

Form 3160-3  
(June 2015)FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

|   |                                       |   |
|---|---------------------------------------|---|
| 1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER   |                                       | 5. Lease Serial No.                           |
| 1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other                              |                                       | 6. If Indian, Allottee or Tribe Name          |
| 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone |                                       | 7. If Unit or CA Agreement, Name and No.      |
| 2. Name of Operator   |                                       | 8. Lease Name and Well No.                    |
| 3a. Address   |                                       | 9. API Well No. <b>30-015-54736</b>           |
| 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. *)<br>At surface<br>At proposed prod. zone            |                                       | 11. Sec., T. R. M. or Blk. and Survey or Area |
| 14. Distance in miles and direction from nearest town or post office*   |                                       | 12. County or Parish                          |
|   |                                       | 13. State                                     |
| 15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)                             | 16. No of acres in lease              | 17. Spacing Unit dedicated to this well       |
| 18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.  | 19. Proposed Depth                    | 20. BLM/BIA Bond No. in file                  |
| 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 Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification.  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be requested by the BLM.            |

|                         |                      |      |
|-------------------------|----------------------|------|
| 25. Signature           | Name (Printed/Typed) | Date |
| Title                   |                      |      |
| Approved by (Signature) | Name (Printed/Typed) | Date |
| 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)



Approval Date: 01/31/2024

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

|  |  |   |
|--|--|---|
| <sup>1</sup> API Number<br><b>30-015-54736</b> | <sup>2</sup> Pool Code<br><b>96836</b>                         | <sup>3</sup> Pool Name<br><b>RED LAKE; GLORIETA-YESO, NORTHEAST</b> |
| <sup>4</sup> Property Code<br><b>335342</b>    | <sup>5</sup> Property Name<br><b>TAYLORCREST 25 FEDERAL</b>    | <sup>6</sup> Well Number<br><b>10H</b>                              |
| <sup>7</sup> OGRID NO.<br><b>328947</b>        | <sup>8</sup> Operator Name<br><b>SPUR ENERGY PARTNERS LLC.</b> | <sup>9</sup> Elevation<br><b>3532'</b>                              |

<sup>10</sup> Surface Location

| UL or lot no. | Section   | Township   | Range      | Lot Idn | Feet from the | North/South line | Feet From the | East/West line | County      |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|-------------|
| <b>A</b>      | <b>25</b> | <b>17S</b> | <b>27E</b> |         | <b>728</b>    | <b>NORTH</b>     | <b>72</b>     | <b>EAST</b>    | <b>EDDY</b> |

<sup>11</sup> 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      |
|---|-------------------------------|----------------------------------|-------------------------|---------|---------------|------------------|---------------|----------------|-------------|
| <b>E</b>                                    | <b>25</b>                     | <b>17S</b>                       | <b>27E</b>              |         | <b>1323</b>   | <b>NORTH</b>     | <b>50</b>     | <b>WEST</b>    | <b>EDDY</b> |
| <sup>12</sup> Dedicated Acres<br><b>320</b> | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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>(C) 1323'</p> <p>(D)</p> <p>N 89°44'44" (GRID) W 5,078.58' (HORIZ)</p> <p>LTP</p> <p>B.H.</p> <p>50'</p> <p>(B)</p> |  | <p>(E) 728'</p> <p>S.L.</p> <p>72'</p> <p>FTP</p> <p>(F)</p>   |  | <p><b>17 OPERATOR CERTIFICATION</b></p> <p>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> 09/13/2022<br/>Signature Date</p> <p>SARAH CHAPMAN<br/>Printed Name</p> <p>SCHAPMAN@SPURENERGY.COM<br/>E-mail Address</p>  |
|  |  | <p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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>06/18/2022<br/>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>19680<br/>Certificate Number</p> |  | <p><b>25</b></p> <p><b>GEODETIC DATA</b><br/>NAD 83 GRID - NM EAST</p> <p><b>SURFACE LOCATION</b><br/>N: 658538.4 - E: 574959.2<br/>LAT: 32.8103035° N<br/>LONG: 104.2238989° W</p> <p><b>FIRST TAKE POINT (FTP)</b><br/>1323' FNL 100' FEL<br/>N: 657944.1 - E: 574934.9<br/>LAT: 32.8086701° N<br/>LON: 104.2239797° W</p> <p><b>LAST TAKE POINT (LTP)</b><br/>1323' FNL 100' FWL<br/>N: 657966.7 - E: 569857.7<br/>LAT: 32.8087455° N<br/>LON: 104.2405051° W</p> <p><b>BOTTOM HOLE LOCATION</b><br/>N: 657966.9 - E: 569807.7<br/>LAT: 32.8087462° N<br/>LONG: 104.2406678° W</p> <p><b>CORNER DATA</b><br/>NAD 83 GRID - NM EAST</p> <p>A: FOUND BRASS CAP "1941"<br/>N: 654022.0 - E: 569763.3</p> <p>B: FOUND BRASS CAP "1941"<br/>N: 656655.2 - E: 569759.5</p> <p>C: FOUND BRASS CAP "1941"<br/>N: 659289.8 - E: 569756.0</p> <p>D: FOUND BRASS CAP "1941"<br/>N: 659278.4 - E: 572390.9</p> <p>E: FOUND BRASS CAP "1941"<br/>N: 659266.3 - E: 575026.6</p> <p>F: FOUND BRASS CAP "1941"<br/>N: 656625.0 - E: 575043.2</p> <p>G: FOUND BRASS CAP "1941"<br/>N: 653983.4 - E: 575058.5</p> <p>H: FOUND BRASS CAP "1941"<br/>N: 654002.1 - E: 572411.1</p> |

Job No.:

LS22060678

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 / 13 / 2022

**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 |
|----------------------------|---------|--------------|------------------|-----------------------|-----------------------|----------------------------------|
| TAYLORCREST 25 FEDERAL 10H | 30-015- | A-25-17S-27E | 728' FNL 72' FEL | 252 BBL/D             | 605 MCF/D             | 958 BBL/D                        |
| TAYLORCREST 25 FEDERAL 20H | 30-015- | A-25-17S-27E | 688' FNL 72' FEL | 252 BBL/D             | 605 MCF/D             | 958 BBL/D                        |
| TAYLORCREST 25 FEDERAL 70H | 30-015- | A-25-17S-27E | 708' FNL 72' FEL | 355 BBL/D             | 817 MCF/D             | 1101 BBL/D                       |

**IV. Central Delivery Point Name:** TAYLORCREST 25 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.

| Well Name                  | API     | Spud Date  | TD Reached Date | Completion Commencement Date | Initial Flow Back Date | First Production Date |
|----------------------------|---------|------------|-----------------|------------------------------|------------------------|-----------------------|
| TAYLORCREST 25 FEDERAL 10H | 30-015- | 12/01/2025 | 12/09/2025      | 01/31/2026                   | 02/13/2026             | 02/23/2026            |
| TAYLORCREST 25 FEDERAL 20H | 30-015- | 12/09/2025 | 12/19/2025      | 01/31/2026                   | 02/13/2026             | 02/23/2026            |
| TAYLORCREST 25 FEDERAL 70H | 30-015- | 12/19/2025 | 12/29/2025      | 01/31/2026                   | 02/13/2026             | 02/23/2026            |

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

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

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

**Section 2 – Enhanced Plan**  
**EFFECTIVE APRIL 1, 2022**

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

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

**IX. Anticipated Natural Gas Production:**

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

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

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

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

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

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

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

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

### **Section 3 - Certifications**

**Effective May 25, 2021**

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

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

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

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

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

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

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

### **Section 4 - Notices**

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

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

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

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

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

|   |                          |
|---|--------------------------|
| Signature:  | <i>Sarah Chapman</i>     |
| Printed Name:   | SARAH CHAPMAN            |
| Title:  | REGULATORY DIRECTOR      |
| E-mail Address:   | SCHAPMAN@SPUREENERGY.COM |
| Date:   | 09/13/2022               |
| Phone:  | 832-930-8613             |
| <b>OIL CONSERVATION DIVISION</b><br>(Only applicable when submitted as a standalone form) |                          |
| Approved By:  |                          |
| Title:  |                          |
| Approval Date:  |                          |
| Conditions of Approval:   |                          |

## Spur Energy Partners LLC – Taylorcrest 25 Federal 10H

### 1. Geologic Formations

|               |        |
|---------------|--------|
| TVD of Target | 3,300' |
| MD at TD      | 8,602' |

| Formation    | Depth | Lithology                             | Expected Fluids  |
|--------------|-------|---------------------------------------|------------------|
| Quaternary   | 0'    | Dolomite, other: Caliche              | Useable Water    |
| Tansill      | 96'   | Sandstone, Dolomite                   | None             |
| Yates        | 193'  | Dolomite, Limestone, Shale, Siltstone | None             |
| Seven Rivers | 447'  | Dolomite, Limestone                   | Natural Gas, Oil |
| Queen        | 980'  | Anhydrite, Dolomite, Sandstone        | Natural Gas, Oil |
| Grayburg     | 1421' | Anhydrite                             | Natural Gas, Oil |
| San Andres   | 1741' | Dolomite                              | Natural Gas, Oil |
| Glorieta     | 3132' | Dolomite, Siltstone                   | Natural Gas, Oil |
| Paddock      | 3224' | Dolomite, Limestone                   | Natural Gas, Oil |
| Blinberry    | 3596' | Dolomite, Limestone                   | Natural Gas, Oil |
| Tubb         | 4587' | Dolomite, Limestone                   | Natural Gas, Oil |

\*H<sub>2</sub>S, water flows, loss of circulation, abnormal pressures, etc.

