

District I

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

District II

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

District III

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

District IV

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

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

Form C-101

August 1, 2011

Permit 297252

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

1. Operator Name and Address Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024		2. OGRID Number 328947
		3. API Number 30-015-48700
4. Property Code 328505	5. Property Name NIRVANA	6. Well No. 002H

7. Surface Location

UL - Lot O	Section 29	Township 18S	Range 26E	Lot Idn O	Feet From 890	N/S Line S	Feet From 2095	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot P	Section 28	Township 18S	Range 26E	Lot Idn P	Feet From 913	N/S Line S	Feet From 50	E/W Line E	County Eddy
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9. Pool Information

ATOKA;GLORIETA-YESO	3250
PENASCO DRAW;SA-YESO (ASSOC)	50270

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3417
16. Multiple Y	17. Proposed Depth 9421	18. Formation Yeso	19. Contractor	20. Spud Date 7/10/2021
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

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

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	9.625	36	1300	438	0
Prod	8.75	7	32	2700	1645	0
Prod	8.75	5.5	20	9421	1645	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5	5000	Shaffer

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.	OIL CONSERVATION DIVISION	
Signature:		
Printed Name: Electronically filed by Sarah Chapman	Approved By: Kurt Simmons	
Title: Regulatory Director	Title: Petroleum Specialist - A	
Email Address: schapman@spureplc.com	Approved Date: 7/2/2021	Expiration Date: 7/2/2023
Date: 6/21/2021	Phone: 832-930-8613	Conditions of Approval Attached

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-		2 Pool Code 3250		3 Pool Name ATOKA; GLORIETA-YESO	
4 Property Code		5 Property Name NIRVANA			6 Well Number 2H
7 OGRID NO. 328947		8 Operator Name SPUR ENERGY PARTNERS LLC.			9 Elevation 3417'

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/West line	County
0	29	18S	26E		890	SOUTH	2095	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
P	28	18S	26E		913	SOUTH	50	EAST	EDDY

12 Dedicated Acres SE/4 SE/4 Sec 29 200 40	13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>16</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 623523.5 - E: 520050.8 LAT: 32.7140877° N LONG: 104.4025444° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 913' FSL & 1221' FEL - SEC 29 N: 623542.9 - E: 520925.0 LAT: 32.7141426° N LONG: 104.3997023° W</p> <p><u>LAST TAKE POINT (LTP)</u> 913' FSL & 100' FEL - SEC 28 N: 623516.1 - E: 527358.2 LAT: 32.7140782° N LONG: 104.3787853° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 623515.9 - E: 527408.2 LAT: 32.7140777° N LONG: 104.3786227° W</p> <p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>G: CALCULATED CORNER N: 622625.1 - E: 522141.2</p> <p>H: FOUND 1/2" REBAR N: 622636.0 - E: 519499.8</p> <p>B: CALCULATED CORNER N: 627902.6 - E: 516889.4</p> <p>C: CALCULATED CORNER N: 627898.4 - E: 522165.5</p> <p>D: FOUND PK NAIL N: 627894.1 - E: 527461.9</p> <p>E: FOUND COTTON SPINDLE N: 625243.8 - E: 527459.8</p> <p>F: FOUND RAILROAD SPIKE N: 622603.2 - E: 527457.4</p>	<p>17 OPERATOR CERTIFICATION</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> 06/11/2021 Signature Date SARAH CHAPMAN Printed Name SCHAPMAN@SPUREPLLC.COM E-mail Address</p>
<p>(B) (C) (D)</p> <p>(A) (H) (G) (F)</p>	<p>18 SURVEYOR CERTIFICATION</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>12-30-2020 Date of Survey</p> <p>(E) Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p> <p>LS20120848</p>

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OIL CONSERVATION DIVISION
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Form C-102
Revised August 1, 2011
Submit one copy to appropriate
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-		2 Pool Code 50270		3 Pool Name PENASCO DRAW; SA-YESO (ASSOC)	
4 Property Code		5 Property Name NIRVANA			6 Well Number 2H
7 OGRID NO. 328947		8 Operator Name SPUR ENERGY PARTNERS LLC.			9 Elevation 3417'

10 Surface Location

UL or lot no. 0	Section 29	Township 18S	Range 26E	Lot Idn	Feet from the 890	North/South line SOUTH	Feet From the 2095	East/West line EAST	County EDDY
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11 Bottom Hole Location If Different From Surface

UL or lot no. P	Section 28	Township 18S	Range 26E	Lot Idn	Feet from the 913	North/South line SOUTH	Feet from the 50	East/West line EAST	County EDDY
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12 Dedicated Acres S/2 S/2 Sec 28 200 160		13 Joint or Infill	14 Consolidation Code	15 Order No.
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No allowable will be assigned to this completion until all interest have been consolidated or a non-standard unit has been approved by the division.

<p>16</p> <p><u>GEODETIC DATA</u> NAD 83 GRID - NM EAST</p> <p><u>SURFACE LOCATION (SL)</u> N: 623523.5 - E: 520050.8 LAT: 32.7140877° N LONG: 104.4025444° W</p> <p><u>FIRST TAKE POINT (FTP)</u> 913' FSL & 1221' FEL - SEC 29 N: 623542.9 - E: 520925.0 LAT: 32.7141426° N LONG: 104.3997023° W</p> <p><u>LAST TAKE POINT (LTP)</u> 913' FSL & 100' FEL - SEC 28 N: 623516.1 - E: 527358.2 LAT: 32.7140782° N LONG: 104.3787853° W</p> <p><u>BOTTOM HOLE (BH)</u> N: 623515.9 - E: 527408.2 LAT: 32.7140777° N LONG: 104.3786227° W</p>		<p><u>CORNER DATA</u> NAD 83 GRID - NM EAST</p> <p>G: CALCULATED CORNER N: 622625.1 - E: 522141.2</p> <p>H: FOUND 1/2" REBAR N: 622636.0 - E: 519499.8</p> <p>B: CALCULATED CORNER N: 627902.6 - E: 516889.4</p> <p>C: CALCULATED CORNER N: 627898.4 - E: 522165.5</p> <p>D: FOUND PK NAIL N: 627894.1 - E: 527461.9</p> <p>E: FOUND COTTON SPINDLE N: 625243.8 - E: 527459.8</p> <p>F: FOUND RAILROAD SPIKE N: 622603.2 - E: 527457.4</p>		<p>17 OPERATOR CERTIFICATION <i>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.</i></p> <p><i>Sarah Chapman</i> 06/11/2021 Signature Date SARAH CHAPMAN Printed Name SCHAPMAN@SPUREPLLC.COM E-mail Address</p>	
<p>18 SURVEYOR CERTIFICATION <i>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.</i></p> <p>12-30-2020 Date of Survey Signature and Seal of Professional Surveyor</p> <p>19680 Certificate Number</p>		<p>19680 Certificate Number</p>			

