

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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 378398

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

1. Operator Name and Address Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024		2. OGRID Number 328947
4. Property Code 336569		3. API Number 30-015-55840
5. Property Name GROVE 16 STATE COM		6. Well No. 010H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
N	16	17S	31E		765	S	2536	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	16	17S	31E	M	1200	S	50	W	Eddy

9. Pool Information

FREN; GLORIETA-YESO	26770
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3789
16. Multiple N	17. Proposed Depth 8315	18. Formation Paddock	19. Contractor	20. Spud Date 7/17/2025
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	450	278	0
Int1	12.25	9.625	36	2150	556	0
Prod	8.75	7	32	5600	1352	0
Prod	8.75	5.5	20	8315	1352	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5	5000	SHAFFER

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.	OIL CONSERVATION DIVISION
Signature:	
Printed Name: Electronically filed by Sarah Chapman	Approved By: Ward Rikala
Title: Regulatory Director	Title: Petroleum Specialist Supervisor
Email Address: schapman@spurenergy.com	Approved Date: 12/12/2024 Expiration Date: 12/12/2026
Date: 11/21/2024 Phone: 832-930-8613	Conditions of Approval Attached

C-102 Submit Electronically Via OCD Permitting	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION	Revised July 9, 2024	
		Submittal Type:	<input checked="" type="checkbox"/> Initial Submittal
			<input type="checkbox"/> Amended Report
			<input type="checkbox"/> As Drilled

WELL LOCATION INFORMATION

API Number 30-015-55840	Pool Code 26770	Pool Name FREN; GLORIETA-YESO
Property Code 336569	Property Name GROVE 16 STATE COM	Well Number 10H
OGRID No. 328947	Operator Name SPUR ENERGY PARTNERS LLC.	Ground Level Elevation 3789'
Surface Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal		Mineral Owner: <input checked="" type="checkbox"/> State <input type="checkbox"/> Fee <input type="checkbox"/> Tribal <input type="checkbox"/> Federal

Surface Location

UL N	Section 16	Township 17S	Range 31E	Lot	Ft. from N/S 765 FSL	Ft. from E/W 2536 FWL	Latitude 32.8294129°N	Longitude 103.8750072°W	County EDDY
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Bottom Hole Location

UL M	Section 16	Township 17S	Range 31E	Lot	Ft. from N/S 1200 FSL	Ft. from E/W 50 FWL	Latitude 32.8305925°N	Longitude 103.8831001°W	County EDDY
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Dedicated Acres 80	Infill or Defining Well N/A	Defining Well API N/A	Overlapping Spacing Unit (Y/N) N	Consolidation Code C-PENDING
Order Numbers. NSL PENDING			Well setbacks are under Common Ownership: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Kick Off Point (KOP)

UL O	Section 16	Township 17S	Range 31E	Lot	Ft. from N/S 998 FSL	Ft. from E/W 1838 FEL	Latitude 32.8300583°N	Longitude 103.8720514°W	County EDDY
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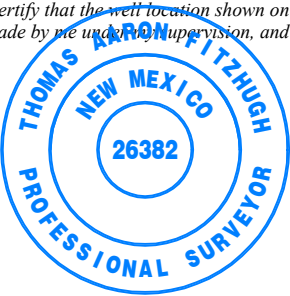
First Take Point (FTP)

UL N	Section 16	Township 17S	Range 31E	Lot	Ft. from N/S 1200 FSL	Ft. from E/W 2545 FWL	Latitude 32.8306071°N	Longitude 103.8749803°W	County EDDY
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Last Take Point (LTP)

UL M	Section 16	Township 17S	Range 31E	Lot	Ft. from N/S 1200 FSL	Ft. from E/W 100 FWL	Latitude 32.8305928°N	Longitude 103.8829373°W	County EDDY
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Unitized Area or Area of Uniform Interest Y	Spacing Unit Type <input checked="" type="checkbox"/> Horizontal <input type="checkbox"/> Vertical	Ground Floor Elevation: 3789' GF
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OPERATOR CERTIFICATIONS <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and, if the well is a vertical or directional well, that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of a working interest or unleased mineral interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> <i>If this well is a horizontal well, I further certify that this organization has received the consent of at least one lessee or owner of a working interest or unleased mineral interest in each tract (in the target pool or formation) in which any part of the well's completed interval will be located or obtained a compulsory pooling order from the division.</i> <i>Sarah Chapman</i> 11/21/2024 Signature Date SARAH CHAPMAN Printed Name SCHAPMAN@SPURENERGY.COM Email Address		SURVEYOR CERTIFICATIONS <i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me under my supervision, and that the same is true and correct to the best of my belief.</i>  Signature and Seal of Professional Surveyor <i>Thomas Aaron Fitzhugh</i> Certificate Number 26382 Date of Survey 07/08/2024	
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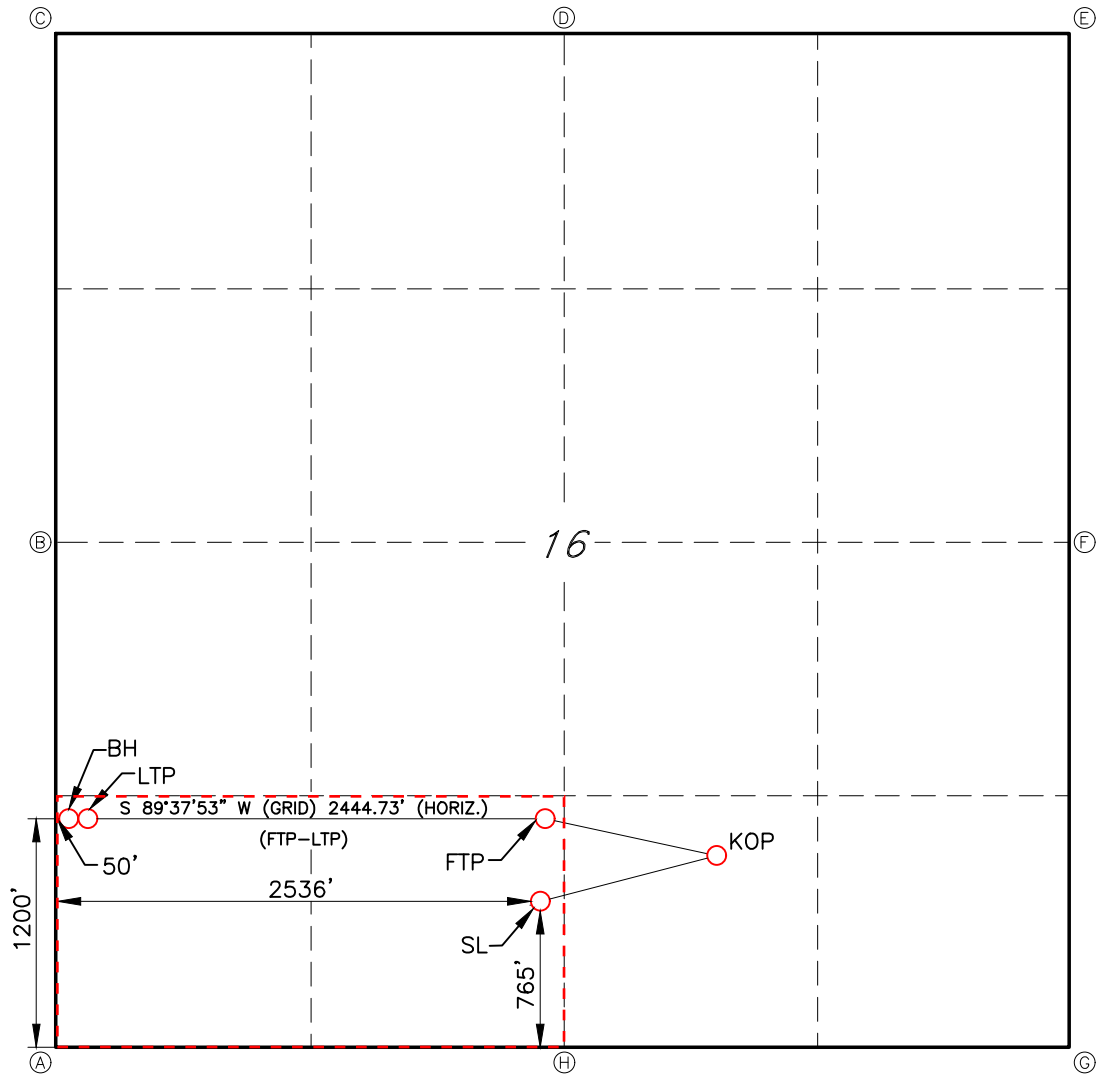
Note: No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