### 2. Casing Program

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

| Casing Formation Set Interval | Hole Size (in) | Casing Interval |         | Csg. Size (in) | Weight (lbs) | Grade | Conn. | SF       | SF Burst | Body SF | Joint SF |
|-------------------------------|----------------|-----------------|---------|----------------|--------------|-------|-------|----------|----------|---------|----------|
|                               |                | From (ft)       | To (ft) |                |              |       |       | Collapse |          | Tension | Tension  |
| Yates                         | 17.5           | 0               | 250     | 13.375         | 54.5         | J-55  | BTC   | 1.125    | 1.2      | 1.4     | 1.4      |
| Seven Rivers                  | 12.25          | 0               | 875     | 9.625          | 36           | J-55  | BTC   | 1.125    | 1.2      | 1.4     | 1.4      |
| N/A                           | 8.75           | 0               | 3650    | 7              | 32           | L-80  | BK-HT | 1.125    | 1.2      | 1.4     | 1.4      |
| Yeso                          | 8.75           | 3650            | 8602    | 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 – Taylorcrest 25 Federal 10H**

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

**3. Cementing Program**

| Casing String       | Top (ft) | Bottom (ft) | % Excess |
|---------------------|----------|-------------|----------|
| Surface Tail        | 0        | 250         | 165%     |
| Intermediate (Lead) | 0        | 250         | 100%     |
| Intermediate (Tail) | 250      | 875         | 100%     |
| Production (Lead)   | 0        | 2650        | 100%     |
| Production (Tail)   | 2650     | 8602        | 25%      |

| Casing String       | # Sks | Wt.<br>(lb/gal) | Yld<br>(ft3/sack) | H2O<br>(gal/sk) | 500#<br>Comp.<br>Strength<br>(hours) | Slurry Description         |
|---------------------|-------|-----------------|-------------------|-----------------|--------------------------------------|----------------------------|
| Surface Tail        | 232   | 13.2            | 1.87              | 9.92            | 6:59                                 | Clas C Premium Plus Cement |
| Intermediate (Lead) | 38    | 12              | 2.4               | 13.48           | 8:12                                 | Clas C Premium Plus Cement |
| Intermediate (Tail) | 220   | 13.2            | 1.87              | 9.92            | 6:59                                 | Clas C Premium Plus Cement |
| Production (Lead)   | 438   | 11.4            | 2.42              | 15.29           | N/A                                  | Clas C Premium Plus Cement |
| Production (Tail)   | 1129  | 13.2            | 1.56              | 9.81            | N/A                                  | Clas C Premium Plus Cement |



**Spur Energy Partners LLC – Taylorcrest 25 Federal 10H****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    | 1545 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.<br>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. |
|---|

**Spur Energy Partners LLC – Taylorcrest 25 Federal 10H**

|   |  |
|---|--|
| 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.<br>See attached schematics. |

**5. BOP Break Testing Request**

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

BOP break test under the following conditions:

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

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

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

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

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

**6. Mud Program**

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

| Depth     |         | Type            | Weight (ppg) | Viscosity | Water Loss |
|-----------|---------|-----------------|--------------|-----------|------------|
| From (ft) | To (ft) |                 |              |           |            |
| 0         | 250     | Water-Based Mud | 8.6-8.9      | 32-36     | N/C        |
| 250       | 875     | Brine           | 10.0-10.5    | 32-36     | N/C        |
| 875       | 8602    | Brine           | 10.0-10.5    | 38-50     | N/C        |

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

## Spur Energy Partners LLC – Taylorcrest 25 Federal 10H

### 7. Logging and Testing Procedures

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

### 8. Drilling Conditions

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

|  |                                |
|--|--------------------------------|
| Hydrogen Sulfide (H <sub>2</sub> S) monitors will be installed prior to drilling out the surface shoe. If H <sub>2</sub> 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 <sub>2</sub> S is present    |
| Y  | H <sub>2</sub> S Plan attached |

**Total estimated cuttings volume:** 902.2 bbls.

**Spur Energy Partners LLC – Taylorcrest 25 Federal 10H****9. Other facets of operation**

|  | <b>Yes/No</b> |
|--|---------------|
| 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**

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





Company: Spur Energy Partners, LLC  
Project: Eddy County, NM (NAD 83 - NME)  
Site: TAYLORCREST 25 FEDERAL  
Well: 10H  
Wellbore: Wellbore #1  
Rig: AKITA 57  
Design: PERMIT / 18:13, August 22 2022



WELL DETAILS: 10H

|                                    |       |           |           |            |              |
|------------------------------------|-------|-----------|-----------|------------|--------------|
| RKB = 20' @ 3552.00usft (AKITA 57) |       |           |           |            |              |
| 3532.00                            |       |           |           |            |              |
| +N/-S                              | +E/-W | Northing  | Easting   | Latitude   | Longitude    |
| 0.00                               | 0.00  | 658538.40 | 574959.20 | 32.8103035 | -104.2238987 |

SECTION DETAILS

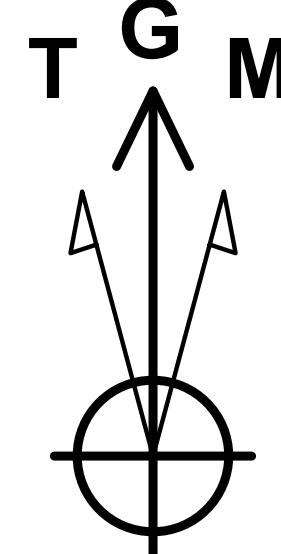
| Sec | MD      | Inc   | Azi    | TVD     | +N/-S   | +E/-W    | Dleg  | VSect   |
|-----|---------|-------|--------|---------|---------|----------|-------|---------|
| 1   | 0.00    | 0.00  | 0.00   | 0.00    | 0.00    | 0.00     | 0.00  | 0.00    |
| 2   | 300.00  | 0.00  | 0.00   | 300.00  | 0.00    | 0.00     | 0.00  | 0.00    |
| 3   | 1300.24 | 20.00 | 141.64 | 1280.04 | -135.54 | 107.26   | 2.00  | -107.85 |
| 4   | 2482.54 | 20.00 | 141.64 | 2391.00 | -452.71 | 358.25   | 0.00  | -360.22 |
| 5   | 3400.57 | 60.00 | 270.25 | 3160.15 | -594.02 | 8.99     | 8.00  | -11.58  |
| 6   | 3600.57 | 60.00 | 270.25 | 3260.15 | -593.26 | -164.21  | 0.00  | 161.62  |
| 7   | 3905.07 | 90.45 | 270.25 | 3336.89 | -591.99 | -455.19  | 10.00 | 452.60  |
| 8   | 8551.57 | 90.45 | 270.25 | 3300.39 | -571.72 | -5101.50 | 0.00  | 5098.96 |
| 9   | 8601.57 | 90.45 | 270.25 | 3300.00 | -571.50 | -5151.50 | 0.00  | 5148.96 |

DESIGN TARGET DETAILS

| Name  | TVD     | +N/-S   | +E/-W    | Northing  | Easting   | Latitude   | Longitude    |
|---|---------|---------|----------|-----------|-----------|------------|--------------|
| 1. TAYLORCREST 10H SHL: 728' FNL, 72' FEL   | 0.00    | 0.00    | 0.00     | 658538.40 | 574959.20 | 32.8103035 | -104.2238987 |
| 2. TAYLORCREST 10H KOP @ 2482.54' MD        | 2391.00 | -452.71 | 358.25   | 658085.69 | 575317.45 | 32.8090581 | -104.2227342 |
| 3. TAYLORCREST 10H FTP: 1323' FNL, 100' FEL | 3340.00 | -594.30 | -24.30   | 657944.10 | 574934.90 | 32.8086700 | -104.2239798 |
| 4. TAYLORCREST 10H LP: 1323' FNL, 531' FEL  | 3336.89 | -591.99 | -455.19  | 657946.41 | 574504.01 | 32.8086776 | -104.2253823 |
| 5. TAYLORCREST 10H LTP: 1323' FNL, 100' FWL | 3300.39 | -571.70 | -5101.50 | 657966.70 | 569857.70 | 32.8087455 | -104.2405051 |
| 6. TAYLORCREST 10H BHL: 1323' FNL, 50' FWL  | 3300.00 | -571.50 | -5151.50 | 657966.90 | 569807.70 | 32.8087462 | -104.2406679 |

