Form 3160-3 FORM APPROVED OMB No. 1004-0137 (June 2015) Expires: January 31, 2018 **UNITED STATES** DEPARTMENT OF THE INTERIOR 5. Lease Serial No. BUREAU OF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL OR REENTER 6. If Indian, Allotee or Tribe Name 7. If Unit or CA Agreement, Name and No. DRILL REENTER 1a. Type of work: 1b. Type of Well: Oil Well Gas Well Other 8. Lease Name and Well No. 1c. Type of Completion: Hydraulic Fracturing Single Zone Multiple Zone 9. API Well No. 30-015-54767 2. Name of Operator 3a. Address 3b. Phone No. (include area code) 10. Field and Pool, or Exploratory 4. Location of Well (Report location clearly and in accordance with any State requirements.\*) 11. Sec., T. R. M. or Blk. and Survey or Area At surface At proposed prod. zone 14. Distance in miles and direction from nearest town or post office\* 12. County or Parish 13. State 15. Distance from proposed\* 16. No of acres in lease 17. Spacing Unit dedicated to this well location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 18. Distance from proposed location\* 19. Proposed Depth 20. BLM/BIA Bond No. in file to nearest well, drilling, completed, applied for, on this lease, ft. 21. Elevations (Show whether DF, KDB, RT, GL, etc.) 22. Approximate date work will start\* 23. Estimated duration 24. Attachments The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable) 1. Well plat certified by a registered surveyor. 4. Bond to cover the operations unless covered by an existing bond on file (see 2. A Drilling Plan. Item 20 above). 3. A Surface Use Plan (if the location is on National Forest System Lands, the 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the SUPO must be filed with the appropriate Forest Service Office). 25. Signature Name (Printed/Typed) Date Title Approved by (Signature) Date Name (Printed/Typed) Title Office Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Conditions of approval, if any, are attached. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction



(Continued on page 2)

\*(Instructions on page 2)

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

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

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

☐ AMENDED REPORT

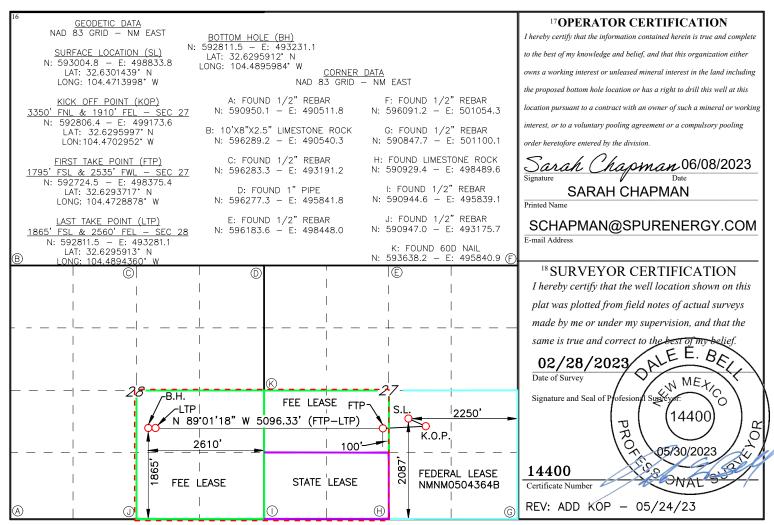
#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Numb	er 2 P	ool Code	<sup>3</sup> Pool Name	
30-015- 54	15- <u>54767</u> 97565 N. SEVEN RIVERS; GLORIETA-YESO		ETA-YESO	
<sup>4</sup> Property Code 335375	I	JVE OAK 27-28 S	STATE COM	<sup>6</sup> Well Number <b>20H</b>
<sup>7</sup> OGRID NO. <b>328947</b>	SP	VUR ENERGY PART	TNERS LLC.	<sup>9</sup> Elevation <b>3453</b> '

<sup>10</sup> Surface Location

					Surface	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
J	27	19S	25E		2087	SOUTH	2250	EAST	EDDY
11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	28	19S	25E		1865	SOUTH	2610	EAST	EDDY
12 Dedicated Acres	13 Joint	or Infill 14	Consolidation	Code 15 (	Order No.				
320									

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.



I. Operator:

#### State of New Mexico Energy, Minerals and Natural Resources Department

Submit Electronically Via E-permitting

**Date:** 06 / 28 / 2023

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

**OGRID:** 

328947

SPUR ENERGY PARTNERS LLC

II. Type: \(\mathbb{X}\) Original [	☐ Amendment	due to □ 19.15.27	.9.D(6)(a) NMA(	C □ 19.15.27.9.Do	(6)(b) N	MAC 🗆 O	ther.	
If Other, please describe	e:							
III. Well(s): Provide the be recompleted from a second					wells pr	oposed to b	oe dril	led or proposed to
Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D		cipated MCF/D		Anticipated oduced Water BBL/D
LIVE OAK 11H	30-015-	J-27-19S-25E	2087' FSL 2270' FEL	454 BBL/D	63	6 MCF/D		909 BBL/D
LIVE OAK 27-28 STATE COM 20H	30-015-	J-27-19S-25E	2087' FSL 2250' FEL	454 BBL/D	63	6 MCF/D		909 BBL/D
LIVE OAK 27-28 STATE COM 50H	30-015-	J-27-19S-25E	2089' FSL 2230' FEL	332 BBL/D	49	8 MCF/D		1993 BBL/D
V. Anticipated Schedu proposed to be recompl					vell or se	et of wells p	propos	sed to be drilled or
Well Name	API	Spud Date	TD Reached	Completion		Initial Flo		First Production
			Date	Commencement	Date	Back Da	ate	Date
LIVE OAK 11H	30-015-	11/26/2024	12/02/2024	02/07/2025		02/27/202	25	03/14/2025
LIVE OAK 27-28 STATE COM 20H		12/03/2024	12/08/2024	02/07/2025		02/27/202		03/14/2025
LIVE OAK 27-28 STATE COM 50H	30-015-	12/09/2024	12/19/2024	02/07/2025		02/27/202	25	03/14/2024
VI. Separation Equipm VII. Operational Prac Subsection A through F	etices: 🔀 Attac	ch a complete descr		-			•	
VIII. Best Manageme	•	•	te description of	Operator's best n	nanagen	nent praction	ces to	minimize venting
during active and plann	ea maintenanc	e.						

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

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

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

#### IX. Anticipated Natural Gas Production:

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

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

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

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

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

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

$\overline{}$	A 44 1. 4	O	1		•	4 - 41	1 1
	AHACH	Unerator's i	nian to mana	te nrodiiciion	in response	to the increase	a iine pressiire

XIV. Confidentiality: U 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 <u>Effective May 25, 2021</u>

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal: Department of the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system: or ☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system. If Operator checks this box, Operator will select one of the following: Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC: or Venting and Flaring Plan. 

Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including: (a) power generation on lease; **(b)** power generation for grid; compression on lease; (c) (d) liquids removal on lease; reinjection for underground storage; (e) **(f)** reinjection for temporary storage; **(g)** reinjection for enhanced oil recovery;

#### Section 4 - Notices

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

other alternative beneficial uses approved by the division.

fuel cell production; and

(h)

- (a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or
- (b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.
- 2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

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

Signature: Sarah Chapman
Printed Name: SARAH CHAPMAN
Title: REGULATORY DIRECTOR
E-mail Address: SCHAPMAN@SPURENERGY.COM
Date: 06/28/2023
Phone: 832-930-8613
OIL CONSERVATION DIVISION
(Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:

#### 1. Geologic Formations

TVD of Target	2,825'
MD at TD	8,576'

Formation	Depth	Lithology	Expected Fluids
Quaternary	0'	Dolomite, other: Caliche	Useable Water
Grayburg	425'	Dolomite w/ Sandstone and Anhydrite	Natural Gas, Oil
San Andres	750'	Dolomite, Limestone	Natural Gas, Oil
Lower San Andres	1755'	Dolomite, Limestone	Natural Gas, Oil
Glorieta	2325'	Dolomite, Siltstone	Natural Gas, Oil
Paddock	2475'	Dolomite, Limestone	Natural Gas, Oil
Blinebry	3120'	Dolomite, Limestone	Natural Gas, Oil
Base Yeso	3950'	Limestone	Natural Gas, Oil

<sup>\*</sup>H2S, water flows, loss of circulation, abnormal pressures, etc.

