

U.S. Department of the Interior
BUREAU OF LAND MANAGEMENT

| | | |
|-----------------------------------|---|---|
| Well Name: ARCO FED B COM | Well Location: T17S / R27E / SEC 26 / NWSW / | County or Parish/State: EDDY / NM |
| Well Number: 1 | Type of Well: CONVENTIONAL GAS WELL | Allottee or Tribe Name: |
| Lease Number: NMNM0558679 | Unit or CA Name: ARCO FEDERAL B COM | Unit or CA Number: NMNM71873 |
| US Well Number: 3001521047 | Well Status: Producing Gas Well | Operator: SPUR ENERGY PARTNERS LLC |

Accepted for record – NMOCD gc9/6/2022

Notice of Intent

Sundry ID: 2688219

Type of Submission: Notice of Intent

Type of Action: Plug and Abandonment

Date Sundry Submitted: 08/19/2022

Time Sundry Submitted: 09:30

Date proposed operation will begin: 09/10/2022

Procedure Description: Please find proposed P&A procedure and WBDs attached for your use. Thank you!

Surface Disturbance

Is any additional surface disturbance proposed?: No

NOI Attachments

Procedure Description

Arco_B_Fed_Com_1_WBD_20220819093026.pdf

Arco_B_Fed_Com_1_Proposed_Plugging_WBD_20220819093026.pdf

Arco_B_Federal_Com_1_P_A_Procedure_20220819093026.pdf

Well Name: ARCO FED B COM

Well Location: T17S / R27E / SEC 26 / NWSW /

County or Parish/State: EDDY / NM

Well Number: 1

Type of Well: CONVENTIONAL GAS WELL

Allottee or Tribe Name:

Lease Number: NMNM0558679

Unit or CA Name: ARCO FEDERAL B COM

Unit or CA Number: NMNM71873

US Well Number: 3001521047

Well Status: Producing Gas Well

Operator: SPUR ENERGY PARTNERS LLC

Conditions of Approval

Specialist Review

ARCO_FED_B_COM_1__2688219__COA_AND_PROCEDURE_20220826104153.pdf

Operator

I certify that the foregoing is true and correct. Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction. Electronic submission of Sundry Notices through this system satisfies regulations requiring a

Operator Electronic Signature: SARAH CHAPMAN

Signed on: AUG 19, 2022 09:30 AM

Name: SPUR ENERGY PARTNERS LLC

Title: Regulatory Directory

Street Address: 9655 KATY FREEWAY, SUITE 500

City: Houston

State: TX

Phone: (832) 930-8613

Email address: SCHAPMAN@SPUREPLLC.COM

Field

Representative Name:

Street Address:

City:

State:

Zip:

Phone:

Email address:

BLM Point of Contact

BLM POC Name: KEITH P IMMATTY

BLM POC Title: ENGINEER

BLM POC Phone: 5759884722

BLM POC Email Address: KIMMATTY@BLM.GOV

Disposition: Approved

Disposition Date: 08/26/2022

Signature: Keith Immatty

Arco B Federal Com #1 P&A Procedure

1. Drill out 8-5/8" CICR and 5-1/2" CIBP. Fish Packer and tubing.
2. Cleanout down to 9100'
3. Dump bail 35' of Class H cement on top of CIBP @ 9100'. WOC & Tag. (T/Morrow)
4. Set CIBP @ 8440'. Dump bail 35' of class H cement on top. (T/Strawn)
5. Set CIBP @ 7484'. Dump bail 35' of class C cement on top. (T/Cisco/Canyon)
6. Set CIBP @ 6248'. Spot 25 sx of class C cement from 6248'-6088'. WOC & Tag. (T/Wolfcamp)
7. Spot 25 sx of Class C cement from 5142'-4992'. WOC & Tag. (T/Abo/Yeso)
8. Perf @ 3010' and squeeze 25 sx of class C cement from 3010'-2880'. (T/Glorieta)
9. Spot **40** sx of class C cement from 2350'-**2000'**. (T/San Andres & 8-5/8" shoe)
10. **EST TOC @ 2000' for 5.5". Perf and sqz to surface from 2000' approx 470sx. Verify at surface. Operator can also run CBL to see where actual TOC is for 5.5" and discuss revisions with BLM.**
11. Cutoff wellhead, verify cement to surface, weld on dryhole marker.