ACREAGE DEDICATION PLATS

This grid represents a standard section. You may superimpose a non-standard section, or larger area, over this grid. Operators must outline the dedicated acreage in a red box, clearly show the well surface location and bottom hole location, if it is a directionally drilled, with the dimensions from the section lines in the cardinal directions. If this is a horizontal wellbore show on this plat the location of the First Take Point and Last Take Point, and the point within the Completed interval (other than the First Take Point or Last Take Point) that is closest to any outer boundary of the tract.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed, contact the OCD Engineering Bureau. Independent subdivision surveys will not be acceptable.

GROVE 16 STATE COM #10H



GEODETIC DATA
NAD 83 GRID – NM EAST

CORNER DATA
NAD 83 GRID – NM EAST

<u>SURFACE LOCATION</u> N: 665778.6 – E: 682119.9 LAT: 32.8294129° N LONG: 103.8750072° W	<u>LAST TAKE POINT (LTP)</u> <u>1200' FSL & 100' FWL (SEC.16)</u> N: 666197.4 – E: 679682.2 LAT: 32.8305928° N LONG: 103.8829373° W	A: FOUND BRASS CAP "1916" N: 664997.0 – E: 679588.8	E: FOUND BRASS CAP "1916" N: 670310.3 – E: 684840.6
<u>KICK OFF POINT (KOP)</u> <u>998' FSL & 1838' FEL (SEC.16)</u> N: 666017.3 – E: 683026.9 LAT: 32.8300583° N LONG: 103.8720514° W	<u>BOTTOM HOLE</u> N: 666197.0 – E: 679632.2 LAT: 32.8305925° N LONG: 103.8831001° W	B: FOUND BRASS CAP "1916" N: 667637.2 – E: 679574.4	F: FOUND BRASS CAP "1916" N: 667672.2 – E: 684855.9
<u>FIRST TAKE POINT (FTP)</u> <u>1200' FSL & 2545' FWL (SEC.16)</u> N: 666213.1 – E: 682126.3 LAT: 32.8306071° N LON: 103.8749803° W		C: FOUND BRASS CAP "1916" N: 670276.7 – E: 679559.4	G: FOUND 1/2" REBAR N: 665033.2 – E: 684869.2
		D: FOUND BRASS CAP "1916" N: 670274.2 – E: 682217.6	H: FOUND BRASS CAP "1916" N: 665014.0 – E: 682228.9

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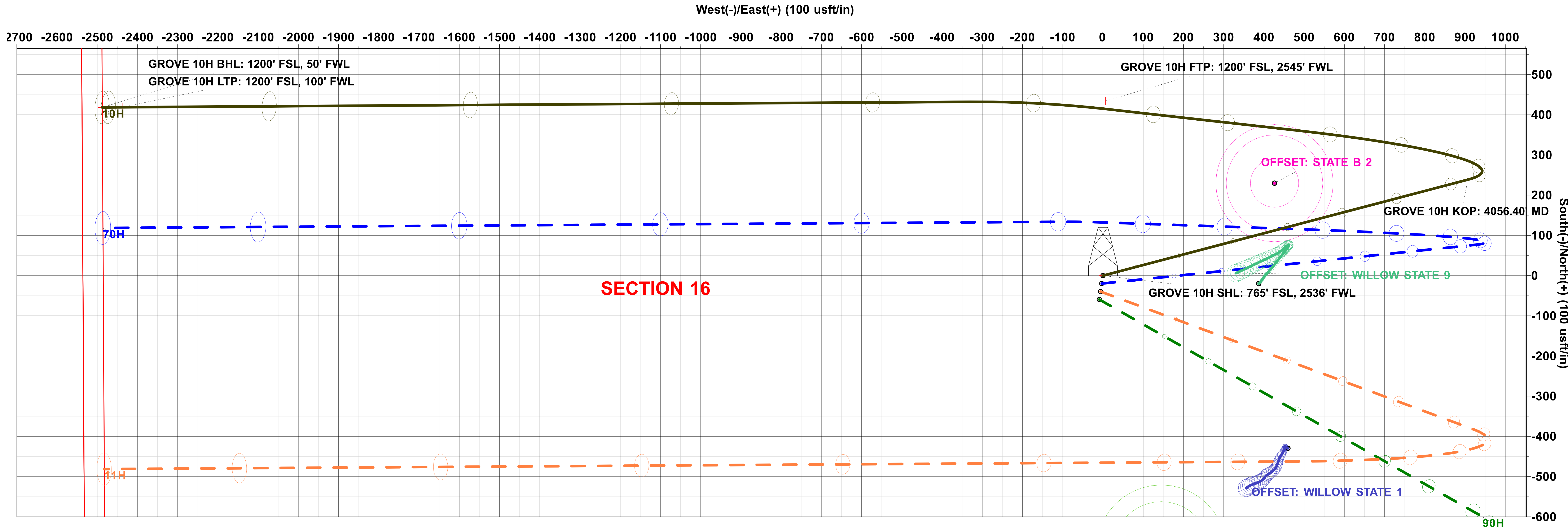
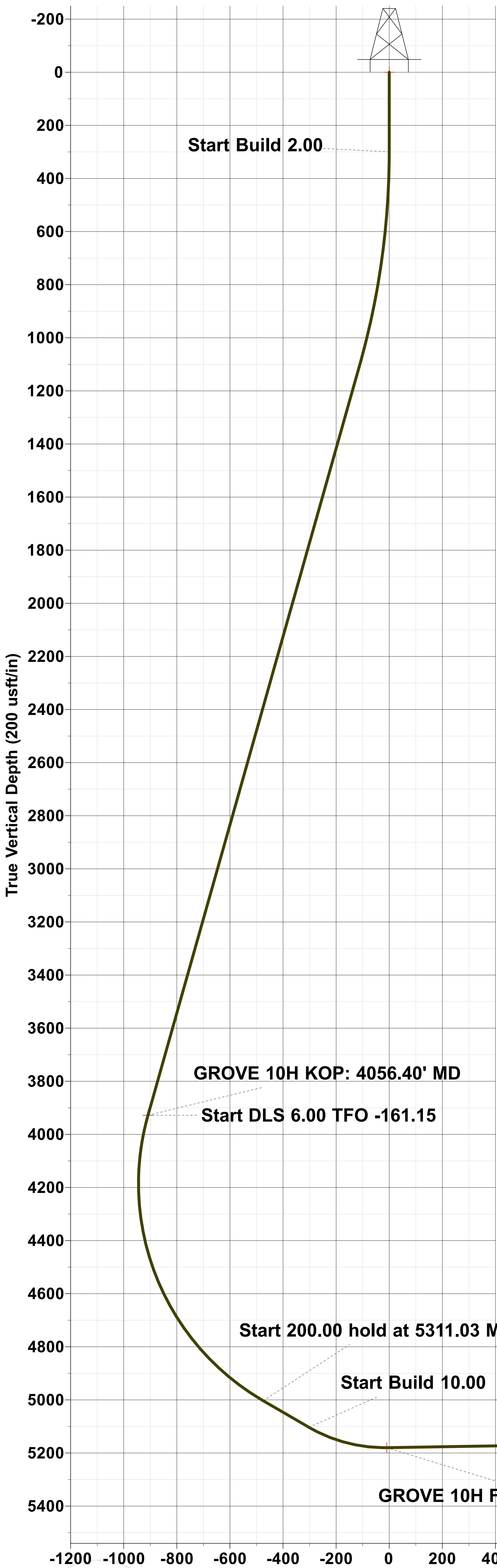
Form APD Conditions

