Santa Fe Main Office
Phone: (505) 476-3441
General Information
Phone: (505) 629-6116

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

State of New Mexico
Energy, Minerals and Natural Resources

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

Form C-103
Revised July 18, 2013

WELL API NO. 30-015-05178

5. Indicate Type of Lease STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

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.)

7. Lease Name or Unit Agreement Name: KERSEY STATE

1. Type of Well: Oil Well ☒ Gas Well ☐ Other

8. Well Number: 001

2. Name of Operator: SPUR ENERGY PARTNERS LLC ON OCD's behalf on LLJ Ventures, LLC DBA Marker Oil & Gas

9. OGRID Number: 328947

3. Address of Operator: 9655 KATY FREEWAY, SUITE 500, HOUSTON, TX 77024

10. Pool name or Wildcat: GRAYBURG JACKSON; SR-Q-G-SA

4. Well Location
Unit Letter B : 660 feet from the NORTH line and 1980 feet from the EAST line
Section 16 Township 17S Range 31E NMPM EDDY County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*

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

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☒	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☐	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:			☐

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 on OCD's behalf pursuant authority granted by OCD under Final Order No. R-23494.

Please find the revised procedure, current and as-plugged wellbore diagrams for your review.

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 04/04/2025

Type or print name SARAH CHAPMAN E-mail address: SCHAPMAN@SPURENERGY.COM PHONE: 832-930-8613

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

Kersey State 1
Eddy County, NM
API: 30-015-05178

Kersey State 1 P&A Procedure (Revised)

**Attempt to establish injection before every squeeze. If injection cannot be established, contact the OCD before proceeding.

1. MIRU WOR. POOH with all tubing and rods in the hole.
2. RIH w/ tbg & set 4-1/2" CIBP at 3,403'. Pressure test casing to 500 psi for 30 mins.
3. RDMO WOR. MIRU P&A Rig.
4. With end of tubing @ 3,403', circ well w/ 9 ppg MLF.
5. Spot 25 sx of Class C Cmt from 3,403'-,3025'. WOC and Tag. (San Andres, 7" Shoe, T. Grayburg)
6. Pressure test casing to 500psi for 30mins.
7. Run CBL from cmt cap above CIBP (3,025') to surface.
8. Spot 25 sx of Class C Cmt from 2,715'-2,337'. WOC and Tag. (T. Queen)
9. Perforate @ +/- 2,140' pending results of new CBL.
    a. RIH w/ cmt retainer & set @ 1,657'.
    b. Open Surface Casing valve.
    c. Squeeze w/ 92 sx Class C.

Annulus	Capacity (cuft/ft)	Ft	Cuft	Sx C	% Excess	Sx C
8" OH x 7" Csg	0.0818	483	39.5	29.9	100%	59.9
4.5" Csg	0.0873	483	42.2	31.9	0%	31.9
					Total =	**91.8**

10. Perforate @ +/- 1,600' pending results of new CBL.
    a. Shut Intermediate Casing valve and open Surface Casing valve.
    b. Squeeze w/ 62 sx Class C cmt.
    c. Open Intermediate Casing valve (leaving both valves open).
    d. Continue squeezing w/ 41 sx, for a total of 103 sx Class C cmt.
    e. WOC & Tag.

Annulus	Capacity (cuft/ft)	Ft	Cuft	Sx C	% Excess	Sx C
8" OH x 7" Csg	0.0818	500	40.9	31.0	100%	62.0
7" Csg x 4.5" Csg	0.1085	500	54.3	41.1	0%	41.1
					Total =	**103.1**

11. Run CBL from cmt tag depth to Surface.

Kersey State 1
Eddy County, NM
API: 30-015-05178

12. Perforate @ +/- 1,100' pending results of new CBL.
    a. Shut Intermediate Casing valve and open Surface Casing valve.
    b. Squeeze w/ 52 sx Class C cmt.
    c. Open Intermediate Casing valve (leaving both valves open).
    d. Continue squeezing w/ 34 sx, for a total of 86 sx Class C cmt.
    e. WOC & Tag.

Annulus	Capacity (cuft/ft)	Ft	Cuft	Sx C	% Excess	Sx C
8" OH x 7" Csg	0.0818	415	33.9	25.7	100%	51.4
7" Csg x 4.5" Csg	0.1085	415	45.0	34.1	0%	34.1
					Total =	**85.5**

13. Run CBL from cmt tag depth to Surface.
14. Perforate @ +/- 685' pending results of new CBL.
    a. Shut Intermediate Casing valve and open Surface Casing valve.
    b. Squeeze w/ 28 sx Class C cmt.
    c. Open Intermediate Casing valve (leaving both valves open).
    d. Continue squeezing w/ 32 sx, for a total of 60 sx Class C cmt.
    e. WOC & Tag.

Annulus	Capacity (cuft/ft)	Ft	Cuft	Sx C	% Excess	Sx C
8.25" Csg x 7" Csg	0.0818	335	27.4	20.8	0%	20.8
8" OH x 7" Csg	0.0818	50	4.1	3.1	100%	6.2
7" Csg x 4.5" Csg	0.1085	385	41.8	31.6	0%	31.6
					Total =	**58.6**

15. Run CBL from cmt tag depth to Surface. Verify TOC is above 585' before proceeding.

Kersey State 1
Eddy County, NM
API: 30-015-05178

16. Spot 25 sx of Class C Cmt from 685'-307'. WOC and Tag. (Surface Csg Shoe)
17. Perforate @ +/- 300' pending results of new CBL.
    a. Shut both the Intermediate Casing valve and the Surface Casing valve.
    b. Attempt to establish injection by pumping down the 4.5" csg. Squeeze w/ 80 sx Class C cmt. If injection cannot be established proceed to next step.
    c. Open the Surface Casing valve, leaving the Intermediate Casing valve shut.
    d. Squeeze w/ 20 sx Class C cmt.
    e. Open Intermediate Casing valve and shut the Surface Casing valve.
    f. Continue squeezing w/ 50 sx, for a total of 150 sx Class C cmt.

