<u>District I</u> 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 303129

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

		AFFLIC	ATION FOR PERIVIT	IO DRILL, RE	-ENIER, DEEPE	IN, PLUGBACK	, OR ADD A 20	IAE		
1. Operator Na	me and Address						2. OGI	RID Number		
Spur Energy Partners LLC								328947		
9655 Katy Freeway							3. API	3. API Number		
Houston, TX 77024								30-025-49501		
4. Property Co	de		5. Property Name				6. Wel	l No.		
331	331684 TRIPLETAIL 12 STATE							020H		
	7. Surface Location									
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County	

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	12	17S	32E	D	785	N	80	W	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Α	12	17S	32E	Α	330	N	50	E	Lea

#### 9. Pool Information

MALJAMAR;YESO, WEST	44500

#### Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation	
New Well	OIL		State	4258	
16. Multiple	17. Proposed Depth	18. Formation	19. Contractor	20. Spud Date	
N	11915	Yeso		2/5/2022	
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	17.5	13.375	54.5	1275	1241	0
Int1	12.25	9.625	36	2950	764	0
Prod	8.75	7	32	6550	2268	0
Prod	8.75	5.5	20	11915	2268	0

#### **Casing/Cement Program: Additional Comments**

22. Proposed Blowout Prevention Progr	am
---------------------------------------	----

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	3000	Shaffer

knowledge and be	elief.	true and complete to the best of my  NMAC ⊠ and/or 19.15.14.9 (B) NMAC		OIL CONSERVATIO	N DIVISION	
Signature:						
Printed Name:	Electronically filed by Sarah Chap	pman	Approved By:	Paul F Kautz		
Title:	Regulatory Director		Title:	Geologist		
Email Address: schapman@spurepllc.com			Approved Date:	11/2/2021 Expiration Date: 11/2/2023		
Date: 11/1/2021 Phone: 832-930-8613			Conditions of Appr	oval Attached		

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

12 Dedicated Acres

320

13 Joint or Infill

14 Consolidation Code

# 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

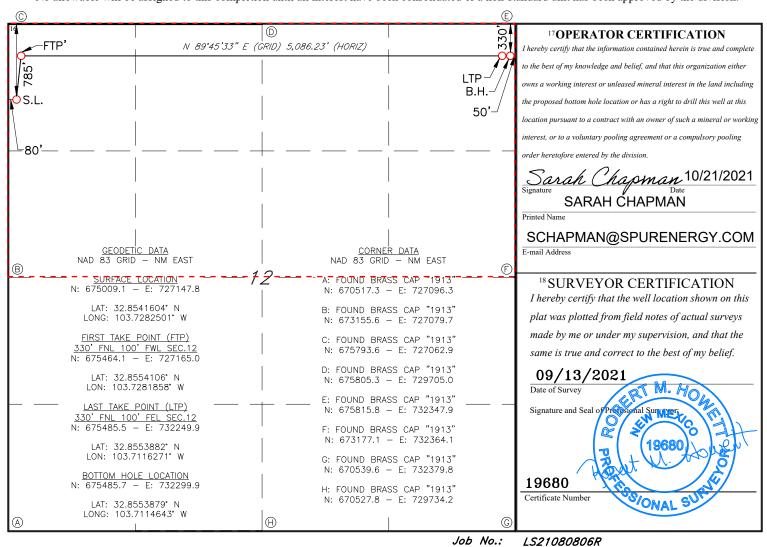
■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

30-025-	API Number <b>49501</b>	:	<sup>2</sup> Pool Code <sup>3</sup> Pool Name 44500 MALJAMAR;YESO, WE						EST	
4Property Co	ode		•	T)	5 Property N				(	Well Number
331684				11	RIPLETAIL	12 STATE				20H
7 OGRID					8 Operator N				9	Elevation
32894	17			SPUR ENERGY PARTNERS LLC.						4258'
					10 Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet From the	East/We	est line	County
D	12	17S	32E		785	NORTH	80	WES	ST	LEA
	<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Range Lot Idn Feet from the North/South line Feet from the East/Wes			est line	County		
A	12	17S	32E		330	NORTH	50	EAS	ST	LEA

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.