#### 2. Casing Program

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

Casing		Casing Inte	erval	Csg. Size	Weight			SF		Body SF	Joint SF
Formation Set Interval	Hole Size (in)	From (ft)	To (ft)	(in)	(lbs)	Grade	Conn.	Collapse	SF Burst	Tension	Tension
San Andres	12.25	0	1200	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
N/A	8.75	0	3200	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4
Yeso	8.75	3200	8576	5.5	20	L-80	BK-HT	1.125	1.2	1.4	1.4
								SI	Values will m	eet or Exceed	

	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 (Lead)	0	950	100%
Surface (Tail)	950	1200	100%
Production (Lead)	0	2200	100%
Production (Tail)	2200	8576	25%

Casing String	# Sks	Wt.	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description	
Surface (Lead)	259	12	2.4	13.48	8:12	Clas C Premium Plus Cement	
Surface (Tail)	94	13.2	1.87	9.92	6:59	Clas C Premium Plus Cement	
Production (Lead)	207	11.4	2.42	15.29	N/A	Clas C Premium Plus Cement	
Production (Tail)	1213	13.2	1.56	9.81	N/A	Clas C Premium Plus Cement	

#### 4. Pressure Control Equipment

#### \*Spur Energy Partners LLC variance for flex hose\*

Spur requests a variance to use a flex line from the BOP to the choke manifold. Documentation will be attached in the APD and be readily available. No external damage to flex line. Flex line to be installed as straight as possible (no bends).

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		<b>✓</b>	Tested to:
		5M	Annula	r	<b>~</b>	70% of working pressure
10.05" H-1-	13-5/8"		Blind Ra	ım	<b>*</b>	
12.25" Hole	13-3/8	5M	Pipe Ram		✓	250 psi / 3000 psi
			Double Ram			
			Other*			
		5M	Annula	r	<b>✓</b>	70% of working pressure
8.75" Hole	13-5/8"		Blind Ra	ım	✓	
8./3 Hole		5) (	Pipe Ra	m	✓	250: / 2000:
		5M	Double R	am		250 psi / 3000 psi
			Other*			

#### \*Spur Energy Partners LLC will be utilizing a 5M BOP\*

Condition	Specify what type and where?
BH Pressure at deepest TVD	1343 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	104°F

<sup>\*</sup>Specify if additional ram is utilized.

BOP/BOPE will be tested by an independent service company to 250 psi low and the high pressure indicated above per Onshore Order 2 requirements. The System may be upgraded to a higher pressure but still tested to the working pressure listed in the table above. If the system is upgraded all the components installed will be functional and tested.

Pipe rams will be operationally checked each 24-hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold. See attached schematics.

Formation integrity test will be performed per Onshore Order #2.

On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.

Y	Are anchors required by manufacturer?
A con	ventional 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 in	nstallation on the surface casing which will cover testing requirements for a maximum
of 30 d	days.
See att	tached 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		Trmo	Weight	Viscosity	Wotan Lagg	
From (ft)	To (ft)	Туре	(ppg)	viscosity	Water Loss	
0	1200	Water-Based Mud	8.6-8.9	32-36	N/C	
1200	8576	Water-Based Mud	8.6-8.9	32-36	N/C	

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

#### 7. Logging and Testing Procedures

Logg	Logging, Coring and Testing.						
Yes	Will run GR from TD to	o surface (horizontal well – vertical p	ortion of hole). Stated logs				
	run will be in the Comp	letion Report and submitted to the Bl	LM.				
No	Logs are planned based	on well control or offset log informa	tion.				
No	Drill stem test? If yes, explain						
No	Coring? If yes, explain						
Addi	tional logs planned	Interval					
No	Resistivity						
No	Density						
No	CBL						
Yes	Mud log	SCP - TD					

#### 8. Drilling Conditions

PEX

No

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

Hyd	rogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S
is de	etected in concentrations greater than 100 ppm, the operator will comply with the provisions
of O	Onshore Oil and Gas Order #6. If Hydrogen Sulfide is encountered, measured values and
form	nations will be provided to the BLM.
N	H2S is present
Y	H2S Plan attached

Total estimated cuttings volume: 812.8 bbls.

#### 9. Other facets of operation

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

#### Attachments

- \_x\_\_ Directional Plan
- \_x\_\_ H2S Contingency Plan
- \_x\_\_ Akita 57 Attachments
- \_x\_\_ BOP Schematics
- \_x\_\_ Transcend Spudder Rig Attachments

#### 10. Company Personnel

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



## SPUR ENERGY PARTNERS, LLC

EDDY COUNTY, NM (NAD 83 - NME) LIVE OAK 27-28 STATE COM 20H

Wellbore #1

**Plan: PERMIT** 

## **Standard Planning Report**

22 May, 2023



#### Planning Report

Database: EDM 5000.1.13 Single User Db
Company: SPUR ENERGY PARTNERS, LLC
Project: EDDY COUNTY, NM (NAD 83 - NME)
Site: LIVE OAK 27-28 STATE COM

Well: 20H
Wellbore: Wellbore #1
Design: PERMIT

Local Co-ordinate Reference:

TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well 20H

RKB = 20' @ 3473.00usft (AKITA 57) RKB = 20' @ 3473.00usft (AKITA 57)

Grid

Minimum Curvature

Project EDDY COUNTY, NM (NAD 83 - NME)

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

System Datum:

Mean Sea Level

Site LIVE OAK 27-28 STATE COM

Site Position: Northing: 591,663.10 usft 32.6264568 Latitude: -104.4706068 From: Мар Easting: 499,076.20 usft Longitude: **Position Uncertainty:** 0.00 usft Slot Radius: 13-3/16 " **Grid Convergence:** -0.07

Well 20H

**Well Position** +N/-S 1,341.70 usft Latitude: Northing: 593,004.80 usft 32.6301439 +E/-W -242.40 usft Easting: 498,833.80 usft Longitude: -104.4713998 **Position Uncertainty** 0.00 usft Wellhead Elevation: 0.00 usft **Ground Level:** 3,453.00 usft

Wellbore #1 Wellbore Field Strength **Magnetics Model Name** Sample Date Declination **Dip Angle** (°) (nT) (°) IGRF2020 05/17/23 60.07 47.440 6.77

**Design** PERMIT

**Audit Notes:** 

Version:Phase:PLANTie On Depth:0.00

 Vertical Section:
 Depth From (TVD) (usft)
 +N/-S (usft)
 +E/-W (usft)
 Direction (°)

 0.00
 0.00
 0.00
 270.97

Plan Sections	s									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	
1,288.98	19.78	120.28	1,269.45	-85.22	145.96	2.00	2.00	0.00	120.28	
1,952.37	19.78	120.28	1,893.71	-198.41	339.83	0.00	0.00	0.00	0.00	
2,922.21	60.00	270.97	2,723.30	-288.21	9.57	8.00	4.15	15.54	154.27	
3,122.21	60.00	270.97	2,823.30	-285.29	-163.61	0.00	0.00	0.00	0.00	
3,430.56	90.84	270.97	2,900.00	-280.30	-458.40	10.00	10.00	0.00	0.00	LIVE OAK 20H FTF
8,526.15	90.84	270.97	2,825.73	-194.15	-5,552.71	0.00	0.00	0.00	0.00	LIVE OAK 20H LTP
8,576.15	90.84	270.97	2,825.00	-193.30	-5,602.70	0.00	0.00	0.00	0.00	LIVE OAK 20H BHL