Annulus	Capacity (cuft/ft)	Ft	Cuft	Sx C	% Excess	Sx C
10" OH x 8.25" Csg	0.1742	300	52.3	39.6	100%	79.2
8.25" Csg x 7" Csg	0.0818	300	24.5	18.6	10%	20.5
7" Csg x 4.5" Csg	0.1085	300	32.6	24.7	10%	27.1
4.5" Csg	0.0873	300	26.2	19.8	10%	21.8
					Total =	**148.6**

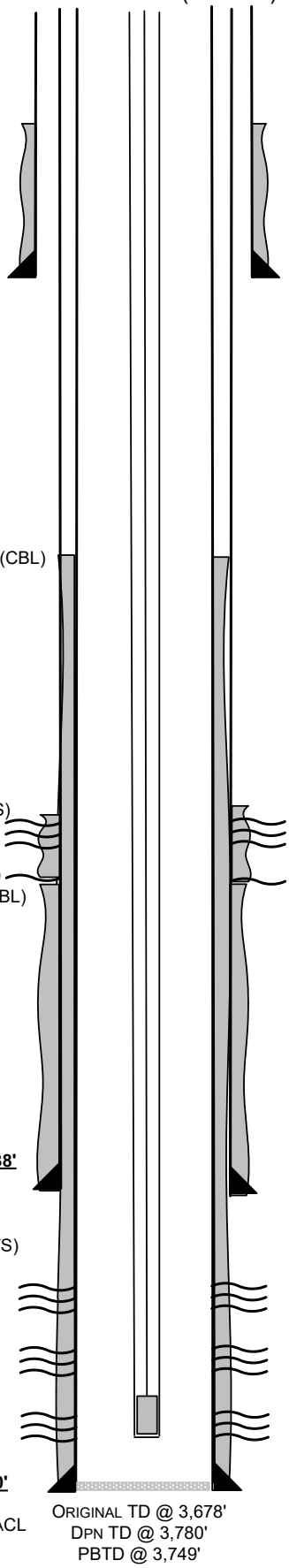
18. Verify cmt to surface in 4.5" csg.
19. Cut-off wellhead. Install below ground dryhole marker.

Kersey State 1

Eddy County, NM
API# 30-015-05178

CURRENT WBD (REVISED)

SPUD DATE: 2/10/1938
ELEV: 3,835' GR



8-1/4" 34# CSG @ 635'
10" HOLE SIZE
CMT W/ 50 SX CMT
TOC @ 256' (EST)

TUBING DETAIL (5/4/89)
2-3/8" TBG, EOT @ 3,710'

ROD DETAIL (5/4/89)
RODS & PUMP @ 3,710'

TOC @ 1,610' (CBL)

TOC @ 2,150' (TS)

SQZ PERFS @ 2,475' (SQZ W/ 45 SX CMT)
TOC @ 2,500' (CBL)

7" 24# CSG @ 0'-3,138'
8" HOLE SIZE
CMT W/ 100 SX CMT
TOC @ 2,500' (CBL)
SQZ TOC @ 2,150' (TS)

4-1/2" 11.6# J-55 CSG @ 0'-3,780'
6-¼" HOLE SIZE
CMT W/ 300 SX CLASS C W/ 2% CACL
TOC @ 1,610' (CBL)

ORIGINAL TD @ 3,678'
DPN TD @ 3,780'
PBTD @ 3,749'

SEVEN RIVERS PERFS (2,234'-2,297')
12/13/79: PLUGBACK RECOMPLETE
PERF 2,234'-44' (6 HOLES), 2,250'-52' (2 HOLES), 2,264'-97' (3 HOLES), ACIDIZE W/ 3,500 GALS 15% ACID.

SAN ANDRES PERFS (3,453'-3,749')
5/4/89: PERF 3,645'-3,749' & ACIDIZE W/ 7,000 GALS 15% NEFE. PERF 3,453'-3,590' & ACIDIZE W/ 2,000 GALS 15% NEFE. FRAC 3,453'-3,749 W/ 60,000 GAL GEL 2% KCL WTR, 80,000# 20/40 + 20,000# 10/20 SAND.

WELL HISTORY
2/10/1938 – Spud well
3/24/38 – Set 7" csg
5/6/38 – TD well @ 3,678'
5/7/38 - 5/8/38 – Acidize open hole formation
7/11/38 – Shot w/ 120 qts Nitro
12/13/79 – Plugback Recomplete - Set CIBP @ 3,075'. Put 40' cmt plug on top of plug. Ran CBL & found cmt top at 2,500'. Perf csg at 2,475' w/ 3 shots. Set cmt retainer @ 2,450'. Squeezed 50 sx of cmt behind csg. Ran temp survey & found cmt top at 2,150'. Perforated csg from 2,234'-44' (6 HOLES), 2,250'-52' (2 HOLES), 2,264'-97' (3 HOLES). ACIDIZE W/ 3,500 GALS 15% ACID.
2/27/89 – Change well name from W.K. State #2 to Kersey State #1
3/4/89 – Begin deepen operations
4/19/89 – TD @ 3,780' (GL)
5/4/89 – Perf & Frac San Andres (3,453'-3,749')
5/5/89 – Ran CBL – TOC @ 1,610'

Formation Tops
Salt Top - 578'
Salt Base – 1,571'
Yates – 1,707
Seven Rivers – 2,052'
Queen - 2,665'
Grayburg – 3,087'
San Andres – 3,411'