15 Order No.



Form APD Conditions

Permit 303129

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

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

#### PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
Spur Energy Partners LLC [328947]	30-025-49501
9655 Katy Freeway	Well:
Houston, TX 77024	TRIPLETAIL 12 STATE #020H

OCD Reviewer	Condition
pkautz	Notify OCD 24 hours prior to casing & cement
pkautz	Will require a File As Drilled C-102 and a Directional Survey with the C-104
pkautz	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
pkautz	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
pkautz	Cement is required to circulate on both surface and intermediate1 strings of casing
pkautz	The Operator is to notify NMOCD by sundry (Form C-103) within ten (10) days of the well being spud
pkautz	NOTE INCORRECT POOL ATTACHED. CORRECT POOL IS MALJAMAR; YESO, WEST

# 1. Geologic Formations

TVD of Target	6,225'
MD at TD	11,915'

Formation	Lithology	Expected Fluids	Depth
Quaternary	Dolomite, other Caliche	Useable Water	0'
Rustler	Dolomite, Shale, Anhydrite	Other: Brackish Water	1245'
Top Salt	Anhydrite	Other: Salt	1435'
Tansill	Sandstone, Dolomite	None	2290'
Yates	Dolomite, Limestone, Shale, Siltstone	None	2390'
Seven Rivers	Dolomite, Limestone	Natural Gas, Oil	2895'
Queen	Sandstone, Dolomite, Anhydrite	Natural Gas, Oil	3515'
Grayburg	Dolomite, Anhydrite	Natural Gas, Oil	3960'
San Andres	Dolomite, Limestone	Natural Gas, Oil	4260'
Glorieta	Dolomite, Siltstone	Natural Gas, Oil	5795'
Yeso	Dolomite, Limestone	Natural Gas, Oil	5870'

<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

# Primary Plan:

Hole Size (in)	Casing	Interval	Csg. Size	Weight	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
Hole Size (III)	From (ft)	To (ft)	(in)	(lbs)	Grade	Comi	Collapse	or Duist	Tension	Tension
17.5	0	1275	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
12.25	0	2950	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
8.75	0	6550	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4
8.75	6550	11915	5.5	20	L-80	BK-HT	1.125	1.2	1.4	1.4
								SF Values will:	meet or Exceed	l

	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?	N
If yes, are there two strings cemented to surface?	
Is well located in critical Cave/Karst?	N
If yes, are there three strings cemented to surface?	

# 3. Cementing Program

# Primary Plan:

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface Tail	0	1275	165%
Intermediate (Lead)	0	1275	100%
Intermediate (Tail)	1275	2950	100%
Production (Lead)	0	5550	100%
Production (Tail)	5550	11915	25%

Casing String	# Sks	Wt.	Yld (ft3/sack)	H20 (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface Tail	1241	13.2	1.87	9.92	6:59	Clas C Premium Plus Cement
Intermediate (Lead)	193	12	2.4	13.48	8:12	Clas C Premium Plus Cement
Intermediate (Tail)	571	13.2	1.87	9.92	6:59	Clas C Premium Plus Cement
Production (Lead)	1056	11.4	2.42	15.29	N/A	Clas C Premium Plus Cement
Production (Tail)	1212	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\*

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

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Туре		✓	Tested to:
		5M	Annular		<b>✓</b>	70% of working pressure
12.25" Hole	13-5/8"		Blind Ram	1	✓	
12.25 Hole	13-3/8	5M	Pipe Ram		✓	250 psi / 3000 psi
		JIVI	Double Ran	m		230 psi / 3000 psi
			Other*			
		5M	Annular		✓	70% of working pressure
8.75" Hole	12 5/9"		Blind Ram	ı	✓	
8./5 Hole	13-5/8"	514	Pipe Ram		✓	250: / 2000:
		5M	Double Ran	m		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	2881 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	130°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.

Forma	tion integrity test will be performed per Onshore Order #2.
On Ex	ploratory wells or on that portion of any well approved for a 5M BOPE system or
greate	r, a pressure integrity test of each casing shoe shall be performed. Will be tested in
accord	lance 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.

#### 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		Tymo	Waight (nng)	Vigoogity	Water Loss
From (ft)	To (ft)	Туре	Weight (ppg)	Viscosity	water Loss
0	1275	Water-Based Mud	8.6-8.9	32-36	N/C
1275	2950	Brine	9.0-10.0	32-36	N/C
2950	11915	Brine	9.0-10.0	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 BI	LM.							
No	Logs are planned based	on well control or offset log informa	tion.							
No	Drill stem test? If yes, e	explain								
No	Coring? If yes, explain									
Addi	tional logs planned	Interval								
No	Resistivity									
No	Density									
No	CBL									

ICP - TD

# 8. Drilling Conditions

Mud log PEX

Yes

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	Hydrogen Sulfide (H2S) monitors will be installed prior to drilling out the surface shoe. If H2S									
is de	is detected in concentrations greater than 100 ppm, the operator will comply with the provisions									
of C	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: 1148.6 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**