Well:

Wellbore:

Design:

#### **Planning Report**

Database: EDM 5000.1.13 Single User Db
Company: SPUR ENERGY PARTNERS, LLC
Project: EDDY COUNTY, NM (NAD 83 - NME)
Site: LIVE OAK 27-28 STATE COM

20H Wellbore #1 PERMIT Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

**Survey Calculation Method:** 

Well 20H

RKB = 20' @ 3473.00usft (AKITA 57) RKB = 20' @ 3473.00usft (AKITA 57)

Grid

Minimum Curvature

ed Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
100.00	<b>20H SHL: 208</b> 0.00	<b>7' FSL, 2250'</b> 0.00	<b>FEL</b> 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	120.28	399.98	-0.88	1.51	-1.52	2.00	2.00	0.00
500.00	4.00	120.28	499.84	-3.52	6.03	-6.09	2.00	2.00	0.00
600.00 700.00	6.00 8.00	120.28 120.28	599.45 698.70	-7.91 -14.06	13.55 24.08	-13.68 -24.31	2.00 2.00	2.00 2.00	0.00 0.00
800.00	10.00	120.28	797.47	-21.94	37.59	-37.95	2.00	2.00	0.00
900.00	12.00	120.28	895.62	-31.56	54.06	-54.59	2.00	2.00	0.00
1,000.00	14.00	120.28	993.06	-42.91	73.49	-74.20	2.00	2.00	0.00
1,100.00 1,200.00	16.00 18.00	120.28 120.28	1,089.64 1,185.27	-55.96 -70.70	95.84 121.08	-96.77 -122.26	2.00 2.00	2.00 2.00	0.00 0.00
1,288.98	19.78	120.28	1,165.27	-70.70 -85.22	145.96	-122.26 -147.38	2.00	2.00	0.00
1,300.00	19.78	120.28	1,279.82	-87.10	149.18	-150.63	0.00	0.00	0.00
1,400.00		120.28	1,373.92	-104.16	178.41	-180.14	0.00	0.00	0.00
1,500.00	19.78	120.28	1,468.02	-121.23	207.63	-209.65	0.00	0.00	0.00
1,600.00 1,700.00	19.78 19.78	120.28 120.28	1,562.12 1,656.22	-138.29 -155.35	236.85 266.08	-239.16 -268.67	0.00 0.00	0.00 0.00	0.00 0.00
1,800.00	19.78	120.28	1,750.32	-172.42	295.30	-298.18	0.00	0.00	0.00
1,900.00	19.78	120.28	1,844.42	-189.48	324.52	-327.69	0.00	0.00	0.00
1,952.37	19.78	120.28	1,893.71	-198.41	339.83	-343.14	0.00	0.00	0.00
	C 20H KOP: 195		4 000 07	200 45	250.02	255.00	0.00	7.04	40.00
2,000.00 2,050.00	16.43 13.17	126.13 135.28	1,938.97 1,987.31	-206.45 -214.67	352.23 361.95	-355.68 -365.54	8.00 8.00	-7.04 -6.52	12.29 18.30
2,100.00	10.43	149.67	2,036.26	-222.63	368.25	-371.97	8.00	-5.48	28.77
2,150.00	8.71	171.61	2,085.58	-230.28	371.09	-374.93	8.00	-3.44	43.89
2,200.00	8.65	198.35	2,135.03	-237.60	370.46	-374.43	8.00	-0.13	53.47
2,250.00 2,300.00	10.27 12.96	220.83 235.68	2,184.37 2,233.35	-244.54 -251.08	366.36 358.81	-370.45 -363.01	8.00 8.00	3.24 5.38	44.95 29.71
2,350.00	16.19	245.12	2,281.74	-257.17	347.86	-352.16	8.00	6.46	18.87
2,400.00	19.70	251.38	2,329.31	-262.80	333.54	-337.94	8.00	7.02	12.52
2,450.00	23.36	255.78	2,375.81	-267.93	315.94	-320.43	8.00	7.33	8.80
2,500.00 2,550.00	27.11 30.93	259.03 261.53	2,421.03 2,464.75	-272.53 -276.60	295.14 271.24	-299.71 -275.88	8.00 8.00	7.51 7.62	6.50 5.02
2,600.00	34.78	263.54	2,464.75	-276.60 -280.09	244.35	-275.00 -249.06	8.00	7.62 7.70	4.01
2,650.00	38.65	265.19	2,546.82	-283.01	214.61	-219.37	8.00	7.75	3.30
2,700.00	42.55	266.58	2,584.78	-285.33	182.16	-186.96	8.00	7.79	2.78
2,750.00 2,800.00	46.46 50.38	267.77 268.83	2,620.43 2,653.61	-287.05 -288.14	147.16 109.78	-152.00 -114.65	8.00 8.00	7.82 7.84	2.40 2.10
2,850.00		269.76	2,684.15	-200.14 -288.62	70.21	-114.65 -75.09	8.00	7.84 7.86	2.10 1.88
2,900.00		270.61	2,711.90	-288.48	28.63	-33.51	8.00	7.87	1.70
2,922.21	60.00	270.97	2,723.30	-288.21	9.57	-14.45	8.00	7.88	1.60
3,000.00	60.00	270.97	2,762.19	-287.08	-57.79	52.92 130.52	0.00	0.00	0.00
3,100.00 3,122.21	60.00 60.00	270.97 270.97	2,812.19 2,823.30	-285.61 -285.29	-144.38 -163.61	139.52 158.76	0.00 0.00	0.00 0.00	0.00 0.00
3,150.00		270.97	2,836.60	-284.87	-188.00	183.15	10.00	10.00	0.00
3,200.00	67.78	270.97	2,857.51	-284.11	-233.40	228.55	10.00	10.00	0.00
3,250.00		270.97	2,874.37	-283.31	-280.44	275.61	10.00	10.00	0.00
3,300.00 3,350.00	77.78 82.78	270.97 270.97	2,887.08 2,895.52	-282.49 -281.66	-328.78 -378.04	323.95 373.22	10.00 10.00	10.00 10.00	0.00 0.00
3,400.00		270.97	2,899.63	-280.82	-427.85	423.03	10.00	10.00	0.00
3,430.56		270.97	2,900.00	-280.30	-427.03 -458.40	453.59	10.00	10.00	0.00



#### **Planning Report**

Database: EDM 5000.1.13 Single User Db SPUR ENERGY PARTNERS, LLC Project: EDDY COUNTY, NM (NAD 83 - NME) Site: LIVE OAK 27-28 STATE COM

Well: 20H
Wellbore: Wellbore #1
Design: PERMIT

Local Co-ordinate Reference: TVD Reference:

TVD Reference:
MD Reference:
North Reference:
Survey Calculation Method:

Well 20H

RKB = 20' @ 3473.00usft (AKITA 57) RKB = 20' @ 3473.00usft (AKITA 57)

