

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, 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 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Month - Year
FEB 26 2007
OCD - ARTESIA, NM

Submit to appropriate District Office

☐ AMENDED REPORT

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

¹ Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		² OGRID Number 015742
⁴ Property Code 36354	⁵ Property Name Halo 1 State	³ API Number 30- 015- 35453
⁹ Proposed Pool 1 Artesia; Queen-Grayburg-San Andres		⁶ Well No. 1
¹⁰ Proposed Pool 2 3230		

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
L	1	19S	27E		2310	South	430	West	Eddy

⁸ Proposed 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

Additional Well Location

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3517
¹⁶ Multiple No	¹⁷ Proposed Depth 2800'	¹⁸ Formation San Andres	¹⁹ Contractor	²⁰ Spud Date 3/15/07
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

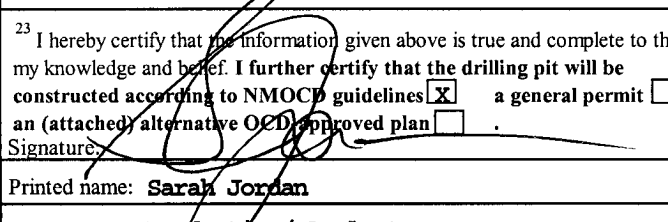
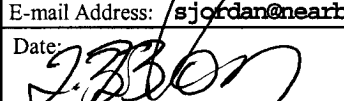
²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11	8-5/8	24	300	300	Surface
7-7/8	5-1/2	17	2800	300	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

NPC proposes to drill well to sufficient depth to evaluate the San Andres formation. Perf, test and stimulate as necessary to establish production.

Acreage dedication is 40 acres

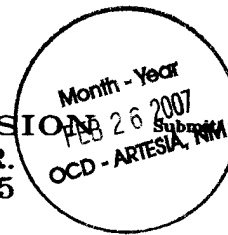
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD approved plan <input type="checkbox"/> . Signature: 	OIL CONSERVATION DIVISION	
Printed name: Sarah Jordan	Approved by: BRYAN G. ARRANT	
Title: Production/ Analyst	Title: DISTRICT II GEOLOGIST	
E-mail Address: sjordan@nearburg.com	Approval Date: MAR 03 2007	Expiration Date: MAR 03 2008
Date: 	Phone: 432/686-8235 x 203	Conditions of Approval: Attached <input type="checkbox"/>

DISTRICT I
1625 N. FRENCH DR., HORRIS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH FRANCIS DR.
Santa Fe, New Mexico 87505



Form C-102
Revised October 12, 2005
Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-35453	Pool Code 3230 4999	Pool Name Artesia; Queen Grayburg Santa Fe
Property Code	Property Name HALO 1 STATE	Well Number 1
OCRID No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3517'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	1	19-S	27-E		2310	SOUTH	430	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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