Lea County, NM (Nad-83/ NME)
TRIPLETAIL 12 STATE
20H

Wellbore #1

Plan: PLAN #1

# **Standard Planning Report**

20 October, 2021







Database: Company: WBDS SQL 2

Spur Energy Partners, LLC

Project: Site:

Lea County, NM (Nad-83/ NME) TRIPLETAIL 12 STATE

Well: Wellbore: 20H Wellbore #1 PLAN #1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

**Survey Calculation Method:** 

Well 20H

RKB = 20' @ 4278.00usft (AKITA 57)

RKB = 20' @ 4278.00usft (AKITA 57)

Minimum Curvature

Design: **Project** 

Lea County, NM (Nad-83/ NME)

Map System: Geo Datum:

US State Plane 1983 North American Datum 1983 System Datum:

Mean Sea Level

Map Zone:

New Mexico Eastern Zone

Site

TRIPLETAIL 12 STATE

Site Position: From:

Мар

Northing: Easting:

674,969.20 usft 727,148.10 usft

Latitude: Longitude:

32.854051 -103.728250

**Position Uncertainty:** 

0.00 usft Slot Radius: 13.200 in

**Grid Convergence:** 

0.328°

Well

20H

**Well Position** +N/-S +E/-W 39.90 usft -0.30 usft Northing: Easting:

10/20/2021

675,009.10 usft 727,147.80 usft

Latitude: Longitude:

32.854160 -103.728251

**Position Uncertainty** 

0.00 usft

Wellhead Elevation:

**Ground Level:** 

4,258.00 usft

Wellbore

Wellbore #1

**Magnetics** 

**Model Name** 

IGRF2020

Sample Date

Declination (°) 6.627 **Dip Angle** (°) 60.437 Field Strength (nT)

47.807.49044148

Design

PLAN #1

**Audit Notes:** 

Version:

Phase:

**PLAN** 

Tie On Depth:

0.00

Vertical Section:

Depth From (TVD) (usft)

+N/-S (usft)

+E/-W (usft)

Direction

0.00

0.00

0.00

(°) 89.76

**Plan Survey Tool Program** 

**Depth From** 

(usft)

**Depth To** (usft)

Survey (Wellbore)

Date 10/20/2021

**Tool Name** 

Remarks

0.00

11,915.24 PLAN #1 (Wellbore #1)

MWD+IGRF

OWSG MWD + IGRF or WN

Plan Section	IS									
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	
1,162.21	13.24	293.41	1,156.33	30.28	-69.92	2.00	2.00	0.00	293.415	
5,081.57	7 13.24	293.41	4,971.44	387.10	-893.92	0.00	0.00	0.00	0.000	
6,285.63	60.00	89.76	5,998.27	453.09	-436.90	6.00	3.88	12.98	158.601	
6,485.63	60.00	89.76	6,098.27	453.82	-263.70	0.00	0.00	0.00	0.000	
6,780.05	89.44	89.76	6,175.00	455.00	17.20	10.00	10.00	0.00	0.000 3	3. FTP #20H: 330' F
11,865.24	89.44	89.76	6,224.51	476.39	5,102.10	0.00	0.00	0.00	0.000 4	LTP #20H: 330' F
11,915.24	89.44	89.76	6,225.00	476.60	5,152.10	0.00	0.00	0.00	0.000 5	5. BHL #20H: 330' I





Database: Company: Project:

Site:

WBDS\_SQL\_2

Spur Energy Partners, LLC Lea County, NM (Nad-83/ NME)

TRIPLETAIL 12 STATE

 Well:
 20H

 Wellbore:
 Wellbore #1

 Design:
 PLAN #1

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

**Survey Calculation Method:** 

Well 20H

RKB = 20' @ 4278.00usft (AKITA 57)

RKB = 20' @ 4278.00usft (AKITA 57)

