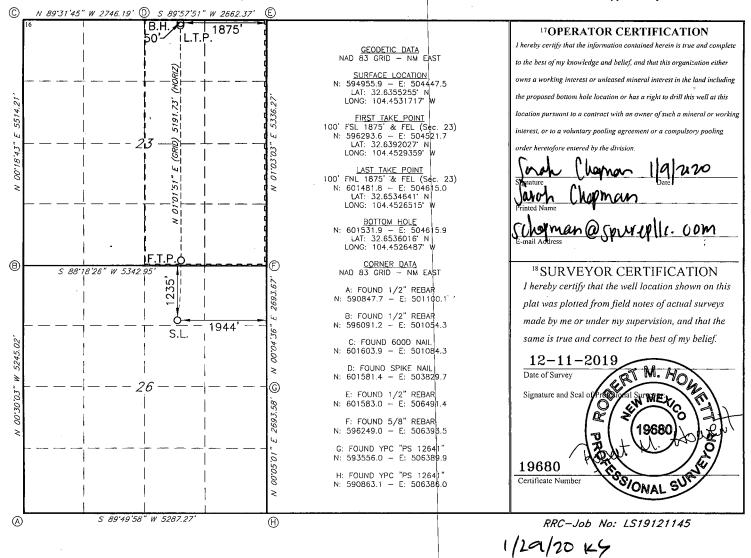
30-015-46629

District 1 1625 N. French Dr., Hobb Phone: (575) 393-6161 F District II 811 S. First St., Artesia, N Phone: (575) 748-1283 Fe District III 1000 Rio Brazos Road, A: Phone: (505) 334-6178 Fe District IV 1220 S. St. Francis Dr., Sa Phone: (505) 476-3460 Fe	ax: (575) 393-0 EM 88210 EX: (575) 748-9 Attee, NM 87410 EX: (505) 334-6 Anta Fe, NM 87	720 0 170 505	, Enerį	gy, Miner OIL	CONSERVA	I Resources De TION DIVISIONS SEMMONDIVISIONS	)N	Sub SIA	mit one c	Form C-10 ed August J, 201 opy to appropriat District Offic ENDED REPOR
	1 + D/ ) 1		VELL L			REAGE DEDIC				
30-01		blogs	5 9-	<sup>2</sup> Pool Code <b>1565</b>		Seven River	3 Pool Na	-Yeso		
4Property Co	de				<sup>5</sup> Property N SHELBY	ame	<del>, ,</del>			ell Number <b>3H</b>
<sup>70GRID</sup> 32994	NO.			SPUR	<sup>8</sup> Operator N ENERGY P	ame ARTNERS LLO	C			vation 422'
					<sup>10</sup> Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Fcet from the	North/South line	Feet.From.the	East/West	line	County
B	26	19S	25E		(1235)	NØRTH	(1944)	EAS	r	EDDY
			11	Bottom H	Iole Location	If Different Fr	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West	line	County
В	23	19S	25E		50	NORTH	1875	EAS	Г	EDDY
<sup>12</sup> Dedicated Acre	s 13 Joint	or Infill 14	Consolidatior	1 Code 15 (	Order No.		•			

1

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.



Intent X As Drilled			
Operator Name:	Property Nam	ne:	Well Numb
  SPUR ENERGY PARTNERS LLC	SHELBY 23		ЗН
· ·			
Kick Off Point (KOP)			
· · · ·	Feet From N/S 795 NORTI	H 1896 EAST	
Latitude 32.63674	-104.45301		NAD NAD83
First Take Point (FTP)	Feet From N/S	Feet From E/W	County
Latitude	100 SOUTI		EDDY NAD
32.6392027	-104.45293	59	NAD83
Last Take Point (LTP)			
	Feet From N/S Fe 100 NORTH 1	875 EAST ED	ĎY
Latitude 32.6534641	-104.45265	15 NAD	D83
· ·			
Is this well the defining well for the Horizo	ontal Spacing Unit?		
Is this well an infill well?			
If infill is yes please provide API if availabl Spacing Unit.	e, Operator Name and	well number for Definir	ng well for Horizontal
API #			,
Operator Name:	Property Nam	e:	Well Numb
SPUR ENERGY PARTNERS LLC	SHELBY 23		4H
· · ·			KZ 06/29/2

.

State of New Mexico Energy, Minerals and Natural Resources Peranti

Submit Original to Appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr. JAN 2 1 2020

### EMNRD-OCD ARTESIA Santa Fel NM 87505

### GAS CAPTURE PLAN

Date: 01/07/2020

 $\boxtimes$  Original

Operator & OGRID No.: SPUR ENERGY PARTNERS LLC (328947)

□ Amended - Reason for Amendment:

This Gas Capture Plan outlines actions to be taken by the Operator to reduce well/production facility flaring/venting for new completion (new drill, recomplete to new zone, re-frac) activity.

Note: Form C-129 must be submitted and approved prior to exceeding 60 days allowed by Rule (Subsection A of 19.15.18.12 NMAC).

#### Well(s)/Production Facility - Name of facility

The well(s) that will be located at the production facility are shown in the table below.

Well Name	` API	Well Location	Footages		Expected	Flared or	Comments
		(ULSTR)			MCF/D	Vented	
SHELBY 23 2H	30-015-Pending	B-26-19S-25E .	1246'FNL 1961'FE	EL	600 mcf/day	Flared	Will flare until gathering line tie-in
SHELBY 23 3H	30-015-Pending	B-26-19S-25E	1235' FNL 1944' FE	EL	600 mcf/day	Flared	Will flare until gathering line tie-in
SHELBY 23 4H	30-015-Pending	A-26-19S-25E	858' FNL 718' FEI	L	600 mcf/day	Flared	Will flare until gathering line tie-in
SHELBY 23 5H	30-015-Pending	A-26-19S-25E	847' FNL 702' FEI	L	600 mcf/day	Flared	Will flare until gathering line tie-in
SHELBY 23 6H	30-015-Pending	A-26-19S-25E	836' FNL 685 'FEI	L	600 mcf/day	Flared	Will flare until gathering line tie-in

#### **Gathering System and Pipeline Notification**

Well(s) will be connected to a production facility after flowback operations are complete, if gas transporter system is in place. The gas produced from production facility is dedicated DCP Operating Company, LP and will be connected to DCP's low/high pressure gathering system located in Eddy County, New Mexico. It will require 1,100' of pipeline to connect the facility to low/high pressure gathering system. Spur Energy Partners LLC provides (periodically) to DCP a drilling, completion and estimated first production date for wells that are scheduled to be drilled in the foreseeable future. In addition, Spur Energy Partners LLC and DCP have periodic conference calls to discuss changes to drilling and completion schedules. Gas from these wells will be processed at DCP's Processing Plant located in Sec. 36, Twn. 19S, Rng. 24E, Eddy County, New Mexico. The actual flow of the gas will be based on compression operating parameters and gathering system pressures.