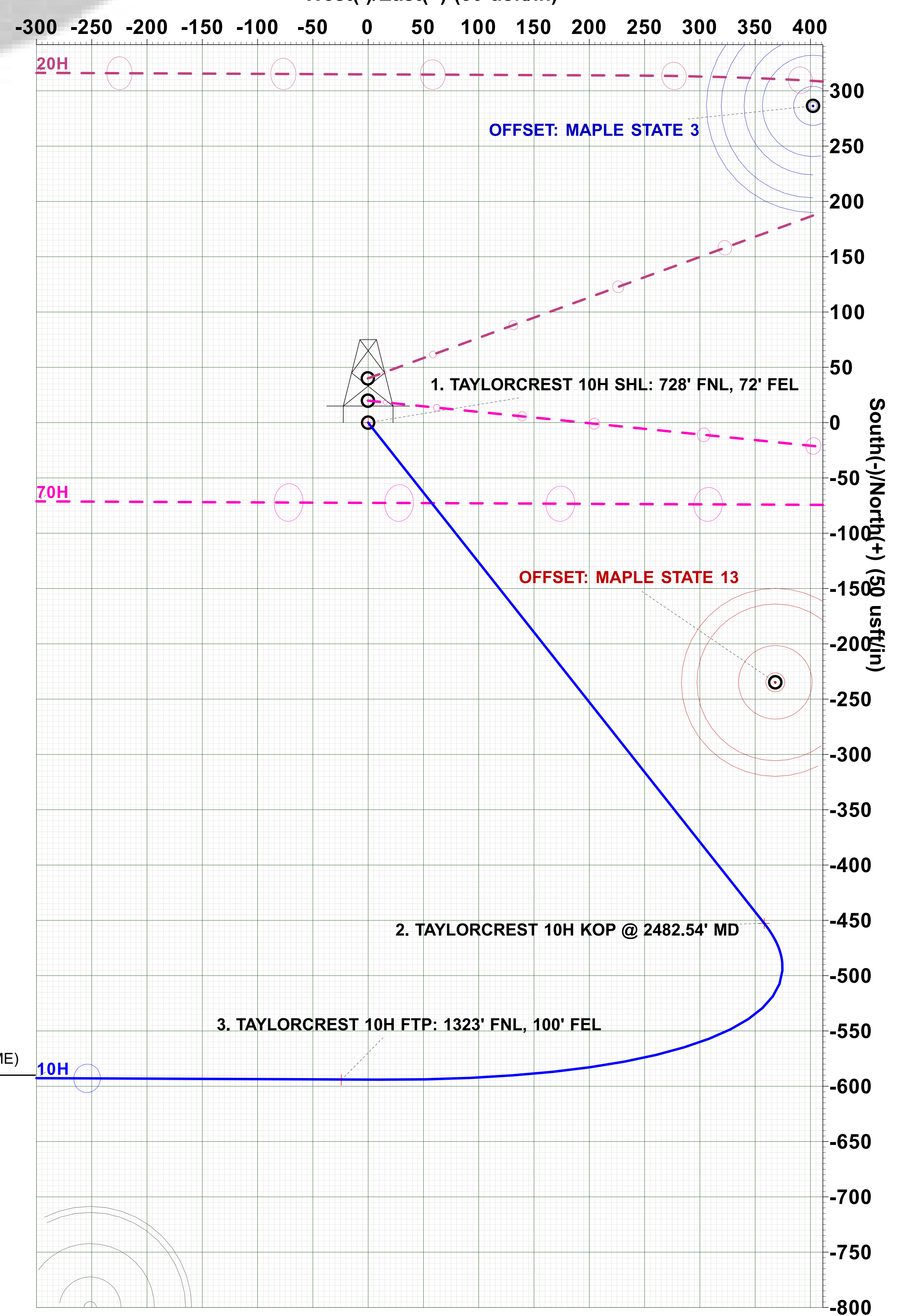
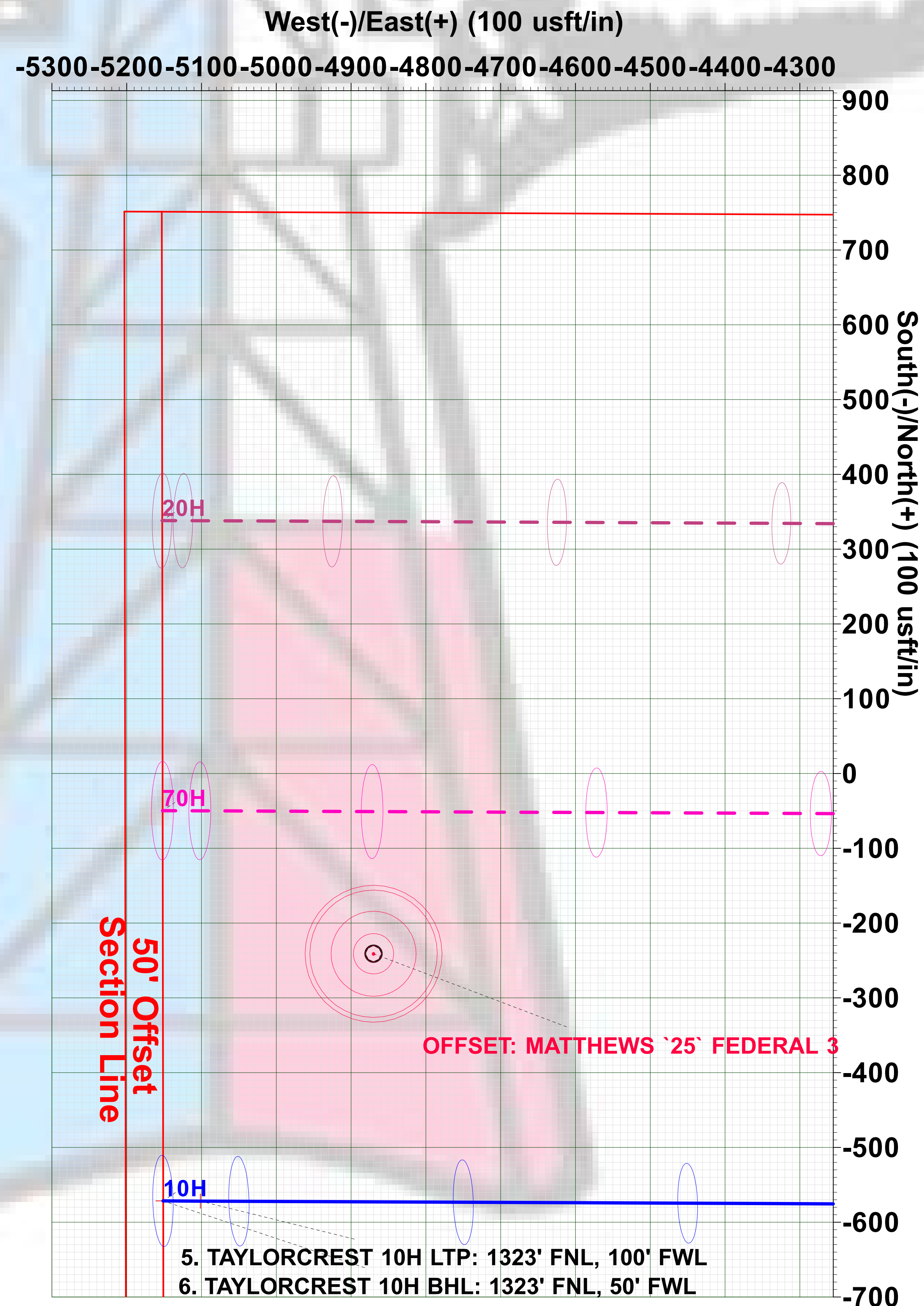
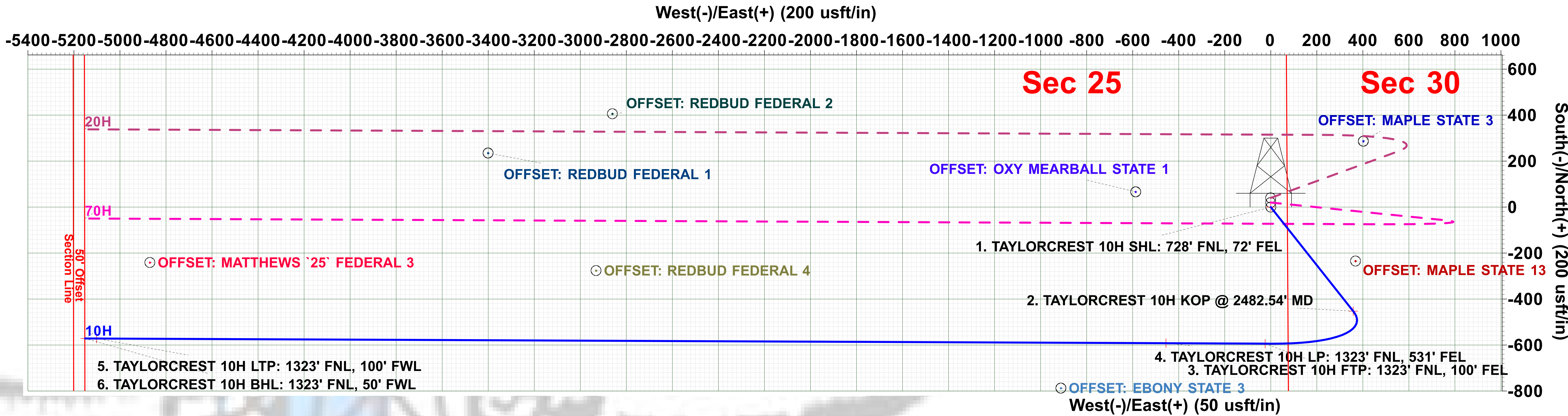
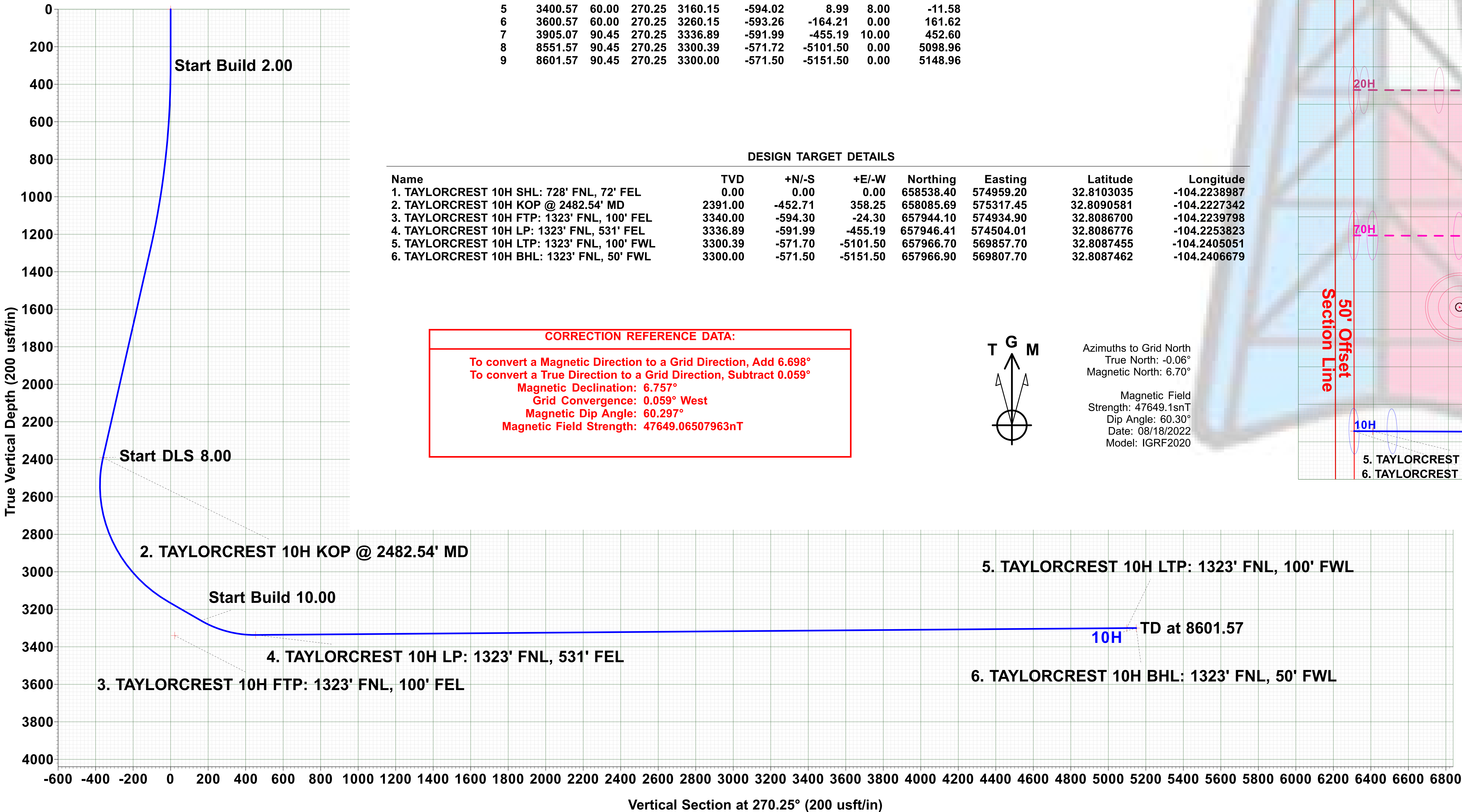
CORRECTION REFERENCE DATA:

To convert a Magnetic Direction to a Grid Direction, Add 6.698°  
To convert a True Direction to a Grid Direction, Subtract 0.059°  
Magnetic Declination: 6.757°  
Grid Convergence: 0.059° West  
Magnetic Dip Angle: 60.297°  
Magnetic Field Strength: 47649.06507963nT



Azimuths to Grid North  
True North: -0.06°  
Magnetic North: 6.70°

Magnetic Field  
Strength: 47649.1snT  
Dip Angle: 60.30°  
Date: 08/18/2022  
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.