| | | | | |
|-----------|----------------------|-----------------------------|-------------|------------------|
| API # | 30-015-21047 | Arco B Federal Com 1 | County, ST | Eddy County, NM |
| Operator | Spur Energy Partners | | Sec-Twn-Rng | 26-17S-27E |
| Field | | | Footage | 1980 FSL 660 FWL |
| Spud Date | | | Survey | |

| Formation (MD) | |
|----------------|--|
| San Andres | |
| Glorieta | |
| Yeso | |
| Bone Spring | |
| Wolfcamp | |
| Canyon | |
| Strawn | |
| Atoka | |
| Morrow | |

| | |
|-----|------|
| RKB | |
| GL | 3520 |

| | |
|-----------|---------|
| Hole Size | 12-1/4" |
| TOC | Surface |
| Method | Circ |

| | |
|-------------|--------|
| Csg Depth | 1685' |
| Size | 8-5/8" |
| Weight | 24 |
| Grade | K-55 |
| Connections | |
| Cement | 970 sx |

P&A Procedure

1. Drill out 8-5/8" CICR and 5-1/2" CIBP. Fish packer and tubing
2. Cleanout down to 9100'
3. Dump ball 35' of Class H cmt on top of CIBP @ 9100'. WOC and tag. (T/Morrow)
4. Set CIBP @ 8440'. Dump ball 35' of Class H cmt on top. (T/Strawn)
5. Set CIBP @ 7484'. Dump ball 35' of Class C cmt on top. (T/Cisco/Canyon)
6. Set CIBP @ 6248'. Spot 25 sx of Class C from 6248'-6088' WOC and tag. (T/Wolfcamp)
7. Spot 25 sx of class C cement from 5142'-4992'. WOC and tag. (T/Abo/Yeso)
8. Perf at 3010' and squeeze 25 sx of class C from 3010'-2880'. (T/Glorieta)
9. Spot 40 sx of cmt from 2350' to 2000'. (T/San Andres & 8-5/8" Shoe)
10. **EST TOC @ 2000' for 5.5". Perf and sqz to surface from 2000' approx 470sx. Verify at surface. Operator can also run CBL to see where actual TOC is for 5.5" and discuss revisions with BLM.**
11. Cutoff wellhead, verify cmt to surface, weld on dryhole marker.



| Tubing Detail | | | | |
|---------------|------|-------|--------|--------|
| Jts | Size | Depth | Length | Detail |
| | | | | |
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| | | | | |
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| | | | | |

| Rod Detail | | | | |
|------------|------|-------|--------|--------|
| Rods | Size | Depth | Length | Detail |
| | | | | |
| | | | | |
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| | | | | |

| | |
|-----------|--------|
| Hole Size | 7-7/8" |
| TOC | 365' |
| Method | Calc |

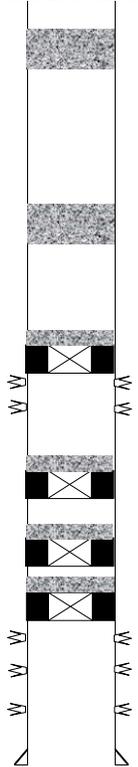
| | |
|-------------|---------|
| Csg Depth | 9739' |
| Size | 5-1/2" |
| Weight | 14-17# |
| Grade | |
| Connections | |
| Cement | 1250 sx |

| | |
|-------------|----------|
| Last Update | 8/5/2022 |
| By | RCB |

| | |
|--------|------|
| PBDT | 9100 |
| TD MD | 9739 |
| TD TVD | 9739 |

5-1/2" parted at ~2350'