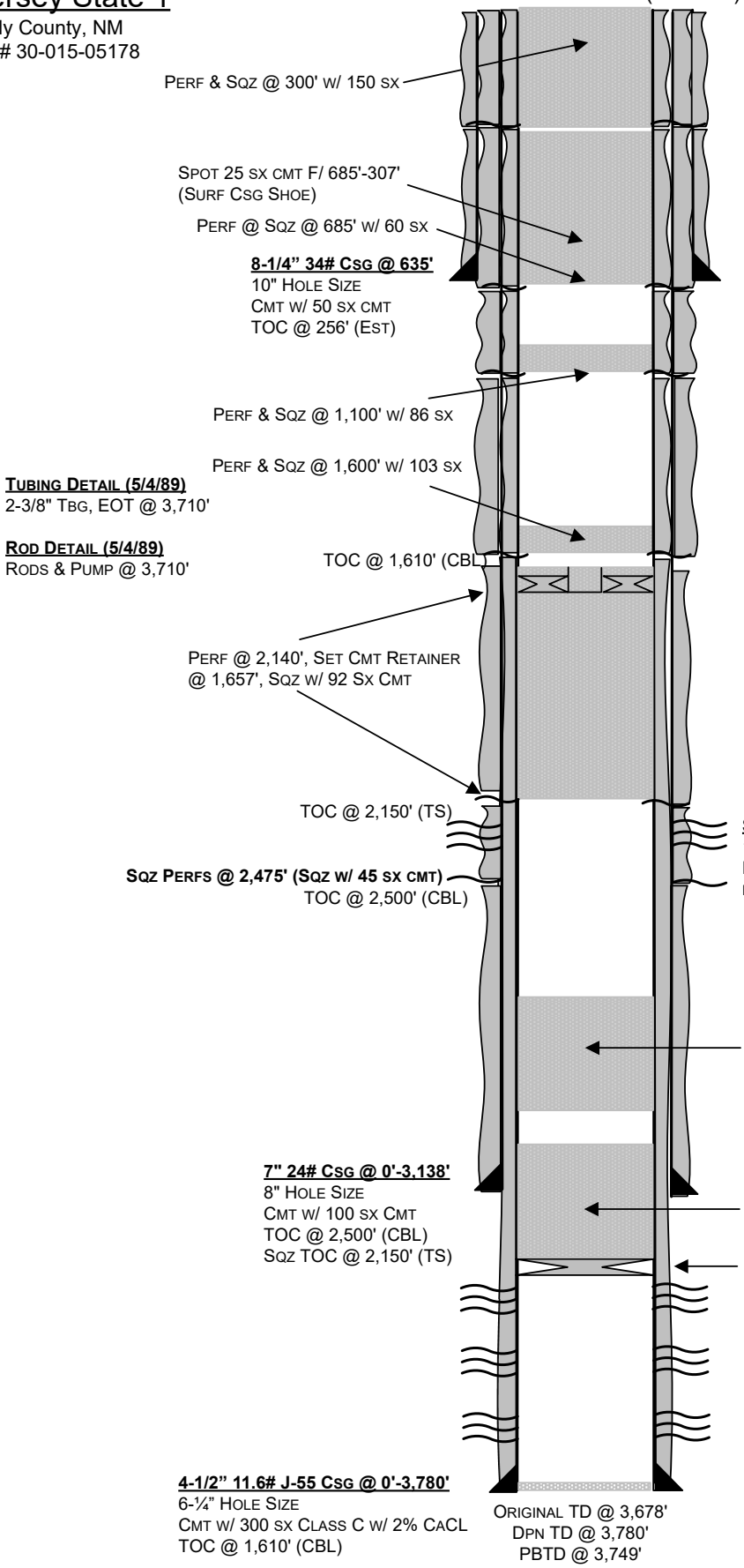
CREATED ON 3/3/2025
UPDATED ON

Kersey State 1

Eddy County, NM
API# 30-015-05178

PROPOSED P&A WBD (REVISED)

SPUD DATE: 2/10/1938
ELEV: 3,835' GR



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Seven Rivers – 2,052'
Queen - 2,665'
Grayburg – 3,087'
San Andres – 3,411'

CREATED ON 3/3/2025
UPDATED ON 4/3/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

BY ELECTRONIC MAIL

Sarah Chapman
Regulatory Director
Spur Energy Partners, LLC
9655 Katy Freeway, Ste 500
Houston, Texas 77024

Re: Oil Conservation Division Authorization for Spur Energy Partners, LLC, to Plug and Abandon Well(s)

Ms. Chapman:

The Oil Conservation Division ("OCD") received your request of February 6, 2025, requesting authorization for Spur Energy Partners, LLC ("SEP") to plug and abandon the following wells: Kersey #001, API # 30-015-05178 and Kersey State #003, API # 30-015-26086. LLJ Ventures, LLC DBA Marker Oil & Gas, ("LLJ") is the registered operator of this well and SEP is the leaseholder where the well is located. As the leaseholder, SEP may be deemed a responsible operator for purposes of plugging and remediation activities or for indemnification of costs incurred by OCD for such activities.

On October 11, 2024, OCD issued Final Order No. R-23494 ("R-23494"). R-23494 setting forth plugging compliance deadlines to be met by LLJ. That R-23494 and R-23494-A is incorporated herein as though set forth in full.

OCD hereby authorizes SEP to plug and abandon the above-identified well on OCD's behalf pursuant to its authority under R-23494.

Please contact Assistant General Counsel, Christy Treviño at (505)-607-4524 or Christy.Trevino@emnrd.nm.gov , with questions, including the submission of plugging sundries as OCD will not be transferring operatorship to you and will need to place the plugging sundries into the well files.

Regards,

Gerasimos Razatos
Director (Acting)

2/17/2025
Date

cc: EMNRD-OGC

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION,
PETITIONER

v.

LLJ VENTURES, LLC
DBA MARKER OIL & GAS,
RESPONDENT

CASE NO. 24801
ORDER NO. R-23494

ORDER

This matter came before the Director of the New Mexico Oil Conservation Division ("Division" or "OCD") on the Notice of Violation ("NOV") dated on or about July 23, 2024, issued to LLJ Ventures, LLC DBA Marker Oil & Gas, OGRID #372279 ("Operator"). The Division's Hearing Examiner conducted a public hearing on October 3, 2024. The Director, having considered the testimony and evidence presented, and being otherwise fully advised in the premises, finds, concludes and orders:

FINDINGS OF FACT

1. The Division has jurisdiction over the parties and the subject matter herein.

2. On or about July 9, 2024, the Division issued the NOV, which alleged three violations:

    a. Operator allegedly violated 19.15.5.9(A)(4)(a) NMAC. At the time of the NOV, Operator was the registered operator of one hundred and fifty wells in New Mexico. Under 19.15.5.9(A)(4)(a) NMAC, as the operator of 100 wells or less, Operator was not permitted to have more than two inactive wells out of compliance with 19.15.25.8 NMAC, which requires inactive wells to be plugged and abandoned or placed into approved temporary abandonment status. At the time of the NOV, Operator had one hundred and fifty inactive

wells, which were not plugged and abandoned or placed into temporary abandonment status as demonstrated by OCD Ex. 4-A.

b. Operator allegedly violated 19.15.8.9 NMAC by lacking financial assurance for fifty wells.

c. Operator allegedly violated 19.15.7.24 NMAC by not filing the required monthly production reports, form C-115, as demonstrated by OCD Ex 4-B. Operator had not submitted a C-115 for any well since at least June 2022.