LS20120848

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Form APD Comments

Permit 297252

PERMIT COMMENTS

Operator Name and Address: Spur Energy Partners LLC [328947] 9655 Katy Freeway Houston, TX 77024		API Number: 30-015-48700
		Well: NIRVANA #002H
Created By	Comment	Comment Date
schapman01	Well is producing from two pools. Attached are both C-102s.	6/14/2021

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Form APD Conditions

Permit 297252

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Spur Energy Partners LLC [328947] 9655 Katy Freeway Houston, TX 77024	API Number: 30-015-48700
	Well: NIRVANA #002H

OCD Reviewer	Condition
ksimmons	Notify OCD 24 hours prior to casing & cement
ksimmons	Will require a File As Drilled C-102 and a Directional Survey with the C-104
ksimmons	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
kpickford	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string
kpickford	Cement is required to circulate on both surface and intermediate1 strings of casing
kpickford	Oil base muds are not to be used until fresh water zones are cased and cemented providing isolation from the oil or diesel. This includes synthetic oils. Oil based mud, drilling fluids and solids must be contained in a steel closed loop system



Spur Energy Partners, LLC

Eddy County, NM (NAD 83 - NME)

Nirvana

#2H

OH

Plan: Plan #4

Standard Planning Report

14 June, 2021





Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well #2H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Site:	Nirvana	North Reference:	Grid
Well:	#2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #4		

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

Site		Nirvana			
Site Position:		Northing:	623,161.20 usft	Latitude:	32.7131037
From:	Map	Easting:	528,122.80 usft	Longitude:	-104.3762989
Position Uncertainty:	0.00 usft	Slot Radius:	13.200 in	Grid Convergence:	-0.023

Well	#2H					
Well Position	+N/-S	362.30 usft	Northing:	623,523.50 usft	Latitude:	32.7140878
	+E/-W	-8,072.00 usft	Easting:	520,050.80 usft	Longitude:	-104.4025445
Position Uncertainty		0.00 usft	Wellhead Elevation:		Ground Level:	3,417.00 usft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	6/11/2021	6.969	60.221	47,697.39993212

Design	Plan #4			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	90.27

Plan Survey Tool Program	Date	6/14/2021		
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks
1	0.00	9,421.86 Plan #4 (OH)	MWD+IGRF	
			OWSG MWD + IGRF or WM	

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.000	
662.64	3.25	287.35	662.55	1.38	-4.41	2.00	2.00	0.00	287.353	
1,401.00	3.25	287.35	1,399.72	13.87	-44.39	0.00	0.00	0.00	0.000	
2,452.89	60.00	90.27	2,278.50	21.45	431.75	6.00	5.39	15.49	163.422	
2,652.89	60.00	90.27	2,378.50	20.65	604.95	0.00	0.00	0.00	0.000	
2,935.66	88.28	90.27	2,455.00	19.40	874.20	10.00	10.00	0.00	0.000	PLAT Nirvana 2H: F
9,371.82	88.28	90.27	2,648.50	-10.37	7,307.39	0.00	0.00	0.00	0.000	PLAT Nirvana 2H: L
9,421.86	88.28	90.27	2,650.00	-10.60	7,357.40	0.00	0.00	0.00	0.000	PLAT Nirvana 2H: F



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well #2H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Site:	Nirvana	North Reference:	Grid
Well:	#2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #4		

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	0.00	0.00	400.00	0.00	0.00	0.00	0.00	0.00	0.00
500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00
600.00	2.00	287.35	599.98	0.52	-1.67	-1.67	2.00	2.00	0.00
662.64	3.25	287.35	662.55	1.38	-4.41	-4.41	2.00	2.00	0.00
700.00	3.25	287.35	699.85	2.01	-6.43	-6.44	0.00	0.00	0.00
800.00	3.25	287.35	799.69	3.70	-11.84	-11.86	0.00	0.00	0.00
900.00	3.25	287.35	899.53	5.39	-17.26	-17.29	0.00	0.00	0.00
1,000.00	3.25	287.35	999.37	7.09	-22.68	-22.71	0.00	0.00	0.00
1,100.00	3.25	287.35	1,099.21	8.78	-28.09	-28.13	0.00	0.00	0.00
1,200.00	3.25	287.35	1,199.05	10.47	-33.51	-33.56	0.00	0.00	0.00
1,300.00	3.25	287.35	1,298.89	12.16	-38.92	-38.98	0.00	0.00	0.00
1,401.00	3.25	287.35	1,399.72	13.87	-44.39	-44.46	0.00	0.00	0.00
1,450.00	0.94	349.96	1,448.69	14.68	-45.79	-45.86	6.00	-4.71	127.76
1,500.00	2.97	72.62	1,498.67	15.48	-44.63	-44.70	6.00	4.05	165.32
1,550.00	5.90	81.78	1,548.51	16.23	-40.85	-40.92	6.00	5.85	18.32
1,600.00	8.87	84.85	1,598.09	16.95	-34.46	-34.54	6.00	5.95	6.13
1,650.00	11.86	86.38	1,647.27	17.62	-25.50	-25.58	6.00	5.98	3.06
1,700.00	14.85	87.30	1,695.91	18.24	-13.97	-14.05	6.00	5.99	1.84
1,750.00	17.85	87.92	1,743.89	18.82	0.09	0.01	6.00	5.99	1.24
1,800.00	20.84	88.36	1,791.06	19.36	16.65	16.55	6.00	5.99	0.89
1,850.00	23.84	88.70	1,837.30	19.84	35.64	35.55	6.00	5.99	0.68
1,900.00	26.84	88.97	1,882.48	20.27	57.03	56.94	6.00	6.00	0.53
1,950.00	29.84	89.18	1,926.49	20.65	80.76	80.66	6.00	6.00	0.43
2,000.00	32.83	89.36	1,969.19	20.98	106.76	106.66	6.00	6.00	0.36
2,050.00	35.83	89.52	2,010.47	21.26	134.95	134.85	6.00	6.00	0.31
2,100.00	38.83	89.65	2,050.23	21.48	165.27	165.17	6.00	6.00	0.26
2,150.00	41.83	89.76	2,088.34	21.64	197.63	197.52	6.00	6.00	0.23
2,200.00	44.83	89.87	2,124.70	21.75	231.93	231.83	6.00	6.00	0.21
2,250.00	47.83	89.96	2,159.22	21.80	268.10	267.99	6.00	6.00	0.19
2,300.00	50.83	90.04	2,191.81	21.80	306.01	305.91	6.00	6.00	0.17
2,350.00	53.83	90.12	2,222.36	21.74	345.59	345.48	6.00	6.00	0.16
2,400.00	56.83	90.19	2,250.80	21.63	386.70	386.60	6.00	6.00	0.14
2,452.89	60.00	90.27	2,278.50	21.45	431.75	431.64	6.00	6.00	0.13
2,500.00	60.00	90.27	2,302.05	21.26	472.55	472.44	0.00	0.00	0.00
2,600.00	60.00	90.27	2,352.05	20.86	559.15	559.05	0.00	0.00	0.00
2,652.89	60.00	90.27	2,378.50	20.65	604.95	604.85	0.00	0.00	0.00
2,700.00	64.71	90.27	2,400.35	20.45	646.67	646.57	10.00	10.00	0.00
2,750.00	69.71	90.27	2,419.71	20.24	692.76	692.65	10.00	10.00	0.00
2,800.00	74.71	90.27	2,434.98	20.02	740.35	740.25	10.00	10.00	0.00
2,850.00	79.71	90.27	2,446.05	19.79	789.09	788.99	10.00	10.00	0.00
2,900.00	84.71	90.27	2,452.82	19.56	838.62	838.51	10.00	10.00	0.00
2,935.66	88.28	90.27	2,455.00	19.40	874.20	874.10	10.00	10.00	0.00
3,000.00	88.28	90.27	2,456.93	19.10	938.51	938.41	0.00	0.00	0.00
3,100.00	88.28	90.27	2,459.94	18.64	1,038.47	1,038.37	0.00	0.00	0.00
3,200.00	88.28	90.27	2,462.95	18.18	1,138.42	1,138.32	0.00	0.00	0.00
3,300.00	88.28	90.27	2,465.95	17.71	1,238.37	1,238.28	0.00	0.00	0.00
3,400.00	88.28	90.27	2,468.96	17.25	1,338.33	1,338.23	0.00	0.00	0.00
3,500.00	88.28	90.27	2,471.97	16.79	1,438.28	1,438.19	0.00	0.00	0.00
3,600.00	88.28	90.27	2,474.97	16.33	1,538.24	1,538.14	0.00	0.00	0.00
3,700.00	88.28	90.27	2,477.98	15.86	1,638.19	1,638.10	0.00	0.00	0.00



