.00	0.00
7,300.00	91.67	270.60	4,022.77	-375.85	-3,488.50	3,484.38	0.00	0.00	0.00
7,400.00	91.67	270.60	4,019.86	-374.81	-3,588.46	3,584.34	0.00	0.00	0.00
7,500.00	91.67	270.60	4,016.95	-373.77	-3,688.41	3,684.29	0.00	0.00	0.00
7,600.00	91.67	270.60	4,014.05	-372.73	-3,788.36	3,784.25	0.00	0.00	0.00
7,700.00	91.67	270.60	4,011.14	-371.69	-3,888.31	3,884.21	0.00	0.00	0.00
7,800.00	91.67	270.60	4,008.23	-370.65	-3,988.27	3,984.17	0.00	0.00	0.00
7,900.00	91.67	270.60	4,005.33	-369.61	-4,088.22	4,084.12	0.00	0.00	0.00
8,000.00	91.67	270.60	4,002.42	-368.57	-4,188.17	4,184.08	0.00	0.00	0.00
8,100.00	91.67	270.60	3,999.51	-367.53	-4,288.12	4,284.04	0.00	0.00	0.00
8,200.00	91.67	270.60	3,996.61	-366.49	-4,388.08	4,384.00	0.00	0.00	0.00
8,300.00	91.67	270.60	3,993.70	-365.45	-4,488.03	4,483.96	0.00	0.00	0.00
8,400.00	91.67	270.60	3,990.80	-364.40	-4,587.98	4,583.91	0.00	0.00	0.00
8,500.00	91.67	270.60	3,987.89	-363.36	-4,687.93	4,683.87	0.00	0.00	0.00
8,600.00	91.67	270.60	3,984.98	-362.32	-4,787.89	4,783.83	0.00	0.00	0.00
8,700.00	91.67	270.60	3,982.08	-361.28	-4,887.84	4,883.79	0.00	0.00	0.00
8,800.00	91.67	270.60	3,979.17	-360.24	-4,987.79	4,983.74	0.00	0.00	0.00
8,900.00	91.67	270.60	3,976.26	-359.20	-5,087.74	5,083.70	0.00	0.00	0.00
9,000.00	91.67	270.60	3,973.36	-358.16	-5,187.69	5,183.66	0.00	0.00	0.00



Planning Report



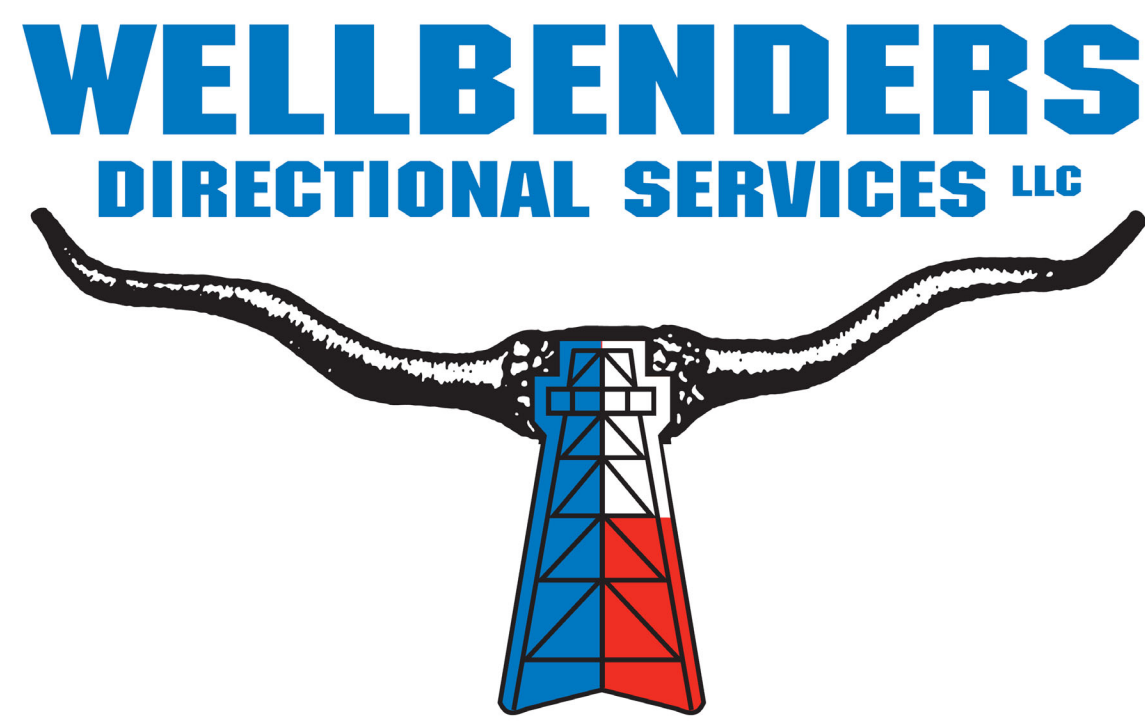
Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well 51H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3696.00usft (AKITA 57)
Site:	WAUKEE C 36 STATE COM	North Reference:	Grid
Well:	51H	Survey Calculation Method:	Minimum Curvature
Wellbore:	Wellbore #1		
Design:	PLAN #1		