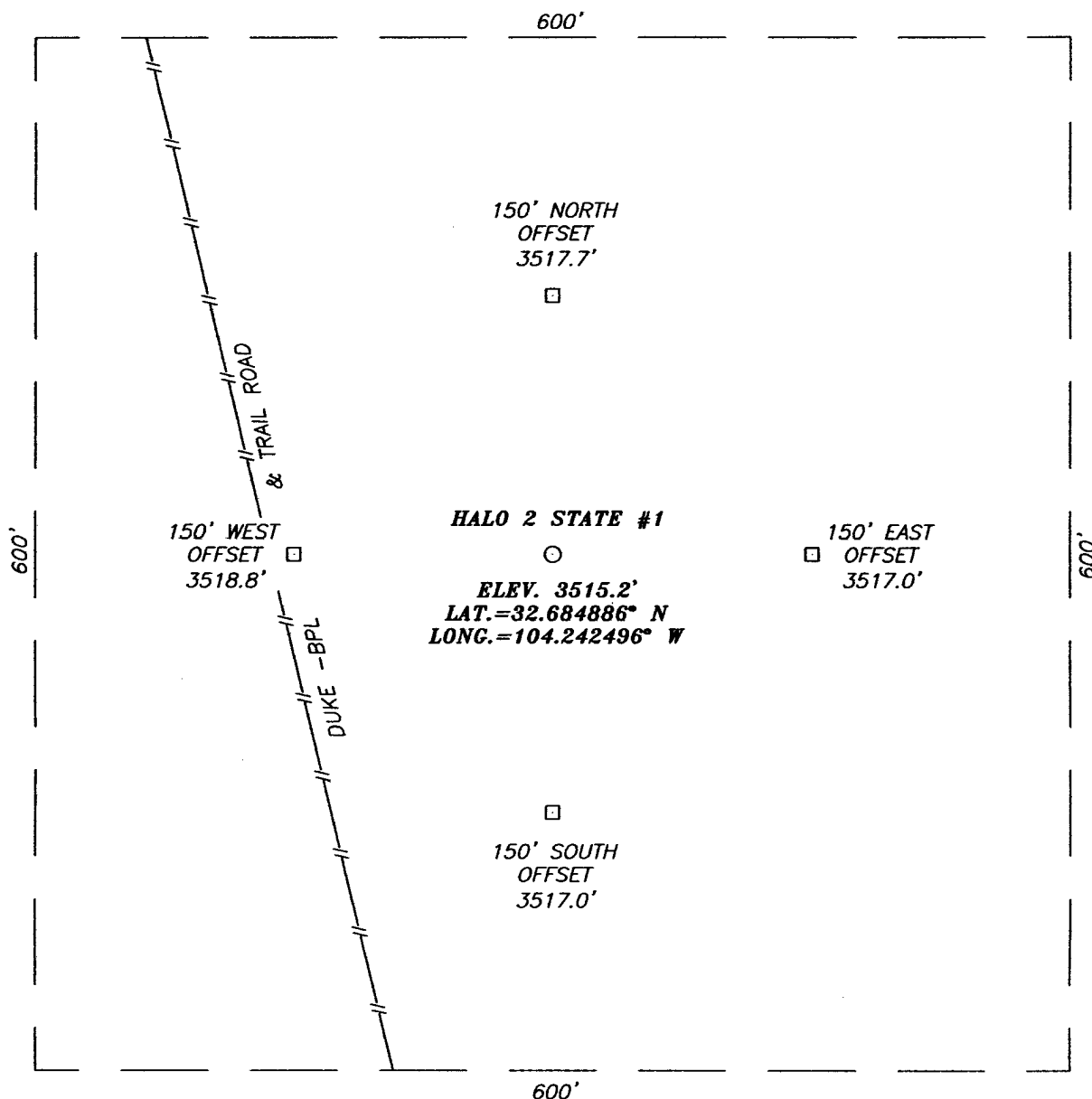
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4	LOT 3	LOT 2	LOT 1
GEODETIC COORDINATES NAD 27 NME Y=614174.1 N X=529064.6 E LAT.=32.688428° N LONG.=104.238862° W			
OPERATOR CERTIFICATION I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature: <i>[Signature]</i> Date: <i>[Signature]</i> Printed Name: <i>[Signature]</i>			
SURVEYOR CERTIFICATION 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. FEBRUARY 1, 2007 Date Surveyed: AR Signature & Seal of Professional Surveyor: <i>[Signature]</i> 2/9/07 07.11.0147 Certificate No. GARY KIDSON 12641			

SECTION 1, TOWNSHIP 19 SOUTH, RANGE 27 EAST, N.M.P.M.,

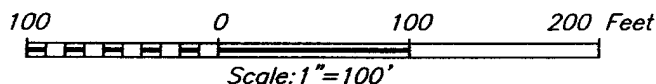
EDDY COUNTY,

NEW MEXICO



DIRECTIONS TO LOCATION

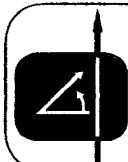
FROM THE INTERSECTION OF ILLINOIS CAMP RD. (#206) AND NETHERLIN RD. (#236), GO WEST ON NETHERLIN RD. APPROX. 1.2 MILES. TURN RIGHT AND GO NORTHWEST APPROX. 1.1 MILE. VEER RIGHT AND GO NORTHEAST APPROX. 0.4 MILES. THROUGH CATTLE GUARD GO EAST ON TRAIL RD. APPROX. 0.6 MILES. TURN LEFT AND GO NORTHWEST ON PIPELINE TRAIL RD. APPROX. 0.4 MILES. THIS LOCATION IS APPROX. 150 FEET EAST OF DUKE BPL.