Permit 378398

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: Spur Energy Partners LLC [328947] 9655 Katy Freeway Houston, TX 77024	API Number: 30-015-55840
	Well: GROVE 16 STATE COM #010H

OCD Reviewer	Condition
ward.rikala	Notify the OCD 24 hours prior to casing & cement.
ward.rikala	File As Drilled C-102 and a directional Survey with C-104 completion packet.
ward.rikala	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.
ward.rikala	Cement is required to circulate on both surface and intermediate1 strings of casing.
ward.rikala	If cement does not circulate on any string, a Cement Bond Log (CBL) is required for that string of casing.
ward.rikala	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.
ward.rikala	A [C-103] Sub. Drilling (C-103N) is required within (10) days of spud.



WELL DETAILS: 10H

Rig Name:	AKITA 57	RKB = 20' @ 3809.00usft (AKITA 57)
+N/-S	+E/-W	North
0.00	0.00	665778.60
		3789.00
		682119.90
		32.82941
		-103.87501

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	VSect
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2	300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00
3	1112.10	16.24	75.25	1101.26	29.10	110.57	2.00	-110.76
4	4056.40	16.24	75.25	3928.06	238.72	906.95	0.00	-908.47
5	5311.03	60.00	276.40	5003.31	362.24	472.35	6.00	-474.68
6	5511.03	60.00	276.40	5103.31	381.54	300.22	0.00	-302.68
7	5820.22	90.92	276.40	5180.00	414.50	6.40	10.00	-9.08
8	6158.52	90.92	269.63	5174.57	432.29	-331.19	2.00	328.40
9	8265.34	90.92	269.63	5140.80	418.80	-2437.70	0.00	2434.94
10	8315.35	90.92	269.63	5140.00	418.48	-2487.70	0.00	2484.95

DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	North	East
GROVE 10H BHL: 1200' FSL, 50' FWL	5140.00	418.40	-2487.70	666197.00	679632.20
GROVE 10H FTP: 1200' FSL, 2545' FWL	5180.00	434.50	6.40	666213.10	682126.30
GROVE 10H KOP: 4056.40' MD	3928.06	238.72	906.95	666017.32	683026.85
GROVE 10H LTP: 1200' FSL, 100' FWL	5140.80	418.80	-2437.70	666197.40	679682.20
GROVE 10H SHL: 765' FSL, 2536' FWL	0.00	0.00	0.00	665778.60	682119.90