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well #2H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Site:	Nirvana	North Reference:	Grid
Well:	#2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #4		

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)
3,800.00	88.28	90.27	2,480.99	15.40	1,738.14	1,738.05	0.00	0.00	0.00
3,900.00	88.28	90.27	2,483.99	14.94	1,838.10	1,838.01	0.00	0.00	0.00
4,000.00	88.28	90.27	2,487.00	14.48	1,938.05	1,937.96	0.00	0.00	0.00
4,100.00	88.28	90.27	2,490.00	14.01	2,038.00	2,037.92	0.00	0.00	0.00
4,200.00	88.28	90.27	2,493.01	13.55	2,137.96	2,137.87	0.00	0.00	0.00
4,300.00	88.28	90.27	2,496.02	13.09	2,237.91	2,237.83	0.00	0.00	0.00
4,400.00	88.28	90.27	2,499.02	12.63	2,337.87	2,337.78	0.00	0.00	0.00
4,500.00	88.28	90.27	2,502.03	12.16	2,437.82	2,437.73	0.00	0.00	0.00
4,600.00	88.28	90.27	2,505.04	11.70	2,537.77	2,537.69	0.00	0.00	0.00
4,700.00	88.28	90.27	2,508.04	11.24	2,637.73	2,637.64	0.00	0.00	0.00
4,800.00	88.28	90.27	2,511.05	10.78	2,737.68	2,737.60	0.00	0.00	0.00
4,900.00	88.28	90.27	2,514.06	10.31	2,837.63	2,837.55	0.00	0.00	0.00
5,000.00	88.28	90.27	2,517.06	9.85	2,937.59	2,937.51	0.00	0.00	0.00
5,100.00	88.28	90.27	2,520.07	9.39	3,037.54	3,037.46	0.00	0.00	0.00
5,200.00	88.28	90.27	2,523.07	8.93	3,137.50	3,137.42	0.00	0.00	0.00
5,300.00	88.28	90.27	2,526.08	8.46	3,237.45	3,237.37	0.00	0.00	0.00
5,400.00	88.28	90.27	2,529.09	8.00	3,337.40	3,337.33	0.00	0.00	0.00
5,500.00	88.28	90.27	2,532.09	7.54	3,437.36	3,437.28	0.00	0.00	0.00
5,600.00	88.28	90.27	2,535.10	7.08	3,537.31	3,537.24	0.00	0.00	0.00
5,700.00	88.28	90.27	2,538.11	6.61	3,637.26	3,637.19	0.00	0.00	0.00
5,800.00	88.28	90.27	2,541.11	6.15	3,737.22	3,737.15	0.00	0.00	0.00
5,900.00	88.28	90.27	2,544.12	5.69	3,837.17	3,837.10	0.00	0.00	0.00
6,000.00	88.28	90.27	2,547.13	5.23	3,937.13	3,937.06	0.00	0.00	0.00
6,100.00	88.28	90.27	2,550.13	4.76	4,037.08	4,037.01	0.00	0.00	0.00
6,200.00	88.28	90.27	2,553.14	4.30	4,137.03	4,136.97	0.00	0.00	0.00
6,300.00	88.28	90.27	2,556.15	3.84	4,236.99	4,236.92	0.00	0.00	0.00
6,400.00	88.28	90.27	2,559.15	3.38	4,336.94	4,336.88	0.00	0.00	0.00
6,500.00	88.28	90.27	2,562.16	2.91	4,436.89	4,436.83	0.00	0.00	0.00
6,600.00	88.28	90.27	2,565.16	2.45	4,536.85	4,536.79	0.00	0.00	0.00
6,700.00	88.28	90.27	2,568.17	1.99	4,636.80	4,636.74	0.00	0.00	0.00
6,800.00	88.28	90.27	2,571.18	1.53	4,736.76	4,736.70	0.00	0.00	0.00
6,900.00	88.28	90.27	2,574.18	1.06	4,836.71	4,836.65	0.00	0.00	0.00
7,000.00	88.28	90.27	2,577.19	0.60	4,936.66	4,936.60	0.00	0.00	0.00
7,100.00	88.28	90.27	2,580.20	0.14	5,036.62	5,036.56	0.00	0.00	0.00
7,200.00	88.28	90.27	2,583.20	-0.32	5,136.57	5,136.51	0.00	0.00	0.00
7,300.00	88.28	90.27	2,586.21	-0.79	5,236.52	5,236.47	0.00	0.00	0.00
7,400.00	88.28	90.27	2,589.22	-1.25	5,336.48	5,336.42	0.00	0.00	0.00
7,500.00	88.28	90.27	2,592.22	-1.71	5,436.43	5,436.38	0.00	0.00	0.00
7,600.00	88.28	90.27	2,595.23	-2.17	5,536.38	5,536.33	0.00	0.00	0.00
7,700.00	88.28	90.27	2,598.23	-2.64	5,636.34	5,636.29	0.00	0.00	0.00
7,800.00	88.28	90.27	2,601.24	-3.10	5,736.29	5,736.24	0.00	0.00	0.00
7,900.00	88.28	90.27	2,604.25	-3.56	5,836.25	5,836.20	0.00	0.00	0.00
8,000.00	88.28	90.27	2,607.25	-4.02	5,936.20	5,936.15	0.00	0.00	0.00
8,100.00	88.28	90.27	2,610.26	-4.49	6,036.15	6,036.11	0.00	0.00	0.00
8,200.00	88.28	90.27	2,613.27	-4.95	6,136.11	6,136.06	0.00	0.00	0.00
8,300.00	88.28	90.27	2,616.27	-5.41	6,236.06	6,236.02	0.00	0.00	0.00
8,400.00	88.28	90.27	2,619.28	-5.87	6,336.01	6,335.97	0.00	0.00	0.00
8,500.00	88.28	90.27	2,622.29	-6.34	6,435.97	6,435.93	0.00	0.00	0.00
8,600.00	88.28	90.27	2,625.29	-6.80	6,535.92	6,535.88	0.00	0.00	0.00
8,700.00	88.28	90.27	2,628.30	-7.26	6,635.88	6,635.84	0.00	0.00	0.00
8,800.00	88.28	90.27	2,631.30	-7.72	6,735.83	6,735.79	0.00	0.00	0.00
8,900.00	88.28	90.27	2,634.31	-8.19	6,835.78	6,835.75	0.00	0.00	0.00
9,000.00	88.28	90.27	2,637.32	-8.65	6,935.74	6,935.70	0.00	0.00	0.00
9,100.00	88.28	90.27	2,640.32	-9.11	7,035.69	7,035.66	0.00	0.00	0.00