Plan: PERMIT (10H/Wellbore #1) AKITA 57

Created By: Derek Stephens Date: 18:13, August 22 2022





# **Spur Energy Partners, LLC**

**Eddy County, NM (NAD 83 - NME)**

**TAYLORCREST 25 FEDERAL**

**10H**

**Wellbore #1**

**Plan: PERMIT**

## **Standard Planning Report**

**22 August, 2022**





## Planning Report



|                  |                                |                                     |                                    |
|------------------|--------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | WBDS_SQL_2                     | <b>Local Co-ordinate Reference:</b> | Well 10H                           |
| <b>Company:</b>  | Spur Energy Partners, LLC      | <b>TVD Reference:</b>               | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Project:</b>  | Eddy County, NM (NAD 83 - NME) | <b>MD Reference:</b>                | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Site:</b>     | TAYLORCREST 25 FEDERAL         | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | 10H                            | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                    |                                     |                                    |
| <b>Design:</b>   | PERMIT                         |                                     |                                    |

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

| Site                  |           | TAYLORCREST 25 FEDERAL |                 |                   |              |
|-----------------------|-----------|------------------------|-----------------|-------------------|--------------|
| Site Position:        |           | Northing:              | 658,538.40 usft | Latitude:         | 32.8103035   |
| From:                 | Map       | Easting:               | 574,959.20 usft | Longitude:        | -104.2238987 |
| Position Uncertainty: | 0.00 usft | Slot Radius:           | 13.200 in       | Grid Convergence: | 0.059        |

|                      |       |           |                     |                 |               |               |
|----------------------|-------|-----------|---------------------|-----------------|---------------|---------------|
| Well                 | 10H   |           |                     |                 |               |               |
| Well Position        | +N/-S | 0.00 usft | Northing:           | 658,538.40 usft | Latitude:     | 32.8103035    |
|                      | +E/-W | 0.00 usft | Easting:            | 574,959.20 usft | Longitude:    | -104.2238987  |
| Position Uncertainty |       | 0.00 usft | Wellhead Elevation: |                 | Ground Level: | 3,532.00 usft |

|                  |                   |                    |                        |                      |                            |
|------------------|-------------------|--------------------|------------------------|----------------------|----------------------------|
| <b>Wellbore</b>  | Wellbore #1       |                    |                        |                      |                            |
| <b>Magnetics</b> | <b>Model Name</b> | <b>Sample Date</b> | <b>Declination (°)</b> | <b>Dip Angle (°)</b> | <b>Field Strength (nT)</b> |
|                  | IGRF2020          | 08/18/22           | 6.757                  | 60.297               | 47,649.06507963            |

|                          |                                |                     |                     |                      |      |
|--------------------------|--------------------------------|---------------------|---------------------|----------------------|------|
| <b>Design</b>            | PERMIT                         |                     |                     |                      |      |
| <b>Audit Notes:</b>      |                                |                     |                     |                      |      |
| <b>Version:</b>          |                                | <b>Phase:</b>       | PLAN                | <b>Tie On Depth:</b> | 0.00 |
| <b>Vertical Section:</b> | <b>Depth From (TVD) (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b> | <b>Direction (°)</b> |      |
|                          | 0.00                           | 0.00                | 0.00                | 270.25               |      |

|                                 |                        |                          |                      |                       |  |
|---------------------------------|------------------------|--------------------------|----------------------|-----------------------|--|
| <b>Plan Survey Tool Program</b> | <b>Date</b>            | 08/22/22                 |                      |                       |  |
| <b>Depth From (usft)</b>        | <b>Depth To (usft)</b> | <b>Survey (Wellbore)</b> | <b>Tool Name</b>     | <b>Remarks</b>        |  |
| 1                               | 0.00                   | 8,601.57                 | PERMIT (Wellbore #1) | MWD+IFR1+SAG+FDIR     |  |
|                                 |                        |                          |                      | OWSG MWD + IFR1 + Sag |  |

|                              |                        |                    |                              |                     |                     |                              |                             |                            |                |                |
|------------------------------|------------------------|--------------------|------------------------------|---------------------|---------------------|------------------------------|-----------------------------|----------------------------|----------------|----------------|
| <b>Plan Sections</b>         |                        |                    |                              |                     |                     |                              |                             |                            |                |                |
| <b>Measured Depth (usft)</b> | <b>Inclination (°)</b> | <b>Azimuth (°)</b> | <b>Vertical Depth (usft)</b> | <b>+N/-S (usft)</b> | <b>+E/-W (usft)</b> | <b>Dogleg Rate (°/100ft)</b> | <b>Build Rate (°/100ft)</b> | <b>Turn Rate (°/100ft)</b> | <b>TFO (°)</b> | <b>Target</b>  |
| 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          |                |
| 1,300.24                     | 20.00                  | 141.64             | 1,280.04                     | -135.54             | 107.26              | 2.00                         | 2.00                        | 0.00                       | 141.644        |                |
| 2,482.54                     | 20.00                  | 141.64             | 2,391.00                     | -452.71             | 358.25              | 0.00                         | 0.00                        | 0.00                       | 0.000          |                |
| 3,400.57                     | 60.00                  | 270.25             | 3,160.15                     | -594.02             | 8.99                | 8.00                         | 4.36                        | 14.01                      | 135.086        |                |
| 3,600.57                     | 60.00                  | 270.25             | 3,260.15                     | -593.26             | -164.21             | 0.00                         | 0.00                        | 0.00                       | 0.000          |                |
| 3,905.07                     | 90.45                  | 270.25             | 3,336.89                     | -591.99             | -455.19             | 10.00                        | 10.00                       | 0.00                       | 0.000          | 4. TAYLORCREST |
| 8,551.57                     | 90.45                  | 270.25             | 3,300.39                     | -571.72             | -5,101.50           | 0.00                         | 0.00                        | 0.00                       | 0.000          | 5. TAYLORCREST |
| 8,601.57                     | 90.45                  | 270.25             | 3,300.00                     | -571.50             | -5,151.50           | 0.00                         | 0.00                        | 0.00                       | 0.000          | 6. TAYLORCREST |



## Planning Report



|                  |                                |                                     |                                    |
|------------------|--------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | WBDS_SQL_2                     | <b>Local Co-ordinate Reference:</b> | Well 10H                           |
| <b>Company:</b>  | Spur Energy Partners, LLC      | <b>TVD Reference:</b>               | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Project:</b>  | Eddy County, NM (NAD 83 - NME) | <b>MD Reference:</b>                | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Site:</b>     | TAYLORCREST 25 FEDERAL         | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | 10H                            | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                    |                                     |                                    |
| <b>Design:</b>   | PERMIT                         |                                     |                                    |

| 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            | 141.64      | 399.98                | -1.37        | 1.08         | -1.09                   | 2.00                  | 2.00                 | 0.00                |
| 500.00                | 4.00            | 141.64      | 499.84                | -5.47        | 4.33         | -4.35                   | 2.00                  | 2.00                 | 0.00                |
| 600.00                | 6.00            | 141.64      | 599.45                | -12.31       | 9.74         | -9.79                   | 2.00                  | 2.00                 | 0.00                |
| 700.00                | 8.00            | 141.64      | 698.70                | -21.86       | 17.30        | -17.40                  | 2.00                  | 2.00                 | 0.00                |
| 800.00                | 10.00           | 141.64      | 797.47                | -34.13       | 27.01        | -27.16                  | 2.00                  | 2.00                 | 0.00                |
| 900.00                | 12.00           | 141.64      | 895.62                | -49.09       | 38.85        | -39.06                  | 2.00                  | 2.00                 | 0.00                |
| 1,000.00              | 14.00           | 141.64      | 993.06                | -66.73       | 52.81        | -53.10                  | 2.00                  | 2.00                 | 0.00                |
| 1,100.00              | 16.00           | 141.64      | 1,089.64              | -87.03       | 68.87        | -69.24                  | 2.00                  | 2.00                 | 0.00                |
| 1,200.00              | 18.00           | 141.64      | 1,185.27              | -109.95      | 87.01        | -87.49                  | 2.00                  | 2.00                 | 0.00                |
| 1,300.24              | 20.00           | 141.64      | 1,280.04              | -135.54      | 107.26       | -107.85                 | 2.00                  | 2.00                 | 0.00                |
| 1,400.00              | 20.00           | 141.64      | 1,373.78              | -162.31      | 128.44       | -129.15                 | 0.00                  | 0.00                 | 0.00                |
| 1,500.00              | 20.00           | 141.64      | 1,467.75              | -189.13      | 149.67       | -150.49                 | 0.00                  | 0.00                 | 0.00                |
| 1,600.00              | 20.00           | 141.64      | 1,561.71              | -215.96      | 170.90       | -171.84                 | 0.00                  | 0.00                 | 0.00                |
| 1,700.00              | 20.00           | 141.64      | 1,655.68              | -242.79      | 192.12       | -193.18                 | 0.00                  | 0.00                 | 0.00                |
| 1,800.00              | 20.00           | 141.64      | 1,749.65              | -269.61      | 213.35       | -214.53                 | 0.00                  | 0.00                 | 0.00                |
| 1,900.00              | 20.00           | 141.64      | 1,843.61              | -296.44      | 234.58       | -235.87                 | 0.00                  | 0.00                 | 0.00                |
| 2,000.00              | 20.00           | 141.64      | 1,937.58              | -323.27      | 255.81       | -257.22                 | 0.00                  | 0.00                 | 0.00                |
| 2,100.00              | 20.00           | 141.64      | 2,031.55              | -350.09      | 277.04       | -278.56                 | 0.00                  | 0.00                 | 0.00                |
| 2,200.00              | 20.00           | 141.64      | 2,125.51              | -376.92      | 298.27       | -299.91                 | 0.00                  | 0.00                 | 0.00                |
| 2,300.00              | 20.00           | 141.64      | 2,219.48              | -403.74      | 319.50       | -321.25                 | 0.00                  | 0.00                 | 0.00                |
| 2,400.00              | 20.00           | 141.64      | 2,313.45              | -430.57      | 340.72       | -342.60                 | 0.00                  | 0.00                 | 0.00                |
| 2,482.54              | 20.00           | 141.64      | 2,391.00              | -452.71      | 358.25       | -360.22                 | 0.00                  | 0.00                 | 0.00                |
| 2,500.00              | 19.04           | 144.67      | 2,407.46              | -457.38      | 361.75       | -363.74                 | 8.00                  | -5.52                | 17.32               |
| 2,550.00              | 16.61           | 155.08      | 2,455.07              | -470.52      | 369.48       | -371.53                 | 8.00                  | -4.86                | 20.82               |
| 2,600.00              | 14.85           | 168.38      | 2,503.21              | -483.28      | 373.78       | -375.88                 | 8.00                  | -3.52                | 26.60               |
| 2,650.00              | 14.02           | 184.13      | 2,551.65              | -495.60      | 374.63       | -376.79                 | 8.00                  | -1.66                | 31.50               |
| 2,700.00              | 14.28           | 200.52      | 2,600.16              | -507.42      | 372.04       | -374.25                 | 8.00                  | 0.52                 | 32.77               |
| 2,750.00              | 15.57           | 215.26      | 2,648.49              | -518.68      | 366.00       | -368.26                 | 8.00                  | 2.59                 | 29.48               |
| 2,800.00              | 17.68           | 227.18      | 2,696.41              | -529.32      | 356.55       | -358.86                 | 8.00                  | 4.22                 | 23.85               |
| 2,850.00              | 20.35           | 236.36      | 2,743.68              | -539.30      | 343.74       | -346.09                 | 8.00                  | 5.33                 | 18.36               |
| 2,900.00              | 23.39           | 243.37      | 2,790.09              | -548.57      | 327.62       | -330.01                 | 8.00                  | 6.07                 | 14.02               |
| 2,950.00              | 26.66           | 248.80      | 2,835.40              | -557.08      | 308.29       | -310.71                 | 8.00                  | 6.56                 | 10.86               |
| 3,000.00              | 30.11           | 253.09      | 2,879.38              | -564.79      | 285.82       | -288.28                 | 8.00                  | 6.89                 | 8.58                |
| 3,050.00              | 33.66           | 256.57      | 2,921.83              | -571.66      | 260.33       | -262.82                 | 8.00                  | 7.11                 | 6.95                |
| 3,100.00              | 37.30           | 259.44      | 2,962.55              | -577.65      | 231.95       | -234.47                 | 8.00                  | 7.27                 | 5.75                |
| 3,150.00              | 40.99           | 261.87      | 3,001.32              | -582.75      | 200.81       | -203.35                 | 8.00                  | 7.39                 | 4.86                |
| 3,200.00              | 44.73           | 263.96      | 3,037.96              | -586.92      | 167.06       | -169.62                 | 8.00                  | 7.48                 | 4.18                |
| 3,250.00              | 48.51           | 265.79      | 3,072.30              | -590.15      | 130.87       | -133.45                 | 8.00                  | 7.54                 | 3.66                |
| 3,300.00              | 52.30           | 267.42      | 3,104.16              | -592.41      | 92.42        | -95.01                  | 8.00                  | 7.60                 | 3.26                |
| 3,350.00              | 56.12           | 268.89      | 3,133.40              | -593.70      | 51.89        | -54.48                  | 8.00                  | 7.64                 | 2.94                |
| 3,400.57              | 60.00           | 270.25      | 3,160.15              | -594.02      | 8.99         | -11.58                  | 8.00                  | 7.67                 | 2.69                |
| 3,500.00              | 60.00           | 270.25      | 3,209.86              | -593.64      | -77.12       | 74.53                   | 0.00                  | 0.00                 | 0.00                |
| 3,600.57              | 60.00           | 270.25      | 3,260.15              | -593.26      | -164.21      | 161.62                  | 0.00                  | 0.00                 | 0.00                |
| 3,650.00              | 64.94           | 270.25      | 3,282.99              | -593.07      | -208.03      | 205.44                  | 10.00                 | 10.00                | 0.00                |
| 3,700.00              | 69.94           | 270.25      | 3,302.16              | -592.87      | -254.19      | 251.60                  | 10.00                 | 10.00                | 0.00                |
| 3,750.00              | 74.94           | 270.25      | 3,317.24              | -592.66      | -301.85      | 299.26                  | 10.00                 | 10.00                | 0.00                |
| 3,800.00              | 79.94           | 270.25      | 3,328.10              | -592.45      | -350.64      | 348.05                  | 10.00                 | 10.00                | 0.00                |
| 3,850.00              | 84.94           | 270.25      | 3,334.68              | -592.23      | -400.19      | 397.60                  | 10.00                 | 10.00                | 0.00                |
| 3,900.00              | 89.94           | 270.25      | 3,336.91              | -592.01      | -450.12      | 447.53                  | 10.00                 | 10.00                | 0.00                |
| 3,905.07              | 90.45           | 270.25      | 3,336.89              | -591.99      | -455.19      | 452.60                  | 10.00                 | 10.00                | 0.00                |





