

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTNMOCD
ArtesiaFORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018**SUNDRY NOTICES AND REPORTS ON WELLS**
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.***SUBMIT IN TRIPLICATE - Other instructions on page 2**

| | | |
|--|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM074937 |
| 2. Name of Operator PERCUSSION PETROLEUM OPERATING, LLC Contact: TODD MUCHA Email: Todd@spurepllc.com | | 6. If Indian, Allottee or Tribe Name |
| 3a. Address 919 MILAM STREET, SUITE 2475 HOUSTON, TX 77002 | 3b. Phone No. (include area code) Ph: 281-795-2286 | 7. If Unit or CA/Agreement, Name and/or No. |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Multiple--See Attached | | 8. Well Name and No. Multiple--See Attached |
| | | 9. API Well No. Multiple--See Attached |
| | | 10. Field and Pool or Exploratory Area GRAYBURG-PADDOCK LOCO HILLS-QU-GB-SA |
| | | 11. County or Parish, State EDDY COUNTY, NM |

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Successor of Operator |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

Notification of Change of Operator effective Jun 17, 2019

New Operator:
Spur Energy Partners, LLC (OGRID# 328947)
920 Memorial City Way, Suite 1000,
Houston, TX 77024

Old Operator:
Percussion Petroleum, Operating, LLC (OGRID# 371755)
919 Milam Street, Ste 2475
Houston, Texas 77002

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

RECEIVED

JUL 23 2019

| | | | |
|--|-------------------------|---|-----------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #469132 verified by the BLM Well Information System For PERCUSSION PETROLEUM OPERATING, sent to the Carlsbad Committed to AFMSS for processing by PRISCILLA PEREZ on 06/14/2019 (19PP2442SE) | | DISTRICT II-ARTESIA O.C.D. | |
| Name (Printed/Typed) | DAVID HARSELL | Title | CONSULTANT |
| Signature | (Electronic Submission) | APPROVED | Date 06/14/2019 |
| THIS SPACE FOR FEDERAL OR STATE OFFICE USE JUL 08 2019 | | | |
| Approved By: [Signature] | | Title | Date |
| Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. | | BUREAU OF LAND MANAGEMENT ROSWELL FIELD OFFICE Office | |
| 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. | | | |

(Instructions on page 2)

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

Ref-10-25-19

Additional data for EC transaction #469132 that would not fit on the form

Wells/Facilities, continued

| Agreement | Lease | Well/Fac Name, Number | API Number | Location |
|------------|------------|-----------------------|--------------------|---|
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 1 | 30-015-36233-00-S1 | Sec 10 T17S R30E SWSE 330FSL 1650FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 10 | 30-015-37381-00-S1 | Sec 10 T17S R30E NWSE 2160FSL 2360FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 11 | 30-015-37380-00-S1 | Sec 10 T17S R30E NWSE 1550FSL 1750FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 12 | 30-015-37383-00-S1 | Sec 10 T17S R30E NESE Lot 1 2160FSL 1140FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 2 | 30-015-36186-00-S1 | Sec 10 T17S R30E NWSE 1725FSL 2310FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 3 | 30-015-36330-00-S1 | Sec 10 T17S R30E SESE 330FSL 990FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 4 | 30-015-36331-00-S1 | Sec 10 T17S R30E NESE 1800FSL 990FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 5 | 30-015-36543-00-S1 | Sec 10 T17S R30E NWSE 2310FSL 1650FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 6 | 30-015-36544-00-X1 | Sec 10 T17S R30E NESE 2310FSL 330FEL 32.848140 N Lat, 103.952371 W Lon |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 7 | 30-015-36545-00-S1 | Sec 10 T17S R30E SESE 599FSL 330FEL |
| NMNM074937 | NMNM074937 | HYDRUS 10 FEDERAL 8 | 30-015-36546-00-S1 | Sec 10 T17S R30E SESE 710FSL 1650FEL 32.845032 N Lat, 103.956686 W Lon |

32. Additional remarks, continued

Spur Energy Partners, LLC is the new Operator for the list of wells noted below formerly operated by Percussion Petroleum, Operating, LLC.