Grid

Minimum Curvature

Planned Surve	У								
Depth	Depth Inclination Azimuth Dep		Vertical Depth (usft)	Depth +N/-S +E/-W		Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
LIVE	OAK 20H FTP: 17	05' FQI 2535'	EW/I						
3,500 3,600 3,700	.00 90.84 .00 90.84	270.97 270.97	2,898.99 2,897.53 2,896.07	-279.13 -277.44 -275.74	-527.82 -627.79 -727.77	523.02 623.01 723.00	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
3,800 3,900 4,000 4,100 4,200	.00 90.84 .00 90.84 .00 90.84	270.97 270.97 270.97	2,894.62 2,893.16 2,891.70 2,890.24 2,888.79	-274.05 -272.36 -270.67 -268.98 -267.29	-827.74 -927.72 -1,027.69 -1,127.67 -1,227.64	822.99 922.97 1,022.96 1,122.95 1,222.94	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
4,300 4,400 4,500 4,600 4,700	.00 90.8 <sup>2</sup> .00 90.8 <sup>2</sup> .00 90.8 <sup>2</sup> .00 90.8 <sup>2</sup>	270.97 270.97 270.97 270.97	2,887.33 2,885.87 2,884.41 2,882.95 2,881.50	-265.60 -263.91 -262.22 -260.53 -258.84	-1,327.62 -1,427.59 -1,527.57 -1,627.54 -1,727.52	1,322.93 1,422.92 1,522.91 1,622.90 1,722.89	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
4,800 4,900 5,000 5,100	.00 90.8 <sup>2</sup> .00 90.8 <sup>2</sup> .00 90.8 <sup>2</sup>	270.97 270.97 270.97	2,880.04 2,878.58 2,877.12 2,875.67	-257.15 -255.46 -253.76 -252.07	-1,827.49 -1,927.47 -2,027.44 -2,127.42	1,822.88 1,922.87 2,022.86 2,122.85	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
5,200 5,300 5,400 5,500	.00 90.84 .00 90.84	270.97 270.97	2,874.21 2,872.75 2,871.29 2,869.84	-250.38 -248.69 -247.00 -245.31	-2,227.39 -2,327.37 -2,427.34 -2,527.32	2,222.84 2,322.83 2,422.82 2,522.80	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
5,600 5,700 5,800 5,900	.00 90.84 .00 90.84 .00 90.84	270.97 270.97 270.97	2,868.38 2,866.92 2,865.46 2,864.01	-243.62 -241.93 -240.24 -238.55	-2,627.29 -2,727.27 -2,827.25 -2,927.22	2,622.79 2,722.78 2,822.77 2,922.76	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
6,000 6,100 6,200	.00 90.84 .00 90.84 .00 90.84	270.97 270.97 270.97	2,862.55 2,861.09 2,859.63	-236.86 -235.17 -233.48	-3,027.20 -3,127.17 -3,227.15	3,022.75 3,122.74 3,222.73	0.00 0.00 0.00	0.00 0.00 0.00	0.00 0.00 0.00
6,300 6,400 6,500 6,600 6,700	.00 90.84 .00 90.84 .00 90.84	270.97 270.97 270.97	2,858.18 2,856.72 2,855.26 2,853.80 2,852.35	-231.78 -230.09 -228.40 -226.71 -225.02	-3,327.12 -3,427.10 -3,527.07 -3,627.05 -3,727.02	3,322.72 3,422.71 3,522.70 3,622.69 3,722.68	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
6,800 6,900 7,000 7,100 7,200	.00 90.84 .00 90.84 .00 90.84	270.97 270.97 270.97	2,850.89 2,849.43 2,847.97 2,846.52 2,845.06	-223.33 -221.64 -219.95 -218.26 -216.57	-3,827.00 -3,926.97 -4,026.95 -4,126.92 -4,226.90	3,822.67 3,922.66 4,022.65 4,122.63 4,222.62	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00 0.00
7,300 7,400 7,500 7,600	.00 90.84 .00 90.84 .00 90.84	270.97 270.97 270.97	2,843.60 2,842.14 2,840.69 2,839.23	-214.88 -213.19 -211.50 -209.80	-4,326.87 -4,426.85 -4,526.82 -4,626.80	4,322.61 4,422.60 4,522.59 4,622.58	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
7,700 7,800 7,900 8,000	.00 90.8 <sup>2</sup> .00 90.8 <sup>2</sup> .00 90.8 <sup>2</sup>	270.97 270.97 270.97	2,837.77 2,836.31 2,834.86 2,833.40	-208.11 -206.42 -204.73 -203.04	-4,726.77 -4,826.75 -4,926.72 -5,026.70	4,722.57 4,822.56 4,922.55 5,022.54	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
8,100 8,200 8,300 8,400	.00 90.8 <sup>2</sup>	270.97 270.97	2,831.94 2,830.48 2,829.03 2,827.57	-201.35 -199.66 -197.97 -196.28	-5,126.67 -5,226.65 -5,326.62 -5,426.60	5,122.53 5,222.52 5,322.51 5,422.50	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00	0.00 0.00 0.00 0.00
8,500 8,526	.00 90.84	270.97 270.97	2,826.11 2,825.73	-194.59 -194.15	-5,526.57 -5,552.71	5,522.49 5,548.63	0.00 0.00	0.00 0.00	0.00 0.00



#### **Planning Report**

Database: EDM 5000.1.13 Single User Db
Company: SPUR ENERGY PARTNERS, LLC
Project: EDDY COUNTY, NM (NAD 83 - NME)
Site: LIVE OAK 27-28 STATE COM

Well: 20H
Wellbore: Wellbore #1
Design: PERMIT

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 20H

RKB = 20' @ 3473.00usft (AKITA 57) RKB = 20' @ 3473.00usft (AKITA 57)

Grid

Minimum Curvature

**Planned Survey** 

Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,576.15	90.84	270.97	2,825.00	-193.30	-5,602.70	5,598.62	0.00	0.00	0.00
LIVE OAK	20H BHL: 186	5' FSL, 2610'	FEL						

Design Targets									
Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
LIVE OAK 20H SHL: - plan hits target - Point		360.00	0.00	0.00	0.00	593,004.80	498,833.80	32.6301439	-104.4713998
LIVE OAK 20H KOP: - plan hits target - Point		360.00	1,893.71	-198.41	339.83	592,806.39	499,173.63	32.6295997	-104.4702951
LIVE OAK 20H BHL: - plan hits target - Point		360.00	2,825.00	-193.30	-5,602.70	592,811.50	493,231.10	32.6295912	-104.4895984
LIVE OAK 20H LTP: - plan misses targ - Point			2,825.73 8526.15ust	-193.30 ft MD (2825.	-5,552.70 73 TVD, -194	592,811.50 4.15 N, -5552.71	493,281.10 E)	32.6295914	-104.4894359
LIVE OAK 20H FTP: - plan hits target - Point		360.00	2,900.00	-280.30	-458.40	592,724.50	498,375.40	32.6293718	-104.4728877



Project: EDDY COUNTY, NM (NAD 83 - NME)