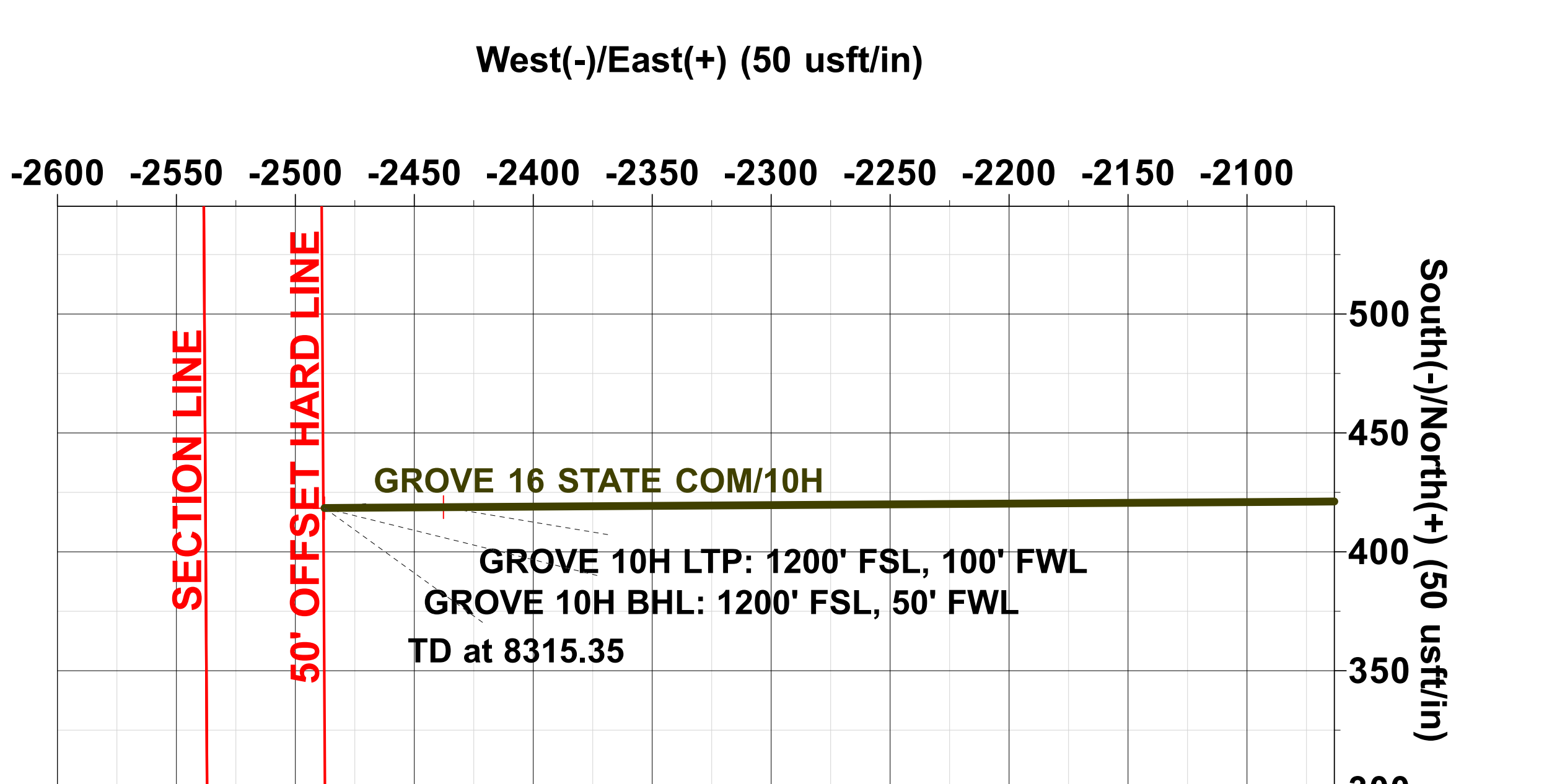
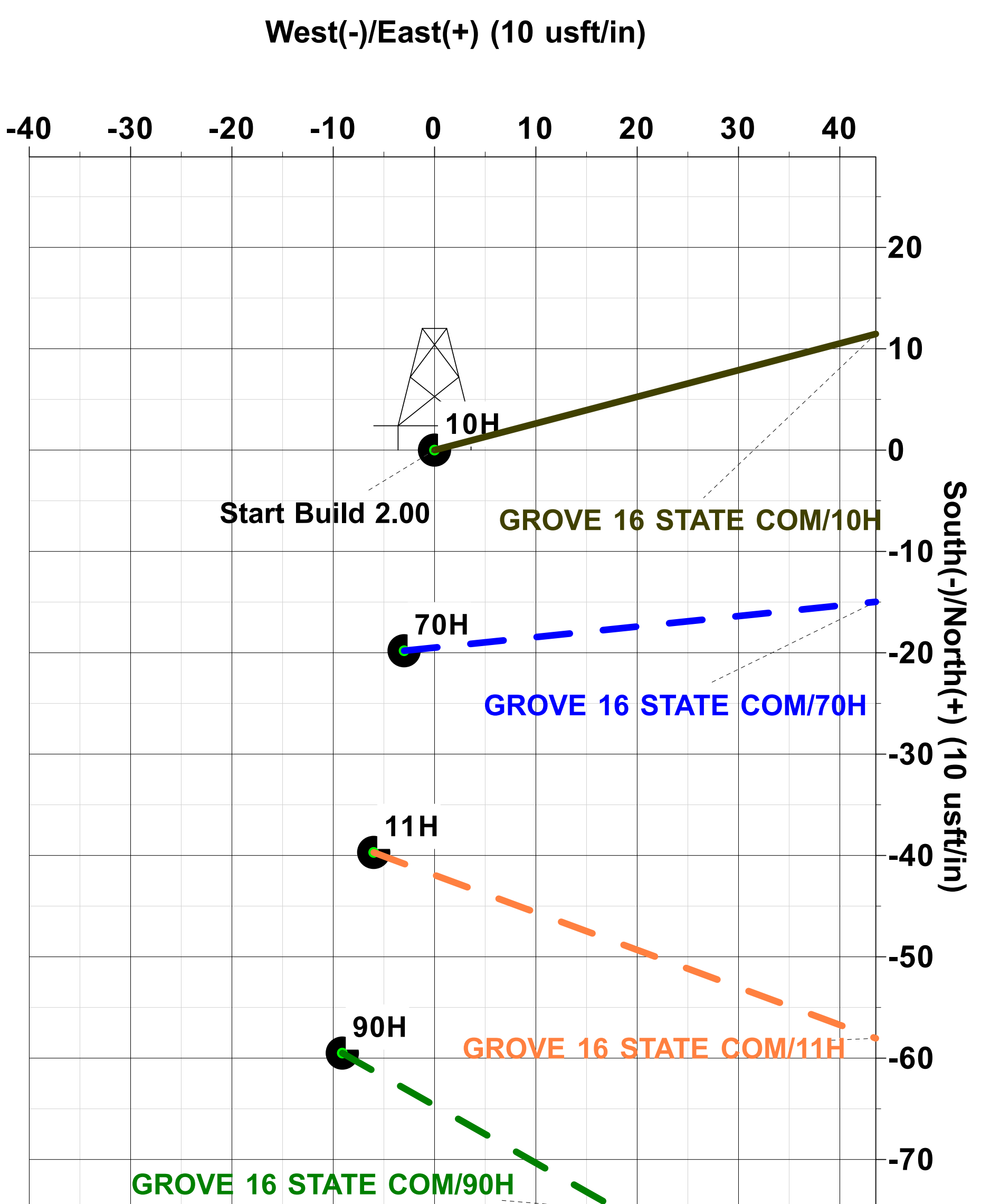
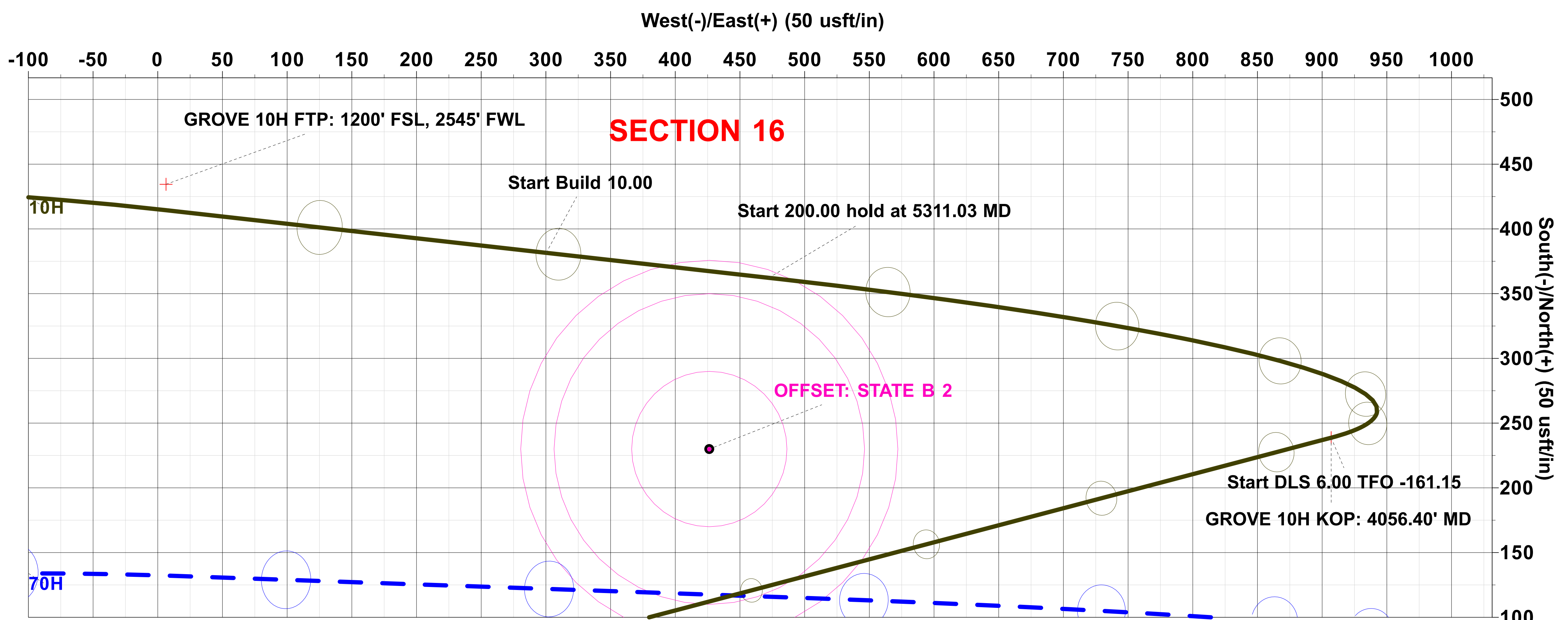
PROJECT DETAILS: EDDY COUNTY, NM (NAD 83 - NME)