Grid

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
	2.00		599.98	0.69	-1.60			2.00	
600.00		293.41		0.09		-1.60	2.00	2.00	0.00
700.00	4.00	293.41	699.84	2.77	-6.40	-6.39	2.00	2.00	0.00
800.00	6.00	293.41	799.45	6.24	-14.40	-14.38	2.00	2.00	0.00
900.00	8.00	293.41	898.70	11.08	-25.58	-25.54	2.00	2.00	0.00
1,000.00	10.00	293.41	997.47	17.30	-39.94	-39.87	2.00	2.00	0.00
1,100.00	12.00	293.41	1,095.62	24.88	-57.45	-57.34	2.00	2.00	0.00
1,162.21	13.24	293.41	1,156.33	30.28	-69.92	-69.80	2.00	2.00	0.00
1,200.00	13.24	293.41	1,193.11	33.72	-77.87	-77.72	0.00	0.00	0.00
1,300.00	13.24	293.41	1,290.45	42.82	-98.89	-98.71	0.00	0.00	0.00
· ·			,						
1,400.00	13.24	293.41	1,387.79	51.93	-119.91	-119.70	0.00	0.00	0.00
1,500.00	13.24	293.41	1,485.13	61.03	-140.94	-140.68	0.00	0.00	0.00
1,600.00	13.24	293.41	1,582.47	70.14	-161.96	-161.67	0.00	0.00	0.00
1,700.00	13.24	293.41	1,679.81	79.24	-182.99	-182.65	0.00	0.00	0.00
1,800.00	13.24	293.41	1,777.15	88.34	-204.01	-203.64	0.00	0.00	0.00
		293.41	1,874.49	97.45	-225.03	-224.62	0.00	0.00	0.00
1,900.00	13.24								
2,000.00	13.24	293.41	1,971.83	106.55	-246.06	-245.61	0.00	0.00	0.00
2,100.00	13.24	293.41	2,069.18	115.66	-267.08	-266.59	0.00	0.00	0.00
2,200.00	13.24	293.41	2,166.52	124.76	-288.10	-287.58	0.00	0.00	0.00
2,300.00	13.24	293.41	2,263.86	133.87	-309.13	-308.56	0.00	0.00	0.00
2,400.00	13.24	293.41	2,361.20	142.97	-330.15	-329.55	0.00	0.00	0.00
2,500.00	13.24	293.41	2,458.54	152.07	-351.18	-350.54	0.00	0.00	0.00
2,600.00	13.24	293.41	2,555.88	161.18	-372.20	-371.52	0.00	0.00	0.00
2,700.00	13.24	293.41	2,653.22	170.28	-393.22	-392.51	0.00	0.00	0.00
2,800.00	13.24	293.41	2,750.56	179.39	-414.25	-413.49	0.00	0.00	0.00
2,900.00	13.24	293.41	2,847.90	188.49	-435.27	-434.48	0.00	0.00	0.00
3,000.00	13.24	293.41	2,945.24	197.59	-456.29	-455.46	0.00	0.00	0.00
3,100.00	13.24	293.41	3,042.58	206.70	-477.32	-476.45	0.00	0.00	0.00
3,200.00	13.24	293.41	3,139.92	215.80	-498.34	-497.43	0.00	0.00	0.00
3,300.00	13.24	293.41	3,237.26	224.91	-519.37	-518.42	0.00	0.00	0.00
3,400.00	13.24	293.41	3,334.60	234.01	-540.39	-539.40	0.00	0.00	0.00
3,500.00	13.24	293.41	3,431.94	243.12	-561.41	-560.39	0.00	0.00	0.00
3,600.00	13.24	293.41	3,529.28	252.22	-582.44	-581.38	0.00	0.00	0.00
3,700.00	13.24	293.41	3,626.62	261.32	-603.46	-602.36	0.00	0.00	0.00
3,800.00	13.24	293.41	3,723.96	270.43	-624.48	-623.35	0.00	0.00	0.00
3,900.00	13.24	293.41	3,821.30	279.53	-645.51	-644.33	0.00	0.00	0.00
4,000.00	13.24	293.41	3,918.64	288.64	-666.53	-665.32	0.00	0.00	0.00
4,100.00	13.24	293.41	4,015.98	297.74	-687.56	-686.30	0.00	0.00	0.00
4,200.00	13.24	293.41	4,113.32	306.84	-708.58	-707.29	0.00	0.00	0.00
4,300.00	13.24	293.41	4,210.66	315.95	-729.60	-728.27	0.00	0.00	0.00
4,400.00	13.24	293.41	4,308.00	325.05	-750.63	-749.26	0.00	0.00	0.00
4,500.00	13.24	293.41	4,405.34	334.16	-730.63 -771.65	-749.20 -770.24	0.00	0.00	0.00
4,600.00	13.24	293.41	4,502.68	343.26	-792.68	-791.23	0.00	0.00	0.00
4,700.00	13.24	293.41	4,600.02	352.36	-813.70	-812.22	0.00	0.00	0.00
4,800.00	13.24	293.41	4,697.36	361.47	-834.72	-833.20	0.00	0.00	0.00
4,900.00	13.24	293.41	4,794.70	370.57	-855.75	-854.19	0.00	0.00	0.00
		293.41	4,892.04	379.68	-876.77	-875.17	0.00	0.00	0.00
5,000.00	13.24	233.41	1,002.01	010.00	010.11	0,0.11			
5,000.00 5,081.57	13.24	293.41	4,971.44	387.10	-893.92	-892.29	0.00	0.00	0.00





