

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Secretary

Adrienne Sandoval, Division Director
Oil Conservation Division



Notice of C-104 Denial and Request for Information

OCD denies your C-104 – *Request for Allowable and Authorization to Transport* because it is incomplete or conflicts with other information provided to OCD.

The sale or transport of product without a C-104 approved by OCD violates the Oil and Gas Act and the implementing rules, including 19.15.7.15 and 19.15.16.19 NMAC.

To avoid an enforcement action, you must submit the indicated information no later than 30 days after receipt of this notice.

Test Allowable, New Well and Recompleted Well

Amend C-104

- ☒ C-103 (or BLM equivalent) for all casing strings
 - ☒ Spud Notice
 - ☒ Surface Casing
 - ☒ Intermediate Casing (if applicable)
 - ☒ Additional Intermediate Casing (if applicable)
 - ☒ Production Casing or Liner

*Sundries submitted
& approved are
prior to a C-104
"RT"*

☐ Applicable Order (NSL, NSP, Other _____)

☐ Deviation Survey for Vertical Wells

☒ Directional Survey *Certified*

☒ C-102 (As-Drilled Plat for Horizontal Well)

New Well and Recompleted Well Only

☐ C-103 Completion Sundry (or BLM equivalent)

☐ C-105 Completion Report (or BLM equivalent)

☐ All Logs Run on Well

If you have any questions please contact the local OCD District Office

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 S. First St., Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-104
Revised August 1, 2011

Submit one copy to appropriate District Office

☐ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

| | | |
|--|--|---|
| ¹ Operator name and Address Spur Energy Partners LLC 920 Memorial City Way Suite 1000 Houston, TX 77024 | | ² OGRID Number 328947 |
| | | ³ Reason for Filing Code/ Effective Date RT |
| ⁴ API Number 30 - 015-45796 | ⁵ Pool Name Penasco Draw;SA-YESO (ASSOC) | ⁶ Pool Code 50270 |
| ⁷ Property Code 325892 | ⁸ Property Name Rose | ⁹ Well Number 4H |

II. ¹⁰ Surface Location

| | | | | | | | | | |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South Line | Feet from the | East/West line | County |
| E | 7 | 19S | 26E | 2 | 1388 | North | 986 | West | Eddy |

¹¹ Bottom Hole Location

| | | | | | | | | | |
|-----------------------------|---|--------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------|---------------|----------------|--------|
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
| D | 12 | 19S | 25E | | 1292 | North | 43 | West | Eddy |
| ¹² Lse Code P | ¹³ Producing Method Code P | ¹⁴ Gas Connection Date | ¹⁵ C-129 Permit Number | ¹⁶ C-129 Effective Date | ¹⁷ C-129 Expiration Date | | | | |

III. Oil and Gas Transporters

| | | |
|------------------------------------|---|---------------------|
| ¹⁸ Transporter OGRID | ¹⁹ Transporter Name and Address | ²⁰ O/G/W |
| 015694 | Holly Frontier 2828 N. Harwood, Suite 1300 Dallas, TX 75201 | O |
| 36785 | DCP Midstream 370 17th Street, Suite 2500 Denver, CO 80202 | G |
| RECEIVED | | |
| NOV 13 2019 | | |

DISTRICT II-ARTESIA O.C.D.

IV. Well Completion Data

| | | | | | |
|------------------------------------|-------------------------------------|---------------------------|-----------------------------|---|-----------------------|
| ²¹ Spud Date 5/16/19 | ²² Ready Date 11/1/19 | ²³ TD 9590' | ²⁴ PBDT 9534' | ²⁵ Perforations 4375'-9504' | ²⁶ DHC, MC |
| ²⁷ Hole Size | ²⁸ Casing & Tubing Size | ²⁹ Depth Set | ³⁰ Sacks Cement | | |
| 12.25 | 9.625 | 1242 | 725 sx, circ | | |
| 8.75 | 7 | 4050 | 1825 sx, circ | | |
| 8.75 | 5.5 | 9590 | 1825 sx, circ | | |