Geodetic System:	US State Plane 1983
Datum:	North American Datum 1983
Ellipsoid:	GRS 1980
Zone:	New Mexico Eastern Zone
System Datum:	Mean Sea Level

GROVE 10H BHL: 1200' FSL, 50' FWL
TD at 8315.35

GROVE 10H FTP: 1200' FSL, 2545' FWL

Vertical Section at 269.63° (200 usft/in)



Project: EDDY COUNTY, NM (NAD 83 - NME)
Site: GROVE 16 STATE COM
Well: 10H
Wellbore: OH
Design: PERMIT

Plan: PERMIT (10H/OH)

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SPUR ENERGY PARTNERS, LLC

EDDY COUNTY, NM (NAD 83 - NME)

GROVE 16 STATE COM

10H

OH

Plan: PERMIT

Standard Planning Report

23 September, 2024

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Site:	GROVE 16 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

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

Site		GROVE 16 STATE COM			
Site Position:		Northing:	665,738.90 usft	Latitude:	32.82930
From:	Map	Easting:	682,113.90 usft	Longitude:	-103.87503
Position Uncertainty:		0.00 usft	Slot Radius:	13-3/16 "	

Well	10H					
Well Position	+N/-S	0.00 usft	Northing:	665,778.60 usf	Latitude:	32.82941
	+E/-W	0.00 usft	Easting:	682,119.90 usf	Longitude:	-103.87501
Position Uncertainty	0.00 usft	Wellhead Elevation:	usf	Ground Level:	3,789.00 usf	
Grid Convergence:	0.25 °					

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	IGRF2020	8/28/2024	6.36	60.30	47,483.74447896

Design	PERMIT				
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	269.63	

Plan Survey Tool Program	Date	9/23/2024			
Depth From (usft)	Depth To (usft)	Survey (Wellbore)	Tool Name	Remarks	
1	0.00	8,315.35 PERMIT (OH)	MWD+IFR1+SAG+FDIR		
			OWSG MWD + IFR1 + Sag		

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Site:	GROVE 16 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Plan Sections										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	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	
1,112.10	16.24	75.25	1,101.26	29.10	110.57	2.00	2.00	0.00	75.25	
4,056.40	16.24	75.25	3,928.06	238.72	906.95	0.00	0.00	0.00	0.00	
5,311.03	60.00	276.40	5,003.31	362.24	472.35	6.00	3.49	-12.66	-161.15	
5,511.03	60.00	276.40	5,103.31	381.54	300.22	0.00	0.00	0.00	0.00	
5,820.22	90.92	276.40	5,180.00	414.50	6.40	10.00	10.00	0.00	0.00	
6,158.52	90.92	269.63	5,174.57	432.29	-331.19	2.00	0.00	-2.00	-89.95	
8,265.34	90.92	269.63	5,140.80	418.80	-2,437.70	0.00	0.00	0.00	0.00	GROVE 10H LTP: 1
8,315.35	90.92	269.63	5,140.00	418.48	-2,487.70	0.00	0.00	0.00	0.00	GROVE 10H BHL:

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Site:	GROVE 16 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GROVE 10H SHL: 765' FSL, 2536' FWL									
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	2.00	75.25	399.98	0.44	1.69	-1.69	2.00	2.00	0.00
500.00	4.00	75.25	499.84	1.78	6.75	-6.76	2.00	2.00	0.00
600.00	6.00	75.25	599.45	3.99	15.18	-15.20	2.00	2.00	0.00
700.00	8.00	75.25	698.70	7.10	26.96	-27.01	2.00	2.00	0.00
800.00	10.00	75.25	797.47	11.08	42.09	-42.16	2.00	2.00	0.00
900.00	12.00	75.25	895.62	15.93	60.54	-60.64	2.00	2.00	0.00
1,000.00	14.00	75.25	993.06	21.66	82.29	-82.43	2.00	2.00	0.00
1,100.00	16.00	75.25	1,089.64	28.25	107.32	-107.50	2.00	2.00	0.00
1,112.10	16.24	75.25	1,101.26	29.10	110.57	-110.76	2.00	2.00	0.00
1,200.00	16.24	75.25	1,185.66	35.36	134.35	-134.57	0.00	0.00	0.00
1,300.00	16.24	75.25	1,281.67	42.48	161.39	-161.67	0.00	0.00	0.00
1,400.00	16.24	75.25	1,377.68	49.60	188.44	-188.76	0.00	0.00	0.00
1,500.00	16.24	75.25	1,473.69	56.72	215.49	-215.85	0.00	0.00	0.00
1,600.00	16.24	75.25	1,569.69	63.84	242.54	-242.95	0.00	0.00	0.00
1,700.00	16.24	75.25	1,665.70	70.96	269.59	-270.04	0.00	0.00	0.00
1,800.00	16.24	75.25	1,761.71	78.08	296.64	-297.13	0.00	0.00	0.00
1,900.00	16.24	75.25	1,857.72	85.20	323.68	-324.23	0.00	0.00	0.00
2,000.00	16.24	75.25	1,953.73	92.32	350.73	-351.32	0.00	0.00	0.00
2,100.00	16.24	75.25	2,049.74	99.43	377.78	-378.41	0.00	0.00	0.00
2,200.00	16.24	75.25	2,145.75	106.55	404.83	-405.51	0.00	0.00	0.00
2,300.00	16.24	75.25	2,241.76	113.67	431.88	-432.60	0.00	0.00	0.00
2,400.00	16.24	75.25	2,337.77	120.79	458.92	-459.69	0.00	0.00	0.00
2,500.00	16.24	75.25	2,433.78	127.91	485.97	-486.79	0.00	0.00	0.00
2,600.00	16.24	75.25	2,529.78	135.03	513.02	-513.88	0.00	0.00	0.00
2,700.00	16.24	75.25	2,625.79	142.15	540.07	-540.97	0.00	0.00	0.00
2,800.00	16.24	75.25	2,721.80	149.27	567.12	-568.07	0.00	0.00	0.00
2,900.00	16.24	75.25	2,817.81	156.39	594.16	-595.16	0.00	0.00	0.00
3,000.00	16.24	75.25	2,913.82	163.51	621.21	-622.26	0.00	0.00	0.00
3,100.00	16.24	75.25	3,009.83	170.63	648.26	-649.35	0.00	0.00	0.00
3,200.00	16.24	75.25	3,105.84	177.75	675.31	-676.44	0.00	0.00	0.00
3,300.00	16.24	75.25	3,201.85	184.87	702.36	-703.54	0.00	0.00	0.00
3,400.00	16.24	75.25	3,297.86	191.98	729.41	-730.63	0.00	0.00	0.00
3,500.00	16.24	75.25	3,393.86	199.10	756.45	-757.72	0.00	0.00	0.00
3,600.00	16.24	75.25	3,489.87	206.22	783.50	-784.82	0.00	0.00	0.00
3,700.00	16.24	75.25	3,585.88	213.34	810.55	-811.91	0.00	0.00	0.00
3,800.00	16.24	75.25	3,681.89	220.46	837.60	-839.00	0.00	0.00	0.00
3,900.00	16.24	75.25	3,777.90	227.58	864.65	-866.10	0.00	0.00	0.00
4,000.00	16.24	75.25	3,873.91	234.70	891.69	-893.19	0.00	0.00	0.00
4,056.40	16.24	75.25	3,928.06	238.72	906.95	-908.47	0.00	0.00	0.00
GROVE 10H KOP: 4056.40' MD									
4,100.00	13.79	71.71	3,970.17	241.90	917.78	-919.32	6.00	-5.62	-8.13
4,150.00	11.07	65.78	4,018.99	245.74	927.82	-929.39	6.00	-5.44	-11.86
4,200.00	8.54	56.24	4,068.26	249.77	935.29	-936.88	6.00	-5.06	-19.08
4,250.00	6.42	39.70	4,117.84	253.99	940.16	-941.78	6.00	-4.24	-33.07
4,300.00	5.24	12.16	4,167.59	258.38	942.43	-944.08	6.00	-2.36	-55.09
4,350.00	5.63	340.34	4,217.37	262.92	942.09	-943.77	6.00	0.77	-63.64
4,400.00	7.34	318.18	4,267.06	267.61	939.13	-940.84	6.00	3.42	-44.33
4,450.00	9.69	305.48	4,316.51	272.44	933.57	-935.31	6.00	4.71	-25.40
4,500.00	12.33	297.92	4,365.59	277.38	925.43	-927.20	6.00	5.27	-15.11