OCD Ex.4

3. Operator transferred two wells, authorized by OCD to another operator. On October 2, 2024, OCD filed updated Inactive Well Report, Financial Assurance Report, and Civil Penalty Calculator to reflect the approved transfer. OCD Ex. 8A-D.

4. Based on the approved transfer of two wells, the correct number of inactive wells is one hundred and forty-eight (OCD Ex. 8-A), and the wells lacking sufficient financial assurance is forty-eight. OCD Ex. 8-C.

5. The NOV demanded the following relief:

a. Operator shall plug and abandon all one hundred and forty-eight wells listed in by a certain date or failing to do so, the Division would assume that duty,

b. Operator's financial assurance shall be forfeited,

c. Operator's authority to transport from the one hundred and forty-eight registered wells identified in shall be terminated,

d. Operator is civilly liable for violations of 19.15.5.9(A)(4)(a), 19.15.8.9 and 19.15.7.24 NMAC in the amount of $414,000.00.

6. The NOV informed Operator of OCD's informal resolution process, and in the event Operator did not respond to the NOV, that a formal hearing would occur on the October 3, 2024 docket.

7. Operator did not contact the Division during the informal resolution period or provide any evidence that the alleged violations had not occurred. Operator did not file a prehearing statement to enter an appearance or otherwise present evidence pursuant to 19.15.5 NMAC.

8. On August 14, 2024, OCD filed and served the Docketing Notice and formally requested a hearing. Operator did not answer the NOV as contemplated by 19.15.5.10(E)(2)(b) NMAC.

9. The Division provided Operator with notice of the October 3, 2024 hearing as required under 19.15.5.10 NMAC.

10. A hybrid hearing (in-person at Pecos Hall in Santa Fe, NM and virtually through Microsoft Teams) on the NOV was held on October 3, 2024 before a Division Hearing Examiner. Operator did not appear.

11. The Division presented the Affidavits of Nicholas Karns, Compliance Officer and Bond Administrator with the Division's Administrative and Compliance Bureau, and Sara Griego, OCD Law Clerk and corresponding exhibits.

12. The Division provided evidence of notice of the Docketing Statement. OCD Ex. 6.

13. Eight Exhibits were admitted into evidence without objection in support of the NOV.

14. Mr. Karns, who was previously qualified as an expert in administrative compliance before the Division, provided the following evidence in support of the ongoing violations:

    a. As of October 3, 2024, Operator remained out of compliance with the inactive well requirements of 19.15.5.9(A)(4)(a) NMAC. As of October 1, 2024, Operator had one hundred and forty-eight wells, all of which were

inactive wells that had not been plugged and abandoned or placed in approved temporary abandonment status. OCD Ex. 8-A.

b. Operator remained out of compliance with 19.15.8.9 NMAC by lacking financial assurance for forty-eight wells. OCD Ex. 8-C.

c. Operator remained out of compliance with 19.15.7.24 NMAC, because Operator had not filed the required C-115 production reports since June 2022. OCD Ex 4-C.

15. The Oil and Gas Act provides that "[i]n assessing a penalty authorized by this section, the division shall take into account the seriousness of the violation, any good faith efforts to comply with the applicable requirements, any history of noncompliance under the Oil and Gas Act and other relevant factors." NMSA 1978, §70-2-31(C). OCD provided evidence that the penalties were reasonable and in accordance with the law. OCD Ex. 8-D

CONCLUSIONS OF LAW

16. The Division has met its burden to show by a preponderance of evidence that Operator has violated 19.15.5.9(A)(4)(a) NMAC by failing to plug and abandon one hundred and forty-eight inactive wells.

17. Operator has violated 19.15.8.9 NMAC by lacking financial assurance for forty-eight of the subject wells.

18. Operator has violated 19.15.7.24 NMAC by failing to submit the required C-115 forms for all subject wells.

19. The civil penalties calculated by the Division are allowed by law, reasonable under 19.15.5.10(B) NMAC, and are supported by the evidence in the Administrative and Hearing Records.

ORDER

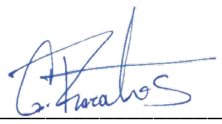
20. Operator's authority to transport from subject wells is hereby suspended until such time as Operator is compliant with this Order and the NM Oil and Gas Act.

21. Operator shall plug and abandon all twelve wells listed in OCD Ex. 8-A no later than 30 days after issuance of this Order.

22. If Operator fails to plug and abandon the subject wells as directed herein, the Division shall be authorized to plug and abandon the wells and to forfeit the financial assurance for the wells. Such plugging activities may include necessary reclamation or remediation work associated with wells that have been partially plugged and abandoned, Operator shall pay the excess cost to plug and abandon the wells no later than 30 days after actual or attempted service of the Division's written demand. If the excess costs to the Division are not received, the Division may seek indemnification.

23. The Division retains jurisdiction of this matter for the entry of such further orders as it may deem necessary.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



GERASIMOS RAZATOS
ACTING DIRECTOR

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION
PETITIONER
v.
LLJ VENTURES, LLC
DBA MARKER OIL & GAS
RESPONDENT

CASE NO. 24801
ORDER NO. R-23484-A

***NUNC PRO TUNC* ORDER**

The Director of the New Mexico Oil Conservation Division ("OCD"), having determined that an error occurred in Order R-23484 in this matter, which requires correction, issues the following *Nunc Pro Tunc* Order.