Database: Company: Project:

Site:

WBDS\_SQL\_2

Spur Energy Partners, LLC Lea County, NM (Nad-83/ NME)

TRIPLETAIL 12 STATE

 Well:
 20H

 Wellbore:
 Wellbore #1

 Design:
 PLAN #1

**Local Co-ordinate Reference:** 

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 20H

RKB = 20' @ 4278.00usft (AKITA 57) RKB = 20' @ 4278.00usft (AKITA 57)

Grid

DI									
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)
5,150.00	9.54	302.49	5,038.52	393.27	-905.90	-904.24	6.00	-5.37	14.33
5,200.00	7.11	314.80	5,087.99	397.67	-911.59	-909.92	6.00	-4.86	24.64
5,250.00	5.30	337.32	5,137.70	401.98	-914.68	-912.98	6.00	-3.62	45.03
5,300.00	4.85	11.38	5,187.52	406.19	-915.15	-913.44	6.00	-0.89	68.13
5,350.00	6.08	40.60	5,237.30	410.27	-913.01	-911.28	6.00	2.46	58.44
5,400.00	8.27	57.29	5,286.91	414.23	-908.26	-906.51	6.00	4.38	33.37
5,450.00	10.85	66.58	5,336.21	418.04	-900.91	-899.15	6.00	5.16	18.60
5,500.00	13.60	72.25	5,385.08	421.71	-890.99	-889.22	6.00	5.51	11.34
5,550.00	16.44	76.02	5,433.36	425.21	-878.52	-876.73	6.00	5.68	7.54
5,600.00	19.33	78.70	5,480.94	428.54	-863.54	-861.73	6.00	5.77	5.35
5,650.00	22.24	80.70	5,527.69	431.69	-846.08	-844.26	6.00	5.83	4.00
5,700.00	25.18	82.26	5,573.46	434.66	-826.20	-824.37	6.00	5.87	3.11
5,750.00	28.12	83.51	5,618.14	437.42	-803.94	-802.11	6.00	5.89	2.50
5,800.00	31.08	84.54	5,661.61	439.98	-779.38	-777.53	6.00	5.91	2.06
5,850.00	34.04	85.40	5,703.75	442.34	-752.58	-750.72	6.00	5.93	1.73
5,900.00	37.01	86.15	5,744.43	444.47	-723.60	-721.74	6.00	5.94	1.49
5,950.00	39.99	86.79	5,783.56	446.38	-692.54	-690.67	6.00	5.95	1.30
6,000.00	42.96	87.37	5,821.02	448.06	-659.47	-657.59	6.00	5.95	1.14
6,050.00	45.94	87.88	5,856.71	449.51	-624.49	-622.60	6.00	5.96	1.02
6,100.00	48.92	88.34	5,890.53	450.72	-587.69	-585.80	6.00	5.96	0.93
6,150.00	51.90	88.76	5,922.39	451.69	-549.18	-547.28	6.00	5.96	0.85
6,200.00	54.89	89.15	5,952.20	452.42	-509.05	-507.15	6.00	5.97	0.78
6,250.00	57.87	89.52	5,979.88	452.90	-467.42	-465.52	6.00	5.97	0.72
6,285.63	60.00	89.76	5,998.27	453.09	-436.90	-435.00	6.00	5.97	0.68
6,300.00	60.00	89.76	6,005.45	453.14	-424.46	-422.56	0.00	0.00	0.00
6,400.00	60.00	89.76	6,055.45	453.51	-337.86	-335.95	0.00	0.00	0.00
6,485.63	60.00	89.76	6,098.27	453.82	-263.70	-261.79	0.00	0.00	0.00
6,500.00	61.44	89.76	6,105.29	453.87	-251.17	-249.26	10.00	10.00	0.00
6,550.00	66.44	89.76	6,127.25	454.06	-206.27	-204.36	10.00	10.00	0.00
6,600.00	71.44	89.76	6,145.22	454.26	-159.62	-157.72	10.00	10.00	0.00
6,650.00	76.44	89.76	6,159.05	454.46	-111.59	-109.69	10.00	10.00	0.00
6,700.00	81.44	89.76	6,168.64	454.66	-62.54	-60.63	10.00	10.00	0.00
6,750.00	86.44	89.76	6,173.92	454.87	-12.83	-10.93	10.00	10.00	0.00
6,780.05	89.44	89.76	6,175.00	455.00	17.20	19.11	10.00	10.00	0.00
6,800.00	89.44	89.76	6,175.19	455.08	37.14	39.05	0.00	0.00	0.00
6,900.00	89.44	89.76	6,176.17	455.50	137.14	139.05	0.00	0.00	0.00
7,000.00 7,100.00 7,200.00 7,300.00 7,400.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,177.14 6,178.12 6,179.09 6,180.06 6,181.04	455.93 456.35 456.77 457.19 457.61	237.13 337.13 437.12 537.12 637.11	239.04 339.04 439.03 539.03 639.02	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
7,500.00 7,600.00 7,700.00 7,800.00 7,900.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,182.01 6,182.98 6,183.96 6,184.93 6,185.90	458.03 458.45 458.87 459.29 459.71	737.11 837.10 937.09 1,037.09 1,137.08	739.02 839.01 939.01 1,039.00 1,139.00	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 0.00
8,000.00 8,100.00 8,200.00 8,300.00 8,400.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,186.88 6,187.85 6,188.83 6,189.80 6,190.77	460.13 460.55 460.97 461.39 461.81	1,237.08 1,337.07 1,437.07 1,537.06 1,637.05	1,238.99 1,338.99 1,438.98 1,538.98 1,638.97	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
8,500.00	89.44	89.76	6,191.75	462.23	1,737.05	1,738.97	0.00	0.00	0.00
8,600.00	89.44	89.76	6,192.72	462.66	1,837.04	1,838.97	0.00	0.00	0.00
8,700.00	89.44	89.76	6,193.69	463.08	1,937.04	1,938.96	0.00	0.00	0.00