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)
9,100.00	91.67	270.60	3,970.45	-357.12	-5,287.65	5,283.62	0.00	0.00	0.00
9,200.00	91.67	270.60	3,967.55	-356.08	-5,387.60	5,383.57	0.00	0.00	0.00
9,300.00	91.67	270.60	3,964.64	-355.04	-5,487.55	5,483.53	0.00	0.00	0.00
9,400.00	91.67	270.60	3,961.73	-354.00	-5,587.50	5,583.49	0.00	0.00	0.00
9,500.00	91.67	270.60	3,958.83	-352.96	-5,687.46	5,683.45	0.00	0.00	0.00
9,600.00	91.67	270.60	3,955.92	-351.92	-5,787.41	5,783.41	0.00	0.00	0.00
9,700.00	91.67	270.60	3,953.01	-350.88	-5,887.36	5,883.36	0.00	0.00	0.00
9,753.76	91.67	270.60	3,951.45	-350.32	-5,941.10	5,937.11	0.00	0.00	0.00
9,803.69	91.67	270.60	3,950.00	-349.80	-5,991.00	5,987.01	0.00	0.00	0.00

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
PLAT SHL 51H: 2220' - plan hits target center - Point	0.00	0.00	0.00	0.00	0.00	650,934.00	575,811.50	32.7893992	-104.2211508
PLAN KOP 51H: 3074 - plan hits target center - Point	0.00	0.00	3,049.61	-336.98	123.65	650,597.03	575,935.15	32.7884726	-104.2207496
PLAT BHL 51H: 1830' - plan hits target center - Point	0.00	0.00	3,950.00	-349.80	-5,991.00	650,584.20	569,820.50	32.7884537	-104.2406472
PLAT LTP 51H: 1830' - plan misses target center by 1.45usft at 9753.76usft MD (3951.45 TVD, -350.32 N, -5941.10 E) - Point	0.00	0.00	3,950.00	-350.40	-5,941.10	650,583.60	569,870.40	32.7884519	-104.2404849
PLAT FTP 51H: 1830' - plan hits target center - Point	0.00	0.00	4,100.00	-403.50	-832.30	650,530.50	574,979.20	32.7882925	-104.2238606



Company: Spur Energy Partners, LLC
Project: Eddy County, NM (NAD 83 - NME)
Site: WAUKEE C 36 STATE COM
Well: 51H
Wellbore: Wellbore #1
Rig: AKITA 57
Design: PLAN #1 / 17:30, September 30 2021



WELL DETAILS: 51H

RKB = 20' @ 3696.00usft (AKITA 57)

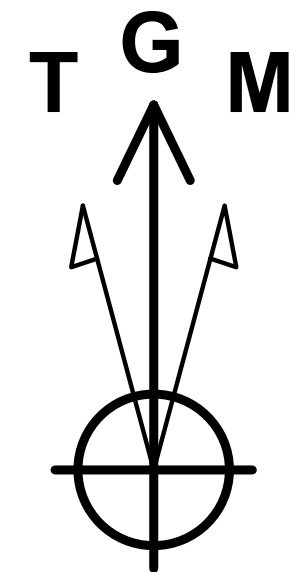
	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
	0.00	0.00	650934.00	575811.50	32.7893992	-104.2211509