FINDINGS OF FACT

1. Order R-23484, issued October 11, 2024, ("Order") contains an error the number of wells in paragraph 21 of the Order.

2. Exhibit 8-A is not reflective of the total number of wells OCD requested authorization over.

3. An administrative error was discovered in that Exhibit 8-A was missing a well that was included in the original filings, Exhibit 2-A of the Notice of Violation. API # 30-015-00689 GATES STATE #001 was to be included in the supplemental Exhibit 8-A. Exhibit 2-A was generated on July 24, 2024, showing one hundred and fifty wells. API # 30-015-00689 GATES STATE #001 was plugged on August 12, 2024. Amended exhibits were filed on October 11, 2024, showing one hundred and forty-seven wells. Exhibit 8-A was a regeneration of Exhibit 2-A, which was intended to show the two wells transferred off the inactive well list. However, since API # 30-015-00689 GATES STATE #001 was plugged, not released it was inadvertently removed from the inactive well list report as well.

4. Unbeknownst to OCD API # 30-015-00689 GATES STATE #001, was plugged and certain site inspections still need to be complete to release the well.

5. The number of wells OCD was seeking authorization over was indicated as one hundred and forty-eight throughout the record for Case No. 24801 on page 28 through page 40 of the transcript.

ORDER

6. Paragraph 21 of the Order is corrected to read as follows:

   "21. Operator shall plug and abandon *all remaining non-compliant* wells listed in OCD *Ex. 2-A* no later than 30 days after issuance of this Order."

7. The corrections are effective *nunc pro tunc* as of the date of the Order.

8. All other provisions of the Order remain in full force and effect.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Date: 12/24/2024

Gerasimos Razatos
ACTING DIRECTOR

State of New Mexico
Energy, Minerals and Natural Resources Department
Oil Conservation Division
Standard Plugging Conditions

This document provides OCD's general plugging conditions of approval. It should be noted that the list below may not cover special plugging programs in unique and unusual cases, and OCD expressly reserves the right to impose additional requirements to the extent dictated by project conditions. The OCD also reserves the right to approve deviations from the below conditions if field conditions warrant a change. A C-103F NOI to P&A must be approved prior to plugging operations. Failure to comply with the conditions attached to a plugging approval may result in a violation of 19.15.5.11 NMAC, which may result in enforcement actions, including but not limited to penalties and a requirement that the well be re-plugged as necessary.

1. Notify OCD office at least 24 hours before beginning work and seek prior approval to implementing any changes to the C-103 NOI to PA.
    - North Contact, Monica Kuehling, 505-320-0243, monica.kuehling@emnrd.nm.gov
    - South Contact, Gilbert Cordero, 575-626-0830, gilbert.cordero@emnrd.nm.gov

2. A Cement Bond Log is required to ensure strata isolation of producing formations, protection of water and correlative rights. A CBL must be run or be on file that can be used to properly evaluate the cement behind the casing.

    Note: Logs must be submitted to OCD via OCD permitting. A copy of the log may be emailed to OCD inspector for faster review times, but emailing does not relieve the operators obligation to submit through OCD permitting.

3. Once Plugging operations have commenced, the rig must not rig down until the well is fully plugged without OCD approval. If gap in plugging operations exceeds 30 days, the Operator must file a subsequent sundry of work performed and revised NOI for approval on work remaining. At no time shall the rig be removed from location if it will result in waste or contamination of fresh water.

4. Insure all bradenheads have been exposed, identified and valves are operational prior to rig up.

5. Fluids must be placed between all cement plugs mixed at 25 sacks per 100 bbls of water.
    - North, water or mud laden fluids
    - South, mud laden fluids

6. Closed loop system is to be used for entire plugging operation. Upon completion, contents of steel pits are to be hauled to an OCD permitted disposal facility.

7. Class of cement shall be used in accordance with the below table for depth allowed.

Class	TVD Lower Limit (feet)
Class A/B	6,000
Class I/II	6,000
Class C or III	6,000
Class G and H	8,000
Class D	10,000
Class E	14,000
Class F	16,000

8. After cutting the well head any "top off cement jobs" must remain static for 30 minutes. Any gas bubbles or flow during this 30 minutes shall be reported to the OCD for approval of next steps.

9. Trucking companies being used to haul oilfield waste fluids (Commercial or Private) to a disposal facility shall have an approved OCD C-133 permit.
    - A copy of this permit shall be available in each truck used to haul waste products.
    - It is the responsibility of the Operator and Contractor to verify that this permit is in place prior to performing work.
    - Drivers shall be able to produce a copy upon request of an OCD Compliance Officer.

10. Filing a [C-103] Sub. Plugging (C-103P) will serve as notification that the well has been plugged.

11. A [C-103] Sub. Release After P&A (C-103Q) shall be filed no later than a year after plugging and a site inspection by OCD Compliance officer to determine if the location is satisfactorily cleaned, all equipment, electric poles and trash has been removed to meet OCD standards before bonding can be released.

12. Produced water or brine-based fluids may not be used during any part of plugging operations without prior OCD approval.

13. Cementing;
    - All cement plugs will be neat cement and a minimum of 100' in length. 50' of calculated cement excess required for inside casing plugs and 100% calculated cement excess required on outside casing plugs.
    - If cement does not exist between or behind the casing strings at recommended formation depths, the casing perforations will be shot at 50' below the formation top and the cement retainer shall be set no more than 50' from the perforations.
    - WOC (Wait on Cement) time will be:
        - 4 hours for accelerated (calcium chloride) cement.
        - 6 hours on regular cement.
    - Operator must tag all cement plugs unless it meets the below condition.
        - The operator has a passing pressure test for the casing annulus and the plug is only an inside plug.
    - If perforations are made operator must tag all plugs using the work string to tag unless given approval to tag with wireline by the correct contact from COA #1 of this document.
        - This includes plugs pumped underneath a cement retainer to ensure retainer seats properly after cement is pumped.
    - Cement can only be bull-headed with specific prior approval.
    - Squeeze pressures are not to exceed the exposed formations frac gradient or the burst pressure of the casing.