Site: LIVE OAK 27-28 STATE COM

Well: 20H

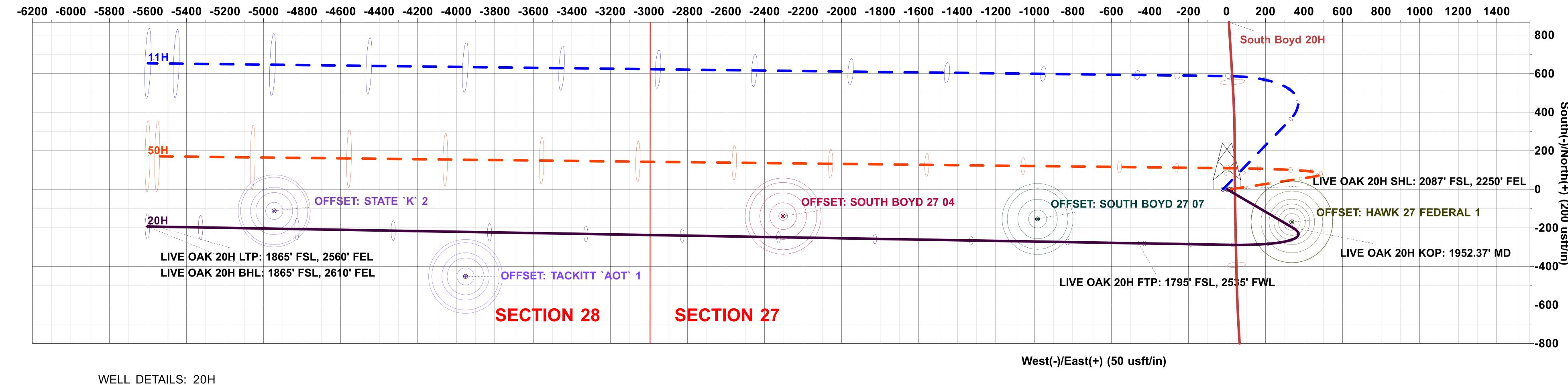
2400

2600-

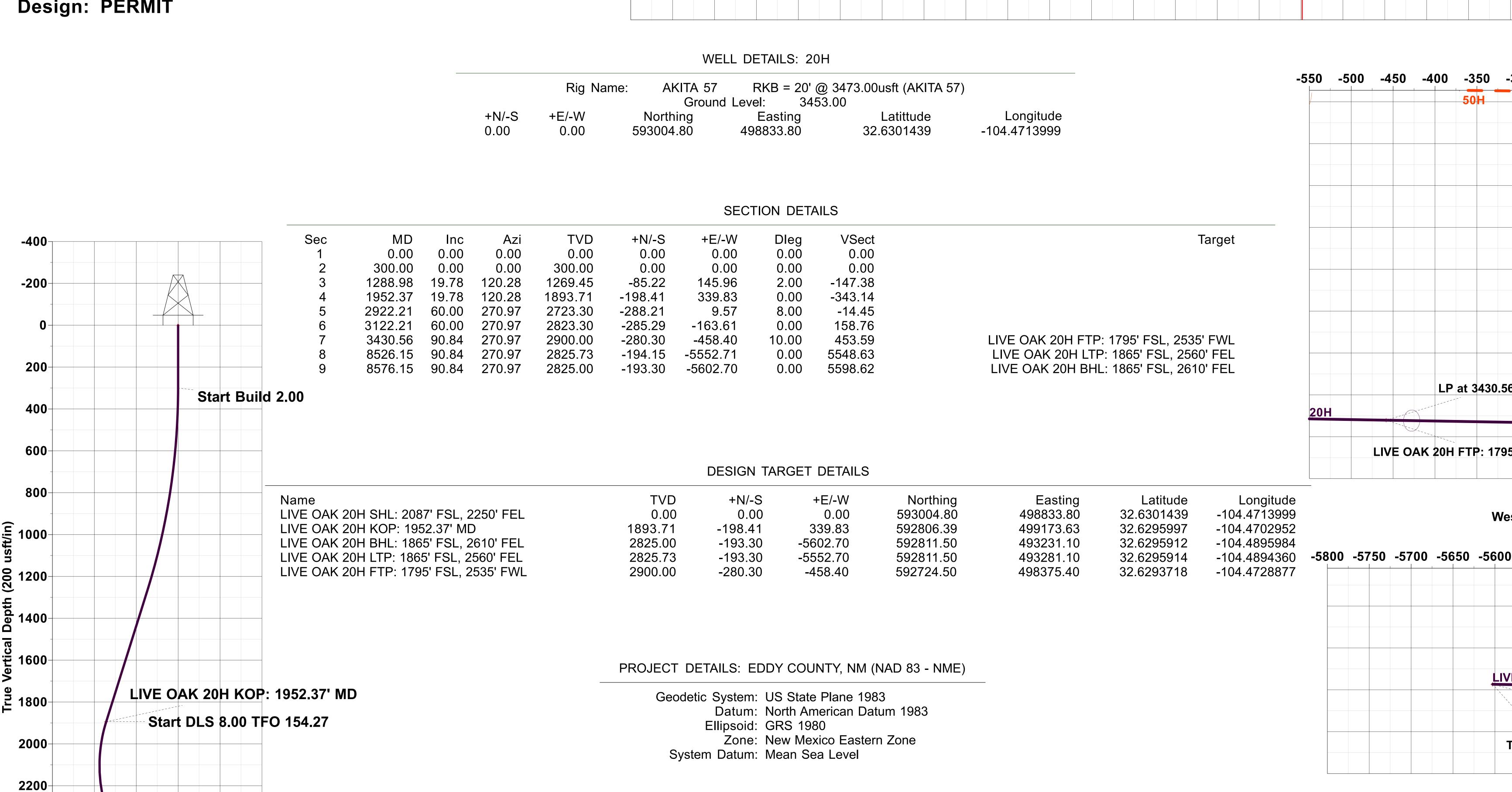
2800

3000

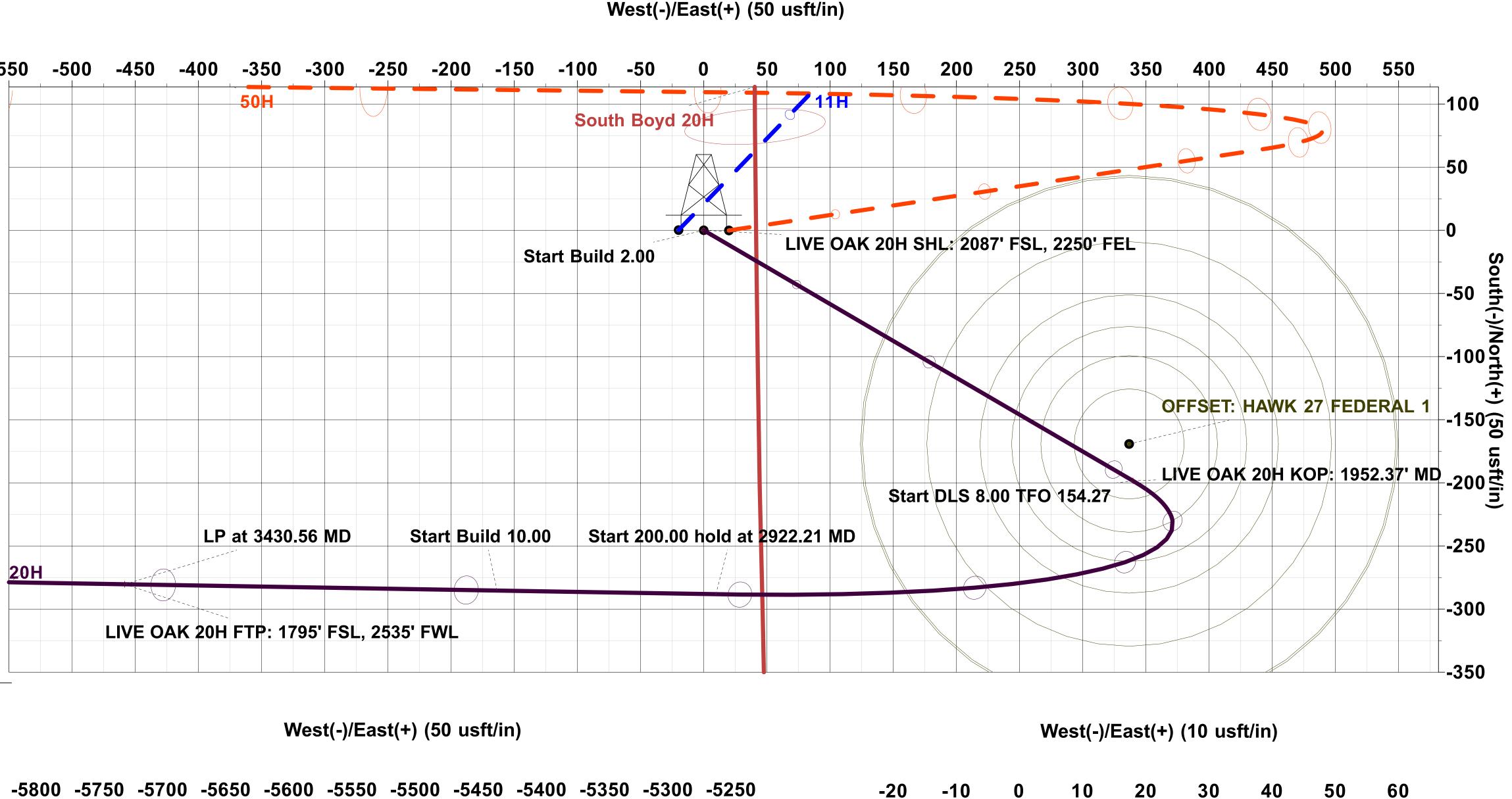
Wellbore: Wellbore #1 Design: PERMIT



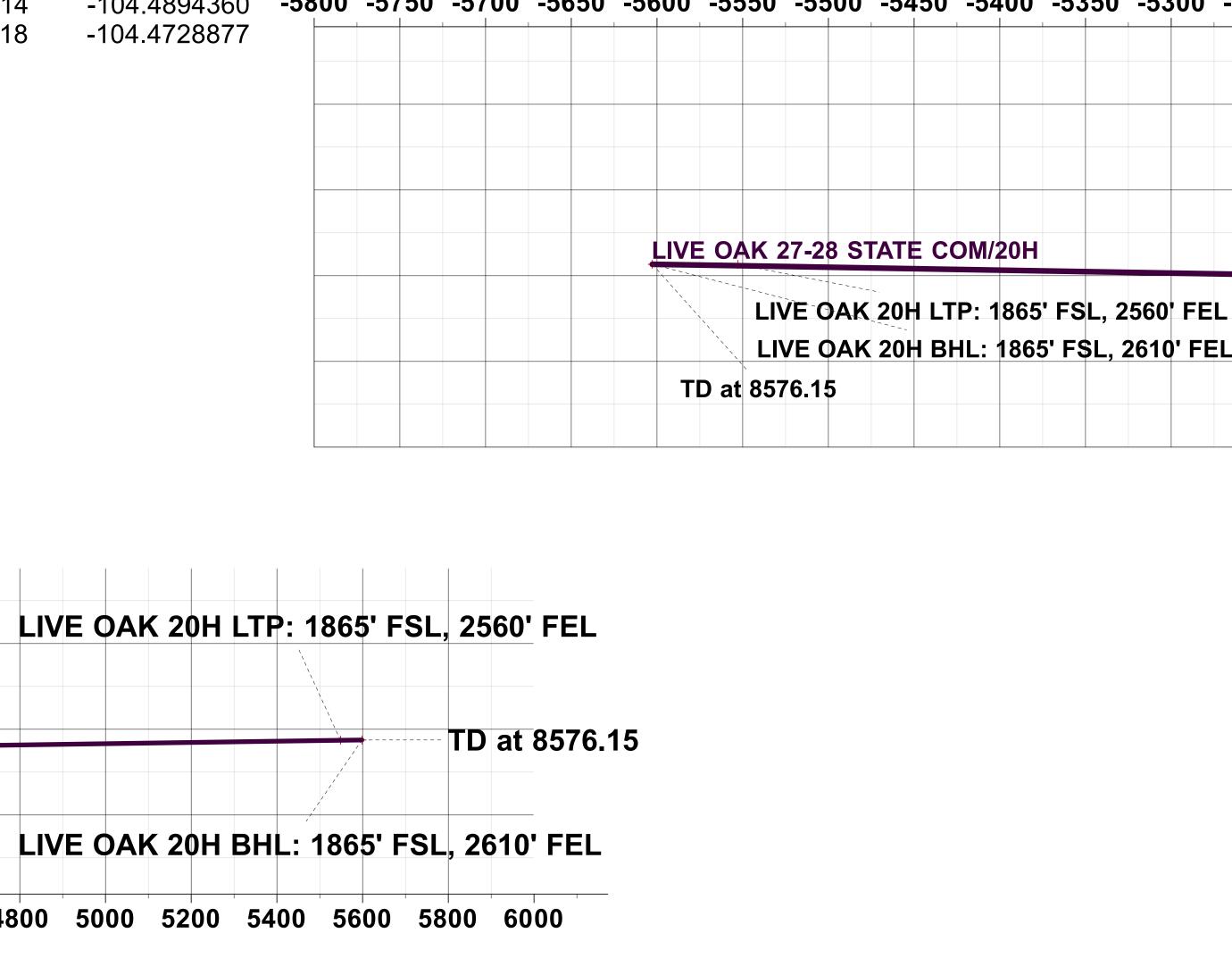
West(-)/East(+) (200 usft/in)



800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800 3000 3200 3400 3600 3800 4000



--250 <del>S</del>



-20 -10 0 10 20 30 40 50 60

LIVE OAK/11H

South Boyd South Boyd 20 H

LIVE OAK 27-28 STATE COM/50H

10 30

Start Build 2.00

LIVE OAK 27-28 STATE COM/20H

-40

-50

\*\*\*Note: this document is provided for information purposes only. Prototype Well Planning LLC, it's employees, and agents make no guarantee or warranty, expressed or implied, as to the accuracy of this electronica file. The data included here and may be subject to error, while corruption, change, alteration, or update without any notice to the user. Prototype Well Planning LLC, it's employees, and it's agents assume no responsibility, expressed or implied, for any damages incurred either directly or indirectly by the use of this document. The users agree to the above specified terms of this document

and agrees to verify the data enclosed to ascertain its accuracy for their intended use. If these conditions are unacceptable, user shall discard this document.\*\*\*

LP at 3430.56 MD

LIVE OAK 20H FTP: 1795' FSL, 2535' FWL

Start 200.00 hold at 2922.21 MD

Start Build 10.00

Vertical Section at 270.97° (200 usft/in)

Plan: PERMIT (20H/Wellbore #1)

Created By: PROTOTYPE WELL PLANNING / Date: 9:37, May 22 2023

#### **Pecos District**

### **Application for Permit to Drill**

#### **Conditions of Approval**

#### **Geology Concerns**

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

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

#### **Additional Engineering Requirements**

Surface casing must be set at: 1,200 feet

Intermediate casing must be set at: N/A

#### **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 for a representative to witness:
  - a. Well spudding (minimum of 24 hours notice)
  - b. Setting and/or cementing of all casing strings (minimum of 4 hours notice)
  - c. BOPE tests (minimum of 4 hours notice)

#### **Eddy County**

620 East Greene Street, Carlsbad, NM 88220 (575) 361-2822 BLM\_NM\_CFO\_DrillingNotifications@BLM.GOV