#### **Flowback Strategy**

After the fracture treatment/completion operations, well(s) will be produced to temporary production tanks and gas will be flared or vented. During flowback, the fluids and sand content will be monitored. When the produced fluids contain minimal sand, the wells will be turned to production facilities. Gas sales should start as soon as the wells start flowing through the production facilities, unless there are operational issues on <u>DCP's</u> system at that time. Based on current information, it is <u>Spur</u> Energy Partners LLC's belief the system can take this gas upon completion of the well(s).

Safety requirements during cleanout operations from the use of underbalanced air cleanout systems may necessitate that sand and non-pipeline quality gas be vented and/or flared rather than sold on a temporary basis.

#### **Alternatives to Reduce Flaring**

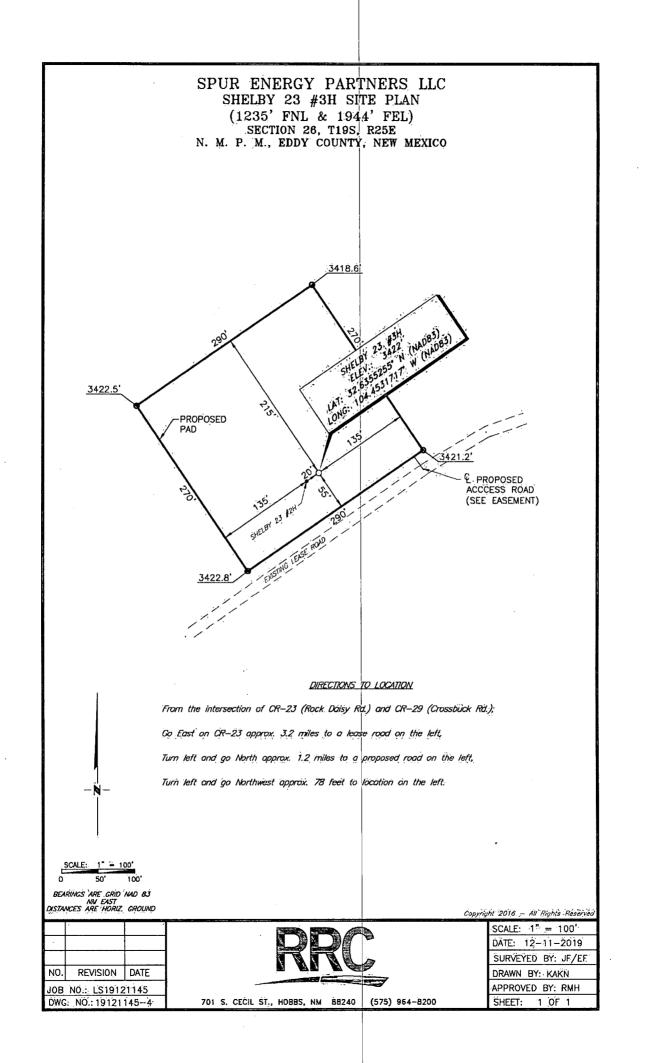
Below are alternatives considered from a conceptual standpoint to reduce the amount of gas flared.

- Power Generation On lease e
  - Only a portion of gas is consumed operating the generator, remainder of gas will be flared 0
- Compressed Natural Gas On lease

• Gas flared would be minimal, but might be uneconomical to operate when gas volume declines

### • NGL Removal – On lease

• Plants are expensive, residue gas is still flared, and uneconomical to operate when gas volume declines



### 1. Geologic Formations

TVD of target	2675'	Pilot Hole Depth	N/A
MD at TD:	8517'	Deepest Expected fresh water:	397'

### **Delaware Basin**

Formation	TVD - RKB	<b>Expected</b> Fluids
San Andres Upper	810	Losses
San Andres Middle	1,105	Losses
San Andres Lower	1,790	Losses
Glorieta Top	2,385	Oil/Gas
Upper Paddock	2,525	Oil/Gas
Lower Paddock 1	2,685	Oil/Gas
Lower Paddock 2	2,795	Oil/Gas
Lower Paddock 3	2915	Oil/Gas

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

### 2. Casing Program

										Buoyant	Buoyant
Hale	Size (in)	Casing	Interval	Csg. Sizë	Weight	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
		From (ft)	<u></u>	(iii) /	(lbs)		Conn.	Collapse	. or Duist	Tension '	Tension
1	2.25	0	1200	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
8	3.75	Õ	2973	7	32	L-80	LTC	1.125	1.2	1.4	1.4
8	3.75	2973	8517	5.5	20	L-80	BK-HT	1.125	1.2	1.4	1.4

Is casing new? If used, attach certification as required in Onshore Order #1     Does casing meet API specifications? If no, attach casing specification sheet.     Is premium or uncommon casing planned? If yes attach casing specification sheet.	$\frac{Y \text{ or } N}{Y}$
Does casing meet API specifications? If no, attach casing specification sheet.	Y v
	v
	1 1
is pretinant of anothing plained. If yes attach easing spectrication shoet.	Y
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?	N/A
	a station in the second
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.	
	Se 17 St. 13
Is well located in SOPA but not in R-111-P?	Ν
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?	
	Maria Territa
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?	
	NI
Is well located in high Cave/Karst?	Y
If yes, are there two strings cemented to surface?	Y
(For 2 string wells) If yes, is there a contingency casing if lost circulation occurs?	
	<u> 19. – – – – – – – – – – – – – – – – – – –</u>
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