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
PLAT SHL 51H: 2220' FSL, 735' FWL	0.00	0.00	0.00	650934.00	575811.50	32.7893992	-104.2211509
PLAN KOP 51H: 3074.10' MD	3049.61	-336.98	123.65	650597.02	575935.15	32.7884726	-104.2207497
PLAT BHL 51H: 1830' FSL, 50' FWL	3950.00	-349.80	-5991.00	650584.20	569820.50	32.7884537	-104.2406473
PLAT LTP 51H: 1830' FSL, 100' FWL	3950.00	-350.40	-5941.10	650583.60	569870.40	32.7884519	-104.2404849
PLAT FTP 51H: 1830' FSL, 100' FEL	4100.00	-403.50	-832.30	650530.50	574979.20	32.7882925	-104.2238606

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	
2	300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.000	0.00	
3	700.80	8.02	159.85	699.49	-26.28	9.64	2.00	159.850	-9.92	
4	3074.10	8.02	159.85	3049.61	-336.98	123.65	0.00	0.000	-127.17	
5	4125.88	60.00	270.60	3923.48	-408.46	-355.99	6.00	114.759	351.69	
6	4325.88	60.00	270.60	4023.48	-406.66	-529.19	0.00	0.000	524.90	
7	4642.53	91.67	270.60	4100.00	-403.50	-832.30	10.00	0.000	828.03	PLAT FTP 51H: 1830' FSL, 100' FEL
8	9753.76	91.67	270.60	3951.45	-350.32	-5941.10	0.00	0.000	5937.10	PLAT LTP 51H: 1830' FSL, 100' FWL
9	9803.69	91.67	270.60	3950.00	-349.80	-5991.00	0.00	0.000	5987.01	PLAT BHL 51H: 1830' FSL, 50' FWL



Azimuths to Grid North
True North: -0.06°
Magnetic North: 6.80°

Magnetic Field
Strength: 47727.7snT
Dip Angle: 60.31°
Date: 9/30/2021
Model: IGRF2020

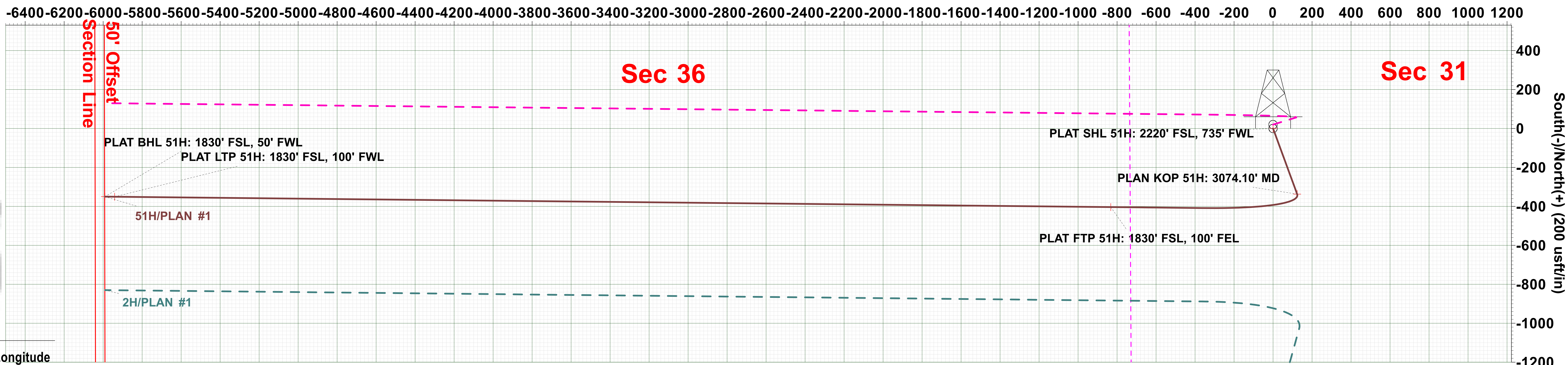
PROJECT DETAILS: Eddy County, NM (NAD 83 - NME)