#### 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.

Page 1 of 10

- 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 43 CFR 3172.6 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 or 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 43 CFR 3172.6 and API STD 53 Sec. 5.3.
- 2. 5M or higher systems require 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.

Page 2 of 10

- 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 43 CFR 3172.6(b)(9).
- 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 and can be initiated immediately with the casing valve open. The operator also has the option of utilizing an independent tester to test without a plug (i.e. against the casing) pursuant to 43 CFR 3172 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 43 CFR 3172 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. Approval is only for the intermediate hole sections, so long as those sections do not go deeper than the Bone Springs formation.
  - c. The Annular Preventer must be tested to a minimum of 70% of BOPE working pressure and shall be higher than the MASP.
  - d. A full BOP test shall be performed every 21 days (at a minimum).
  - e. 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 (a maximum 200 foot difference in true vertical depth (TVD) is allowed).
  - f. BOPE break testing is not permitted for drilling the production hole section.
  - g. While in transfer, the BOP shall be secured by the hydraulic carrier or cradle.
  - h. If any repairs or replacements of the BOPE is required, the BOPE shall be tested as required by 43 CFR 3172.
  - i. 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.
  - j. 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.
  - k. 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.
  - 1. The appropriate Bureau of Land Management (BLM) office shall be notified a minimum of 4 hours before testing occurs.
  - m. Any well control event while drilling require notification to the BLM Petroleum Engineer (575-706-2779) prior to the commencement of any BOPE Break Testing operations.
  - n. If break testing is not used, then a full BOPE test shall be conducted.
- 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, shall 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.