#### 3. Cementing Program

Casing String	# Sks	W <u>i</u> t. (lb/gal)	¥ld∽ _(ft3/sack)_	H20	500# Comp. Strength (hours)	Slurry Description
Surface (Lead)	380	12.8	1.65	8.19	10:25	35/65 Poz C
Surface (Tail)	170	14.8	1.33	6.32	6:40	Class C Cement, Accelerator
Production (Lead)	265	11.5	2.63	9,7	N/A	50/50 Poz C
Production (Tail)	1225	14.2	1.38	6.686	N/A	50/50 Poz C

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface (Lead)	0	950	100%
Surface (Tail)	950	1200	165%
Production (Lead)	0	1640	0%
Production (Tail)	1640	8517	50%

### 4. Pressure Control Equipment

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Ty	pe	1	Tested to:	
		3M	Ann	ular	1	70% of working pressure	
12.25" Hole	13-5/8"		Blind	Ram	✓		
12.25 11016	13-378	3M	Pipe Ram			250	
			Double Ram		✓	250 psi / 3000 psi	
			Other*				
		3M	Ann	ular	~	70% of working pressure	
8.75" Hole	12 5/0"		Blind Ram		✓	250	
	13-5/8"	3M	Pipe Ram				
			Double Ram		✓	250 psi / 3000 psi	
			Other*				

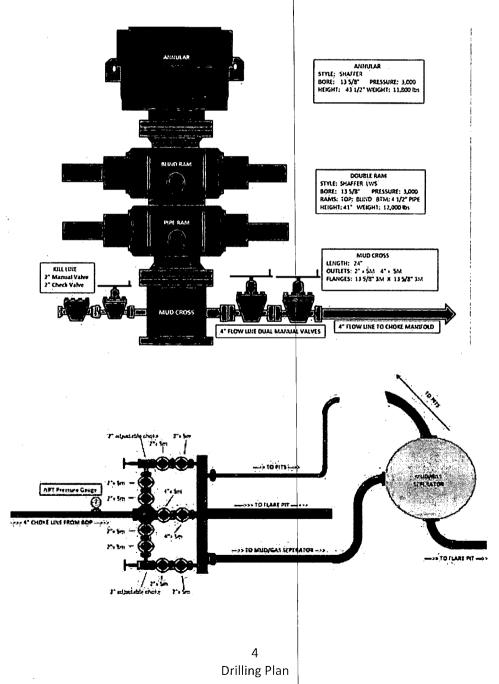
\*Specify if additional ram is utilized.

Spur will utilize a 5M annular with a 5M BOPE stack. The 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.

Spur Energy Pa	artners LLC	Shelby 23 3H
----------------	-------------	--------------

A variance is requested for the use of a flexible choke line from the BOP to Choke
Manifold. See attached for specs and hydrostatic test chart.
 Y Are anchors required by manufacturer?
A multibowl or a unionized multibowl 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. If any seal subject to test pressure is broken the
system must be tested. We will test the flange connection of the wellhead with a test port
that is directly in the flange. We are proposing that we will run the wellhead through the
rotary prior to cementing surface casing as discussed with the BLM on October 8, 2015.
See attached schematics.



The buffer tank and panic line will not be connected at any point during drilling operations.

Required safety valves, with appropriate wrenches and subs for the drill string being utilized, will be in the open position and accessible on the rig floor.

### 5. Mud Program

De From (ft)	pth To (ft)	Туре	Weight (ppg)	Viscosity	Water Loss
0	1200	Water-Based Mud	8.6-8.9	32-36	N/C
1200	8517	Water-Based Mud	8.6-8.9	32-36	N/C

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.

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

### 6. Logging and Testing Procedures

Logg	ing, 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

Addi	tional logs planned	Interval	
No	Resistivity		
No	Density		
No	CBL		
Yes	Mud log	SCP - TD	
No	PEX		

### 7. Drilling Conditions

Condition	Specil	y what type and where?
BH Pressure at deepest TVD		1238 psi
Abnormal Temperature		No
BH Temperature at deepest TVD		102°F

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 (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S 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 H2S is present

Y H2S Plan attached

### 8. Other facets of operation

	Yes/No
Will the well be drilled with a walking/skidding operation? If yes, describe.	Yes
• We plan to drill the two well pad in batch by section: all surface sections,	
and production sections. The wellhead will be secured with a night cap	
whenever the rig is not over the well.	
Will more than one drilling rig be used for drilling operations? If yes, describe.	No

#### Total estimated cuttings volume: 808.4 bbls.

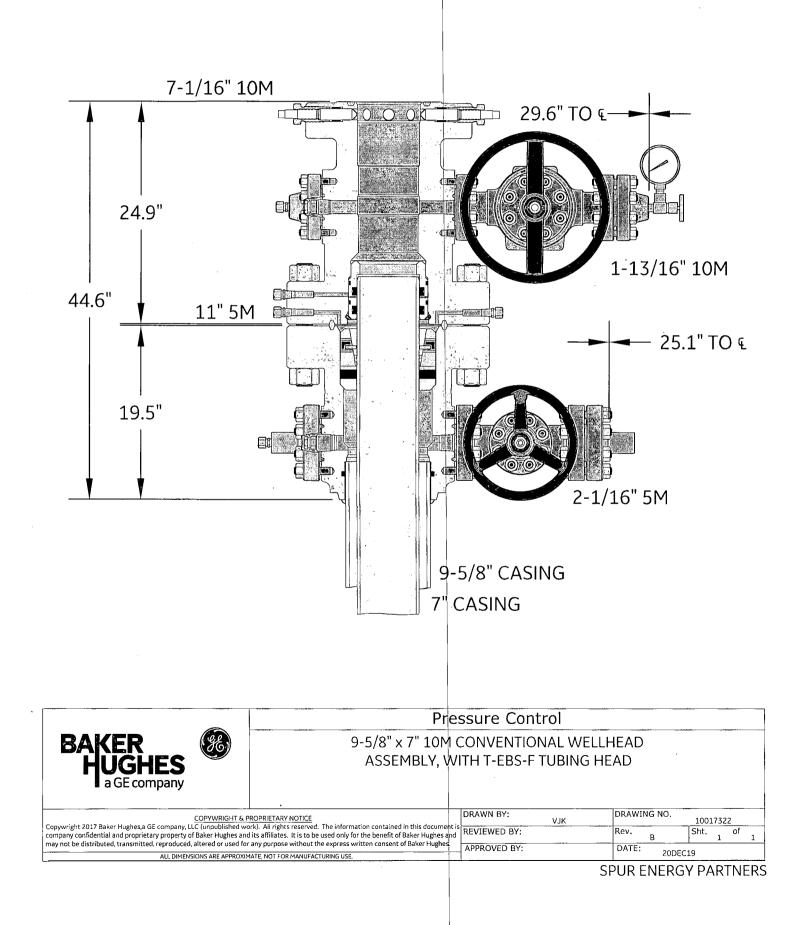
Attachments

- x Directional Plan
- x H2S Contingency Plan
- x Rig Attachments
- x Premium Connection Specs