Perforations
 6348-6361 sqzd w/ 100 sx
 6582-6756
 9150-9333



CIBP @ 9100'

| Sundry ID | | 2688219 | | | | |
|-----------------|---------|---------|---------|--|--------|--------------|
| Plug Type | Top | Bottom | Length | Tag | Sacks | Notes |
| Surface Plug | 0.00 | 2000.00 | 2000.00 | Tag/Verify | 470.00 | Perf and sqz |
| Yates @ 119 | 0.00 | 2000.00 | 2000.00 | base no | 470.00 | Perf and sqz |
| Shoe Plug | 2000.00 | 2350.00 | 350.00 | Tag/Verify | 40.00 | |
| | | | | If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations | | |
| Glorieta @ 2960 | 2880.40 | 3010.00 | 129.60 | | 25.00 | |
| | | | | If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations | | |
| Wolfcamp @ 6184 | 6072.16 | 6234.00 | 161.84 | | 25.00 | |

| | | | | | | |
|-----------|---------|---------|-------|--|-------|--------------------|
| CIBP Plug | 6213.00 | 6248.00 | 35.00 | If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations | 25.00 | 35' if dump bailed |
| CIBP Plug | 7449.00 | 7484.00 | 35.00 | If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations | 25.00 | 35' if dump bailed |

| | | | | | | |
|-----------|---------|---------|-------|--|-------|--------------------|
| CIBP Plug | 8405.00 | 8440.00 | 35.00 | If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations | 25.00 | 35' if dump bailed |
| CIBP Plug | 9065.00 | 9100.00 | 35.00 | If solid base no need to Tag (CIBP present and/or Mechanical Integrity Test), If Perf & Sqz then Tag, Leak Test all CIBP if no Open Perforations | 25.00 | 35' if dump bailed |

| |
|---|
| No more than 2000' is to be allowed between plugs in open hole, and no more than 3000' between plugs in cased hole. |
| Class H >7500' |
| Class C <7500' |
| Fluid used to mix the cement in R111P shall be saturated with the salts common to the section penetrated, and in suitable proportions, but not more than 3% calcium chloride by weight of cement will be considered the desired mixture whenever possible. |
| Critical, High Cave Karst: Cave Karst depth to surface |
| R111P: Solid plug in all annuli - 50' from bottom of salt to surface. |

| |
|--|
| Class C: 1.32 ft³/sx |
| Class H: 1.06 ft³/sx |

Onshore Order 2.III.G Drilling Abandonment Requirements: "All formations bearing usable-quality water, oil, gas, or geothermal resources, and/or a prospectively valuable deposit of minerals shall be protected.

| | | | |
|---------------------------------|-------------|-----------------------------------|---------------|
| Cave Karst/Potash Cement | High | KARST DEPTH/TOS to surface | 500.00 |
|---------------------------------|-------------|-----------------------------------|---------------|

| | |
|--------|---------|
| Shoe @ | 46.00 |
| Shoe @ | 1685.00 |
| Shoe @ | 9739.00 |

| | | | |
|-------------------|---------|--------------|---------|
| Perforatons Top @ | 6348.00 | Perforations | 6361.00 |
| Perforatons Top @ | 6582.00 | Perforations | 6756.00 |
| Perforatons Top @ | 9150.00 | Perforations | 9333.00 |

| | |
|--------|---------|
| CIBP @ | 9100.00 |
| CIBP @ | 8440.00 |
| CIBP @ | 7484.00 |
| CIBP @ | 6248.00 |

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

**Permanent Abandonment of Federal Wells
Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

The rig used for the plugging procedure cannot be released and moved off without the prior approval of the authorized officer. Failure to do so may result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-689-5981.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth. Based on depth, a tag of the cement may be deemed necessary.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). **The BLM is to be notified a minimum of 4 hours prior to the wellhead being cut off to verify that cement is to surface in the casing and all annuluses. Wellhead cut off shall commence within ten (10) calendar days of the well being plugged. If the cut off cannot be done by the 10th day, the BLM is to be contacted with justification to receive an extension for completing the cut off.**

The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement, unless otherwise noted in COA (requirements will be attached). The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds). A weep hole shall be left if a metal plate is welded in place.