## Planning Report



|                  |                                |                                     |                                    |
|------------------|--------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | WBDS_SQL_2                     | <b>Local Co-ordinate Reference:</b> | Well 10H                           |
| <b>Company:</b>  | Spur Energy Partners, LLC      | <b>TVD Reference:</b>               | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Project:</b>  | Eddy County, NM (NAD 83 - NME) | <b>MD Reference:</b>                | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Site:</b>     | TAYLORCREST 25 FEDERAL         | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | 10H                            | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                    |                                     |                                    |
| <b>Design:</b>   | PERMIT                         |                                     |                                    |

| 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) |
| 4,000.00              | 90.45           | 270.25      | 3,336.14              | -591.58      | -550.12      | 547.53                  | 0.00                  | 0.00                 | 0.00                |
| 4,100.00              | 90.45           | 270.25      | 3,335.36              | -591.14      | -650.11      | 647.53                  | 0.00                  | 0.00                 | 0.00                |
| 4,200.00              | 90.45           | 270.25      | 3,334.57              | -590.70      | -750.11      | 747.52                  | 0.00                  | 0.00                 | 0.00                |
| 4,300.00              | 90.45           | 270.25      | 3,333.79              | -590.27      | -850.10      | 847.52                  | 0.00                  | 0.00                 | 0.00                |
| 4,400.00              | 90.45           | 270.25      | 3,333.00              | -589.83      | -950.10      | 947.52                  | 0.00                  | 0.00                 | 0.00                |
| 4,500.00              | 90.45           | 270.25      | 3,332.22              | -589.39      | -1,050.10    | 1,047.51                | 0.00                  | 0.00                 | 0.00                |
| 4,600.00              | 90.45           | 270.25      | 3,331.43              | -588.96      | -1,150.09    | 1,147.51                | 0.00                  | 0.00                 | 0.00                |
| 4,700.00              | 90.45           | 270.25      | 3,330.65              | -588.52      | -1,250.09    | 1,247.51                | 0.00                  | 0.00                 | 0.00                |
| 4,800.00              | 90.45           | 270.25      | 3,329.86              | -588.09      | -1,350.08    | 1,347.51                | 0.00                  | 0.00                 | 0.00                |
| 4,900.00              | 90.45           | 270.25      | 3,329.08              | -587.65      | -1,450.08    | 1,447.50                | 0.00                  | 0.00                 | 0.00                |
| 5,000.00              | 90.45           | 270.25      | 3,328.29              | -587.21      | -1,550.08    | 1,547.50                | 0.00                  | 0.00                 | 0.00                |
| 5,100.00              | 90.45           | 270.25      | 3,327.50              | -586.78      | -1,650.07    | 1,647.50                | 0.00                  | 0.00                 | 0.00                |
| 5,200.00              | 90.45           | 270.25      | 3,326.72              | -586.34      | -1,750.07    | 1,747.49                | 0.00                  | 0.00                 | 0.00                |
| 5,300.00              | 90.45           | 270.25      | 3,325.93              | -585.90      | -1,850.06    | 1,847.49                | 0.00                  | 0.00                 | 0.00                |
| 5,400.00              | 90.45           | 270.25      | 3,325.15              | -585.47      | -1,950.06    | 1,947.49                | 0.00                  | 0.00                 | 0.00                |
| 5,500.00              | 90.45           | 270.25      | 3,324.36              | -585.03      | -2,050.06    | 2,047.48                | 0.00                  | 0.00                 | 0.00                |
| 5,600.00              | 90.45           | 270.25      | 3,323.58              | -584.60      | -2,150.05    | 2,147.48                | 0.00                  | 0.00                 | 0.00                |
| 5,700.00              | 90.45           | 270.25      | 3,322.79              | -584.16      | -2,250.05    | 2,247.48                | 0.00                  | 0.00                 | 0.00                |
| 5,800.00              | 90.45           | 270.25      | 3,322.01              | -583.72      | -2,350.04    | 2,347.47                | 0.00                  | 0.00                 | 0.00                |
| 5,900.00              | 90.45           | 270.25      | 3,321.22              | -583.29      | -2,450.04    | 2,447.47                | 0.00                  | 0.00                 | 0.00                |
| 6,000.00              | 90.45           | 270.25      | 3,320.43              | -582.85      | -2,550.04    | 2,547.47                | 0.00                  | 0.00                 | 0.00                |
| 6,100.00              | 90.45           | 270.25      | 3,319.65              | -582.41      | -2,650.03    | 2,647.47                | 0.00                  | 0.00                 | 0.00                |
| 6,200.00              | 90.45           | 270.25      | 3,318.86              | -581.98      | -2,750.03    | 2,747.46                | 0.00                  | 0.00                 | 0.00                |
| 6,300.00              | 90.45           | 270.25      | 3,318.08              | -581.54      | -2,850.02    | 2,847.46                | 0.00                  | 0.00                 | 0.00                |
| 6,400.00              | 90.45           | 270.25      | 3,317.29              | -581.11      | -2,950.02    | 2,947.46                | 0.00                  | 0.00                 | 0.00                |
| 6,500.00              | 90.45           | 270.25      | 3,316.51              | -580.67      | -3,050.02    | 3,047.45                | 0.00                  | 0.00                 | 0.00                |
| 6,600.00              | 90.45           | 270.25      | 3,315.72              | -580.23      | -3,150.01    | 3,147.45                | 0.00                  | 0.00                 | 0.00                |
| 6,700.00              | 90.45           | 270.25      | 3,314.94              | -579.80      | -3,250.01    | 3,247.45                | 0.00                  | 0.00                 | 0.00                |
| 6,800.00              | 90.45           | 270.25      | 3,314.15              | -579.36      | -3,350.00    | 3,347.44                | 0.00                  | 0.00                 | 0.00                |
| 6,900.00              | 90.45           | 270.25      | 3,313.37              | -578.92      | -3,450.00    | 3,447.44                | 0.00                  | 0.00                 | 0.00                |
| 7,000.00              | 90.45           | 270.25      | 3,312.58              | -578.49      | -3,550.00    | 3,547.44                | 0.00                  | 0.00                 | 0.00                |
| 7,100.00              | 90.45           | 270.25      | 3,311.79              | -578.05      | -3,649.99    | 3,647.43                | 0.00                  | 0.00                 | 0.00                |
| 7,200.00              | 90.45           | 270.25      | 3,311.01              | -577.61      | -3,749.99    | 3,747.43                | 0.00                  | 0.00                 | 0.00                |
| 7,300.00              | 90.45           | 270.25      | 3,310.22              | -577.18      | -3,849.98    | 3,847.43                | 0.00                  | 0.00                 | 0.00                |
| 7,400.00              | 90.45           | 270.25      | 3,309.44              | -576.74      | -3,949.98    | 3,947.43                | 0.00                  | 0.00                 | 0.00                |
| 7,500.00              | 90.45           | 270.25      | 3,308.65              | -576.31      | -4,049.98    | 4,047.42                | 0.00                  | 0.00                 | 0.00                |
| 7,600.00              | 90.45           | 270.25      | 3,307.87              | -575.87      | -4,149.97    | 4,147.42                | 0.00                  | 0.00                 | 0.00                |
| 7,700.00              | 90.45           | 270.25      | 3,307.08              | -575.43      | -4,249.97    | 4,247.42                | 0.00                  | 0.00                 | 0.00                |
| 7,800.00              | 90.45           | 270.25      | 3,306.30              | -575.00      | -4,349.96    | 4,347.41                | 0.00                  | 0.00                 | 0.00                |
| 7,900.00              | 90.45           | 270.25      | 3,305.51              | -574.56      | -4,449.96    | 4,447.41                | 0.00                  | 0.00                 | 0.00                |
| 8,000.00              | 90.45           | 270.25      | 3,304.73              | -574.12      | -4,549.96    | 4,547.41                | 0.00                  | 0.00                 | 0.00                |
| 8,100.00              | 90.45           | 270.25      | 3,303.94              | -573.69      | -4,649.95    | 4,647.40                | 0.00                  | 0.00                 | 0.00                |
| 8,200.00              | 90.45           | 270.25      | 3,303.15              | -573.25      | -4,749.95    | 4,747.40                | 0.00                  | 0.00                 | 0.00                |
| 8,300.00              | 90.45           | 270.25      | 3,302.37              | -572.82      | -4,849.94    | 4,847.40                | 0.00                  | 0.00                 | 0.00                |
| 8,400.00              | 90.45           | 270.25      | 3,301.58              | -572.38      | -4,949.94    | 4,947.39                | 0.00                  | 0.00                 | 0.00                |
| 8,500.00              | 90.45           | 270.25      | 3,300.80              | -571.94      | -5,049.94    | 5,047.39                | 0.00                  | 0.00                 | 0.00                |
| 8,551.57              | 90.45           | 270.25      | 3,300.39              | -571.72      | -5,101.50    | 5,098.96                | 0.00                  | 0.00                 | 0.00                |
| 8,601.57              | 90.45           | 270.25      | 3,300.00              | -571.50      | -5,151.50    | 5,148.96                | 0.00                  | 0.00                 | 0.00                |