Planning Report



Database:	WBDS_SQL_2	Local Co-ordinate Reference:	Well #2H
Company:	Spur Energy Partners, LLC	TVD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Project:	Eddy County, NM (NAD 83 - NME)	MD Reference:	RKB=20' @ 3437.00usft (Akita 57)
Site:	Nirvana	North Reference:	Grid
Well:	#2H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #4		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	
9,200.00	88.28	90.27	2,643.33	-9.57	7,135.64	7,135.61	0.00	0.00	0.00	
9,300.00	88.28	90.27	2,646.34	-10.04	7,235.60	7,235.57	0.00	0.00	0.00	
9,371.82	88.28	90.27	2,648.50	-10.37	7,307.39	7,307.35	0.00	0.00	0.00	
9,400.00	88.28	90.27	2,649.34	-10.50	7,335.55	7,335.52	0.00	0.00	0.00	
9,421.86	88.28	90.27	2,650.00	-10.60	7,357.40	7,357.37	0.00	0.00	0.00	

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
- hit/miss target										
- Shape										
PLAT Nirvana 2H: SH	0.00	360.00	0.00	0.00	0.00	623,523.50	520,050.80	32.7140878	-104.4025445	
- plan hits target center										
- Point										
PLAN KOP @ 1401.0	0.00	0.00	1,399.72	13.87	-44.39	623,537.38	520,006.41	32.7141258	-104.4026889	
- plan hits target center										
- Point										
PLAT Nirvana 2H: FTI	0.00	360.00	2,455.00	19.40	874.20	623,542.90	520,925.00	32.7141426	-104.3997022	
- plan hits target center										
- Point										
PLAT Nirvana 2H: LTF	0.00	360.00	2,648.50	-7.40	7,307.40	623,516.10	527,358.20	32.7140783	-104.3787853	
- plan misses target center by 2.97usft at 9371.82usft MD (2648.50 TVD, -10.37 N, 7307.39 E)										
- Point										
PLAT Nirvana 2H: PB	0.00	360.00	2,650.00	-10.60	7,357.40	623,512.90	527,408.20	32.7140696	-104.3786228	
- plan hits target center										
- Point										



Company: Spur Energy Partners, LLC
Project: Eddy County, NM (NAD 83 - NME)
Site: Nirvana
Well: #2H
Wellbore: OH
Rig: Akita 57
Design: Plan #4 / 9:02, June 14 2021