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and three copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration will be required. See attached reclamation objectives.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene St.
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm



In Reply Refer To: 1310

Reclamation Objectives and Procedures

Reclamation Objective: Oil and gas development is one of many uses of the public lands and resources. While development may have a short- or long-term effect on the land, successful reclamation can ensure the effect is not permanent. During the life of the development, all disturbed areas not needed for active support of production operations should undergo “interim” reclamation in order to minimize the environmental impacts of development on other resources and uses. At final abandonment, well locations, production facilities, and access roads must undergo “final” reclamation so that the character and productivity of the land and water are restored.

The long-term objective of final reclamation is to set the course for eventual ecosystem restoration, including the restoration of the natural vegetation community, hydrology, and wildlife habitats. In most cases this means returning the land to a condition approximating or equal to that which existed prior to the disturbance. The final goal of reclamation is to restore the character of the land and water to its pre-disturbance condition. The operator is generally not responsible for achieving full ecological restoration of the site. Instead, the operator must achieve the short-term stability, visual, hydrological, and productivity objectives of the surface management agency and take steps necessary to ensure that long-term objectives will be reached through natural processes.

To achieve these objectives, remove any/all contaminants, scrap/trash, equipment, pipelines and powerlines **(Contact service companies, allowing plenty of time to have the risers and power lines and poles removed prior to reclamation, don't wait till the last day and try to get them to remove infrastructure)**. Strip and remove caliche, contour the location to blend with the surrounding landscape, re-distribute the native soils, provide erosion control as needed, rip (across the slope and seed as specified in the original APD COA. **This will apply to well pads, facilities, and access roads.** Barricade access road at the starting point. If reserve pits have not reclaimed due to salts or other contaminants, submit a plan for approval, as to how you propose to provide adequate restoration of the pit area.

1. The Application for Permit to Drill or Reenter (APD, Form 3160-3), Surface Use Plan of Operations must include adequate measures for stabilization and reclamation of disturbed lands. Oil and Gas operators must plan for reclamation, both interim and final, up front in the APD process as per Onshore Oil and Gas Order No. 1.
2. For wells and/or access roads not having an approved plan, or an inadequate plan for surface reclamation (either interim or final reclamation), the operator must submit a proposal describing the procedures for reclamation. For interim reclamation, the appropriate time for submittal would be when filing the Well Completion or Recompletion Report and Log (Form 3160-4). For final reclamation, the appropriate time for submittal would be when filing the Notice of Intent, or the Subsequent Report of Abandonment, Sundry Notices and Reports on Wells (Form 3160-5). Interim reclamation is to be completed within 6 months of well completion, and final reclamation is to be completed within 6 months of well abandonment.
3. The operator must file a Subsequent Report Plug and Abandonment (Form 3160-5) following the plugging of a well.
4. Previous instruction had you waiting for a BLM specialist to inspect the location and provide you with reclamation requirements. If you have an approved Surface Use Plan of Operation and/or an approved Sundry Notice, you are free to proceed with reclamation as per approved APD. If you

have issues or concerns, contact a BLM specialist to assist you. It would be in your interest to have a BLM specialist look at the location and access road prior to the removal of reclamation equipment to ensure that it meets BLM objectives. Upon conclusion submit a Form 3160-5, Subsequent Report of Reclamation. This will prompt a specialist to inspect the location to verify work was completed as per approved plans.

5. The approved Subsequent Report of Reclamation will be your notice that the native soils, contour and seedbed have been reestablished. If the BLM objectives have not been met the operator will be notified and corrective actions may be required.
6. It is the responsibility of the operator to monitor these locations and/or access roads until such time as the operator feels that the BLM objective has been met. If after two growing seasons the location and/or access roads are not showing the potential for successful revegetation, additional actions may be needed. When you feel the BLM objectives have been met submit a Final Abandonment Notice (FAN), Form 3160-5, stating that all reclamation requirements have been achieved and the location and/or access road is ready for a final abandonment inspection.
7. At this time the BLM specialist will inspect the location and/or access road. If the native soils and contour have been restored, and the revegetation is successful, the FAN will be approved, releasing the operator of any further liability of the location and/or access road. If the location and/or access road have not achieved the objective, you will be notified as to additional work needed or additional time being needed to achieve the objective.