## Planning Report



|                  |                                |                                     |                                    |
|------------------|--------------------------------|-------------------------------------|------------------------------------|
| <b>Database:</b> | WBDS_SQL_2                     | <b>Local Co-ordinate Reference:</b> | Well 10H                           |
| <b>Company:</b>  | Spur Energy Partners, LLC      | <b>TVD Reference:</b>               | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Project:</b>  | Eddy County, NM (NAD 83 - NME) | <b>MD Reference:</b>                | RKB = 20' @ 3552.00usft (AKITA 57) |
| <b>Site:</b>     | TAYLORCREST 25 FEDERAL         | <b>North Reference:</b>             | Grid                               |
| <b>Well:</b>     | 10H                            | <b>Survey Calculation Method:</b>   | Minimum Curvature                  |
| <b>Wellbore:</b> | Wellbore #1                    |                                     |                                    |
| <b>Design:</b>   | PERMIT                         |                                     |                                    |

## Design Targets

| Target Name<br>- hit/miss target<br>- Shape  | Dip Angle<br>(°) | Dip Dir.<br>(°) | TVD<br>(usft) | +N/-S<br>(usft) | +E/-W<br>(usft) | Northing<br>(usft) | Easting<br>(usft) | Latitude   | Longitude    |
|--|------------------|-----------------|---------------|-----------------|-----------------|--------------------|-------------------|------------|--------------|
| 1. TAYLORCREST 10<br>- plan hits target center<br>- Point  | 0.00             | 0.00            | 0.00          | 0.00            | 0.00            | 658,538.40         | 574,959.20        | 32.8103035 | -104.2238987 |
| 2. TAYLORCREST 10<br>- plan misses target center by 0.01usft at 2482.53usft MD (2391.00 TVD, -452.71 N, 358.24 E)<br>- Point   | 0.00             | 0.00            | 2,391.00      | -452.71         | 358.25          | 658,085.69         | 575,317.45        | 32.8090581 | -104.2227342 |
| 6. TAYLORCREST 10<br>- plan hits target center<br>- Point  | 0.00             | 0.00            | 3,300.00      | -571.50         | -5,151.50       | 657,966.90         | 569,807.70        | 32.8087462 | -104.2406678 |
| 5. TAYLORCREST 10<br>- plan misses target center by 0.02usft at 8551.57usft MD (3300.39 TVD, -571.72 N, -5101.50 E)<br>- Point | 0.00             | 0.00            | 3,300.39      | -571.70         | -5,101.50       | 657,966.70         | 569,857.70        | 32.8087455 | -104.2405051 |
| 4. TAYLORCREST 10<br>- plan hits target center<br>- Point  | 0.00             | 0.00            | 3,336.89      | -591.99         | -455.19         | 657,946.41         | 574,504.01        | 32.8086776 | -104.2253823 |
| 3. TAYLORCREST 10<br>- plan misses target center by 139.11usft at 3519.32usft MD (3219.52 TVD, -593.57 N, -93.85 E)<br>- Point | 0.00             | 0.00            | 3,340.00      | -594.30         | -24.30          | 657,944.10         | 574,934.90        | 32.8086701 | -104.2239798 |

## Pecos District

### Application for Permit to Drill

### Conditions of Approval

#### Geology Concerns

|            |  |  |   |
|------------|--|--|---|
| Potash     | <input checked="" type="checkbox"/> None | <input type="checkbox"/> Secretary       | <input type="checkbox"/> R-111-P                  |
| Cave/Karst | <input type="checkbox"/> Medium          | <input checked="" type="checkbox"/> High | <input type="checkbox"/> Critical                 |
| H2S        | <input type="checkbox"/> None            | <input type="checkbox"/> Below 100 PPM   | <input checked="" type="checkbox"/> Above 100 PPM |
| Other      | <input type="checkbox"/> 4 String Area   | <input type="checkbox"/> Capitan Reef    | <input type="checkbox"/> 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: 350 feet

Intermediate casing must be set at: 875 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) 689-5981

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.

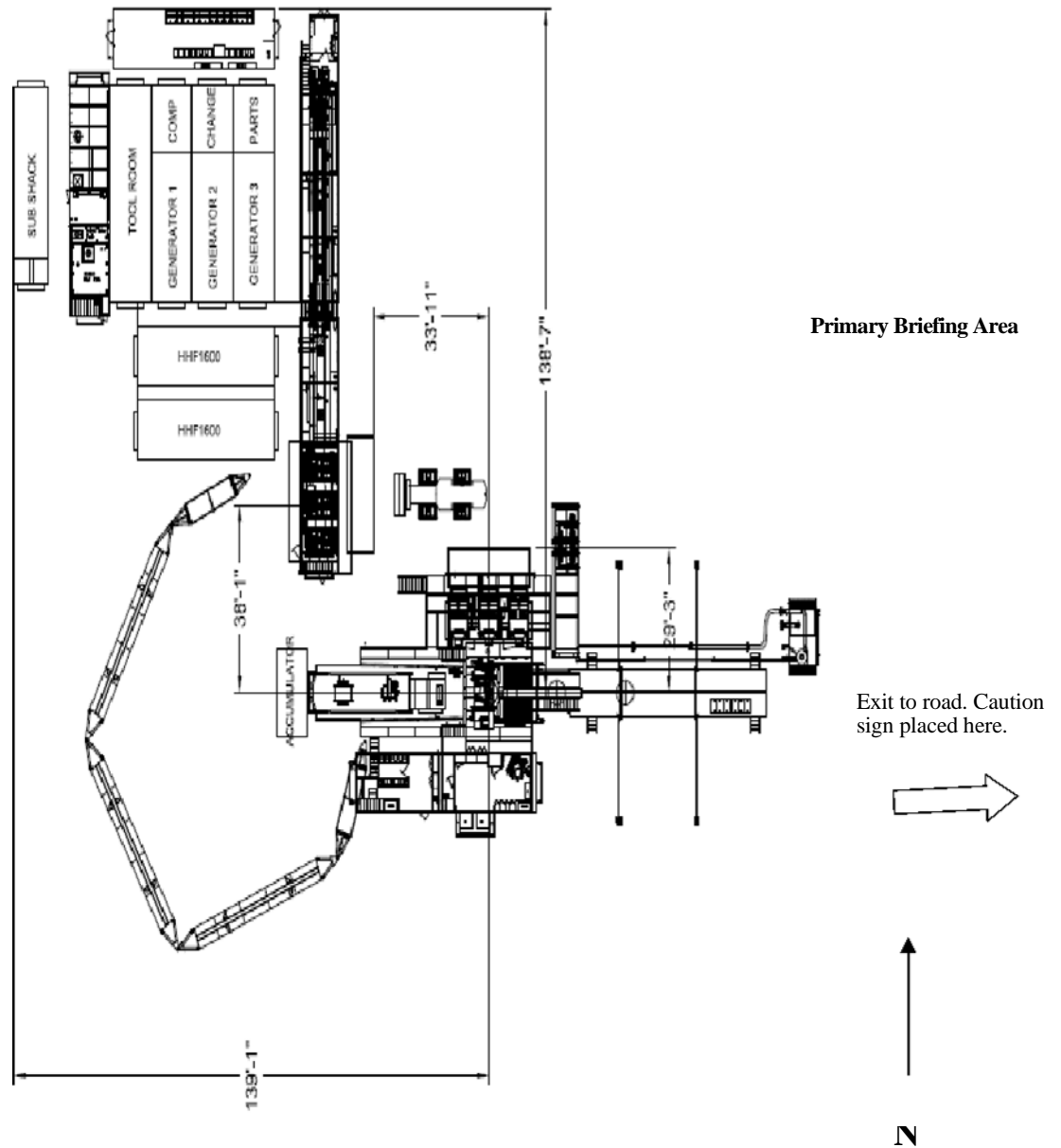
5. Salt Water Disposal Wells

- 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.



**Hydrogen Sulfide (H<sub>2</sub>S)**  
**Operations Plan**  
**For**  
**Spur Energy Partners**  
**New Mexico Operations**

Secondary Briefing Area



WIND: Prevailing winds are from the Southwest

Secondary Egress

## **Spur Energy Partners New Mexico Operations Hydrogen Sulfide Operation Plan**

### **A. Introduction:**

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

The objective of this contingency plan is to provide an organized plan of action for alerting, responding to and protecting employees, other workers and the public from H<sub>2</sub>S exposure in the event of a release of a potentially hazardous volume of H<sub>2</sub>S to the atmosphere. This plan should be activated immediately if any such release occurs. The Superintendent is responsible for initiating and carrying out the plan.

### **B. Scope:**

Prevent the uncontrolled release of H<sub>2</sub>S into the atmosphere. Provide proper procedures and equipment to alert and respond to emergencies.

Provide immediate and adequate medical attention should an injury occur.

To provide Company employees working at actual or potential Hydrogen Sulfide (H<sub>2</sub>S) facilities with a safe procedure to comply with applicable Federal, State and Company requirements.

This document is intended to provide general policy, procedures and expectations surrounding elevated levels of H<sub>2</sub>S. The intent is to promote sound and safe operations, while seeking effective communication surrounding operational considerations working around H<sub>2</sub>S.

This procedure applies to all Company employees and contractors working at facilities that have the potential to release 100 ppm or higher concentrations of H<sub>2</sub>S.

The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H<sub>2</sub>S).

### **C. Hydrogen Sulfide Gas (H<sub>2</sub>S) Characteristics:**

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

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

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

#### **D. H<sub>2</sub>S Training**

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

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

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

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

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

Note: All H<sub>2</sub>S safety equipment and systems will be installed, tested, and operational when operation commences.