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Site:	GROVE 16 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,550.00	15.10	293.04	4,414.16	282.43	914.72	-916.52	6.00	5.54	-9.75
4,600.00	17.94	289.67	4,462.09	287.57	901.47	-903.31	6.00	5.69	-6.76
4,650.00	20.83	287.19	4,509.25	292.79	885.72	-887.59	6.00	5.77	-4.95
4,700.00	23.74	285.30	4,555.51	298.08	867.51	-869.42	6.00	5.83	-3.79
4,750.00	26.67	283.80	4,600.74	303.41	846.90	-848.84	6.00	5.86	-3.00
4,800.00	29.62	282.58	4,644.83	308.78	823.94	-825.91	6.00	5.89	-2.44
4,850.00	32.57	281.56	4,687.64	314.17	798.69	-800.70	6.00	5.91	-2.04
4,900.00	35.53	280.70	4,729.06	319.57	771.22	-773.26	6.00	5.92	-1.73
4,950.00	38.50	279.95	4,768.98	324.95	741.60	-743.69	6.00	5.93	-1.50
5,000.00	41.47	279.29	4,807.29	330.32	709.93	-712.05	6.00	5.94	-1.31
5,050.00	44.44	278.71	4,843.88	335.64	676.28	-678.43	6.00	5.95	-1.17
5,100.00	47.42	278.18	4,878.65	340.91	640.75	-642.94	6.00	5.95	-1.05
5,150.00	50.40	277.70	4,911.51	346.11	603.43	-605.65	6.00	5.96	-0.96
5,200.00	53.38	277.26	4,942.37	351.23	564.43	-566.69	6.00	5.96	-0.88
5,250.00	56.36	276.86	4,971.14	356.25	523.85	-526.14	6.00	5.96	-0.81
5,300.00	59.34	276.48	4,997.74	361.17	481.81	-484.13	6.00	5.97	-0.76
5,311.03	60.00	276.40	5,003.31	362.24	472.35	-474.68	6.00	5.97	-0.73
5,400.00	60.00	276.40	5,047.80	370.82	395.78	-398.17	0.00	0.00	0.00
5,500.00	60.00	276.40	5,097.80	380.48	309.72	-312.17	0.00	0.00	0.00
5,511.03	60.00	276.40	5,103.31	381.54	300.22	-302.68	0.00	0.00	0.00
5,550.00	63.90	276.40	5,121.63	385.37	266.06	-268.54	10.00	10.00	0.00
5,600.00	68.90	276.40	5,141.65	390.48	220.54	-223.06	10.00	10.00	0.00
5,650.00	73.90	276.40	5,157.59	395.76	173.46	-176.01	10.00	10.00	0.00
5,700.00	78.90	276.40	5,169.35	401.18	125.18	-127.77	10.00	10.00	0.00
5,750.00	83.90	276.40	5,176.83	406.69	76.07	-78.69	10.00	10.00	0.00
5,800.00	88.90	276.40	5,179.97	412.25	26.49	-29.16	10.00	10.00	0.00
5,820.22	90.92	276.40	5,180.00	414.50	6.40	-9.08	10.00	10.00	0.00
5,822.17	90.92	276.36	5,179.97	414.72	4.46	-7.14	2.00	0.00	-2.00
GROVE 10H FTP: 1200' FSL, 2545' FWL									
5,900.00	90.92	274.80	5,178.72	422.29	-72.98	70.26	2.00	0.00	-2.00
6,000.00	90.92	272.80	5,177.11	428.92	-172.75	169.97	2.00	0.00	-2.00
6,100.00	90.92	270.80	5,175.51	432.07	-272.68	269.88	2.00	0.00	-2.00
6,158.52	90.92	269.63	5,174.57	432.29	-331.19	328.40	2.00	0.00	-2.00
6,200.00	90.92	269.63	5,173.91	432.02	-372.66	369.87	0.00	0.00	0.00
6,300.00	90.92	269.63	5,172.30	431.38	-472.65	469.85	0.00	0.00	0.00
6,400.00	90.92	269.63	5,170.70	430.74	-572.63	569.84	0.00	0.00	0.00
6,500.00	90.92	269.63	5,169.10	430.10	-672.62	669.83	0.00	0.00	0.00
6,600.00	90.92	269.63	5,167.49	429.46	-772.60	769.81	0.00	0.00	0.00
6,700.00	90.92	269.63	5,165.89	428.82	-872.59	869.80	0.00	0.00	0.00
6,800.00	90.92	269.63	5,164.29	428.18	-972.57	969.79	0.00	0.00	0.00
6,900.00	90.92	269.63	5,162.69	427.54	-1,072.56	1,069.78	0.00	0.00	0.00
7,000.00	90.92	269.63	5,161.08	426.90	-1,172.54	1,169.76	0.00	0.00	0.00
7,100.00	90.92	269.63	5,159.48	426.26	-1,272.53	1,269.75	0.00	0.00	0.00
7,200.00	90.92	269.63	5,157.88	425.62	-1,372.52	1,369.74	0.00	0.00	0.00
7,300.00	90.92	269.63	5,156.27	424.98	-1,472.50	1,469.73	0.00	0.00	0.00
7,400.00	90.92	269.63	5,154.67	424.34	-1,572.49	1,569.71	0.00	0.00	0.00
7,500.00	90.92	269.63	5,153.07	423.70	-1,672.47	1,669.70	0.00	0.00	0.00
7,600.00	90.92	269.63	5,151.46	423.06	-1,772.46	1,769.69	0.00	0.00	0.00
7,700.00	90.92	269.63	5,149.86	422.42	-1,872.44	1,869.67	0.00	0.00	0.00
7,800.00	90.92	269.63	5,148.26	421.78	-1,972.43	1,969.66	0.00	0.00	0.00
7,900.00	90.92	269.63	5,146.66	421.14	-2,072.41	2,069.65	0.00	0.00	0.00
8,000.00	90.92	269.63	5,145.05	420.50	-2,172.40	2,169.64	0.00	0.00	0.00
8,100.00	90.92	269.63	5,143.45	419.86	-2,272.38	2,269.62	0.00	0.00	0.00
8,200.00	90.92	269.63	5,141.85	419.22	-2,372.37	2,369.61	0.00	0.00	0.00