V. Well Test Data

| | | | | | |
|----------------------------|---------------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
| ³¹ Date New Oil | ³² Gas Delivery Date | ³³ Test Date | ³⁴ Test Length | ³⁵ Tbg. Pressure | ³⁶ Csg. Pressure |
| ³⁷ Choke Size | ³⁸ Oil | ³⁹ Water | ⁴⁰ Gas | | ⁴¹ Test Method |

⁴² I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:
Ryan Barber

Title:
Operations Engineer

E-mail Address:
rbarber@spurepllc.com

Date: 11/7/19 Phone: 832-930-8548

OIL CONSERVATION DIVISION

Approved by:

Title:

Appr:

DENIED
See Attached Cover Sheet

RECEIVED

NOV 13 2019

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88203
Phone (575) 748-1283 Fax: (575) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410
Phone (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1226 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Minerals and Natural Resources Department

Form C-102

Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1226 South St. Francis Dr.

Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|----------------------------|---|--|
| API Number 30-015-45796 | Pool Code 50270 | Pool Name Penasco Draw; SA-Yeso (Assoc) |
| Property Code 325892 | Property Name ROSE | Well Number 4H |
| OGRID No. 328947 | Operator Name Spur Energy Partners LLC | Elevation 3379' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | FEET from the | North/South line | FEET from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| LOT 2 | 7 | 19 S | 26 E | | 1388 | NORTH | 986 | WEST | EDDY |

Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot Idn | FEET from the | North/South line | FEET from the | East/West line | County |
|-----------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| D | 12 | 19 S | 25 E | | 1311 | NORTH | 20 | WEST | EDDY |
| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. | | | | | | |

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

| | | | | |
|---|---|--|--|--|
| <p>PROPOSED BOTTOM HOLE LOCATION</p> <p>Lat - N 32.678808° Long - W 104.447027° NMSPCE- N 610700.2 E 506356.0 (NAD-83)</p> | <p>LAST TAKE POINT</p> <p>1311' FNL & 100' FWL</p> <p>Lat - N 32.678807° Long - W 104.446767° NMSPCE- N 610699.8 E 506435.9 (NAD-83)</p> | <p>FIRST TAKE POINT</p> <p>1306' FNL & 100' FEL</p> <p>Lat - N 32.678757° Long - W 104.429980° NMSPCE- N 610676.3 E 511601.0 (NAD-83)</p> | <p>SURFACE LOCATION</p> <p>Lat - N 32.678564° Long - W 104.426449° NMSPCE- N 610605.1 E 512687.3 (NAD-83)</p> | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and 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 such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <u>Ryan Barber</u> Date: <u>11/7/19</u></p> <p>Printed Name: <u>Ryan Barber</u></p> <p>Email Address: <u>rbarber@spurepllc.com</u></p> |
| | | | | <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>DATE SURVEYED: <u>FEBRUARY 1, 2019</u></p> <p>Date Surveyed: <u>11/7/19</u></p> <p>Signature of Professional Surveyor: <u>[Signature]</u></p> <p>Certificate Number: <u>7977</u></p> <p>Scale: 0' 1000' 2000' 3000' 4000'</p> <p>SCALE: 1" = 2000'</p> <p>WO Num.: 34362</p> |

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



**NOTICE TO OPERATORS
TEST ALLOWABLE
For Horizontal Wells**

5/15/2017

Operators drilling Horizontal Wells may transport oil or gas encountered during drilling, completion, or recompletion provided the operator has filed and the OCD district office has approved a Form C-104, Request for Allowable and Authorization to Transport, stating REASON FOR FILING CODE as "RT" and specifying the Ready Date of transport or 1st sales for the proposed formation or pool.

All administrative and regulatory approvals for the well must be in place before the division will approve a test allowable; i.e. NSL, NSP, DHC, Drilling Sundries. The operator should review the Conditions of Approval that the Division has noted on the Application for Permit to Drill and comply with special requirements listed by the district office for C-104 approval.

Approval of Test Allowable C-104 grants authorization **not to exceed 90 days after the "Ready Date"** to transport oil or gas during the drilling, completion, or recompletion processes ONLY. Oil and gas volumes produced and sold during these activities are to be designated and submitted in a timely manner on appropriate OCD and BLM forms. The approval of a Test Allowable shall not authorize production in excess of the authorized allowable.