- 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. In WIPP Areas, cement must come to surface on the first three casing strings.
- 10. If cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface. The casing integrity test can be done (prior to the cement setting up) immediately after bumping the plug.
- 11. No pea gravel permitted for remedial cement or fall back remedial cement without prior authorization from a BLM petroleum engineer.
- 12. 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.

#### 13. DV tools:

- a. First stage to DV tool (The DV tool may be cancelled if cement circulates to surface on the first stage):
  - 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.

#### 14. 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.
- e. In R111 Potash Areas, if cement does not circulate to surface on the first two salt protection casing strings, the cement on the 3rd casing salt string must come to surface.
- f. In Secretary Potash Areas, if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.

#### 15. 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.

#### 16. Medium/High/Critical Cave/Karst Areas:

- a. Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry.
- b. In Critical Cave/Karst Areas cement must come to surface on the first three casing strings.
- c. In Medium and High Cave/Karst Areas, if cement does not circulate to surface on the first two casing strings, the cement on the 3rd casing string must come to surface.
- d. In Critical Cave/Karst Areas, if cement does not circulate to surface on the first three casing strings, the cement on the 4th 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

Page 7 of 10

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 Santa Fe Office (301 Dinosaur Trail, Santa Fe, NM 87508), 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. The operator will submit an as-drilled survey well plat of the well completion, but are not limited to, those specified in 43 CFR 3171 and 3172.
    - ii. 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 43 CFR 3176 requirements, which includes equipment and personnel/public protection items.

Page 8 of 10

- c. An H2S Drilling Plan shall be activated 500 feet prior to drilling into 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 43 CFR 3176 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 it is a 4 string well ensure fresh water based mud is 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.

#### 6. WIPP Requirements

- a. If the proposed surface well or bottom hole is located within 330 feet of the WIPP Land Withdrawal Area boundary:
  - i. Daily drilling reports, logs, and deviation survey information are required to be submitted to the Bureau of Land Management Engineering Department and the U.S. Department of Energy (per requirements of the Joint Powers Agreement) until a total vertical depth of 7,000 feet is reached. These reports will have at a minimum the rate of penetration and a clearly marked section showing the deviation for each 500-foot interval. Operator may be required to do more frequent deviation surveys based on the daily information submitted and may be required to take other corrective measures.
  - ii. Information will also be provided to the New Mexico Oil Conservation Division after drilling activities have been completed.
  - iii. Upon completion of the well, the operator shall submit a complete directional survey.
  - iv. Any future entry into the well for purposes of completing additional drilling will require supplemental information.
- b. Required information shall be emailed to OilGasReports@wipp.ws.
  - i. Attached files must not be greater than 20 MB.
  - ii. Call WIPP Tech Support at 575-234-7422, during the hours of 7:00am to 4:30pm, if there are any issues sending to this address.

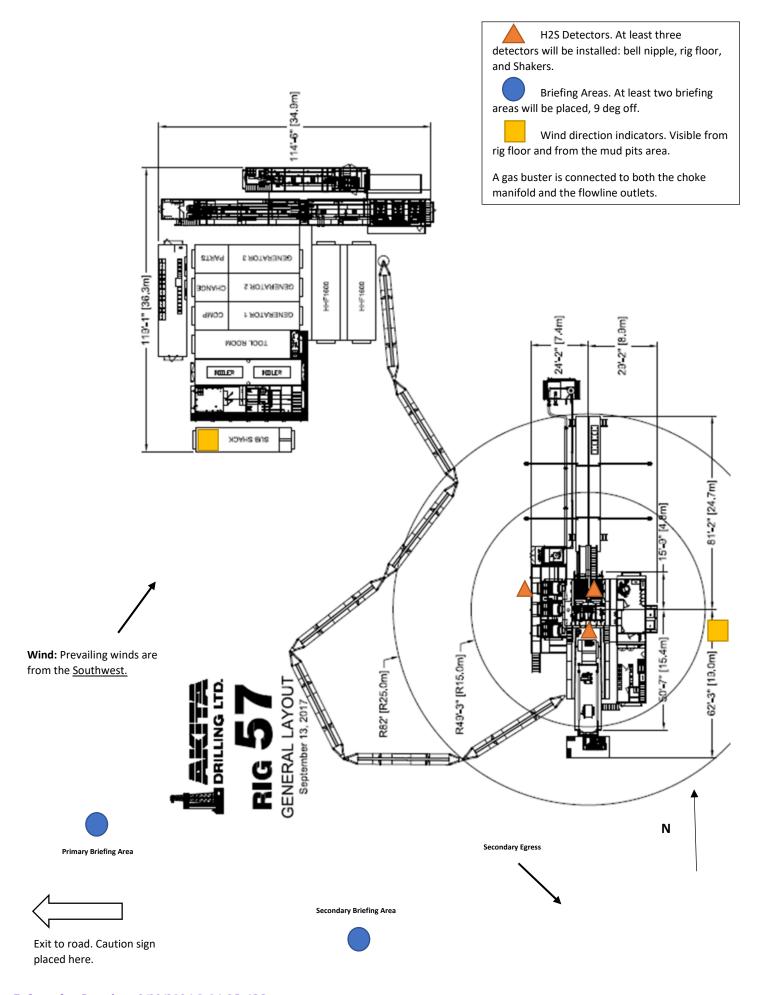


# Permian Drilling Hydrogen Sulfide Drilling Operations Plan Live Oak Development

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

#### 1. Escape

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





## **RIG # 57**<sub>1,150 HP Double</sub>

**Mast Drilling Rig** 

SUBSTRUCTURE

One Piece Step Down

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

mats & 4' pony sub moving system

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

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

DRAWWORKS

TSM 850 425.000lbs w/ 10 Lines

Input Power: 1,150 hp AC traction motor

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

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

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

IRON ROUGHNECK

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

Spin Torque: 1,750 ft-lbs

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

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

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

27 ½" Diameter opening

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

sets. 1220 BHP.

MUD PUMP #1

HHF1600 Triplex Rated Power: 1600 hp Stroke: 12" Input Power: 1500 hp AC traction motor

Pressure Rating: 5000 psi

HHF1600 Triplex Rated Power: 1600 hp

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

Two Tank system w/ 1200 bbls total capacity

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

MUD SYSTEM 5000 psi Max Pressure

5" Main plumbing and standpipe

SCALPING TANK Main Tank: 186 bbls capacity

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

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

11" x 5000 psi WP Single Ram (Optional)

MANIFOLD

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

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

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

Drill Pipe: Supplied as needed, per availability

Drill Collars & heaviwate: Supplied as needed, per availability

Water Tank: 409 bbls; Fuel Tank 189 bbls; Screw Compressor Boiler: 125 hp with Full Winterization Walking beam hydraulic pony sub moving system for linear motion & side shift 350' of Utility Suitcase style [50' lengths] connection for hydraulic and electrical

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

- 161'-4" · SUB SHACK CHANGE PARTS **(** ROOM  $\boxtimes$ **GENERATOR 3** HHF1600 HF1600 GENERATOR 1 • 2000 Car N 115'-9† CLEANING MUD – 29'-2" <del>– ⊳|</del>-- 38'-4" CENT ACCUMULATOR 62'-3"