WELL DETAILS: #2H

RKB=20' @ 3437.00usft (Akita 57)
3417.00

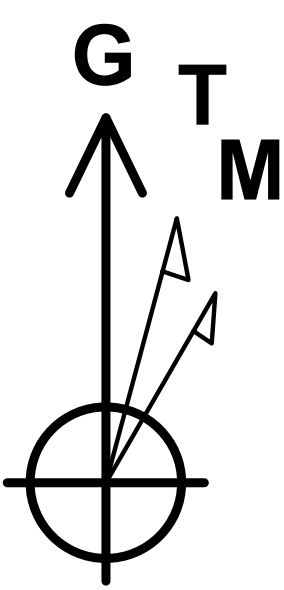
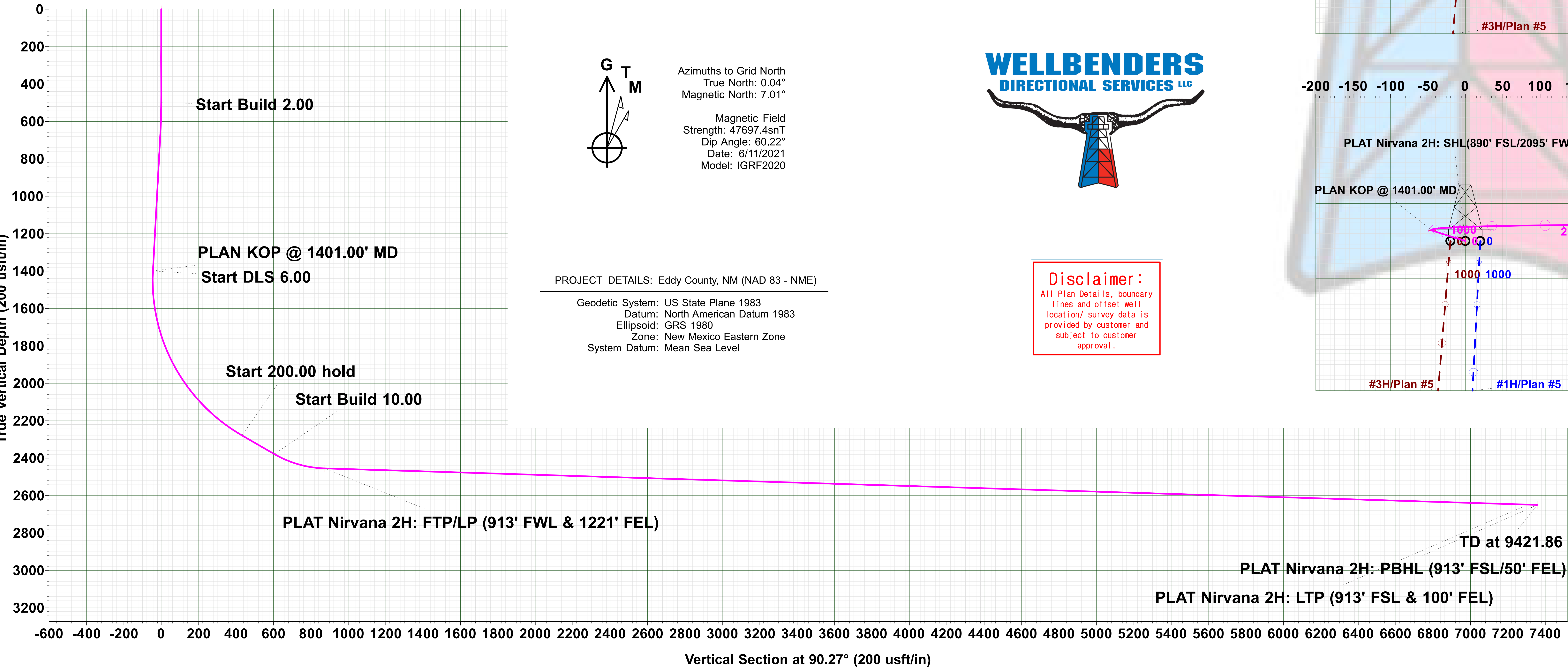
+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
0.00	0.00	623523.50	520050.80	32.7140878	-104.4025445

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000	0.00	
2	500.00	0.00	0.00	500.00	0.00	0.00	0.00	0.000	0.00	
3	662.64	3.25	287.35	662.55	1.38	-4.41	2.00	287.353	-4.41	
4	1401.00	3.25	287.35	1399.72	13.87	-44.39	0.00	0.000	-44.46	
5	2452.89	60.00	90.27	2278.50	21.45	431.75	6.00	163.422	431.64	
6	2652.89	60.00	90.27	2378.50	20.65	604.95	0.00	0.000	604.85	
7	2935.66	88.28	90.27	2455.00	19.40	874.20	10.00	0.000	874.10	PLAT Nirvana 2H: FTP/LP (913' FWL & 1221' FEL)
8	9371.82	88.28	90.27	2648.50	-10.37	7307.39	0.00	0.000	7307.35	PLAT Nirvana 2H: LTP (913' FSL & 100' FEL)
9	9421.86	88.28	90.27	2650.00	-10.60	7357.40	0.00	0.000	7357.37	PLAT Nirvana 2H: PBHL (913' FSL/50' FEL)

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
PLAT Nirvana 2H: SHL(890' FSL/2095' FWL)	0.00	0.00	0.00	623523.50	520050.80	32.7140878	-104.4025445
PLAN KOP @ 1401.00' MD	1399.72	13.87	-44.39	623537.37	520006.41	32.7141258	-104.4026889
PLAT Nirvana 2H: FTP/LP (913' FWL & 1221' FEL)	2455.00	19.40	874.20	623542.90	520925.00	32.7141426	-104.3997022
PLAT Nirvana 2H: LTP (913' FSL & 100' FEL)	2648.50	-7.40	7307.40	623516.10	527358.20	32.7140783	-104.3787854
PLAT Nirvana 2H: PBHL (913' FSL/50' FEL)	2650.00	-10.60	7357.40	623512.90	527408.20	32.7140695	-104.3786228