Planning Report

Database:	EDM 5000.17 Single User Db	Local Co-ordinate Reference:	Well 10H
Company:	SPUR ENERGY PARTNERS, LLC	TVD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Project:	EDDY COUNTY, NM (NAD 83 - NME)	MD Reference:	RKB = 20' @ 3809.00usft (AKITA 57)
Site:	GROVE 16 STATE COM	North Reference:	Grid
Well:	10H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	PERMIT		

Planned Survey									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
8,265.34	90.92	269.63	5,140.80	418.80	-2,437.70	2,434.94	0.00	0.00	0.00
GROVE 10H LTP: 1200' FSL, 100' FWL									
8,300.00	90.92	269.63	5,140.24	418.58	-2,472.35	2,469.60	0.00	0.00	0.00
8,315.35	90.92	269.63	5,140.00	418.48	-2,487.70	2,484.95	0.00	0.00	0.00
GROVE 10H BHL: 1200' FSL, 50' FWL									

Design Targets									
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
- hit/miss target									
- Shape									
GROVE 10H SHL: 76	0.00	0.00	0.00	0.00	0.00	665,778.60	682,119.90	32.82941	-103.87501
- plan hits target center									
- Point									
GROVE 10H KOP: 40	0.00	0.00	3,928.06	238.72	906.95	666,017.32	683,026.85	32.83006	-103.87205
- plan hits target center									
- Point									
GROVE 10H BHL: 12	0.00	0.00	5,140.00	418.40	-2,487.70	666,197.00	679,632.20	32.83059	-103.88310
- plan misses target center by 0.08usft at 8315.35usft MD (5140.00 TVD, 418.48 N, -2487.70 E)									
- Point									
GROVE 10H LTP: 1200'	0.00	0.00	5,140.80	418.80	-2,437.70	666,197.40	679,682.20	32.83059	-103.88294
- plan hits target center									
- Point									
GROVE 10H FTP: 1200'	0.00	0.00	5,180.00	434.50	6.40	666,213.10	682,126.30	32.83061	-103.87498
- plan misses target center by 19.88usft at 5822.17usft MD (5179.97 TVD, 414.72 N, 4.46 E)									
- Point									

Spur Energy Partners LLC – Grove 16 State Com 10H

1. Geologic Formations

TVD of Target	5,140'
MD at TD	8,315'

Formation	Depth	Lithology	Expected Fluids
Quaternary	0'	Dolomite, other: Caliche	Useable Water
Rustler	340'	Dolomite, Shale, Anhydrite	Brackish Water
Top Salt	575'	Anhydrite	Salt
Tansill	1540'	Sandstone, Dolomite	None
Yates	1640'	Dolomite, Limestone, Shale, Siltstone	None
Seven Rivers	1965'	Dolomite, Limestone	Natural Gas, Oil
Queen	2575'	Anhydrite, Dolomite, Sandstone	Natural Gas, Oil
Grayburg	2950'	Anhydrite	Natural Gas, Oil
San Andres	3275'	Dolomite	Natural Gas, Oil
Glorieta	4805'	Dolomite, Siltstone	Natural Gas, Oil
Paddock	4905'	Dolomite, Limestone	Natural Gas, Oil
Upper Blinebry	5380'	Dolomite, Limestone	Natural Gas, Oil
Lower Blinebry	5810'	Dolomite, 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

Casing Formation Set Interval	Hole Size (in)	Casing Interval		Csg. Size (in)	Weight (lbs)	Grade	Conn.	SF	SF Burst	Body SF	Joint SF
		From (ft)	To (ft)					Collapse		Tension	Tension
Rustler	17.5	0	450	13.375	54.5	J-55	BTC	1.125	1.2	1.4	1.4
Seven Rivers	12.25	0	2150	9.625	36	J-55	BTC	1.125	1.2	1.4	1.4
N/A	8.75	0	5600	7	32	L-80	BK-HT	1.125	1.2	1.4	1.4
Yeso	8.75	5600	8315	5.5	20	L-80	BK-HT	1.125	1.2	1.4	1.4
SF Values will meet or Exceed											

Spur Energy Partners LLC – Grove 16 State Com 10H

	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	450	100%
Intermediate (Lead)	0	450	50%
Intermediate (Tail)	450	2150	100%
Production (Lead)	0	4600	0%
Production (Tail)	4600	8315	50%

Casing String	# Sks	Wt. (lb/gal)	Yld (ft3/sack)	H2O (gal/sk)	500# Comp. Strength (hours)	Slurry Description
Surface Tail	278	13.2	2.32	9.92	6:59	Clas C Premium Plus Cement
Intermediate (Lead)	89	12.2	1.84	13.48	8:12	Clas C Premium Plus Cement
Intermediate (Tail)	467	13.2	2.32	9.92	6:59	Clas C Premium Plus Cement
Production (Lead)	654	11.8	2.54	15.29	N/A	Clas C Premium Plus Cement
Production (Tail)	698	13.2	1.81	9.81	N/A	Clas C Premium Plus Cement

Spur Energy Partners LLC – Grove 16 State Com 10H**4. Pressure Control Equipment*****Spur Energy Partners LLC variance for flex hose***

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	2398 psi
Abnormal Temperature	No
BH Temperature at deepest TVD	122°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.