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

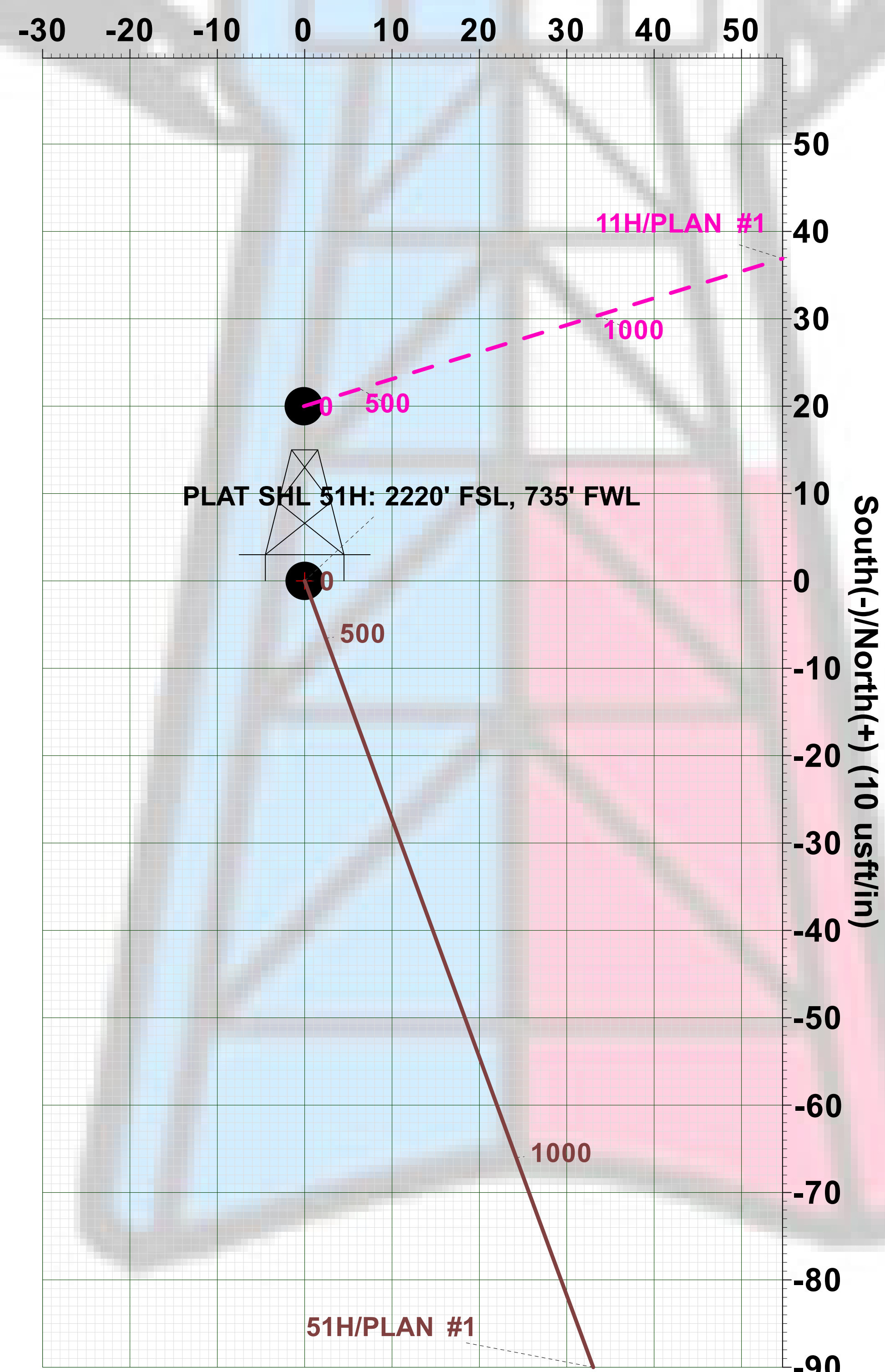
Disclaimer:

All Plan Details, boundary lines and offset well location/ survey data is provided by customer and subject to customer approval.