#### 9. Company Personnel

Name	Title	Office Phone	Mobile Phone
Christopher Hollis	Drilling Manager	832-930-8629	713-380-7754
		· · · · · · · · · · · · · · · · · · ·	

6 Drilling Plan



·····································	and the second			and the second of the second	an an the second states and
PRECISION Keeping You Connected. Precision Connections 5.5 in. 20 lb/ft L-80 with	BK-HT	n. Coupli	ng OD		
Pipe Body			Connection		
Nominal OD	5.500	inches	Coupling OD	6.300	inches
Nominal Weight	20.00	lb/ft	Coupling Length	8.250	inches
Wall Thickness	0.361	inches	Make Up Loss	4.125	inches
Plain End Weight	19.81	lb/ft	Critical Section Area	8.456	in²
Drift	4.653	inches	Internal Pressure Rating	100%	
Nominal ID	4.778	inches	External Pressure Rating	100%	
Grade	L-80		Tension Efficiency	100%	
Min Yield	80,000	lbf/in²	Connection Strength	466	kips
Min Tensile	95,000	lbf/in²	Compression Efficiency	100%	
Critical Section Area	5.828	in²	Uniaxial Bend Rating	58.2	° / 100 ft
Pipe Body Yield Strength	466	kips	Min Make Up Torque	6,050	ft-lbs 🚺
Min Internal Yield Pressure	9,190	psi	Yield Torque	23,250	ft-lbs 🚺
Collapse Pressure	8,830	psi		v1.2	7/26/2018
				V 1.4	//20/2010

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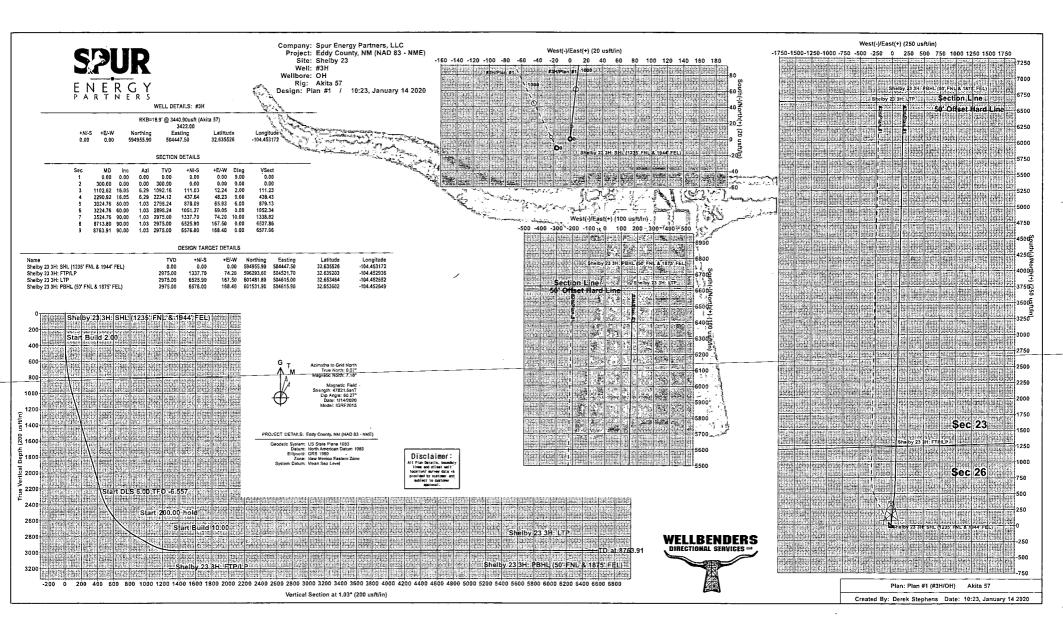
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PRECISIC Keeping You Connecte					
Torque Data Sheet - F				SEMI PR	EMIUMCONNECTIONS
5.5 in. 20 lb/ft L-80 v	vith 6.3 ir	n. Couplir	ng OD	-	FIELD TESTED. FIELD PROVEN.
Min Make Up Torque	6,050	ft-Ibs	Max Operating Torque	19,800	ft-lbs
Max Make Up Torque	17,450	ft-lbs	Yield Torque	23,250	ft-lbs
Optimum Torque	8,400	ft-lbs			
20,000 18,000 16,000 (sq 14,000 12,000 10,000 8,000 6,000 4,000			17,450 		
2,000					