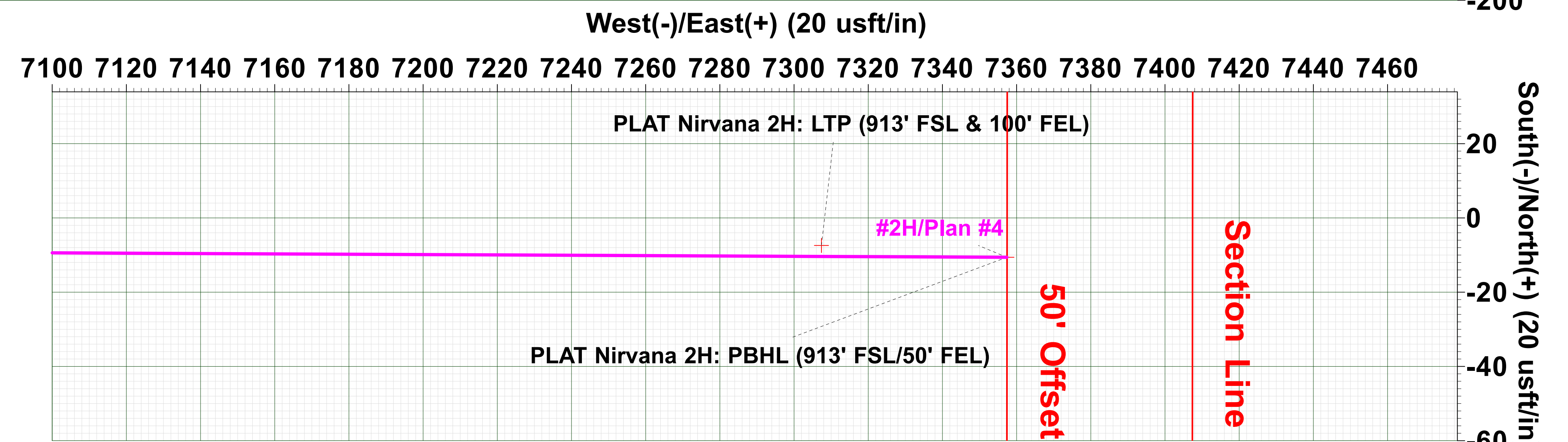
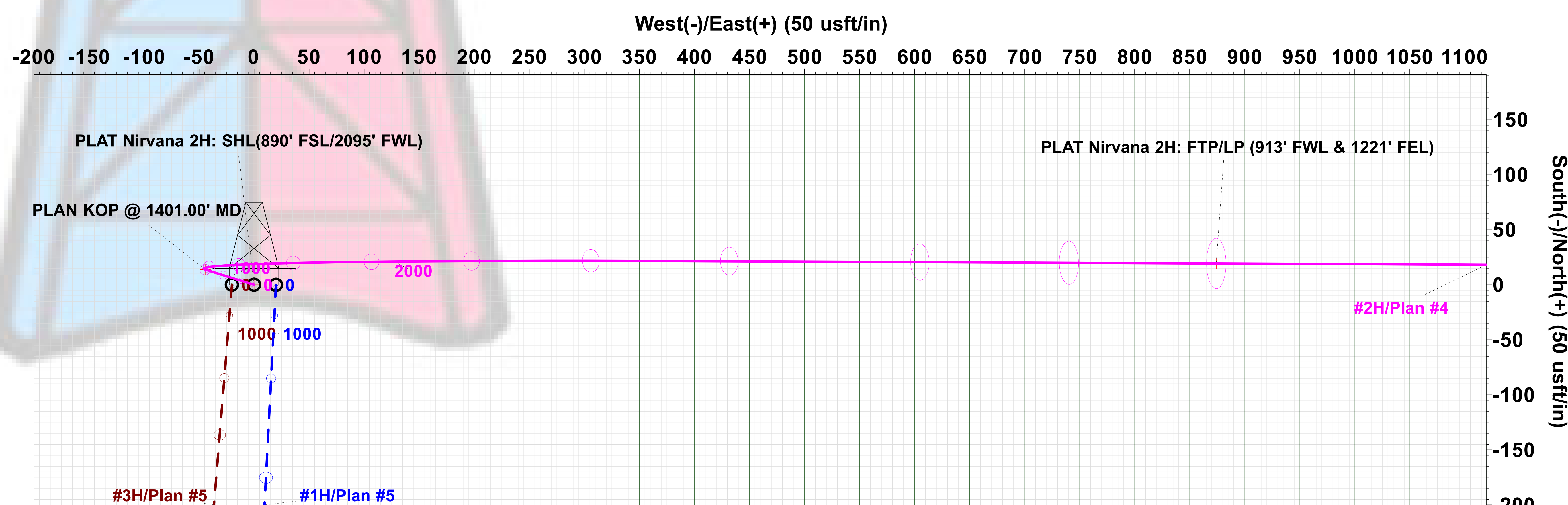
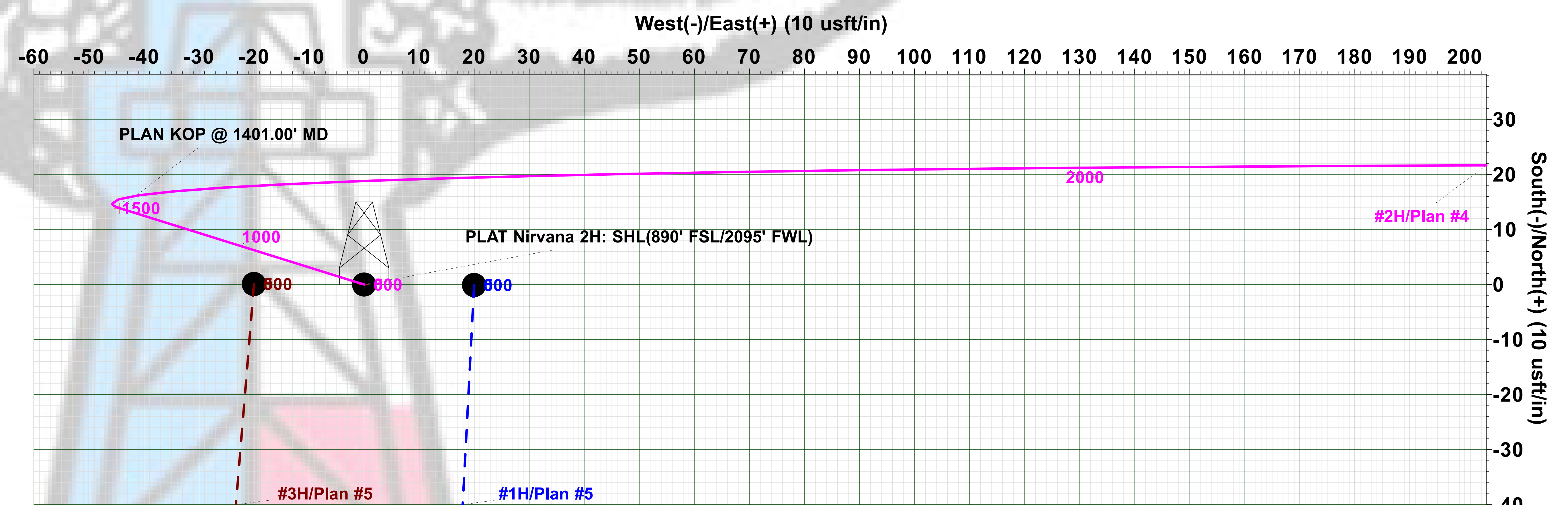
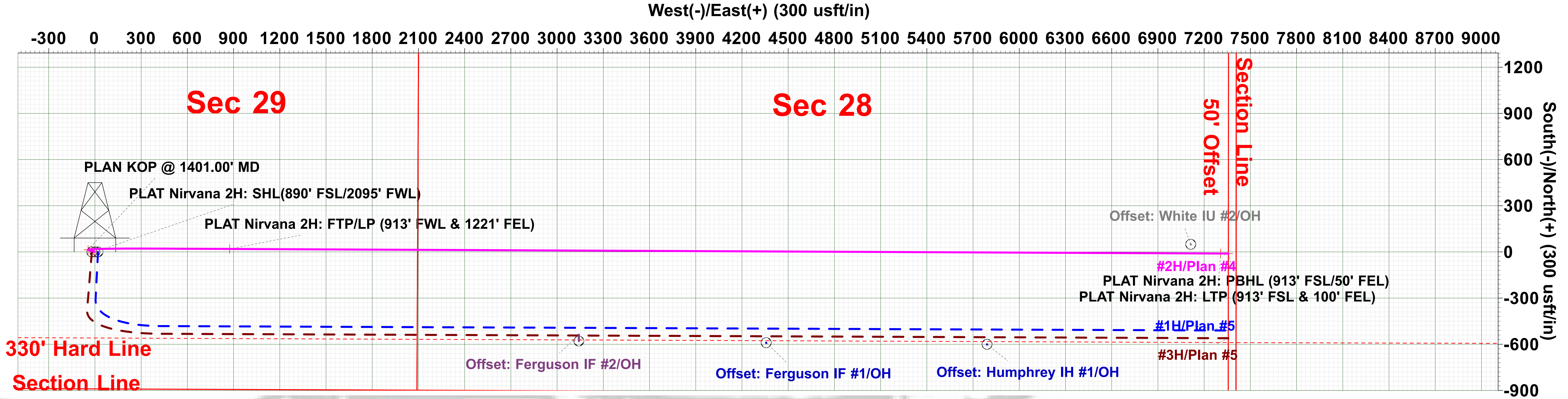
Azimuths to Grid North
True North: 0.04°
Magnetic North: 7.01°