14. A cement plug is required to be set from 50’ below to 50’ above (straddling) formation tops, casing shoes, casing stubs, any attempted casing cut offs, anywhere the casing is perforated, DV tools.
    - Perforation/Formation top plug. (When there is less than 100ft between the top perforation to the formation top.) These plugs are required to be started no greater than 50ft from the top perforation. However, the plug should be set below the formation top or as close to the formation top as possible for the maximum isolation between the formations. The plug is required to be a 100ft cement plug plus excess.
    - Perforation Plug when a formation top is not included. These plugs are required to be started within 50ft of the top perforation. The plug is required to be a 100ft cement plug plus excess.
    - Cement caps on top of bridge plugs or cement retainers for perforation plugs, that are not straddling a formation top, may be set using a bailer with a minimum of 35’ of cement in lieu of the 100’ plug. The bridge plug or retainer must be set within 50ft of the perforations.
    - Perforations are required below the surface casing shoe if cement does not exist behind the casing, a 30-minute minimum wait time will be required immediately after perforating to determine if gas and/or water flows are present. If flow is present, the well will be shut-in for a minimum of one hour and the pressure recorded. If gas is detected contact the OCD office for directions.

15. No more than 3000 feet is allowed between cement plugs in cased hole and no more than 2000 feet is allowed in open hole.

16. Formation Tops to be isolated with cement plugs, but not limited to are:
    - Northwest See Figure A
    - South (Artesia) See Figure B
    - Potash See Figure C
        - In the R-111-P (Or as subsequently revised) Area a solid cement plug must be set across the salt section. Fluid used to mix the cement shall be saturated with the salts that are common to the section penetrated and in suitable proportions, not more than 3% calcium chloride (by weight of cement) will be considered the desired mixture whenever possible, woe 4 hours and tag, this plug will be 50' below the bottom and 50' above the top of the Formation.
    - South (Hobbs) See Figure D1 and D2
    - Areas not provided above will need to be reviewed with the OCD on a case by case basis.

17. Markers
    - Dry hole marker requirements 19.15.25.10.
      The operator shall mark the exact location of plugged and abandoned wells with a steel marker not less than four inches in diameter set in cement and extending at least four feet above mean ground level. The marker must include the below information:
        1. Operator name
        2. Lease name and well number
        3. API number
        4. Unit letter
        5. Section, Township and Range

- AGRICULTURE (Below grade markers)
  In Agricultural areas a request can be made for a below ground marker. For a below ground marker the operator must file their request on a C-103 notice of intent, and it must include the following;
  A) Aerial photo showing the agricultural area
  B) Request from the landowner for the below ground marker.
  C) Subsequent plugging report for a well using a below ground marker must have an updated C-102 signed by a certified surveyor for SHL.

  Note: A below ground marker is required with all pertinent information mentioned above on a plate, set 3' below ground level, a picture of the plate will be supplied to OCD for record, the exact location of the marker (longitude and latitude by GPS) will be provided to OCD. OCD requires a current survey to verify the location of the below ground marker, however OCD will accept a GPS coordinate that were taken with a GPS that has an accuracy of within 15 feet.

18. If work has not commenced within 1 year of the approval of this procedure, the approval is automatically expired. After 1 year a new [C-103] NOI Plugging (C-103F) must be submitted and approved prior to work.

Figure A

North Formations to be isolated with cement plugs are:

- San Jose
- Nacimiento
- Ojo Alamo
- Kirtland
- Fruitland
- Picture Cliffs
- Chacra (if below the Chacra Line)
- Mesa Verde Group
- Mancos
- Gallup
- Basin Dakota (plugged at the top of the Graneros)
- Deeper formations will be reviewed on a case-by-case basis

Figure B

South (Artesia) Formations to be isolated with cement plugs are:

- Fusselman
- Montoya
- Devonian
- Morrow
- Strawn
- Atoka
- Permo-Penn
- Wolfcamp
- Bone Springs
- Delaware , in certain areas where the Delaware is subdivided into;
    - 1. Bell Canyon
    - 2. Cherry Canyon
    - 3. Brushy Canyon
- Any salt sections
- Abo
- Yeso
- Glorieta
- San Andres
- Greyburg
- Queen
- Yates

Figure C

Potash Area R-111-P

T 18S – R 30E
Sec 10 Unit P. Sec 11 Unit M,N. Sec 13 Unit L,M,N. Sec 14 Unit C -P. Sec 15 Unit A G,H,I,J,K,N,O,P. Sec 22 Unit All
except for M. Sec 23, Sec 24 Unit C,D,E,L, Sec 26 Unit A-G, Sec 27 Unit A,B,C

T 19S – R 29E
Sec 11 Unit P. Sec 12 Unit H-P. Sec 13. Sec 14 Unit A,B,F-P. Sec 15 Unit P. Sec 22 Unit A,B,C,F,G,H,I,J K,N,O,P. Sec 23.
Sec 24. Sec 25 Unit D. Sec 26 Unit A- F. Sec 27 Unit A,B,C,F,G,H.

T 19S – R 30E
Sec 2 Unit K,L,M,N. Sec 3 Unit I,L,M,N,O,P. Sec 4 Unit C,D,E,F,G,I-P. Sec 5 Unit A,B,C,E-P. Sec 6 Unit I,O,P. Sec 7 – Sec
10. Sec 11 Unit D, G—P. Sec 12 Unit A,B,E-P. Sec 13 Unit A-O. Sec 14-Sec 18. Sec 19 Unit A-L, P. Sec 20 – Sec 23. Sec
24 Unit C,D,E,F,L,M,N. Sec 25 Unit D. Sec 26 Unit A-G, I-P. Sec 27, Sec 28, Sec 29 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 32
Unit A,B,G,H,I,J,N,O,P. Sec 33. Sec 34. Sec 35. Sec 36 Unit D,E,F,I-P.

T 19S – R 31E
Sec 7 Unit C,D,E,F,L. Sec 18 Unit C,D,E,F,G,K,L. Sec 31 Unit M. Sec 34 Unit P. Sec 35 Unit M,N,O. Sec 36 Unit O,P.

T 20S – R 29E
Sec 1 Unit H,I,P. Sec 13 Unit E,L,M,N. Sec 14 Unit B-P. Sec 15 Unit A,H,I,J,N,O,P. Sec 22 Unit A,B,C,F,G,H,I,J,O,P. Sec
23. Sec 24 Unit C,D,E,F,G,J-P. Sec 25 Unit A-O. Sec 26. Sec 27 Unit A,B,G,H,I,J,O,P. Sec 34 Unit A,B,G,H. Sec 35 Unit
A-H. Sec 36 Unit B-G.