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# Spur Energy Partners, LLC

Eddy County, NM (NAD 83 - NME) Shelby 23 #3H OH

Plan: Plan #1

# **Standard Plan With Toolface**

14 January, 2020

RECEIVED JAN 2 1 2020 EMNRD-OCD ARTESIA



### Wellbenders

Company:Spur Energy Partners, LLCProject:Eddy County, NM (NAD 83 - NMESite:Shelby 23Well:#3HWellbore:OHDesign:Plan #1		Local Co-ordinate R TVD Reference: MD Reference: North Reference: Survey Calculation I Database:	RKB=18.9' @ 3440.90usft RKB=18.9' @ 3440.90usft Grid	
Project Eddy County, NM (N	AD 83 - NME)	na n	an a	······
Map System:US State Plane 1983Geo Datum:North American Datum 1983Map Zone:New Mexico Eastern Zone		System Datum:	Mean Sea Level	
Site Shelby 23	an tao ina mana amin'ny fisiana dia amin'ny fisiana amin'ny fisiana amin'ny fisiana amin'ny fisiana amin'ny fis Ny fisiana amin'ny fisiana amin'ny fisiana amin'ny fisiana amin'ny fisiana amin'ny fisiana amin'ny fisiana amin'			
Site Position: From: Map Position Uncertainty: 0.00 usft	Northing: Easting: Slot Radius:	594,944.60 <sub>usft</sub> 504,431.00 usft 13.200 in	Latitude: Longitude: Grid Convergence:	32.635495 -104.453225 -0.065°
Well #3H				
Well Position     +N/-S     0.00 usft       +E/-W     0.00 usft	Northing: Easting:	594,955.90 usft 504,447.50 usft	Latitude: Longitude:	32.635526 -104.453172
Position Uncertainty 0.00 usft	Wellhead Elevation:	usft	Ground Level:	3,422.00 usft
Wellbore OH Magnetics Model Name IGRF2015	Sample Date Declination (°) 1/14/2020 7.116	Dip Angle Field Stre (°) (nT) 60.266 47,821		
Design			na standarda ya sa ana ana ana bayan ya katala ana ba a sa ana ana ana ana ana ana ana ana a	
Audit Notes: Version:	Phase: PLAN Tie On De	apth: 0.00	······································	······································
Vertical Section: Depth F	rom (TVD)     +N/-S     +E/-W       isft)     (usft)     (usft)       0.00     0.00     0.00	Direction (°) 1.03		
Survey Tool Program Date 1/14/2020   From To (usft) Survey (Wellb   0.00 8,763.91 Plan #1 (OH)	ore) MWD+IGRF	Description OWSG MWD + IGRF or WMM		



### Wellbenders

Company: Project: Site: Well: Wellbore: Design:	Spur Energy Partners, LL Eddy County, NM (NAD 8 Shelby 23 #3H OH Plan #1				an a	Local Co-ordinat TVD Reference: MD Reference: North Reference: Survey Calculatio Database:	and and a second se Second second s	Well #3H RKB=18.9' @ 344 RKB=18.9' @ 344 Grid Minimum Curvatur WBDS_SQL_2	0.90usft (Akita 57)	
Planned Survey			nara hari na kana kana kana kana kana kana kana							; .
MD (usft)	Inc /	Azi (azimuth)	TVD : (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100ft)	Build (*/100ft)	Turn (°/100ft)	TFace (°)
0.0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
100.0	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
200.0	0.00	0.00	200.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
300.0	0.00	0.00	300.00	0.00	0.00	0.00	0.00	0.00	0.00	0.000
400.0	2.00	6.29	399.98	1.73	0.19	1.74	2.00	2.00	0.00	6.289
500.0	4.00	6.29	499.84	6.94	0.76	6.95	2.00	. 2.00	0.00	0.000
600.0	6.00	6.29	599.45	15.60	1.72	15.63	2.00	2.00	0.00	0.000
700.0	00.8.00	6.29	698.70	27.71	3.05	27.76	2.00	2.00	0.00	0.000
800.0	10.00	6.29	797.47	43.26	4.77	43.34	2.00	2.00	0.00	0.000
900.0	00 12.00	6.29	895.62	62.23	6.86	62.34	2.00	2.00	0.00	0.000
1,000.0	00 14.00	6.29	993.06	84.58	9.32	84.74	2.00	2.00	0.00	0.000
1,102.6	6.05				12.24	111.23	2.00	2.00	0.00	0.000
1,200.0	00, 16.05	6.29	1,185.74	137.79	15.18	138.04	0.00	0.00	0.00	0.000
1,300.0	00 16.05	6.29	1,281.84	165.28	18.21	165.58	0.00	0.00	0.00	0.000
1,400.0	00 16.05	6.29	1,377.95	192.76	21.24	193.12	0.00	0.00	0.00	0.000
1,500.0	00 16.05	6.29	1,474.05	220.25	24.27	220.65	0.00	. 0.00	0.00	0.000
1,600.0	16.05	6.29	1,570.15	247.74	27.30	248.19	0.00	0.00	0.00	0.00
1,700.0	16.05	6.29	1,666.25	275.22	30.33	275.72	0.00	0.00	0.00	0.00
1,800.0	16.05	6.29	1,762.35	302.71	33.36	303.26	0.00	0.00	0.00	0.00
1,900.0	16.05	6.29	1,858.45	330.19	36.39	330.79	0.00	0.00	0.00	0.00
2,000.0	00 16.05	6.29	1,954.55	357.68	39.42	358.33	0.00	0.00	0.00	0.00
2,100.0	00 16.05	6.29	2,050.65	385.16	42.45	385.86	0.00	0.00	0.00	0.000
2,200.0	00 16.05	6.29	2,146.75	412.65	45.47	413.40	0.00	0.00	0.00	0.000
2,290.9	16.05	6.29	2,234.12	437.64	48.23	438.43	0.00	0.00	0.00	0.00
2,300.0	00 16.59	6.07	2,242.84	440.17	48.50	440.98	6.00	5.96	-2.40	-6.55
2,350.0	0 19.58	5.08	2,290.37	455.62	50.00	456.45	6.00	5.97	-1.98	-6.34
2,400.0		4.34	2,337.02	473.54	51.47	474.39	6.00	5.98	-1.47	-5.40