Magnetic Field
Strength: 47697.4snT
Dip Angle: 60.22°
Date: 6/11/2021
Model: IGRF2020

PROJECT DETAILS: Eddy County, NM (NAD 83 - NME)
Geodetic System: US State Plane 1983
Datum: North American Datum 1983
Ellipsoid: GRS 1980
Zone: New Mexico Eastern Zone
System Datum: Mean Sea Level



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





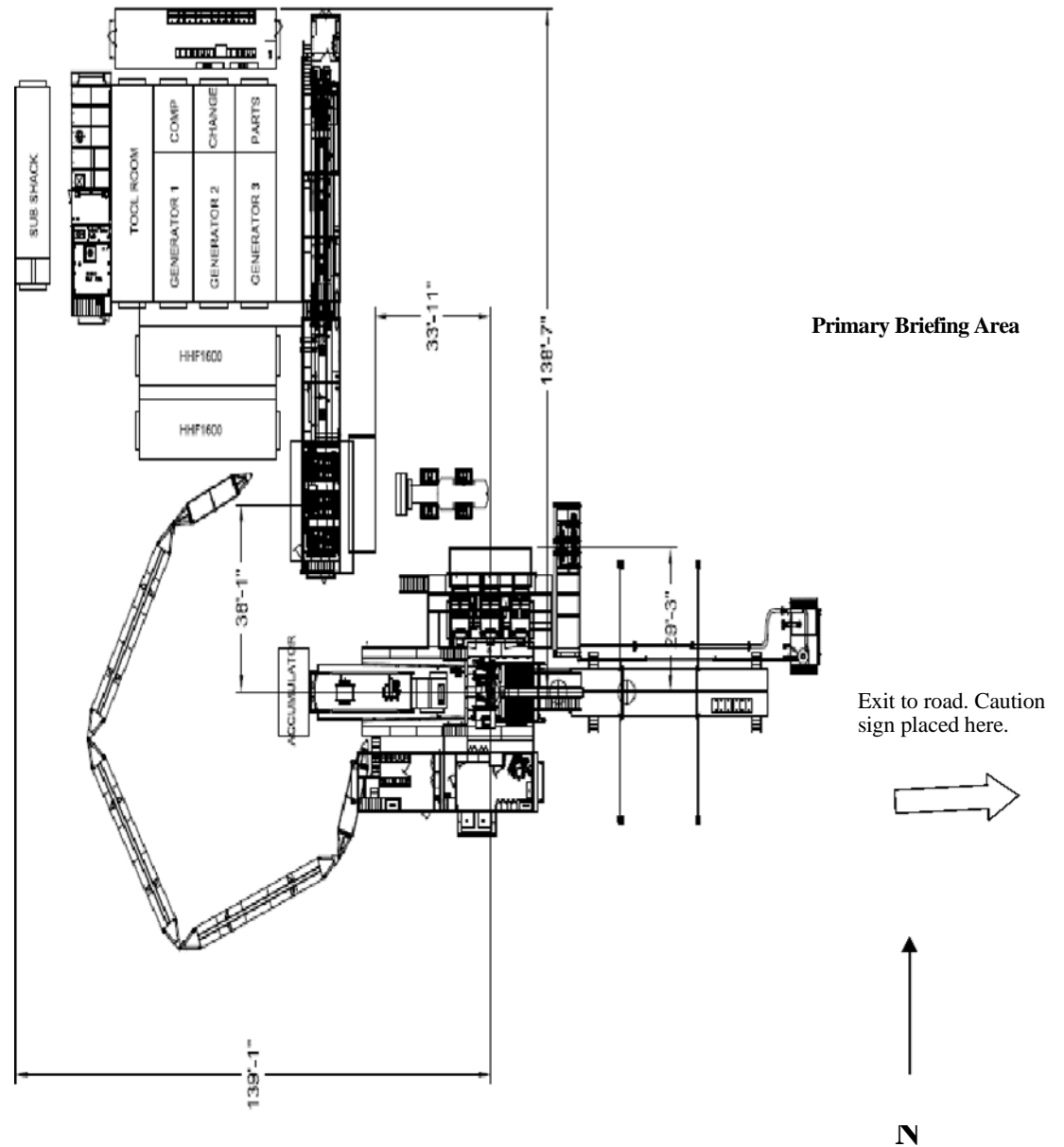
Permian Drilling Hydrogen Sulfide Drilling Operations Plan NIRVANA 2H

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

1. Escape

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

Secondary Briefing Area



WIND: Prevailing winds are from the Southwest

Secondary Egress

Spur Energy Partners LLC – Nirvana 2H

1. Geologic Formations

Formation	Depth	Lithology	Expected Fluids
Quaternary	0'	Dolomite, other: Caliche	Useable Water
Queen	125'	Sandstone, Dolomite	Natural Gas, Oil
Grayburg	545'	Dolomite, Limestone	Natural Gas, Oil
San Andres	865'	Dolomite, Limestone	Natural Gas, Oil
Glorieta	2275'	Dolomite, Siltstone	Natural Gas, Oil
Drinkard	3915'	Dolomite	Natural Gas, Oil
Base of Yeso	4490'	Dolomite	Natural Gas, Oil

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

2. Casing Program

Primary Plan:

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

Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
	From (ft)	To (ft)					Collapse		Tension	Tension
12.25	0	1300	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
8.75	0	2700	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4
8.75	2700	9421	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 – Nirvana 2H

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

3. Cementing Program

Primary Plan:

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	0	950	100%
Surface (Tail)	950	1300	165%
Production (Lead)	0	1700	0%
Production (Tail)	1700	9421	50%

Casing String	# Sks	Wt. (lb/gal)	Yld (ft ³ /sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	270	12.2	2.31	13.48	8:12	Clas C Premium Plus Cement
Surface (Tail)	168	13.2	1.84	9.92	6:59	Clas C Premium Plus Cement
Production (Lead)	110	11.8	2.54	15.29	N/A	Clas C Premium Plus Cement
Production (Tail)	1535	13.2	1.81	9.81	N/A	Clas C Premium Plus Cement

Spur Energy Partners LLC – Nirvana 2H

4. Pressure Control Equipment

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 / 5000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		
8.75" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 5000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		

Spur Energy Partners LLC will be utilizing a 5M BOP Stack

Condition	Specify what type and where?
BH Pressure at deepest TVD	1227 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	102°F

*Specify if additional ram is utilized.

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

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

	Formation integrity test will be performed per Onshore Order #2. On Exploratory wells or on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Will be tested in accordance with Onshore Oil and Gas Order #2 III.B.1.i.
Y	Are anchors required by manufacturer?
	A conventional wellhead system will be employed. The wellhead and connection to the BOPE will meet all API 6A requirements. The BOP will be tested per Onshore Order #2 after installation on the surface casing which will cover testing requirements for a maximum of 30 days. See attached schematics.

Spur Energy Partners LLC – Nirvana 2H

5. BOP Break Testing Request

Spur Energy Partners LLC requests permission to adjust the BOP break testing requirements as per the verbal agreement reached over the phone between SPUR/BLM on September 7, 2020. A separate sundry will be sent prior to spud that reflects the pad-based break testing plan.

BOP break test under the following conditions:

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

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

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

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

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

6. Mud Program

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

Depth		Type	Weight (ppg)	Viscosity	Water Loss
From (ft)	To (ft)				
0	1300	Water-Based Mud	8.6-8.9	32-36	N/C
1300	9421	Water-Based Mud	8.6-8.9	32-36	N/C

What will be used to monitor the loss or gain of fluid?	PVT/MD PASON/Visual Monitoring
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Spur Energy Partners LLC – Nirvana 2H

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	SCP - TD
No	PEX	

8. Drilling Conditions

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

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

Total estimated cuttings volume: 890.2 bbls.

Spur Energy Partners LLC – Nirvana 2H**9. Other facets of operation**

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

Attachments

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

10. Company Personnel

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

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:** 06 / 15 / 2021

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

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

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
NIRVANA 1H		O-29-18S-26E	890' FSL 2075' FEL	381	477	1716
NIRVANA 2H		O-29-18S-26E	890' FSL 2095' FEL	383	383	1225
NIRVANA 3H		O-29-18S-26E	890' FSL 2115' FEL	433	649	2163

IV. Central Delivery Point Name: NIRVANA CTB [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
NIRVANA 1H		09/23/2021	10/01/2021	10/21/2021	10/31/2021	10/31/2021
NIRVANA 2H		10/09/2021	10/16/2021	10/21/2021	10/31/2021	10/31/2021
NIRVANA 3H		10/01/2021	10/08/2021	10/21/2021	10/31/2021	10/31/2021

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.

Page 8

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

Signature:	<i>Sarah Chapman</i>
Printed Name:	SARAH CHAPMAN
Title:	REGULATORY DIRECTOR
E-mail Address:	SCHAPMAN@SPUREPLLC.COM
Date:	06/15/2021
Phone:	832-930-8613
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	



Natural Gas Management Plan – Attachment

VI. Separation equipment will be sized by construction engineering staff based on anticipated daily production to ensure adequate capacity.

VII. Spur Energy Partners LLC (“Spur”) will take the following actions to comply with the regulations listed in 19.15.27.8:

- A. Spur will maximize the recovery of natural gas by minimizing waste, as defined by 19.15.2 NMAC, of natural gas through venting and flaring. Spur will ensure that our wells will be connected to a natural gas gathering system with sufficient capacity to transport natural gas.
- B. All drilling operations will be equipped with a rig flare at least 100 feet from the nearest surface hole location. Rig flare will be utilized to combust any natural gas that is brought to surface during normal operations. In the case of emergency, flaring volumes will be reported appropriately.
- C. During completion operations any natural gas brought to surface will be flared. Immediately following completion operations, wells will flow to permanent separation equipment. Produced natural gas from separation equipment will be sent to sales. If natural gas does not meet gathering pipeline specifications, Spur will flare for 60 days or until natural gas meets the pipeline specifications. Spur will ensure flare is properly sized and is equipped with an automatic igniter or continuous pilot. Gas samples will be taken twice per week and natural gas will be routed into a gathering system as soon as the pipeline specifications are met.
- D. Natural gas will not be flared with the exception of 19.15.27.8(D)(1-4). If there is no adequate takeaway for the separator gas, wells will be shut-in until that natural gas gathering system is available with exception of emergency or malfunction situations. Volumes will be reported appropriately.
- E. Spur will comply with performance standards pursuant to 19.15.27.8(E)(1-8). All equipment will be designed and sized to handle maximum pressures to minimize waste. Storage tanks constructed after May 25, 2021 will be equipped with an automatic gauging system that reduces venting of natural gas. Flare stacks installed or replaced after May 25, 2021 will be equipped with an automatic igniter or continuous pilot. Spur will conduct AVO inspections as described in 19.15.27.8(E)(5)(a) with frequencies specified in 19.15.27.8(E)(5)(b) and (c). All emergencies or malfunctions will be resolved as quickly and safely as possible to minimize waste.
- F. The volume of natural gas that is vented or flared as the result of an emergency or malfunction during drilling and/or completion operations will be estimated and reported accordingly. The volume of natural gas that is vented, flared or beneficially used during production operations, will be measured and reported accordingly. Spur will install equipment to measure the volume of natural gas flared from existing piping or a flowline piped from equipment such as high-pressure separators, heater treaters, or VRUs associated with a well or facility associated with a well authorized by an APD after May 25, 2021 that has an average daily production of less than 60,000 cubic feet of natural gas. If metering is not practicable due to circumstances such as low flow rate or low pressure venting or flaring, Spur will estimate the volume of flared or vented natural gas. Measuring equipment will conform to industry standards and will not be equipped with a manifold



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

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