#### **E. Protective equipment controls:**

Any facility that has the potential to emit H<sub>2</sub>S at 100 ppm or higher will be required to install and utilize the below controls:

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

#### **F. Emergency Procedures**

##### **1. Spill or Release of H<sub>2</sub>S gas**

If a spill or leak releases H<sub>2</sub>S the following action must be initiated and completed:

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



e. Facility Standard Operating Procedure

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

**G. Contacting Authorities**

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

**H. Call List**

| <b>Spur Energy Partners Emergency Contact List</b>                          |                  |                                   |                   |
|---|------------------|-----------------------------------|-------------------|
| <b>Person</b>   | <b>Location</b>  | <b>Office Phone</b>               | <b>Cell Phone</b> |
| <b>Drilling and Completions Department</b>                                  |                  |                                   |                   |
| 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      |
| <b>HES/Environmental and Regulatory Department</b>                          |                  |                                   |                   |
| EHS Manager - Braidy Moulder  | Artesia          | 575-616-5400                      | 713-264-2517      |
| Superintendent - Jerry Mathews  | Artesia          | 575-616-5400                      | 575-748-5234      |
| Asst. Superintendent - Kenny Kidd   | Artesia          | 575-616-5400                      | 575-703-5851      |
| Regulatory Director - Sarah Chapman   | Houston          | 832-930-8613                      | 281-642-5503      |
| <b>Regulatory Agencies</b>  |                  |                                   |                   |
| Bureau of Land Management   | Carlsbad         | 575-886-6544                      |                   |
| Bureau of Land Management   | Hobbs            | 575-393-3612                      |                   |
| Bureau of Land Management   | Roswell          | 575-622-5335                      |                   |
| Bureau of Land Management   | Santa Fe         | 505-954-2000                      |                   |
| DOT Judicial Pipelines - Incident Reporting NM Public Regulation Commission | Santa Fe         | 505-827-3549<br>505-490-2375      |                   |
| EPA Hotline   | Dallas           | 214-665-6444                      |                   |
| Federal OSHA, Area Office   | Lubbock          | 806-472-7681                      |                   |
| National Response Center  | Washington, D.C. | 800-424-8803                      |                   |
| National Infrastructure Coordinator Center                                  | Washington, D.C. | 202-282-2901                      |                   |
| New Mexico Air Quality Bureau   | Santa Fe         | 505-827-1494                      |                   |
| New Mexico Oil Conservation Division  | Artesia          | 575-748-1283<br>575-370-7545After |                   |
| New Mexico Oil Conservation Division  | Hobbs            | 575-393-6161                      |                   |
| New Mexico Oil Conservation Division  | Santa Fe         | 505-476-3770                      |                   |
| New Mexico OCD Environmental Bureau   | Santa Fe         | 505-827-7152<br>505-476-3470      |                   |
| New Mexico Environmental Department   | Hobbs            | 575-827-9329                      |                   |
| NM State Emergency Response Center  | Santa Fe         | 505-476-9600                      |                   |

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

| Ector County Sheriff's Department   | Carlsbad  | 575-887-7551                 |
|-------------------------------------|-----------|------------------------------|
| Lea County Sherri's Department      | Eunice    | 575-384-2020                 |
| Lea County Sherri's Department      | Hobbs     | 575-393-2515                 |
| Lea County Sherri's Department      | Lovington | 575-396-3611                 |
| Lubbock County Sheriff's Department | Abernathy | 806-296-2724                 |
| Midland County Sheriff's Department | Midland   | 432-688-1277                 |
| Union County Sheriff's Department   | Clayton   | 575-374-2583                 |
| Law Enforcement - Police            |           |                              |
| Abernathy Police Department         | Abernathy | 806-298-2545                 |
| Artesia City Police                 | Artesia   | 575-746-2704                 |
| Carlsbad City Police                | Carlsbad  | 575-885-2111                 |
| Clayton City Police                 | Clayton   | 575-374-2504                 |
| Eunice City Police                  | Eunice    | 575-394-2112                 |
| Hobbs City Police                   | Hobbs     | 575-397-9265<br>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 |
| <b>Law Enforcement - FBI</b>         |                 |              |
| FBI                                  | Albuquerque     | 505-224-2000 |
| FBI                                  | Midland         | 432-570-0255 |
| <b>Law Enforcement - DPS (911)</b>   |                 |              |
| 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 |
| <b>Firefighting and Rescue (911)</b> |                 |              |
| Abernathy                            | Abernathy       | 806-298-2022 |
| Amistad/Rosebud                      | Amistad/Rosebud | 575-633-9113 |
| Artesia                              | Artesia         | 575-746-5751 |
| Carlsbad                             | Carlsbad        | 575-885-3125 |
| Clayton                              | Clayton         | 575-374-2435 |
| Eunice                               | Eunice          | 575-394-2111 |
| Hobbs                                | Hobbs           | 575-397-9308 |
| Jal                                  | Jal             | 575-395-2221 |
| Lovington                            | Lovington       | 575-396-2359 |
| Maljamar                             | Maljamar        | 575-676-4100 |
| Midland                              | Midland         | 432-685-7346 |
| Nara Visa                            | Nara Visa       | 575-461-3300 |
| Odessa                               | Odessa          | 432-335-4659 |
| Tucumcari                            | Tucumcari       | 911          |
| West Odessa                          | Odessa          | 432-381-3033 |

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

**I. List of Facilities with the potential for 500ppm or higher H<sub>2</sub>S exposure.**

**ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW**

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

**ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW**

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

**ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW**

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



**ATTACHMENT 1: SPUR FACILITIES WITH ROE REVIEW**

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

|                                   |   |
|-----------------------------------|---|
| <b>TRANSCEND RIG 4</b>            | 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           |   |
| Derrick Height                    | 69' 9"  |
| Derrick Type                      | Telescoping Hydraulic   |
| Derrick Capacity                  | 130,000#  |
| Elevators                         | N/A   |
| Drawworks                         | 760 HP Detroit  |
| Wire Diameter                     | Hydraulic   |
| Workfloor Max Height              | 8'  |
| Tongs                             | Hydraulic Iron Roughneck  |
| Slips                             | Manual Slips  |
| Included Tubing Handling Tools    | <ul style="list-style-type: none"> <li>• 13 3/8" handling tools</li> </ul>  |
| Included Rod Handling Tools       | 85jts of 4.5" drill pipe  |
| BOP Class Compatibility           |   |
| Weight Indicator                  | Hydraulic   |
| Rig Safety Equipment              | Eye wash station, fire extengushers, wind sock  |
| Pad Size Requirements/Limitations | 60' x 60'   |
| Guy Line Spacing                  | N/A   |
| Other Supplied Rig Equipment      | <p>Standard Rig Hand Tools:</p> <ul style="list-style-type: none"> <li>• (2) 36" pipe wrenches</li> <li>• (2) 24" pipe wrenches</li> <li>• (2) 18" pipe wrenches</li> <li>• (1) 24" crescent wrench</li> <li>• (2) 12" crescent wrenches</li> <li>• (1) 4 lb shop hammer</li> <li>• (1) 12 lb sledge hammer</li> <li>• (1) 4 foot pry bar</li> <li>• Vehicles for Contractor personnel</li> <li>• Air Impact Wrench with Sockets</li> <li>• Mud Scales (as needed)</li> </ul> <p>1- F800 pump<br/>1- Pill pit 80bbl<br/>1- 400 bbl mud mix<br/>1- Shaker 150mesh<br/>1- 500 bbl fresh water frac tank</p> |



# RIG # 57<sub>1,150 HP Double Mast Drilling Rig</sub>

## SUBSTRUCTURE

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

## MAST

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-90C Conn Range: 4 1/4" to 8 1/2"

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

## ROTARY TABLE

National 27 1/2" 500 Ton with hydraulic drive to position tools only

27 1/2" 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

## MUD PUMP #2

HHF1600 Triplex Rated Power: 1600 hp

Stroke: 12"

Input Power: 1500 hp AC traction motor

Pressure Rating: 5000 psi

## MUD TANKS

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

## BOP (NACE)

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

## CATWALK

Ja-co Power Catwalk, tubular max length 47' 6", max OD 13 5/8", max weight 10,000lbs

## TUBULARS

Drill Pipe: Supplied as needed, per availability

Drill Collars & heavywate: Supplied as needed, per availability

## MISC.

Water Tank: 409 bbls; Fuel Tank 189 bbls; Screw Compressor

Boiler: 125 hp with Full Winterization

## MOVING SYSTEM:

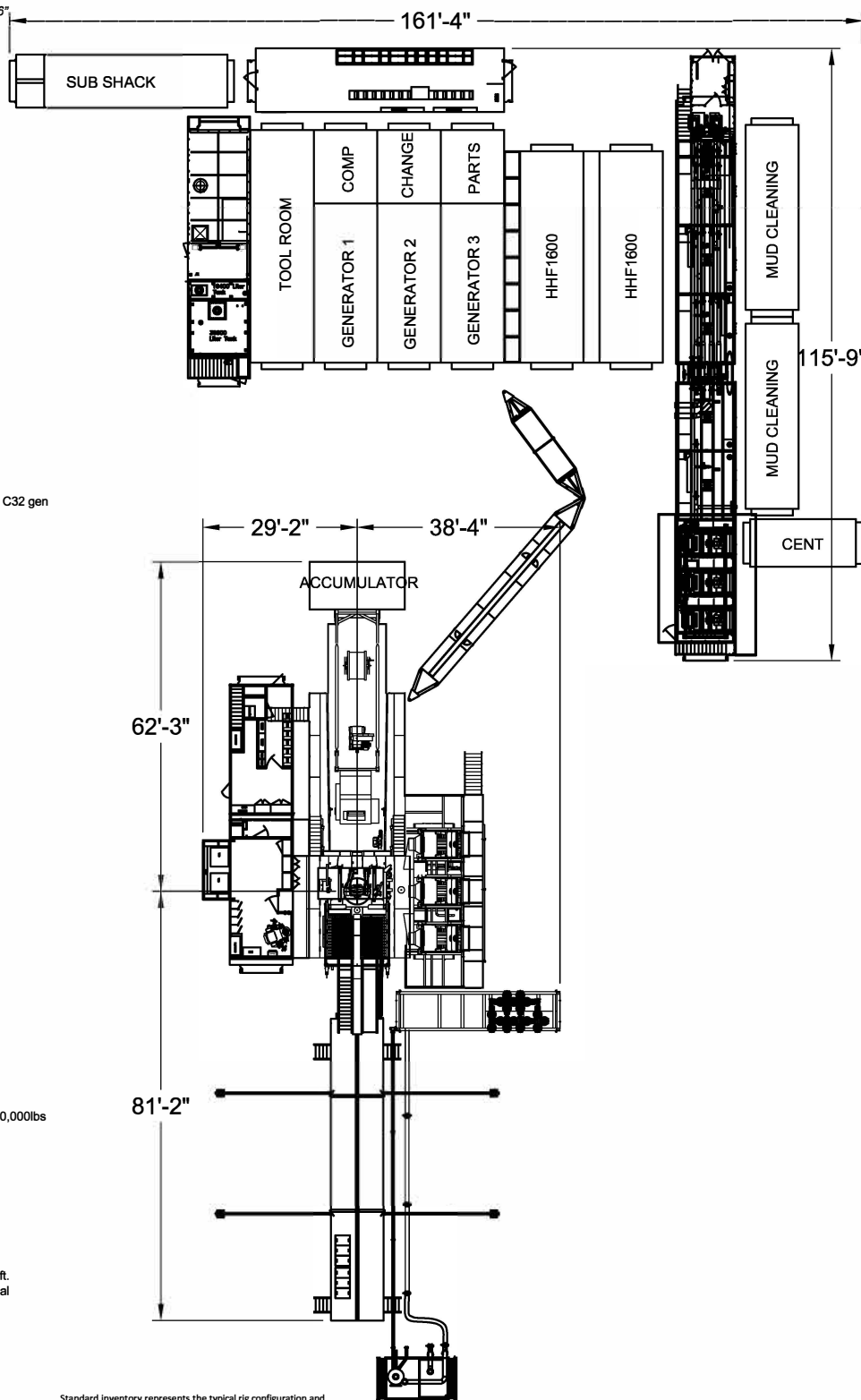
Walking beam hydraulic pony sub moving system for linear motion & side shift.

350' of Utility Suitcase style [50' lengths] connection for hydraulic and electrical supply.