**SPUR** ENERGY

### Wellbenders

Project: Site: Nell: Nellbore:	Spur Energy Par Eddy County, NI Shelby 23 #3H OH Plan #1	tners, LLC M (NAD 83 - NME)				te i se	Local Co-ordinate F TVD Reference: MD Reference: North Reference: Survey Calculation Database:	Method:	Nell #3H RKB=18.9' @ 3440 RKB=18.9' @ 3440 Grid Minimum Curvature WBDS_SQL_2	90usft (Akita 57)	*
Planned Survey	,		· · · · · · · · · · · · · · · · · · ·	lika analah sa kaominina atao aminina atao atao atao atao atao atao atao at							
MD (usft)	Ínc (*)	Azi (azimu (°)	ith)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
2,450.0	0 2	25.56	3.77	2,382.67	493.87	52.91	494.74	6.00	5.98	-1.14	-4.7
2,500.0	0 2	28.55	3.31	2,427.19	516.57	54.31	517.46	6.00	5.99	-0.92	-4.1
2,550.0	0 :	31.54	2.94	2,470.47	541.56	55.67	542.48	6.00	5.99	-0.76	-3.7
2,600.0	0 :	34.54	2.62	2,512.38	568.79	56.98	569.72	6.00 .	5.99	-0.64	-3.4
. 2,650.0	0 :	37.54	2.34	2,552.80	598.17	58.25	599.13	6.00	5.99	-0.55	-3.1
2,700.0	0 4	40.53	2.10	2,591.64	629.64	59.47	630.60	6.00	5.99	-0.48	-2.9
2,750.0	0 4	43.53	1.89	2,628.77	663.09	60.64	664.07	6.00	5.99	-0.42	-2.7
2,800.0	0 4	16.53	1.70	2,664.11	698.44	61.74	699.44	6.00	5.99	-0.38	-2.6
2,850.0	0 4	19.52	1.53	2,697.55	735.59	62.79	736.60	6.00	5.99	-0.34	-2.4
2,900.0		52.52	1.37	2,728.99	774.44	63.77	° 775.46	6.00	6.00	-0.31	-2.4
2,950.0		55.52	1.23	2,758.37	814.89	64.69	815.92	6.00	6.00		
3,000.0	0:	58.52		2,785.58	856.82	65.54	857.86	6.00	6.00	-0.27	-2.1
3,024.7	6 6	50.00	1.03	2,798.24	878.09	65.93	879.13	6.00	6.00	-0.26	-2.1
3,100.0	0 f	50.00	1.03	2,835.86	943.24	67.11	944.30	0.00	0.00	0.00	0.0
3,200.0		50.00	1.03	2,885.86	1,029.83	68.66	1,030.90	0.00	0.00	0.00	0.0
3,224.7		80.00	1.03	2,898.24	1,051.27	69.05	1,052.34	0.00	0.00	0.00	0.0
3,250.0		62.52	1.03	2,910.37	1,073.39	69.45	1,074.47	10.00	10.00	0.00	0.0
3,300.0		57.52	1.03	2,931.48	1,118.70	70.26	1,119.78	10.00	10.00	0.00	0.0
3,350.0	0	2.52	1.03	2,948.55	1,165.67	71.11	1,166.76	10.00			
3,350.0		7.52	1.03	2,948.55	1,213.95	71.11	1,166.76	10.00	10.00 10.00	0.00 0.00	0.0
3,400.0		32.52	1.03	2,901.47	1,213.95	71.97	1,264.27	10.00	10.00	0.00	0.0 0.0
3,400.0		37.52	1.03	2,974.47	1,312.95	73.75	1,204.27	10.00	10.00	0.00	0.0
3,524.7		90.00	1.03	2,975.00	1,337.70	74.20	1,338.82	10.00	10.00	0.00	0.0
					·						
3,600.0		90.00 ·	1.03	2,975.00	1,412.93	75.55	1,414.06	0.00	0.00	0.00	0.0
3,700.0		90.00	1.03	2,975.00	1,512.91	77.35	1,514.06	0.00	0.00	0.00	0.0
3,800.0	u f	90.00	1.03	2,975.00	1,612.90	79.15	1,614.06	0.00	0.00	0.00	0.0



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### Wellbenders

	ergy Partners, LLC bunty, NM (NAD 83 - I 23	NME)				Local Co-ordinate F TVD Reference: MD Reference: North Reference: Survey Çalculation Database:	Method:	Well #3H RKB=18.9' @ 3440.90 RKB=18.9' @ 3440.90 Grid Minimum Curvature WBDS_SQL_2		
Planned Survey MD (usft)	Inc Azi ( (°)	(azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (°/100ft)	Build (\$/100ft) •	Turn (°/100ft)	TFace (°)
4,000.00	90.00	1.03	2,975.00	1,812.87	82.74	1,814.06	0.00	0.00	0.00	0.000
4,100.00	90.00	1.03	2,975.00	. 1,912.85	84.54	1,914.06	0.00	0.00	0.00	0.000
4,200.00	90.00	1.03	2,975.00	2,012.83	86.34	2,014.06	0.00	0.00	0.00	0.000
4,300.00	90.00	1.03	2,975.00	2,112.82	88.14	2,114.06	0.00	0.00	0.00	0.000
4,400.00	90.00	1.03	2,975.00	2,212.80	89.94	2,214.06	0.00	0.00	0.00	0.000
4,500.00	90.00	1.03	2,975.00	2,312.78	91.73	2,314.06	0.00	0.00	0.00	0.000
4,600.00	90.00	1.03	2,975.00	2,412.77	93.53	2,414.06	0.00	0.00	0.00	0.000
4,700.00	90.00	1.03	2,975.00	2,512.75	95.33	2,514.06	. 0.00	0.00	0.00	0.000
4,800.00	90.00	1.03	2,975.00	2,612.74	97.13	2,614.06	0.00	0.00	0.00	0.000
4,900.00	90.00	1.03	2,975.00	2,712.72	98.93	2,714.06	0.00	0.00	0.00	0.000
5,000.00	90.00	1.03	2,975.00	2,812.70	100.72	2,814.06	0.00	0.00	0.00	0,000
5,100.00	90.00	1.03	2,975.00	2,912.69	102.52	2,914.06	0.00	0.00	0.00	0.000
5,200.00	90.00	1.03	2,975.00	3,012.67	104.32	3,014.06	0.00	0.00	0.00	0.000
5,300.00	90.00	1.03	2,975.00	3,112.65	106.12	3,114.06	0.00	0.00	0.00	0.000
5,400.00	90.00	1.03	2,975.00	3,212.64	107.92	3,214.06	0.00	0.00	0.00	0.000
5,500.00	90.00	1.03	2,975.00	3,312.62	109.71	3,314.06	0.00	0.00	0.00	0.000
5,600.00	90.00	1.03	2,975.00	3,412.61	111.51	3,414.06	0.00	0.00	0.00	0.000
5,700.00	90.00	1.03	2,975.00	3,512.59	113.31	3,514.06	0.00	0.00	0.00	0.000
5,800.00	.90.00	1.03	2,975.00	3,612.57	115.11	3,614.06	0.00	0.00	0.00	0.000
5,900.00	90.00	1.03	2,975.00	3,712.56	116.91	3,714.06	0.00	0.00	0.00	0.000
6,000.00	90.00	1.03	2,975.00	3,812.54	118.70	3,814.06	0.00	0.00	0.00	0.000
6,100.00	90.00	1.03	2,975.00	3,912.53	120.50	3,914.06	0.00	0.00	0.00	0.000
6,200.00	90.00	1.03	2,975.00	4,012.51	122.30	4,014.06	0.00	0.00	0.00	0.000
6,300.00	90.00	1.03	2,975.00	4,112.49	124.10	4,114.06	0.00	0.00	0.00	0.000
6,400.00	90.00	1.03	2,975.00	4,212.48	125.90	4,214.06	0.00	0.00	0.00	0.000
6,500.00	90.00	1.03	2,975.00	4,312.46	127.69	4,314.06	0.00	0.00	0.00	0.000
6,600.00	90.00	1.03	2,975.00	4,412.44	129.49	4,414.06	0.00	0.00	0.00	0.000



