

Submit a Copy To Appropriate District Office
 District I – (575) 393-6161
 1625 N. French Dr., Hobbs, NM 88240
 District II – (575) 748-1283
 811 S. First St., Artesia, NM 88210
 District III – (505) 334-6178
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV – (505) 476-3460
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 Revised July 18, 2013

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)		WELL API NO. 30-025-50038
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator SPUR ENERGY PARTNERS LLC		6. State Oil & Gas Lease No.
3. Address of Operator 9655 KATY FREEWAY, SUITE 500, HOUSTON, TX 77024		7. Lease Name or Unit Agreement Name HATCH STATE
4. Well Location Unit Letter E : 1584 feet from the NORTH line and 242 feet from the WEST line Section 09 Township 17S Range 33E NMPM LEA County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 4205' GR		9. OGRID Number 328947
		10. Pool name or Wildcat MALJAMAR; CISCO

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
CLOSED-LOOP SYSTEM <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: <input type="checkbox"/>	

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spur Energy Partners LLC is requesting to amend the current surface casing and cementing program to protect groundwater.

We will run 1455' of 13-3/8" 54.5 J-55 BTC csg and cement with 1418 sxs class C w/ 13.2ppg and 1.87 yield.
 Please find updated drill plan attached for your use.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Chapman TITLE REGULATORY DIRECTOR DATE 04/21/2022

Type or print name SARAH CHAPMAN E-mail address: _____ PHONE: 832-930-8613

For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____

Conditions of Approval (if any):

Spur Energy Partners LLC – Hatch State 1

1. Geologic Formations

TVD of Target	12,000'
MD at TD	12,000'

Formation	Depth (KB at TVD)	Lithology	Expected Fluids
QUATERNARY	0'	DOLOMITE, OTHER: CALICHE	USEABLE WATER
RUSTLER	1405'	DOLOMITE, SHALE, ANHYDRITE	OTHER: BRACKISH WATER
TOP SALT	1600'	ANHYDRITE	OTHER: SALT
YATES	2740'	DOLOMITE, LIMESTONE, SHALE, SILTSTONE	NONE
SEVEN RIVERS	3050'	DOLOMITE, LIMESTONE	NATURAL GAS, OIL
QUEEN	3695'	SANDSTONE W INTERBEDDED DOLOMITE, ANHYDRITE	NATURAL GAS, OIL
GRAYBURG	4135'	DOLOMITE W MINOR SANDSTONE, ANHYDRITE	NATURAL GAS, OIL
SAN ANDRES	4445'	DOLOMITIC LIMESTONE	NATURAL GAS, OIL
GLORIETA	5910'	DOLOMITE, SILTSTONE	NATURAL GAS, OIL
PADDOCK	5990'	DOLOMITIC LIMESTONE	NATURAL GAS, OIL
BLINEBRY	6365'	DOLOMITIC LIMESTONE	NATURAL GAS, OIL
TUBB	7280'	DOLOMITE, SHALE, SAND	NATURAL GAS, OIL
DRINKARD	7445'	DOLOMITE, SHALE, LIMESTONE	NATURAL GAS, OIL
ABO	8040'	DOLOMITE, ANHYDRITE	NATURAL GAS, OIL
WOLFCAMP	9930'	LIMESTONE, SHALE, DOLOMITE	NATURAL GAS, OIL
PENN	11425'	SHALE, LIMESTONE	NATURAL GAS, OIL

*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

Csg Set Depth (ft)	Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF	SF Burst	Body SF Tension	Joint SF Tension
		From (ft)	To (ft)					Collapse			
Rustler	17.5	0	1455	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
Seven Rivers	12.25	0	3250	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
Pennsylvanian	8.75	0	12000	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4

Spur Energy Partners LLC – Hatch State 1

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

3. Cementing Program

Casing String	Top (ft)	Bottom (ft)	% Excess
Surface Tail	0	1455	165%
Intermediate (Lead)	0	1455	100%
Intermediate (Tail)	1455	3250	100%
Production (Lead)	0	11000	100%
Production (Tail)	11000	12000	25%

Casing String	# Sks	Wt. (lb/gal)	Yld (ft ³ /sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface Tail	1418	13.2	1.87	9.92	6:59	Clas C Premium Plus Cement
Intermediate (Lead)	220	12	2.4	13.48	8:12	Clas C Premium Plus Cement
Intermediate (Tail)	612	13.2	1.87	9.92	6:59	Clas C Premium Plus Cement
Production (Lead)	1770	11.4	2.42	15.29	N/A	Clas C Premium Plus Cement
Production (Tail)	126	13.2	1.56	9.81	N/A	Clas C Premium Plus Cement

Spur Energy Partners LLC – Hatch State 1**4. Pressure Control Equipment*****Spur Energy Partners LLC variance for flex hose***

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

BOP installed and tested before drilling which hole?	Size?	Min. Required WP	Type	✓	Tested to:
12.25" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		
8.75" Hole	13-5/8"	5M	Annular	✓	70% of working pressure
		5M	Blind Ram	✓	250 psi / 3000 psi
			Pipe Ram	✓	
			Double Ram		
			Other*		

Spur Energy Partners LLC will be utilizing a 5M BOP

Condition	Specify what type and where?
BH Pressure at deepest TVD	4992 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	176°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?

Spur Energy Partners LLC – Hatch State 1

	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.
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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 3rd 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	1455	Water-Based Mud	8.6-8.9	32-36	N/C
1455	3250	Brine	10.0-10.5	32-36	N/C
3250	12000	Brine	10.0-10.5	32-36	N/C

What will be used to monitor the loss or gain of fluid?	PVT/PASON/Visual Monitoring
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Spur Energy Partners LLC – Hatch State 1**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	
Yes	Coring? If yes, explain – Rotary Sidewall Cores	
Additional logs planned		Interval
Yes	GR/Resistivity (Laterolog)	ICP - TD
Yes	Neutron – Density	ICP - TD
Yes	CMR	ICP - TD
Yes	Mud log	ICP – TD
Yes	Sonic Imager/FMI	ICP – TD

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: 1500.2 bbls.

Spur Energy Partners LLC – Hatch State 1**9. Pilot Hole Description**

- a. Drill a vertical pilot hole to 12,000' TVD and log from Seven Rivers formation to Pennsylvanian Shale "Penn Shale" formation
- b. Obtain rotary sidewall cores from "Penn Shale", Wolfcamp, Yeso, and San Andres formations
- c. Temporarily abandon the well once logs and cores are obtained for future up-hole horizontal development
 - i. RIH with CIBP and set within 100' of the intermediate casing shoe.
 - ii. Pump 42 sks (100ft) of 13.2 lb/gal class C Premium Plus cement on top of CIBP
 - iii. Pressure test intermediate casing to 500 psi surface pressure with a pressure drop of no more than 10% over a 30-minute period.
 - iv. Secure well & rig down

10. 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/intermediate 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/intermediate 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

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

11. 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

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Santa Fe, NM 87505

CONDITIONS

Action 100678

CONDITIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 100678
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
pkautz	PREVIOUS COA's APPLY	5/23/2022