T 20S – R 30E
Sec 1 – Sec 4. Sec 5 Unit A,B,C,E-P. Sec 6 Unit E,G-P. Sec 7 Unit A-H,I,J,O,P. Sec 8 – 17. Sec 18 Unit A,B,G,H,I,J,O,P.
Sec 19 Unit A,B,G,H,I,J,O,P. Sec 20 – 29. Sec 30 Unit A-L,N,O,P. Sec 31 Unit A,B,G,H,I,P. Sec 32 – Sec 36.

T 20S – R 31E
Sec 1 Unit A,B,C,E-P. Sec 2. Sec 3 Unit A,B,G,H,I,J,O,P. Sec 6 Unit D,E,F,J-P. Sec 7. Sec 8 Unit E-P. Sec 9 Unit E,F,J-P.
Sec 10 Unit A,B,G-P. Sec 11 – Sec 36.

T 21S – R 29E
Sec 1 – Sec 3. Sec 4 Unit L1 – L16,I,J,K,O,P. Sec 5 Unit L1. Sec 10 Unit A,B,H,P. Sec 11 – Sec 14. Sec 15 Unit A,H,I. Sec
23 Unit A,B. Sec 24 Unit A,B,C,D,F,G,H,I,J,O,P. Sec 25 Unit A,O,P. Sec 35 Unit G,H,I,J,K,N,O,P. Sec 36 A,B,C,F – P.

T 21S – R 30E
Sec 1 – Sec 36

T 21S – R 31E

Sec 1 – Sec 36

T 22S – R 28E
Sec 36 Unit A,H,I,P.

T 22S – R 29E
Sec 1. Sec2. Sec 3 Unit I,J,N,O,P. Sec 9 Unit G – P. Sec 10 – Sec 16. Sec 19 Unit H,I,J. Sec 20 – Sec 28. Sec 29 Unit
A,B,C,D,G,H,I,J,O,P. Sec 30 Unit A. Section 31 Unit C – P. Sec 32 – Sec 36

T 22S – R 30E
Sec 1 – Sec 36

T 22S – R 31E
Sec 1 – Sec 11. Sec 12 Unit B,C,D,E,F,L. Sec 13 Unit E,F,K,L,M,N. Sec 14 – Sec 23. Sec 24 Unit
C,D,E,F,K,L,M,N. Sec 25
Unit A,B,C,D. Sec 26 Unit A,BC,D,G,H. Sec 27 – Sec 34.

T 23S – R 28E
Sec 1 Unit A

T 23S – R 29E
Sec 1 – Sec 5. Sec 6 Unit A – I, N,O,P. Sec 7 Unit A,B,C,G,H,I,P. Sec 8 Unit A – L, N,O,P. Sec 9 – Sec 16. Sec 17 Unit
A,B,G,H,I,P. Sec 21 – Sec 23. Sec 24 Unit A – N. Sec 25 Unit D,E,L. Sec 26. Sec 27. Sec 28 Unit A – J, N,O,P. Sec 33
Unit A,B,C. Sec 34 Unit A,B,C,D,F,G,H. Sec 35. Sec 36 Unit B,C,D,E,F,G,K,L.

T 23S – R 30E
Sec 1 – Sec 18. Sec 19 Unit A – I,N,O,P. Sec 20, Sec 21. Sec 22 Unit A – N, P. Sec 23, Sec 24, Sec 25. Sec 26 Unit
A,B,F-P. Sec 27 Unit C,D,E,I,N,O,P. Sec 28 Unit A – H, K,L,M,N. Sec 29 Unit A – J, O,P. Sec 30 Unit A,B. Sec 32 A,B. Sec
33 Unit C,D,H,I,O,P. Sec 34, Sec 35, Sec 36.

T 23S – R 31E
Sec 2 Unit D,E,J,O. Sec 3 – Sec 7. Sec 8 Unit A – G, K – N. Sec 9 Unit A,B,C,D. Sec 10 Unit D,P. Sec 11 Unit G,H,I,J,M,N,O,P. Sec 12 Unit E,L,K,M,N. Sec 13 Unit C,D,E,F,G,J,K,L,M,N,O. Sec 14. Sec 15 Unit A,B,E – P. Sec 16 Unit
I, K – P. Sec 17 Unit B,C,D,E, I – P. Sec 18 – Sec 23. Sec 24 Unit B – G, K,L,M,N. Sec 25 Unit B – G, J,K,L. Sec 26 – Sec
34. Sec 35 Unit C,D,E.

T 24S – R 29E
Sec 2 Unit A, B, C, D. Sec 3 Unit A

T 24S – R 30E
Sec 1 Unit A – H, J – N. Sec 2, Sec 3. Sec 4 Unit A,B,F – K, M,N,O,P. Sec 9 Unit A – L. Sec 10 Unit A – L, O,P. Sec 11.
Sec 12 Unit D,E,L. Sec 14 Unit B – G. Sec 15 Unit A,B,G,H.

T 24S – R 31E
Sec 3 Unit B – G, J – O. Sec 4. Sec 5 Unit A – L, P. Sec 6 Unit A – L. Sec 9 Unit A – J, O,P. Sec 10 Unit B – G, K – N. Sec
35 Unit E – P. Sec 36 Unit E,K,L,M,N.

T 25S – R 31E
Sec 1 Unit C,D,E,F. Sec 2 Unit A – H.