### Wellbenders

Standard Plan With Toolface

Project: Edd						Local Co-ordinat TVD Reference: MD Reference: North Reference Survey Calculati Database:	: on Method:	Well #3H RKB=18.9' @ 3440. RKB=18.9' @ 3440. Grid Minimum Curvature WBDS_SQL_2		
Planned Survey MD (usft)	Inc (°)	Azi (azimuth) (°)	TVD (usft)	N/S (usft)	E/W (usft)	V. Sec (usft)	DLeg (2/100ft)	Build (°/100ft)	Turn (°/100ft)	TFace (°)
6,700.00	90.00	1.03	2,975.00	4,512.43	131.29	4,514.06	0.00	0.00	0.00	0.000
6,800.00	90.00	1.03	2,975.00	4,612.41	133.09	4,614.06	0.00	0.00	0.00	0.000
6,900.00	90.00	1.03	2,975.00	4,712.40	134.89	4,714.06	0.00	0.00	0.00	0.000
7,000.00	90.00	1.03	2,975.00	4,812.38	136.68	4,814.06	0.00	0.00	0.00	0.000
7,100.00	90.00	1.03	2,975.00	4,912.36	138.48	4,914.06	0.00	0.00	0.00	0.000
7,200.00	90.00	1.03	2,975.00	5,012.35	140.28	5,014.06	0.00	0.00	0.00	0.000
7,300.00	90.00	1.03	2,975.00	5,112.33	142.08	5,114.06	0.00	0.00	0.00	0.000
7,400.00	90.00	1.03	2,975.00	5,212.32	143.88	5,214.06	0.00	0.00	0.00	0.000
7,500.00	90.00	1.03	2,975.00	5,312.30	145.67	5,314.06	0.00	0.00	0.00	0.000
7,600.00	90.00	1.03	2,975.00	5,412.28	147.47	5,414.06	0.00	0.00	0.00	0.000
7,700.00	90.00	1.03	2,975.00	5,512.27	149.27	5,514.06	0.00	0.00	0.00	0.000-
7,800.00	90.00	1.03	2,975.00	5,612.25	151.07	5,614.06	0.00	0.00	0.00	0.000
7,900.00	90.00	1.03	2,975.00	5,712.23	152.87	5,714.06	0.00	0.00	0.00	0.000
8,000.00	90.00	1.03	2,975.00	5,812.22	154.66	5,814.06	0.00	0.00	0.00	0.000
8,100.00	90.00	1.03	2,975.00	5,912.20	156.46	5,914.06	0.00	0.00	0.00	0.000
8,200.00	90.00	1.03	2,975.00	6,012.19	158.26	6,014.06	0.00	0.00	0.00	0.000
8,300.00	90.00	1.03	2,975.00	6,112.17	160.06	6,114.06	0.00	0.00	0.00	0.000
8,400.00	90.00	1.03	2,975.00	6,212.15	161.86	6,214.06	0.00	0.00	0.00	0.000
8,500.00	90.00	1.03	2,975.00	6,312.14	163.65	6,314.06	0.00	0.00	0.00	0.000
8,600.00	90.00	1.03	2,975.00	6,412.12	165.45	6,414.06	0.00	0.00	0.00	0.000
8,700.00	90.00	1.03	2,975.00	6,512.11	167.25	6,514.06	0.00	0.00	0.00	0.000
. 8,713.80	90.00	1.03	2,975.00	6,525.90	167.50	6,527.86	0.00	0.00	0.00	0.000
8,763.91	90.00	1.03	2,975.00	6,576.00	168.40	6,577.96	0.00	0.00	0.00	0.000

Checked By:

Approved By:

Date:

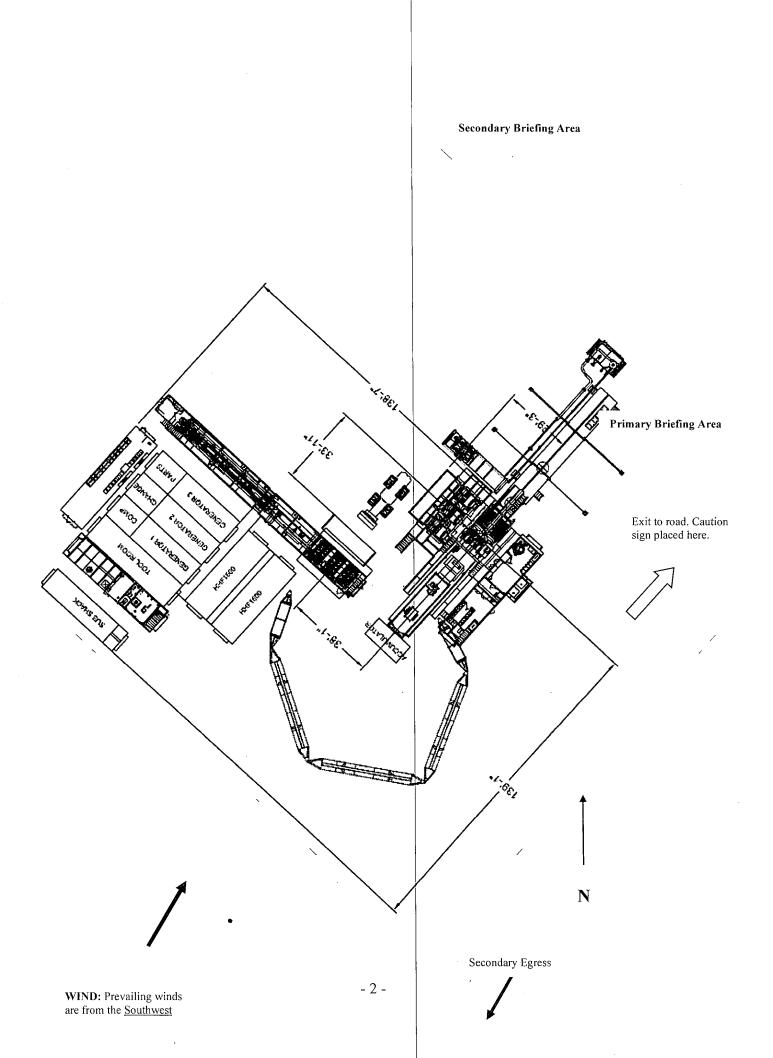


## Permian Drilling Hydrogen Sulfide Drilling Operations Plan Shelby 23 3H

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.