A New Well C-104 marked as "NW" should be submitted and approved before the expiration of the 90-day "Test Allowable" to continue transportation. If all required documents are not received and approved within 90 days, the well may be shut in.

TEST ALLOWABLE REQUIREMENTS:

- 1) Operator shall file and have approved with the appropriate NMOCD district office Form C-104 designating REASON FOR FILING CODE as "RT" prior to transporting. Operator shall review Conditions of Approval on the Application for Permit to Drill before filing the C-104.
- 2) The "Ready Date" of first transport/sale must be specified on the Form C-104. To avoid impacting C-115 reporting, the Ready Date shall not be after the date of first sale.

- 3) For a "Test Allowable" C-104, the operator is not required to complete Section V "Well Test Data" Nos.31-41.
- 4) A copy of the well's deviation and/or directional survey and "As Drilled" C-102, must be provided prior to Test Allowable C-104 approval. It does not have to be a certified copy; an informational copy will suffice. The certified copy should still be submitted at a later date. Directional Surveys should be submitted as required by NMOCD Rule 19.15.16.14 NMAC. If the "As drilled" C-102 is not available at the time of submittal, please contact the appropriate District Office.
- 5) EXTENSIONS to the 90 day "RT" approval period, will be granted ONLY IN EXTRAORDINARY CIRCUMSTANCES and will require Santa Fe approval.
- 6) For wells not requiring a Test Allowable C-104, the operator will comply with Log, Completions and Workover reports; NMOCD Rule 19.15.16.19.A NMAC

PLEASE NOTE: Allow district offices sufficient time to review and approve C-104's prior to the designated Ready Date. If needed, please contact the appropriate District Office for a timeline of submittal and approval processes.

Make sure all information on C-104's & sundry filings is complete and correct.
(If not complete and correct the operator may be asked to amend the forms and resubmit)

C-104 form and instructions are available on the OCD website at:
<http://www.emnrd.state.nm.us/OCD/forms.html>

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OIL CONSERVATION DIVISION
NOTICE TO OIL AND GAS OPERATORS

**CHANGES IN DIVISION RULES FOR THE FILING OF COMPLETION REPORTS
AND HYDRAULIC FRACTURE DISCLOSURES**

On August 10, 2017, the New Mexico Oil Conservation Commission approved Order No. R-14353-B which adopted changes to two sections of the New Mexico Administrative Code (NMAC) that involve the reporting requirements to the Division by operators. The changes in NMAC are:

PART 7 FORMS AND REPORTS

19.15.7.16 WELL COMPLETION OR RECOMPLETION REPORT AND LOG (Form C-105)

The Commission approved an increase in the time period for filing the Form C-105 with the appropriate Division District office following the completion or recompletion of a well. This period has increased from 20 days to 45 days. Please remember that the proper filing of a Form C-105 includes all required supplemental documents such as test results and log suites.

PART 16 DRILLING AND PRODUCTION

19.15.16.19 LOG, COMPLETION AND WORKOVER REPORTS

Under this section, the Commission approved changes to the filing date of the completion report and the method of reporting to the Division information detailing the content of the hydraulic fracturing treatment used for the well completion. The filing period is increased to 45 days to conform with the changes in 19.15.7.16 NMAC. Furthermore, the Division will discontinue the use of its own disclosure form and operators must complete and file the FracFocus Chemical Disclosure Registry (<https://fracfocus.org/>) for reporting the content of hydraulic fracture treatments. The operator will be responsible for establishing and maintaining an account with the Registry to comply with this reporting requirement. The filing period for the disclosure will also be 45 days following the completion, recompletion, or additional hydraulic fracturing treatments of the well.

Effective date for these changes is September 26, 2017. Please review the specific content of the changes in these sections of the NMAC as provided in following link: <http://164.64.110.239/nmac/title19/T19C015.htm>. Please contact the appropriate District Supervisor or the Engineering Bureau staff in Santa Fe with any questions regarding these changes.

DAVID R. CATANACH, Director

September 26, 2017