Figure D1 and D2

South (Hobbs) Formations to be isolated with cement plugs are:

The plugging requirements in the Hobbs Area are based on the well location within specific areas of the Area (See Figure D1). The Formations in the Hobbs Area to be isolated with cement plugs are (see Figure D2)

Figure D1 Map

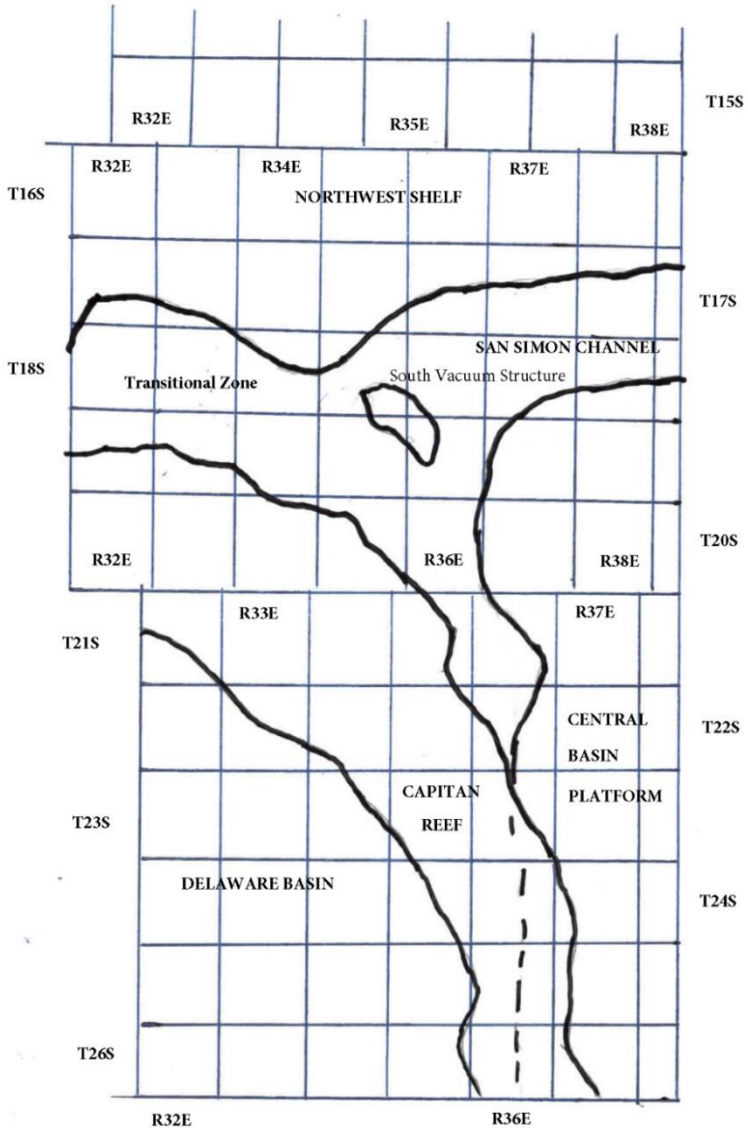


Figure D2 Formation Table

100' P'lug to isolate upper and lower fresh water zones (typiailly 2.50' to 350')						
ND!rthwest Shelf	**C;iptan Reef Are<a**	**Trani5ition Zone**	**San Simon Oh.annel**	**South \lacJUUm Structure**	**Delaware Basin**	**Ce<n,tiral Basin Platform**
Granit \./ash (Detrital basement material and fractured pre-Cambrian basement rock)	Siluro-Devonian	Morrow	Siluro-Devonian	Ellenburger	Siluro-Devonian	Granit \./ash (Detrital basement material, fractured pre-Cambrian basement rock and fracture Mafic Volcanic intrusives).
Montoya	Mississippian	Atoka	Morrow	Mckee	Morrow	Ellenburger
Fusselman	Morrow	Strawn	\./olfcamp	Siluro-Devonian	Atoka	Connell
Woodford	Atoka	Cisco	Abo Reef	Woodford	Strawn	Waddell
Siluro-Devonian	Strawn	Pennsylvanian	Bone Spring	Mississippian	Pennsylvanian	Mckee
Chester	Pennsylvanian	\./olfcamp	Delaware	Barnett Shale	Low er \./olfcamp	Simpson Group
Austin	\./olfcamp	Bone Spring	San Andres	Morrow	Upper \./olfcamp	Montoya
Mississippian	Abo Reef, if present	Delaware	Queen	Atoka	\./olfcamp	Fusselman
Morrow	Abo, if present	San Andres	Yates	Strawn	Third Bone Spring Sand (Top of \./olfbone)	Silurian
Atoka	Queen, if present	Grayburg-San Andres	Base of Salt	Canyon	First Bone Spring Sand (Top of Lower Bone Spring)	Devonian
Lower Pennsylvanian	Bone Spring	Queen	Rustler	Pennsylvanian	Bone Spring	Strawn
Cisco-Canyon	Delaware	Seven Rivers		Blinebry	Brushy Canyon	Pennsylvanian
Pennsylvanian	Base Capitan Reef	Yates		Bone Spring	Delaw are (Base of Salt)	\./olfcamp
Bough	Seven Rivers	Base of Salt		San Andres	Rustler	Abo
\./olfcamp	Yates	Rustler		Queen		Abo Reef
Abo	Top Capitan Reef			Base of Salt		Drinkard
Abo Reef, if present	Base of Salt			Rustler		Tubb
Yeso (Township 15 South to Township 17 South)	Rustler					Blinebry
Drinkard or Low er Y eso (Township 15 South to Township 17 South)						Paddock
Tubb (Township 15 South to Township 17 South)						Glorieta
Blinebry (Township 15 South to Township 17 South)						San Andres
Pad dock (Township 15 South to Township 17 South)						Grayburg
Glorieta						Gr ayburg-San Andres
San Andres						Queen
Queen (Township 15 South to Township 17 South)						Seven Rivers
Seven Rivers (Township 15 South to Township 17 South)						Yates
Yates (Township 15 South to Township 17 South)						Base of Salt
Base of Salt						Rustler
Rustler						

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

CONDITIONS

Operator:	OGRID:
Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	328947
	Action Number: 448709
	Action Type: [C-103] NOI Plug & Abandon (C-103F)

CONDITIONS

Created By	Condition	Condition Date
loren.diede	Notify the OCD inspection supervisor via email 24 hours prior to beginning Plug & Abandon (P&A) operations.	4/10/2025
loren.diede	CBL tif file is to be submitted to NMOCD for upload into Well Log File.	4/10/2025
loren.diede	NMOCD has determined that this well is in the LPCH restricted area. The P&A marker is to be a below grade marker. Submit the marker photo and GPS coordinates with the subsequent reports.	4/10/2025
loren.diede	Note that due to the LPCH restricted area, operating times on site are not allowed from 03:00 to 09:00 daily from March 1 to June 15.	4/10/2025