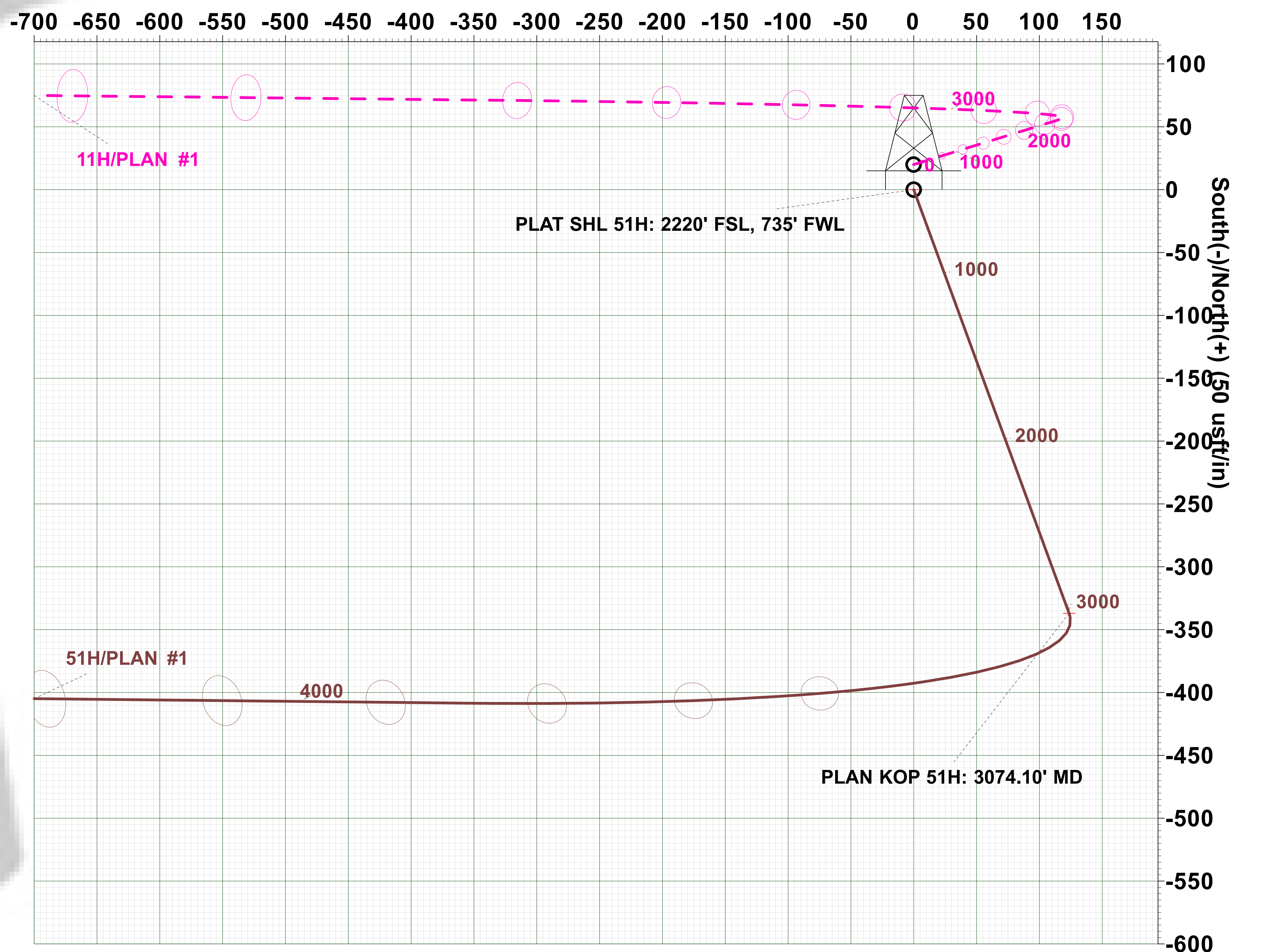
West(-)/East(+) (200 usft/in)



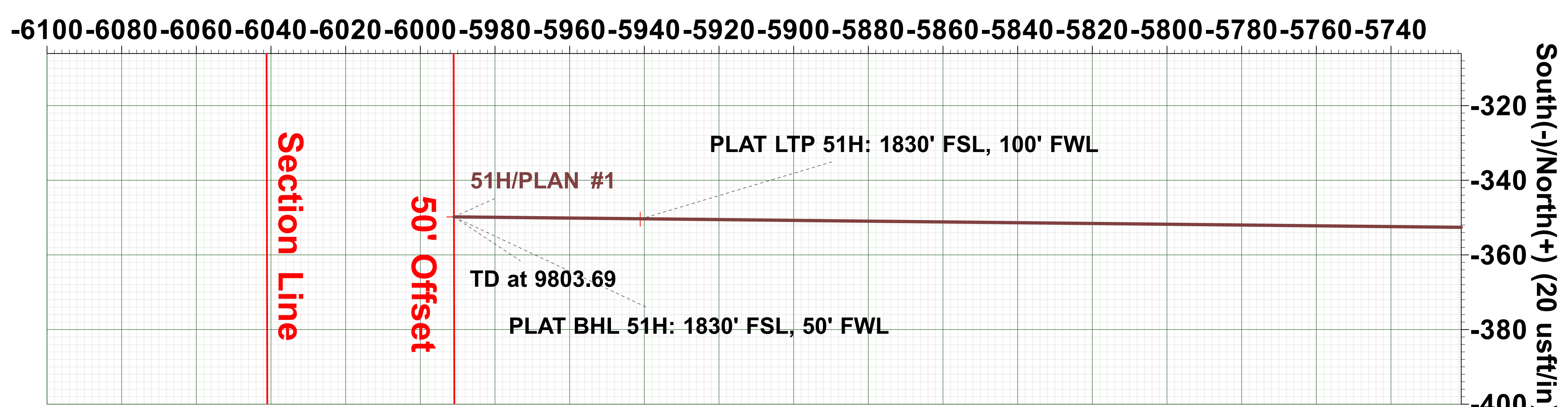
West(-)/East(+) (10 usft/in)