## TOOL/ STORAGE/ CAMP

Parts Storage Room and Tool House Room

Rig Manage Trailer: 14' x 44' skid mounted

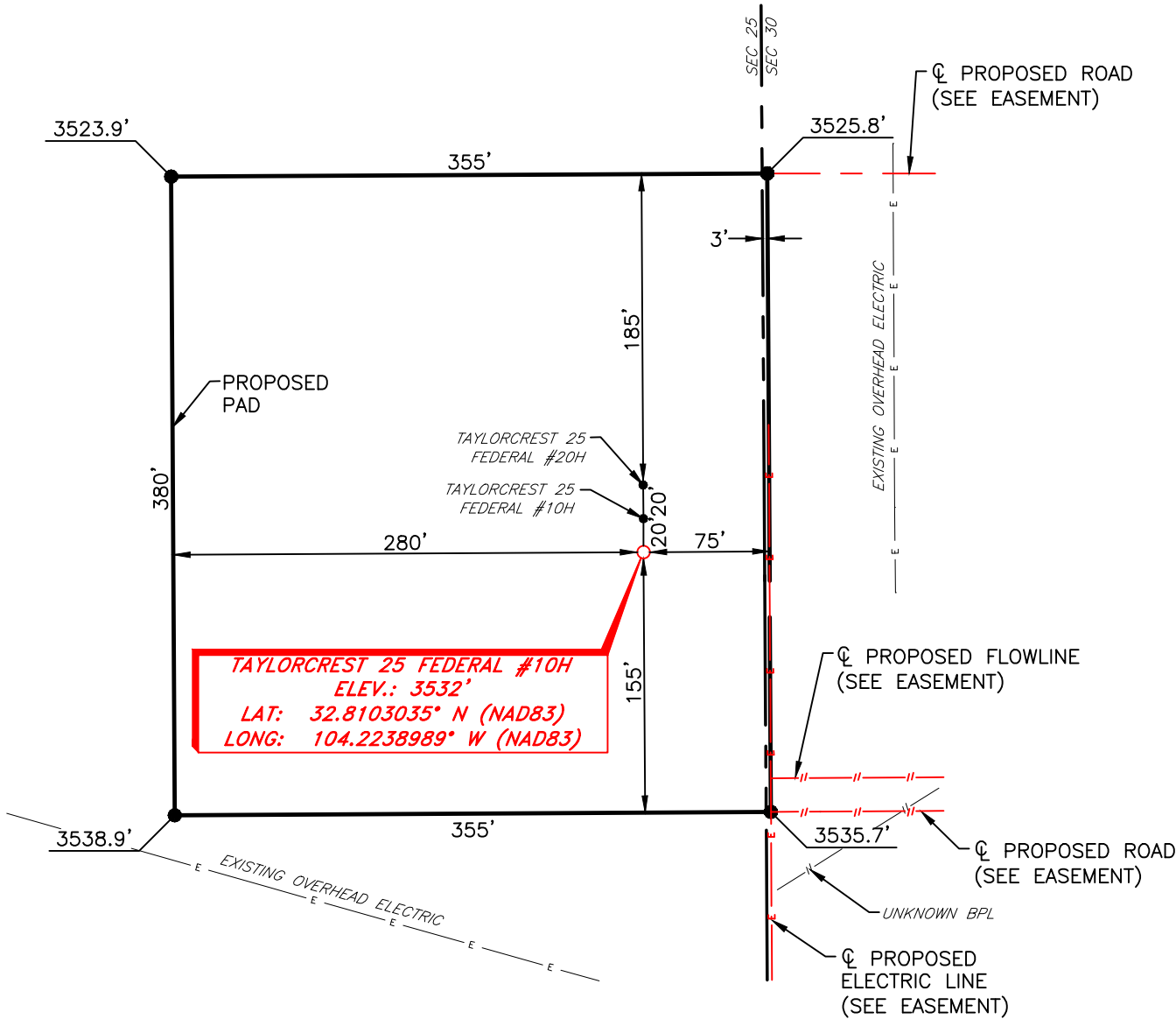


Standard inventory represents the typical rig configuration and inventory available, but specifications are subject to slight modifications from time to time due to customer requirements.

All ratings quoted herein 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.

© AKITA DRILLING August, 2020

SPUR ENERGY PARTNERS LLC.  
TAYLORCREST 25 FEDERAL #10H  
(728' FNL & 72' FEL)  
SECTION 25, T17S, R27E  
N. M. P. M., EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

From the intersection of U.S. Hwy 285 and CR #225 (Hilltop RD.);  
Go Southeast on U.S. Hwy 285 approx. 1.0 miles to a lease road on the left;  
Turn left and go North approx. 0.1 miles to a "Y";  
Keep right at "Y" and continue North approx. 0.2 miles to proposed road on the left;  
Turn left and go Northwest approx. 0.1 mile road turns left;  
Turn left and go West approx. 0.1 miles to location on the right.

THIS IS NOT A BOUNDARY SURVEY, APPARENT PROPERTY CORNERS AND PROPERTY LINES ARE SHOWN FOR INFORMATION ONLY. BOUNDARY DATA IS SHOWN FROM A PREVIOUS SURVEY REFERENCED HEREON.

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  
Robert M. Howett NM PS 19680



Copyright 2016 - All Rights Reserved

SCALE: 1" = 100'  
0 50 100  
BEARINGS ARE  
NAD 83 GRID - NM EAST  
DISTANCES ARE GROUND

|           |            |      |
|-----------|------------|------|
| NO.       | REVISION   | DATE |
| JOB NO.:  | LS22060678 |      |
| DWG. NO.: | 22060678-4 |      |



|                    |
|--------------------|
| SCALE: 1" = 100'   |
| DATE: 06/17/2022   |
| SURVEYED BY: JM/JF |
| DRAWN BY: BL       |
| APPROVED BY: RMH   |
| SHEET: 1 OF 1      |

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)

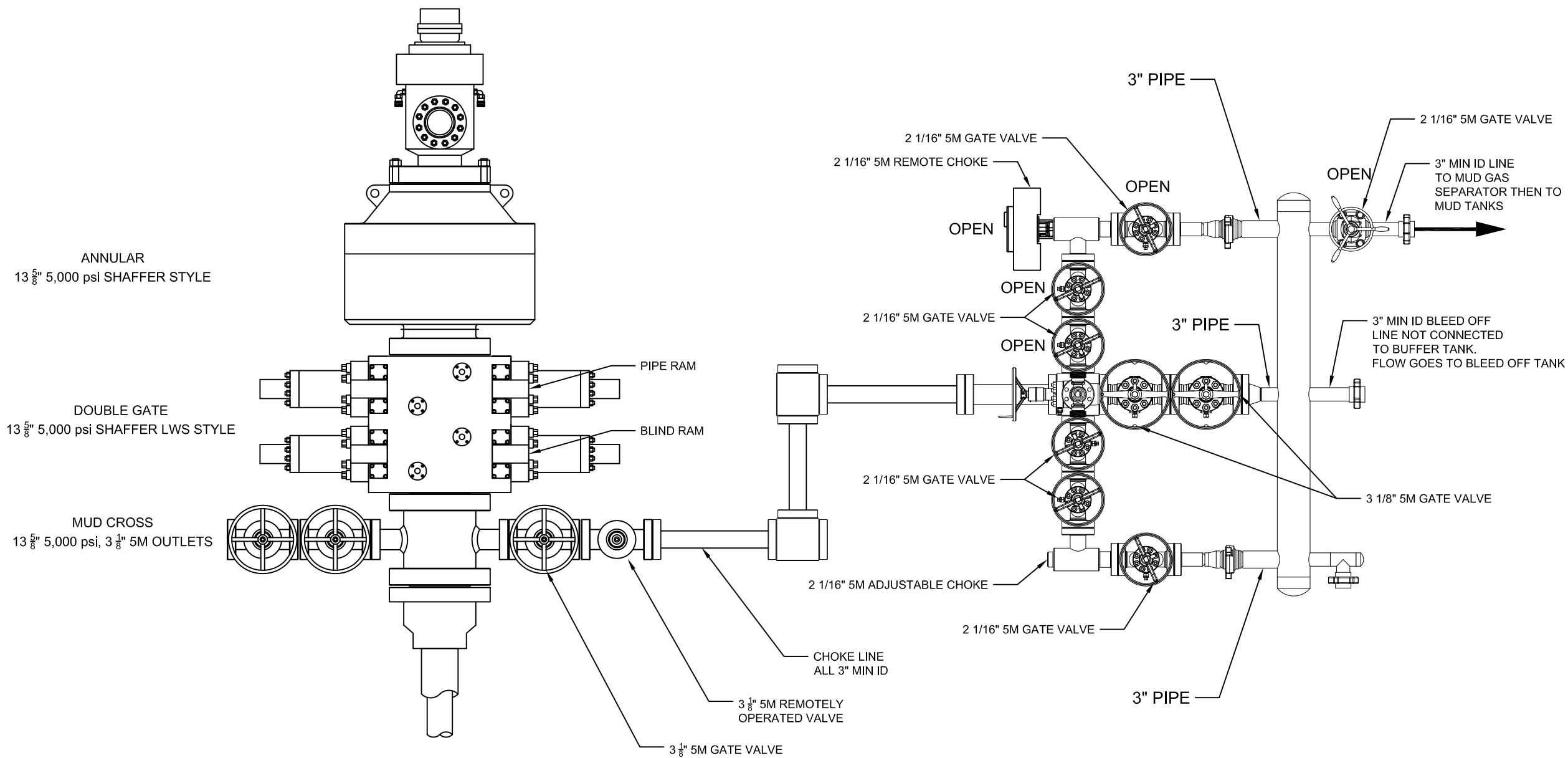
|          |         |          |       |     |           |          |      |          |        |
|----------|---------|----------|-------|-----|-----------|----------|------|----------|--------|
| UL       | Section | Township | Range | Lot | Feet      | From N/S | Feet | From E/W | County |
| Latitude |         |          |       |     | 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



Notes  
-  
-  
-

| No. | Revision | Date |
|-----|----------|------|
|-----|----------|------|

**AKITA**  
DRILLING LTD.  
2302 8th Street, Nisku Alberta  
T9E 7Z2 Tel: (780) 955-6700

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|                |          |           |                 |
|----------------|----------|-----------|-----------------|
| Date           | 5-6-2021 | Scale     | NTS             |
| Des / Chk'd By | BG       | File Name | R57 13 5M dou.. |
| Project        | R57      |           |                 |

RIG 57 BOP SCHEMATIC

**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

CONDITIONS  
  
Action 309956

CONDITIONS

|   |   |
|---|---|
| Operator:<br>Spur Energy Partners LLC<br>9655 Katy Freeway<br>Houston, TX 77024 | OGRID:  |
|   | 328947  |
|   | Action Number:<br>309956  |
|   | Action Type:<br>[C-101] BLM - Federal/Indian Land Lease (Form 3160-3) |

CONDITIONS

| Created By  | Condition  | Condition Date |
|-------------|--|----------------|
| ward.rikala | Notify OCD 24 hours prior to casing & cement   | 2/13/2024      |
| ward.rikala | Will require a File As Drilled C-102 and a Directional Survey with the C-104   | 2/13/2024      |
| ward.rikala | 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 | 2/13/2024      |
| ward.rikala | Cement is required to circulate on both surface and intermediate1 strings of casing  | 2/13/2024      |
| ward.rikala | If cement does not circulate on any string, a CBL is required for that string of casing  | 2/13/2024      |
| ward.rikala | 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                  | 2/13/2024      |