Database: Company: Project:

Site:

WBDS\_SQL\_2

Spur Energy Partners, LLC Lea County, NM (Nad-83/ NME)

TRIPLETAIL 12 STATE

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

Local Co-ordinate Reference:

TVD Reference: MD Reference: North Reference:

Survey Calculation Method:

Well 20H

RKB = 20' @ 4278.00usft (AKITA 57) RKB = 20' @ 4278.00usft (AKITA 57)

Grid

Design:	PLAN #1								
Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
8,800.00 8,900.00	89.44 89.44	89.76 89.76	6,194.67 6,195.64	463.50 463.92	2,037.03 2,137.03	2,038.96 2,138.95	0.00 0.00	0.00 0.00	0.00 0.00
9,000.00 9,100.00 9,200.00 9,300.00 9,400.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,196.62 6,197.59 6,198.56 6,199.54 6,200.51	464.34 464.76 465.18 465.60 466.02	2,237.02 2,337.02 2,437.01 2,537.00 2,637.00	2,238.95 2,338.94 2,438.94 2,538.93 2,638.93	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
9,500.00 9,600.00 9,700.00 9,800.00 9,900.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,201.48 6,202.46 6,203.43 6,204.40 6,205.38	466.44 466.86 467.28 467.70 468.12	2,736.99 2,836.99 2,936.98 3,036.98 3,136.97	2,738.92 2,838.92 2,938.91 3,038.91 3,138.90	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
10,000.00 10,100.00 10,200.00 10,300.00 10,400.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,206.35 6,207.33 6,208.30 6,209.27 6,210.25	468.54 468.96 469.39 469.81 470.23	3,236.96 3,336.96 3,436.95 3,536.95 3,636.94	3,238.90 3,338.89 3,438.89 3,538.88 3,638.88	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
10,500.00 10,600.00 10,700.00 10,800.00 10,900.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,211.22 6,212.19 6,213.17 6,214.14 6,215.11	470.65 471.07 471.49 471.91 472.33	3,736.94 3,836.93 3,936.93 4,036.92 4,136.91	3,738.88 3,838.87 3,938.87 4,038.86 4,138.86	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
11,000.00 11,100.00 11,200.00 11,300.00 11,400.00	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,216.09 6,217.06 6,218.04 6,219.01 6,219.98	472.75 473.17 473.59 474.01 474.43	4,236.91 4,336.90 4,436.90 4,536.89 4,636.89	4,238.85 4,338.85 4,438.84 4,538.84 4,638.83	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
11,500.00 11,600.00 11,700.00 11,800.00 11,865.24	89.44 89.44 89.44 89.44	89.76 89.76 89.76 89.76 89.76	6,220.96 6,221.93 6,222.90 6,223.88 6,224.51	474.85 475.27 475.69 476.12 476.39	4,736.88 4,836.87 4,936.87 5,036.86 5,102.10	4,738.83 4,838.82 4,938.82 5,038.81 5,104.05	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
11,900.00 11,915.24	89.44 89.44	89.76 89.76	6,224.85 6,225.00	476.54 476.60	5,136.86 5,152.10	5,138.81 5,154.05	0.00 0.00	0.00 0.00	0.00 0.00