West(-)/East(+) (50 usft/in)



West(-)/East(+) (20 usft/in)



Plan: PLAN #1 (51H/Wellbore #1) AKITA 57

Created By: Matthew May Date: 17:30, September 30 2021



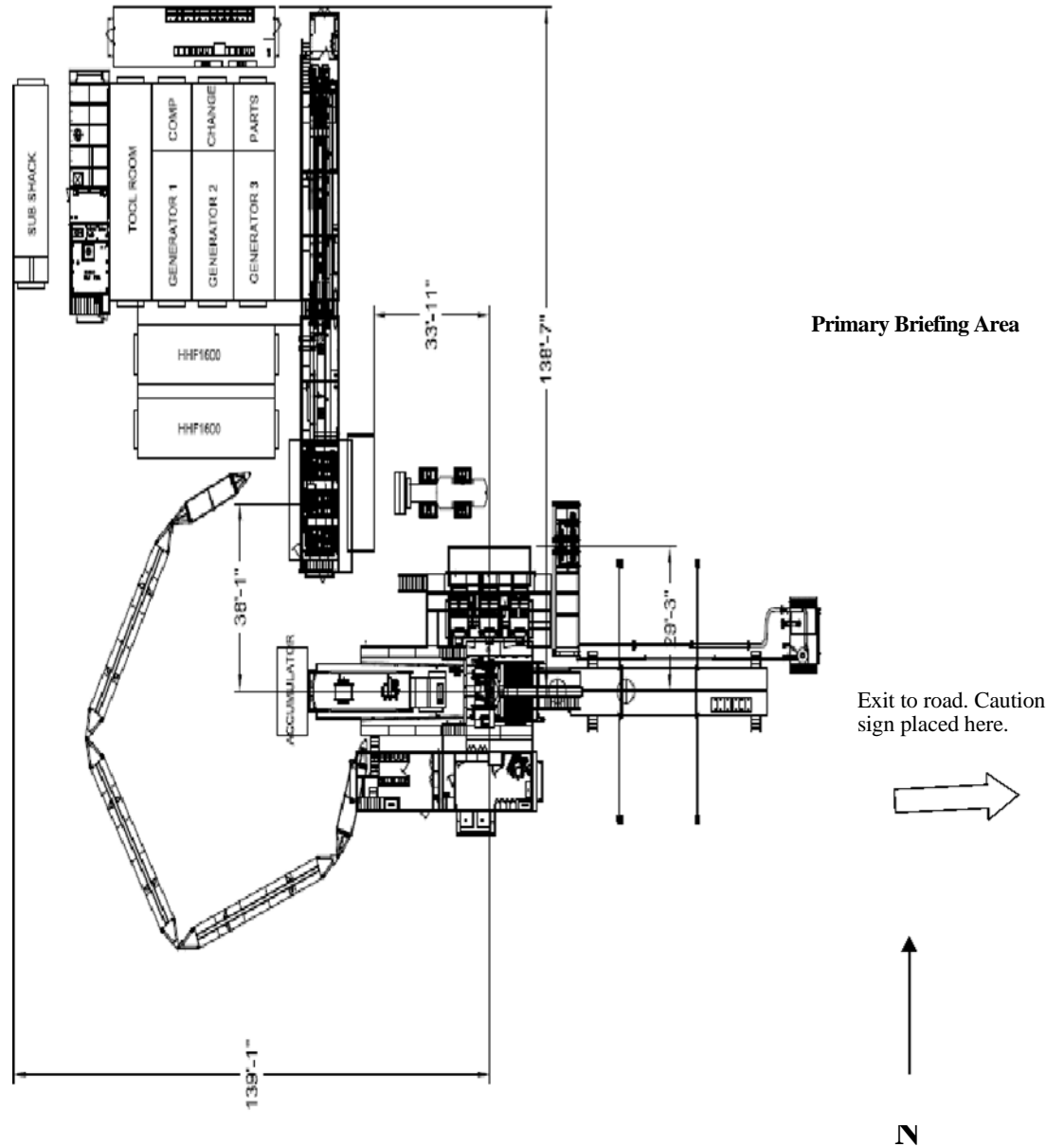
Permian Drilling Hydrogen Sulfide Drilling Operations Plan Waukee C 36 State Com 51H