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# Hydrogen Sulfide (H2S) Contingency Plan For Spur Energy Partners New Mexico Operations

### Spur Energy Partners

### **New Mexico Operations**

### Hydrogen Sulfide Operation Plan

### Introduction:

H2S is a toxic, poisonous gas that could cause death or injury. The objective of this contingency plan is to provide an organized plan of action for alerting and protecting the public from H2S exposure in the event a potentially hazardous volume is accidentally released to the atmosphere. This plan should be activated immediately if any such release occurs. The Superintendent is responsible for initiating and carrying out the plan.

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	}	lazardous Limit	Lethal Concentration
Hydrogen Sulfide	H2S	1.189 Air= 1	10 ppm	1	00 ppm/hr	600 ppm
Sulfur Dioxide	S02	2.21 Air= 1	2 ppm	Ν	I/A	1000 ppm

### **Characteristics of H2S and SO2:**

### Scope:

This contingency plan provides an organized plan of action for alerting and protecting the public within an area of exposure prior to an intentional release, or following the accidental release of a potentially hazardous volume of hydrogen sulfide. The plan establishes guidelines for all personnel whose work activity may involve exposure to Hydrogen Sulfide Gas (H<sub>2</sub>S).

### Objective:

Prevent any and all accidents, and prevent the uncontrolled release of H<sub>2</sub>S into the atmosphere. Provide proper evacuation procedures to cope with emergencies.

Provide immediate and adequate medical attention should an injury occur.

### H<sub>2</sub>STraining

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

- 1. The hazards and characteristics of hydrogen sulfide (H2S)
- 2. The proper use and maintenance of personal protective equipment and life support systems.
- 3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
- 4. The proper techniques for first aid and rescue procedures.

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

1. The effects of H<sub>2</sub>S metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.

- 2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
- 3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan and Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan and the Public Protection Plan.

Note: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonable expected to contain H2S.

### Well Control Equipment

- Á. Flare Line installed
- B. Choke Manifold
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment may include if applicable: annular preventer and rotating head.

#### Protective equipment for essential personnel:

30-minute SCBA units located in the doghouse and at briefing areas, as indicated on well site diagram. As it may be difficult to communicate audibly while wearing these units, hand signals shall be utilized.

#### H2S detection and monitoring equipment:

Portable H<sub>2</sub>S monitors positioned on location for best coverage and response. These unites have warning lights and audible sirens when H<sub>2</sub>S levels of 20 PPM are reached. These units are usually capable of detecting SO<sub>2</sub>, which is a byproduct of burning H<sub>2</sub>S.

### Visual warning systems:

- A. Wind direction indicators as shown on well site diagram
- B. Caution/ Danger signs shall be posted on roads providing direct access to locations Signs will be painted a high visibility yellow with black lettering of sufficient size to be reasonable distance from the immediate location. Bilingual signs will be used when appropriate.

#### Mud program:

The mud program has been designed to minimize the volume of H2S circulated to surface. Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

#### Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold lines, and valves shall be H2S trim.
- B. All elastomers used for packing and seals shall be H2S trim.

### Communication:

- A. Radio communications in company vehicles including cellular telephones and 2-way radio
- B. Land line (telephone) communications at Office

### Well testing:

- A. Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity, which are necessary to safety and adequately conduct the test. The drill stem testing will be conducted during daylight hours and formation fluids will not be flowed to the surface. All drill-stem-testing operations conducted in an H2S environment will use the closed chamber method of testing.
- B. There will be no drill stem testing.

### Emergency Procedures

Assumed 100 ppm Radius Of Exposure (ROE) = 3000'

100 ppm H2S concentration shall trigger activation of this plan.

In the event of a release of gas containing H2S, the first responder(s) must

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H2S monitors and air packs in order to control the release.
- Use the "buddy system" to ensure no injuries occur during the response
- Take precautions to avoid personal injury during this operation.
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the
  - o Detection of H2S, and
  - o Measures for protection against the gas,
  - Equipment used for protection and emergency response.

### Ignition of Gas Source

Should control of the well be considered lostand ignition considered, take care to protect against exposure to Sulfur Dioxide (S02). Intentional ignition must be

coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

#### **Contacting Authorities**

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

# Spur Energy Partners Company Call List

Superintendent - Jerry Mathews	575-748-5234
Engineer – Michael Sliva	281-723-1473
Vice President Oper Todd Mucha	832-930-8515
HSE Manager – Mike Schoch	713-816-6350

### Lea County Agency Call List - (575)

### Hobbs

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State Police	
City Police	
Sheriff's Office	
Ambulance	
Fire Department	
LEPC (Local Emergency Planning Committee)	
NMOCD	
US Bureau of Land Management	

### Eddy County Agency Call List - (575)

### Carlsbad

State Police	
City Police	
Sheriff's Office	
Ambulance	
Fire Department	. 885-2111
LEPC (Local Emergency Planning Committee	) 887-3798
US Bureau of Land Management	887-6544
NM Emergency Response Commission (Santa	Fe). (505) 476-9600
24 HR	(505) 827-9126
National Emergency Response Center (Washington, De	c) (800) 424-8802
	1

### Emergency Services

Hungry Hock Environmental	(575)-393-3386
Flight For Life - Lubbock, TX	(806) 743-9911
Aerocare - Lubbock, TX	(806) 747-8923
Med Flight Air Amb - Albuquerque, NM	(575) 842-4433
Lifeguard Air Med Svc. Albuquerque, NM	(575) 272-3115 <sup>-</sup>