Database: Company: Project:

Site:

WBDS\_SQL\_2

Spur Energy Partners, LLC Lea County, NM (Nad-83/ NME)

TRIPLETAIL 12 STATE

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

**Local Co-ordinate Reference:** 

TVD Reference: MD Reference: North Reference:

**Survey Calculation Method:** 

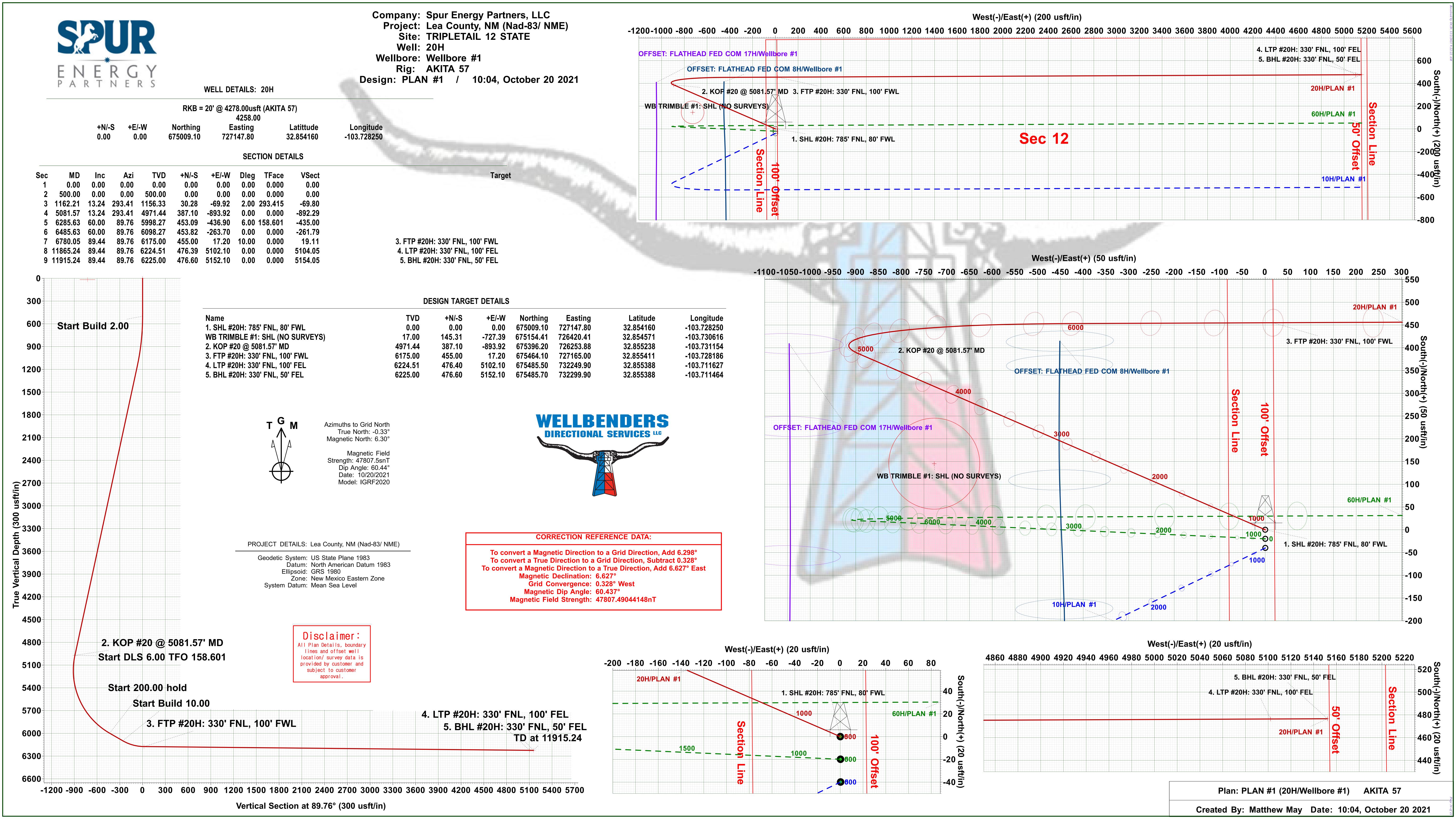
Well 20H

RKB = 20' @ 4278.00usft (AKITA 57)