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

1. Escape

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

Secondary Briefing Area



WIND: Prevailing winds are from the Southwest

Secondary Egress

Intent ☐ As Drilled ☐

API #		
Operator Name:	Property Name:	Well Number

Kick Off Point (KOP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

First Take Point (FTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

Last Take Point (LTP)

UL	Section	Township	Range	Lot	Feet	From N/S	Feet	From E/W	County
Latitude					Longitude				NAD

Is this well the defining well for the Horizontal Spacing Unit? ☐Is this well an infill well? ☐

If infill is yes please provide API if available, Operator Name and well number for Defining well for Horizontal Spacing Unit.

API #		
Operator Name:	Property Name:	Well Number

KZ 06/29/2018

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

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

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: SPUR ENERGY PARTNERS LLC **OGRID:** 328947 **Date:** 09 / 22 / 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: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
WAUKEE D 36 STATE COM 10H	30-015-PENDING	4-31-17S-28E	755' FSL 745' FWL	351 BBL/D	401 MCF/D	1753 BBL/D
WAUKEE C 36 STATE COM 11H	30-015-PENDING	3-31-17S-28E	2240' FSL 735' FWL	351 BBL/D	401 MCF/D	1753 BBL/D
WAUKEE C 36 STATE COM 51H	30-015-PENDING	3-31-17S-28E	2220' FSL 735' FWL	319 BBL/D	369 MCF/D	1356 BBL/D
WAUKEE C 36 STATE COM 2H	30-015-PENDING	4-31-17S-28E	775' FSL 745' FWL	322 BBL/D	368 MCF/D	1609 BBL/D

IV. Central Delivery Point Name: WAUKEE 36 STATE COM CENTRAL TANK BATTERY [See 19.15.27.9(D)(1) NMAC]

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

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
WAUKEE D 36 STATE COM 10H	30-015-PENDING	12/01/2021	12/11/2021	01/19/2022	02/04/2022	02/04/2022
WAUKEE C 36 STATE COM 11H	30-015-PENDING	01/03/2022	01/13/2022	01/27/2022	02/04/2022	02/04/2022
WAUKEE C 36 STATE COM 51H	30-015-PENDING	12/22/2021	01/03/2022	01/27/2022	02/04/2022	02/04/2022
WAUKEE C 36 STATE COM 2H	30-015-PENDING	12/11/2021	12/22/2021	01/19/2022	02/04/2022	02/04/2022

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

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

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

IX. Anticipated Natural Gas Production:

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

X. Natural Gas Gathering System (NGGS):

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

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

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

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

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

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

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

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

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

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

Signature:	<i>Sarah Chapman</i>
Printed Name:	SARAH CHAPMAN
Title:	REGULATORY DIRECTOR
E-mail Address:	SCHAPMAN@SPUREPLLC.COM
Date:	09/22/2021
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 igniter or continuous pilot. Spur will conduct AVO inspections as described in 19.15.27.8(E)(5)(a) with frequencies specified in 19.15.27.8(E)(5)(b) and (c). All emergencies or malfunctions will be resolved as quickly and safely as possible to minimize waste.
- F. The volume of natural gas that is vented or flared as the result of an emergency or malfunction during drilling and/or completion operations will be estimated and reported accordingly. The volume of natural gas that is vented, flared or beneficially used during production operations, will be measured and reported accordingly. Spur will install equipment to measure the volume of natural gas flared from existing piping or a flowline piped from equipment such as high-pressure separators, heater treaters, or VRUs associated with a well or facility associated with a well authorized by an APD after May 25, 2021 that has an average daily production of less than 60,000 cubic feet of natural gas. If metering is not practicable due to circumstances such as low flow rate or low pressure venting or flaring, Spur will estimate the volume of flared or vented natural gas. Measuring equipment will conform to industry standards and will not be equipped with a manifold



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

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