NEARBURG PRODUCING COMPANY

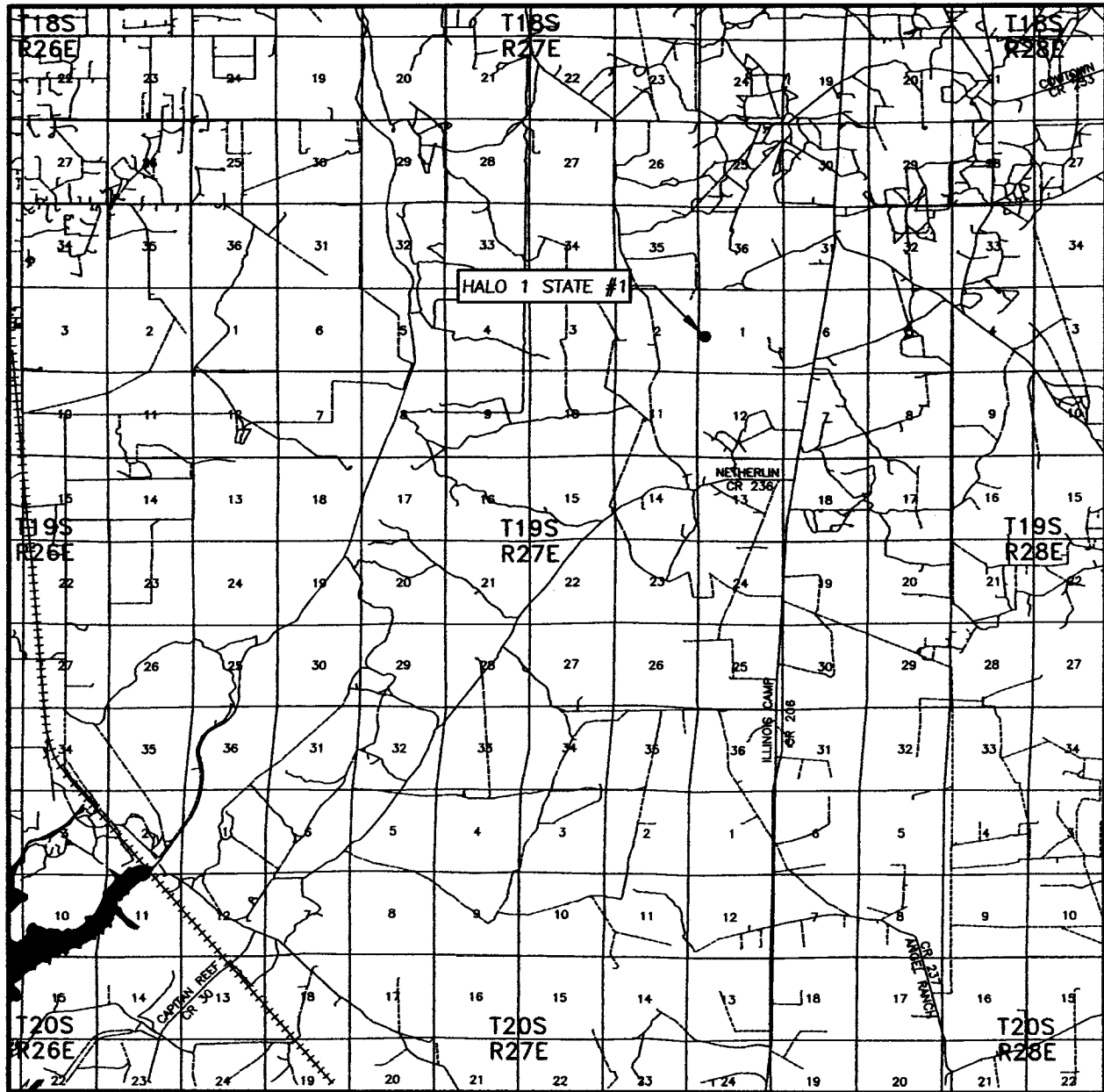
HALO 1 STATE #1 WELL
LOCATED 2310 FEET FROM THE SOUTH LINE
AND 430 FEET FROM THE WEST LINE OF SECTION 1,
TOWNSHIP 19 SOUTH, RANGE 27 EAST, N.M.P.M.,
EDDY COUNTY, NEW MEXICO.

Survey Date: 02/01/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.0147	Dr By: AR
Date: 02/06/07	Disk: CD#5
07110147	Scale: 1"=100'



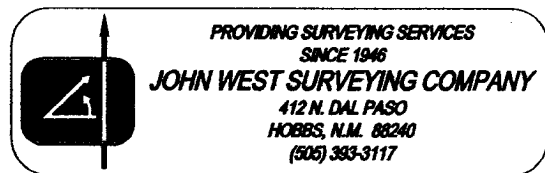
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 383-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 1 TWP. 19-S RGE. 27-E
 SURVEY N.M.P.M.
 COUNTY EDDY STATE NEW MEXICO
 DESCRIPTION 2310' FSL & 430' FWL
 ELEVATION 3517'
 OPERATOR NEARBURG PRODUCING COMPANY
 LEASE HALO 1 STATE