Spur Energy Partners LLC – Grove 16 State Com 10H

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 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	450	Water-Based Mud	8.6-8.9	32-36	N/C
450	2150	Brine	9.0-10.0	32-36	N/C
2150	8315	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
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Spur Energy Partners LLC – Grove 16 State Com 10H**7. Logging and Testing Procedures**

Logging, Coring and Testing.		
Yes	Will run GR from TD to surface (horizontal well – vertical portion of hole). Stated logs run will be in the Completion Report and submitted to the BLM.	
No	Logs are planned based on well control or offset log information.	
No	Drill stem test? If yes, explain	
No	Coring? If yes, explain	
Additional logs planned		Interval
No	Resistivity	
No	Density	
No	CBL	
Yes	Mud log	ICP - TD
No	PEX	

8. Drilling Conditions

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

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

Total estimated cuttings volume: 793.4 bbls.

Spur Energy Partners LLC – Grove 16 State Com 10H**9. Other facets of operation**

	Yes/No
Will more than one drilling rig be used for drilling operations? If yes, describe. Spur Energy Partners LLC. requests the option to contract a Surface Rig to drill, set surface/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, the Primary Rig will MIRU and drill the well in its entirety per the APD. Please see the attached document for information on the spudder rig.	Yes

Attachments

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

10. Company Personnel

Name	Title	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



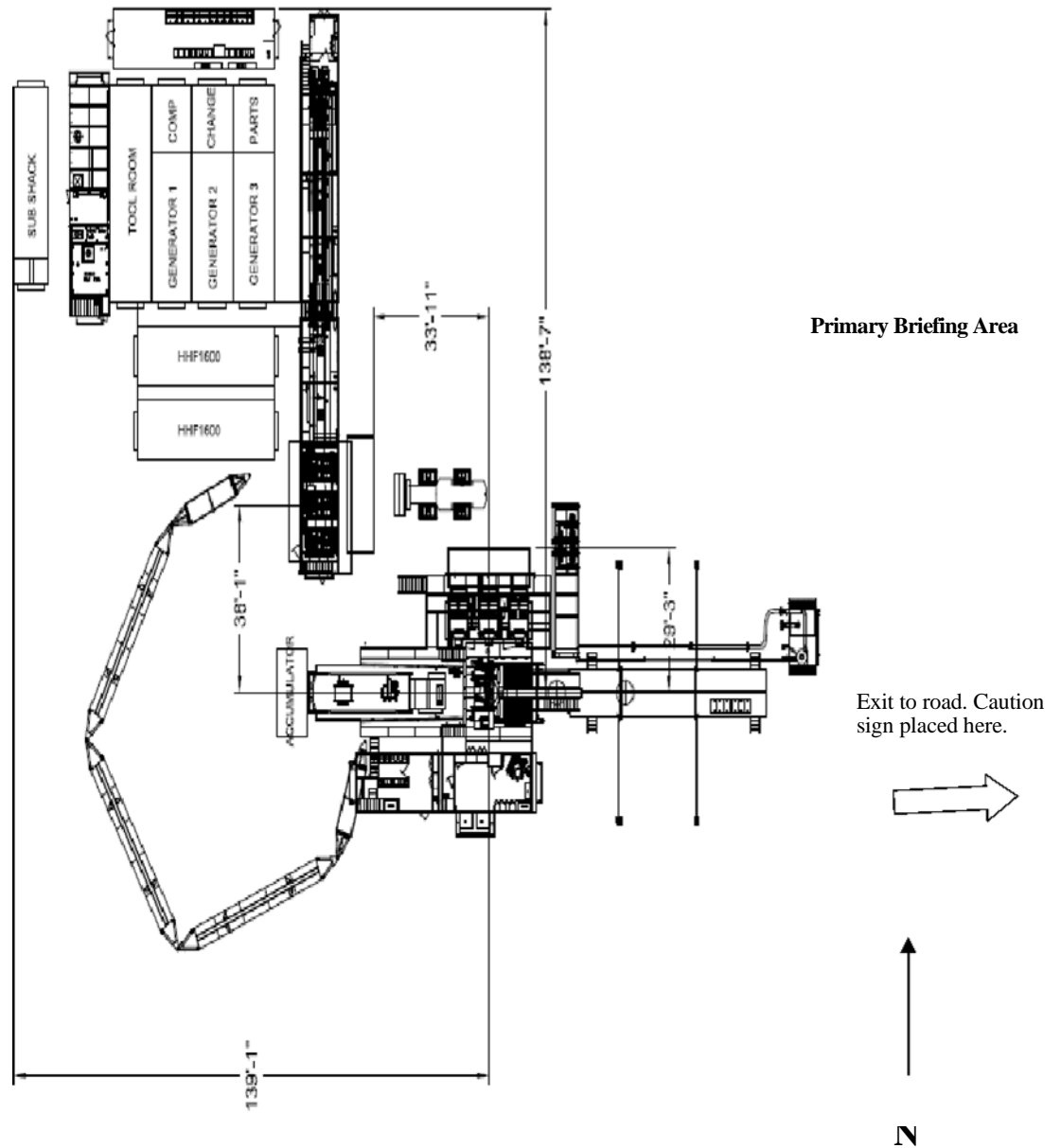
Permian Drilling Hydrogen Sulfide Drilling Operations Plan Grove 16 State Com Development

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

1. Escape

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

Secondary Briefing Area



WIND: Prevailing winds are from the Southwest

Secondary Egress

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

Submit Electronically
Via E-permitting

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description Effective May 25, 2021

I. Operator: SPUR ENERGY PARTNERS LLC **OGRID:** 328947 **Date:** 11 / 21 / 2024

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

If Other, please describe: _____

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

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
GROVE 16 STATE COM 10H	30-015-	N-16-17S-31E	765' FSL 2536' FWL	420 BBL/D	435 MCF/D	2223 BBL/D
GROVE 16 STATE COM 70H	30-015-	N-16-17S-31E	746' FSL 2533' FWL	403 BBL/D	226 MCF/D	2383 BBL/D
GROVE 16 STATE COM 11H	30-015-	N-16-17S-31E	726' FSL 2530' FWL	420 BBL/D	435 MCF/D	2223 BBL/D
GROVE 16 STATE COM 90H	30-015-	N-16-17S-31E	706' FSL 2527' FWL	403 BBL/D	226 MCF/D	2383 BBL/D

IV. Central Delivery Point Name: GROVE 16 STATE COM 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 Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
GROVE 16 STATE COM 10H	30-015-	07/10/2025	07/17/2025	09/11/2025	09/18/2025	09/30/2025
GROVE 16 STATE COM 70H	30-015-	07/18/2025	07/25/2025	09/11/2025	09/18/2025	09/30/2025
GROVE 16 STATE COM 11H	30-015-	07/26/2025	08/04/2025	09/11/2025	09/18/2025	09/30/2025
GROVE 16 STATE COM 90H	30-015-	08/05/2025	08/13/2025	09/11/2025	09/18/2025	09/30/2025

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

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

Signature:	<i>Sarah Chapman</i>
Printed Name:	SARAH CHAPMAN
Title:	REGULATORY DIRECTOR
E-mail Address:	SCHAPMAN@SPUENERGY.COM
Date:	11/21/2024
Phone:	832-930-8613
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)	
Approved By:	
Title:	
Approval Date:	
Conditions of Approval:	



Natural Gas Management Plan – Attachment

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

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

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



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

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