RKB = 20' @ 4278.00usft (AKITA 57)

Grid

Design Targets									
	Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
1. SHL #20H: 785' FN - plan hits target center - Point	0.00	0.00	0.00	0.00	0.00	675,009.10	727,147.80	32.854160	-103.728251
WB TRIMBLE #1: SHI - plan misses target ce - Circle (radius 100.00)		0.01 741.76usft	17.00 at 17.00usf	145.31 t MD (17.00	-727.39 TVD, 0.00 N	675,154.41 , 0.00 E)	726,420.41	32.854571	-103.730616
2. KOP #20 @ 5081.5 - plan hits target center - Point	0.00	0.00	4,971.44	387.10	-893.92	675,396.20	726,253.88	32.855238	-103.731154
3. FTP #20H: 330' FN - plan hits target center - Point	0.00	0.00	6,175.00	455.00	17.20	675,464.10	727,165.00	32.855411	-103.728186
4. LTP #20H: 330' FNI - plan misses target ce - Point	0.00 nter by		6,224.51 11865.24us	476.40 sft MD (6224	5,102.10 .51 TVD, 470	675,485.50 6.39 N, 5102.10 E	732,249.90 E)	32.855388	-103.711627
5. BHL #20H: 330' FN - plan hits target center - Point	0.00	0.00	6,225.00	476.60	5,152.10	675,485.70	732,299.90	32.855388	-103.711465



## 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 E	ENERGY PAI	RTNERS LLC	_OGRID:	328947	Date: <u>1</u>	0 / 21 / 2021			
I. <b>Type:</b> ☐ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.										
If Other, pleas	Other, please describe:									
	II. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to e recompleted from a single well pad or connected to a central delivery point.									
Well Na	nme	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D			
TRIPLETAIL 12 STATE	10H	30-025-PENDING	D-12-17S-32E	825' FNL 80' FWL	359 BBL/D	452 MCF/D	1438 BBL/D			
TRIPLETAIL 12 STATE	20H	30-025-PENDING	D-12-17S-32E	785' FNL 80 FWL	359 BBL/D	452 MCF/D	1438 BBL/D			
TRIPLETAIL 12 STATE	60H	30-025-PENDING	D-12-17S-32E	805' FNL 80' FWL	319 BBL/D	377 MCF/D	1593 BBL/D			

IV. Central Delivery Point Name: TRIPLETAIL 12 STATE CENTRAL TANK BATTERY [See 19.15.27.9(D)(1) NMAC]

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

Well Name	API	Spud Date	TD Reached	Completion	Initial Flow	First Production
			Date	Commencement Date	Back Date	Date
TRIPLETAIL 12 STATE 10H	30-025-PENDING	02/28/2022	03/10/2022	03/24/2022	04/04/2022	04/04/2022
TRIPLETAIL 12 STATE 20H	30-025-PENDING	02/05/2022	02/14/2022	03/24/2022	04/04/2022	04/04/2022
TRIPLETAIL 12 STATE 60H	30-025-PENDING	02/15/2022	02/27/2022	03/24/2022	04/04/2022	04/04/2022

- VI. Separation Equipment: X Attach a complete description of how Operator will size separation equipment to optimize gas capture.
- **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	Well API		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 of
the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

<b>XII.</b> Line Capacity. The natural gas gathering system $\square$ will	$\square$ will not have capacity to gather 100	0% of the anticipated natural gas
production volume from the well prior to the date of first produc	ction.	

XIII. Line Pressure. Operator $\square$ does $\square$ 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 w	ell(s).

	Attach	C	)perator'	s p	lan t	o manag	e p	producti	on i	n res	ponse	to	the	increased	1 ]	line	pressi	ure
--	--------	---	-----------	-----	-------	---------	-----	----------	------	-------	-------	----	-----	-----------	-----	------	--------	-----

XIV. Confidentiality:   Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information pro	vided 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 infe	ormation
for which confidentiality is asserted and the basis for such assertion.	

(h)

# 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; 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

- (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: 10/21/2021
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 ignitor 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.