If there are any questions, please feel free to contact any of the following specialists:

Jim Amos
Supervisory Petroleum Engineering Tech/Environmental Protection Specialist
575-234-5909 (Office), 575-361-2648 (Cell)

Arthur Arias
Environmental Protection Specialist
575-234-6230

Crisha Morgan
Environmental Protection Specialist
575-234-5987

Jose Martinez-Colon
Environmental Protection Specialist
575-234-5951

Mark Mattozzi
Environmental Protection Specialist
575-234-5713

Robert Duenas
Environmental Protection Specialist
575-234-2229

Trishia Bad Bear, Hobbs Field Station
Natural Resource Specialist
575-393-3612

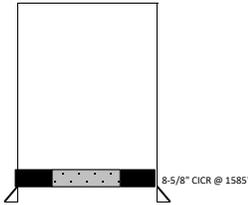
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|-----------|----------------------|-----------------------------|-------------|------------------|
| API # | 30-015-21047 | Arco B Federal Com 1 | County, ST | Eddy County, NM |
| Operator | Spur Energy Partners | | Sec-Twn-Rng | 26-17S-27E |
| Field | | | Footage | 1980 FSL 660 FWL |
| Spud Date | | | Survey | |

| Formation (MD) | |
|----------------|--|
| San Andres | |
| Glorieta | |
| Yeso | |
| Bone Spring | |
| Wolfcamp | |
| Canyon | |
| Strawn | |
| Atoka | |
| Morrow | |

| | |
|-----|------|
| RKB | |
| GL | 3520 |

| | |
|-----------|---------|
| Hole Size | 12-1/4" |
| TOC | Surface |
| Method | Circ |

| | |
|-------------|--------|
| Csg Depth | 1695' |
| Size | 8-5/8" |
| Weight | 24 |
| Grade | K-55 |
| Connections | |
| Cement | 970 sx |



Well History

| Tubing Detail | | | | |
|---------------|--------|---------|--------|--------------------|
| Jts | Size | Depth | Length | Detail |
| | 2-3/8" | 6522 | 6522 | 2-3/8" 4.7# tubing |
| | 5-1/2" | 6527.00 | 5 | Packer |
| | | | | |
| | | | | |
| | | | | |

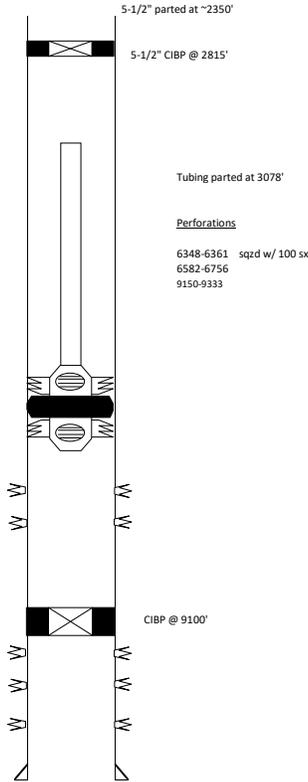
| Rod Detail | | | | |
|------------|------|-------|--------|-------|
| Rods | Size | Depth | Length | Guide |
| | | | | |
| | | | | |
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| | | | | |
| | | | | |

| | |
|-----------|--------|
| Hole Size | 7-7/8" |
| TOC | 365' |
| Method | Calc |

| | |
|-------------|---------|
| Csg Depth | 9739' |
| Size | 5-1/2" |
| Weight | 14-17# |
| Grade | |
| Connections | |
| Cement | 1250 sx |

| | |
|-------------|----------|
| Last Update | 8/5/2022 |
| By | RCB |

| | |
|--------|------|
| PBTD | 9100 |
| TD MD | 9739 |
| TD TVD | 9739 |



Tubing parted at 3078'

Perforations

6348-6361 sqzd w/ 100 sx
 6582-6756
 9150-9333

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

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

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

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

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

CONDITIONS

Action 140690

CONDITIONS

| | |
|---|---|
| Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024 | OGRID: 328947 |
| | Action Number: 140690 |
| | Action Type: [C-103] NOI Plug & Abandon (C-103F) |

CONDITIONS

| Created By | Condition | Condition Date |
|------------|-----------|----------------|
| gcordero | None | 9/6/2022 |