Spur Energy Partners, LLC accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased lands.

| Asset Name | API Code | ULSTR | Lease | County |
|-----------------------|------------|--------------|------------|--------|
| HYDRUS 10 FEDERAL 01 | 3001536233 | O-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 02 | 3001536186 | J-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 03 | 3001536330 | P-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 04 | 3001536331 | I-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 05 | 3001536543 | J-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 06H | 3001536544 | I-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 07 | 3001536545 | P-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 08 | 3001536546 | O-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 10 | 3001537381 | J-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 11 | 3001537380 | J-10-17S-30E | NMNM074937 | Eddy |
| HYDRUS 10 FEDERAL 12 | 3001537383 | I-10-17S-30E | NMNM074937 | Eddy |

Revisions to Operator-Submitted EC Data for Sundry Notice #469132

| | Operator Submitted | BLM Revised (AFMSS) |
|----------------|--|---|
| Sundry Type: | SUCCESS NOI | SUCCESS NOI |
| Lease: | NMNM074937 | NMNM074937 |
| Agreement: | | |
| Operator: | SPUR ENERGY PARTNERS, LLC 920 MEMORIAL CITY WAY SUITE 1000 HOUSTON, TX 77024 Ph: 281-795-2286 | PERCUSSION PETROLEUM OPERATING 919 MILAM STREET, SUITE 2475 HOUSTON, TX 77002 Ph: 7135892337 |
| Admin Contact: | TODD MUCHA EXEC VP OPERATIONS E-Mail: Todd@spurepllc.com Ph: 281-795-2286 | TODD MUCHA EXEC VP OPERATIONS E-Mail: Todd@spurepllc.com Ph: 281-795-2286 |
| Tech Contact: | DAVID HARSELL CONSULTANT E-Mail: DART.consulting@yahoo.com Ph: 713-416-3651 | DAVID HARSELL CONSULTANT E-Mail: DART.consulting@yahoo.com Ph: 713-416-3651 |
| Location: | | |
| State: | NM | NM |
| County: | EDDY | EDDY |
| Field/Pool: | 96718 | GRAYBURG-PADDOCK LOCO HILLS-QU-GB-SA |
| Well/Facility: | HYDRUS 10 FEDERAL 1 Sec 10 T17S R30E SWSE 330FSL 1650FEL 32.850411 N Lat, 104.104536 W Lon | HYDRUS 10 FEDERAL 1 Sec 10 T17S R30E SWSE 330FSL 1650FEL HYDRUS 10 FEDERAL 10 Sec 10 T17S R30E NWSE 2160FSL 2360FEL HYDRUS 10 FEDERAL 11 Sec 10 T17S R30E NWSE 1550FSL 1750FEL HYDRUS 10 FEDERAL 12 Sec 10 T17S R30E NESE Lot I 2160FSL 1140FEL HYDRUS 10 FEDERAL 2 Sec 10 T17S R30E NWSE 1725FSL 2310FEL HYDRUS 10 FEDERAL 3 Sec 10 T17S R30E SESE 330FSL 990FEL HYDRUS 10 FEDERAL 4 Sec 10 T17S R30E NESE 1800FSL 990FEL HYDRUS 10 FEDERAL 5 Sec 10 T17S R30E NWSE 2310FSL 1650FEL HYDRUS 10 FEDERAL 6 Sec 10 T17S R30E NESE 2310FSL 330FEL 32.848140 N Lat, 103.952371 W Lon HYDRUS 10 FEDERAL 7 Sec 10 T17S R30E SESE 599FSL 330FEL HYDRUS 10 FEDERAL 8 Sec 10 T17S R30E SESE 710FSL 1650FEL 32.845032 N Lat, 103.956686 W Lon |

Change of Operator Conditions of Approval

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams.
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. Submit plan for approval of well operations for all TA/SI wells within 30 days of this approval to change operator.
11. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.

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