FINON



CONTOUR INTERVAL:
ILLINOIS CAMP, N.M. - 10'
SUPPLEMENTAL -5'

ILLINOIS CAMP, N.M. - 10'
SUPPLEMENTAL -5'

SUPPLEMENTAL -5'

**PROVIDING SURVEYING SERVICES
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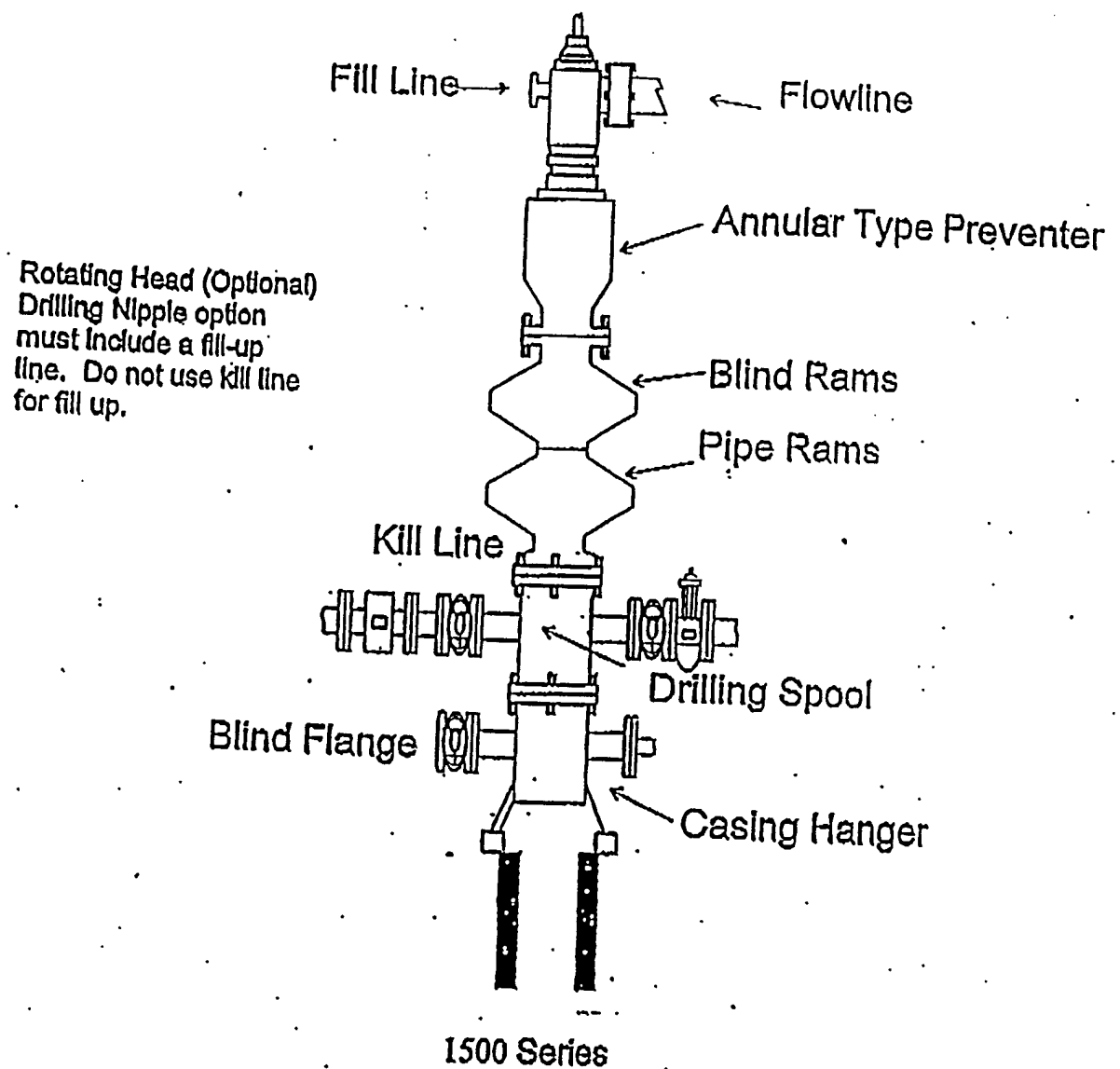
JOHN WEST SURVEYING COMPANY

412 N. DAL PASO

HOBBS, N.M. 88240
(505) 202 2117

(906) 383-3117

BOPE SCHEMATIC



NEARBURG PRODUCING CO. V"
CHOKE MANIFOLD
5M SERVICE