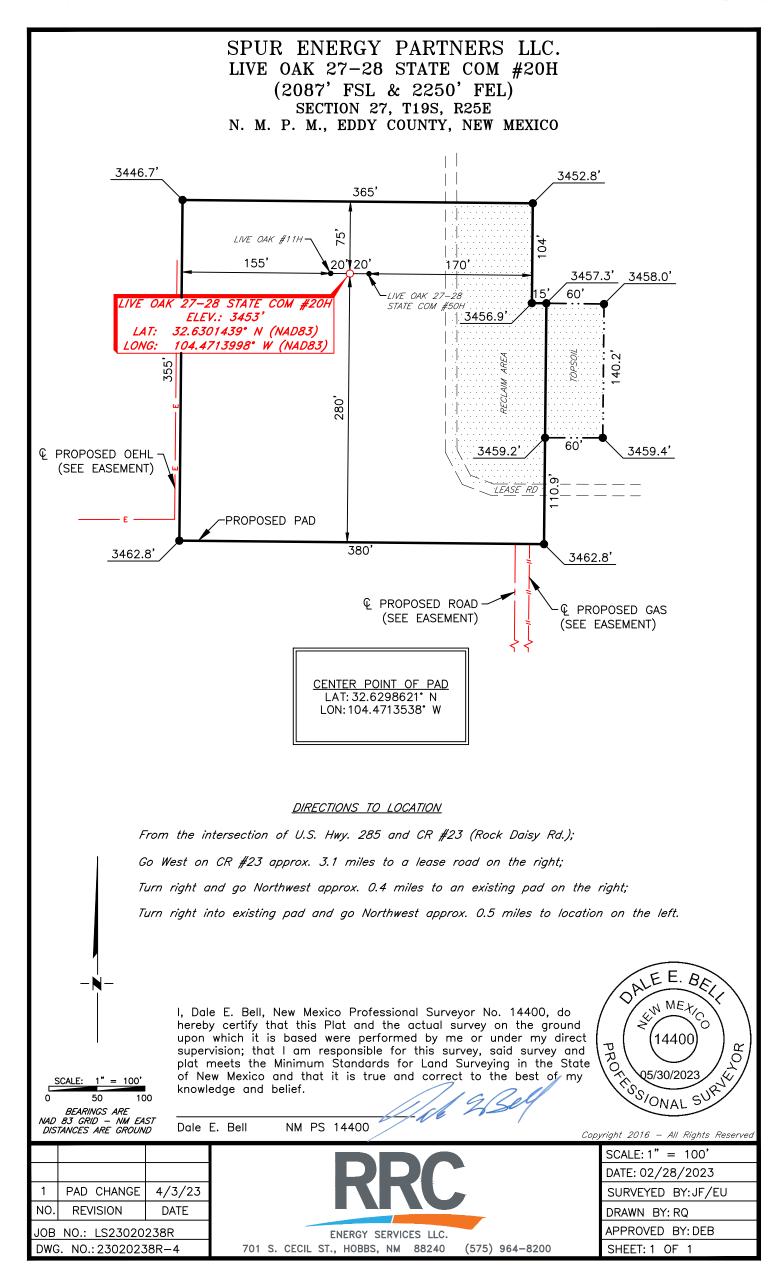
All ratings quoted herin are manufacturer specifications. AKITA's normal operating parameters are 90% of manufacturer mast ratings and 80% of mud pump manufacturer pressure rating. Operation of rig equipment

beyond these parameters requires approval from AKITA field office management.

皿

81'-2"

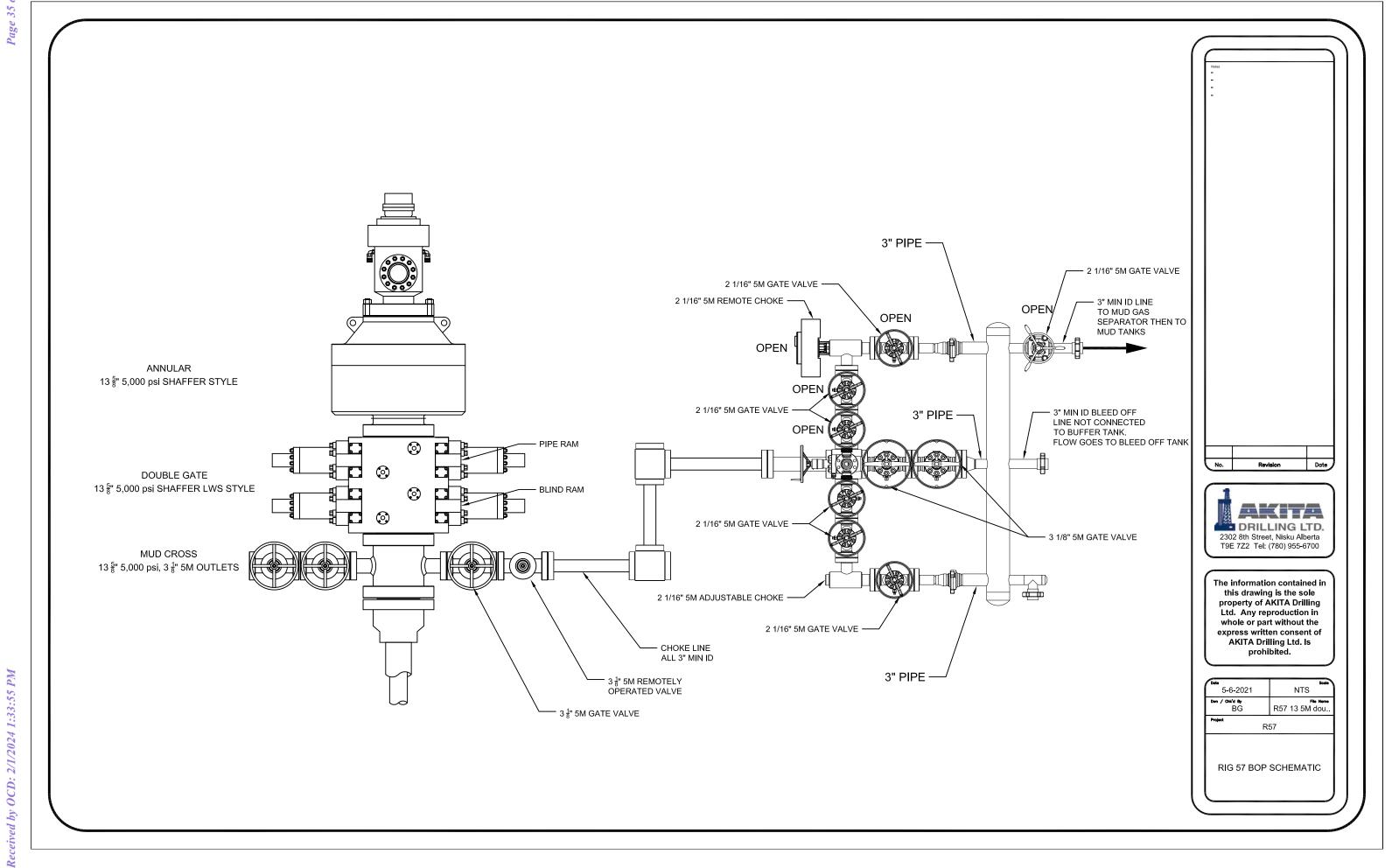
Standard inventory represents the typical rig configuration and inventory available, but specifications are subject to slight modifications from time to time due to customer requirements.



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

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

KZ 06/29/2018



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

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

1000 Rio Brazos Rd., Aztec, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 1220 S. St Francis Dr., Santa Fe, NM 87505 Phone:(505) 476-3470 Fax:(505) 476-3462

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

CONDITIONS

Action 310508

#### **CONDITIONS**

Operator:	OGRID:
Spur Energy Partners LLC	328947
9655 Katy Freeway	Action Number:
Houston, TX 77024	310508
	Action Type:
	[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	2/23/2024
ward.rikala	Will require a File As Drilled C-102 and a Directional Survey with the C-104	2/23/2024
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	2/23/2024
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing	2/23/2024
ward.rikala	If cement does not circulate on any string, a CBL is required for that string of casing	2/23/2024
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	2/23/2024