

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (505) 393-6181 Fax: (505) 393-0720
DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87440
Phone (505) 834-6176 Fax: (505) 834-6170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3480 Fax: (505) 476-3482

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | |
|------------------------------------|---|------------------------------------|
| API Number 30-025- 41859 | Pool Code 37580 | Pool Name Lea Bone Spring South |
| Property Code 40102 | Property Name LEA SOUTH 25 FEDERAL COM | Well Number 9H |
| OGRID No. 025575 15742 | Operator Name NEARBURG PRODUCING CO. | Elevation 3728' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| M | 25 | 20 S | 34 E | | 93 | SOUTH | 806 | WEST | LEA |

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 | 25 | 20 S | 34 E | | 330 | NORTH | 810 | WEST | LEA |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 160 | | | |

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>BOTTOM HOLE LOCATION Lat - N 32°33'01.65" Long - W 103°31'12.73" NMSPC - N 564940.8 E 791889.7 (NAD-83)</p> <p>SURFACE LOCATION Lat - N 32°32'13.59" Long - W 103°31'11.04" NMSPC - N 560085.1 E 792071.4 (NAD-83)</p> | <p>OPERATOR CERTIFICATION 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: <i>Terrence Gant</i> Date: 5/28/13</p> <p>Printed Name: Terrence Gant</p> <p>Email Address: Tgant@nearburg.com</p> |
| | <p>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.</p> <p>Date Surveyed: MAY 27 2014</p> <p>Signature & Seal of Professional Surveyor: <i>Gary L. Jones</i></p> <p>Certificate No: Gary L. Jones 7977</p> <p>BASIN SURVEYS 28413</p> |

MAY 27 2014

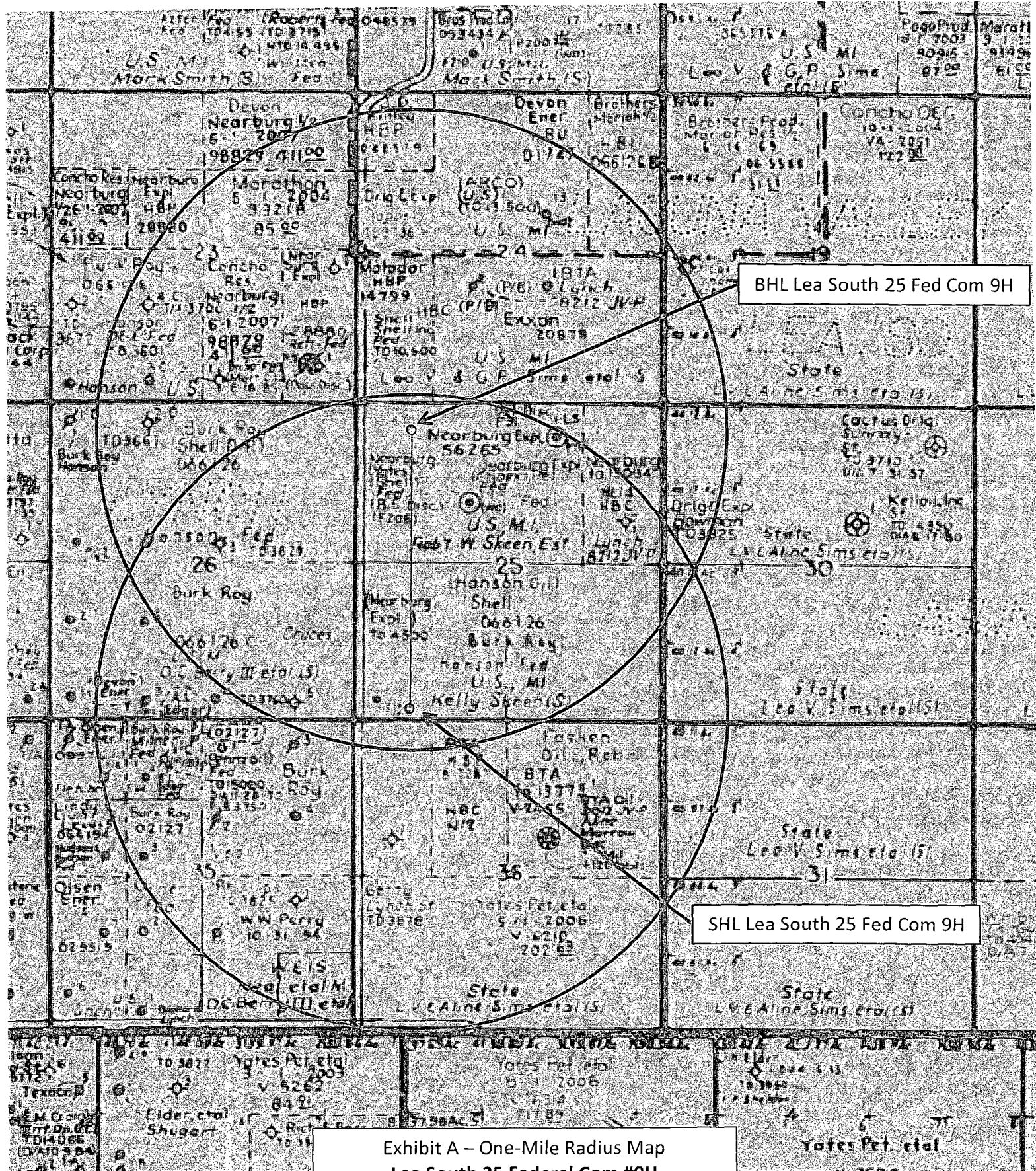
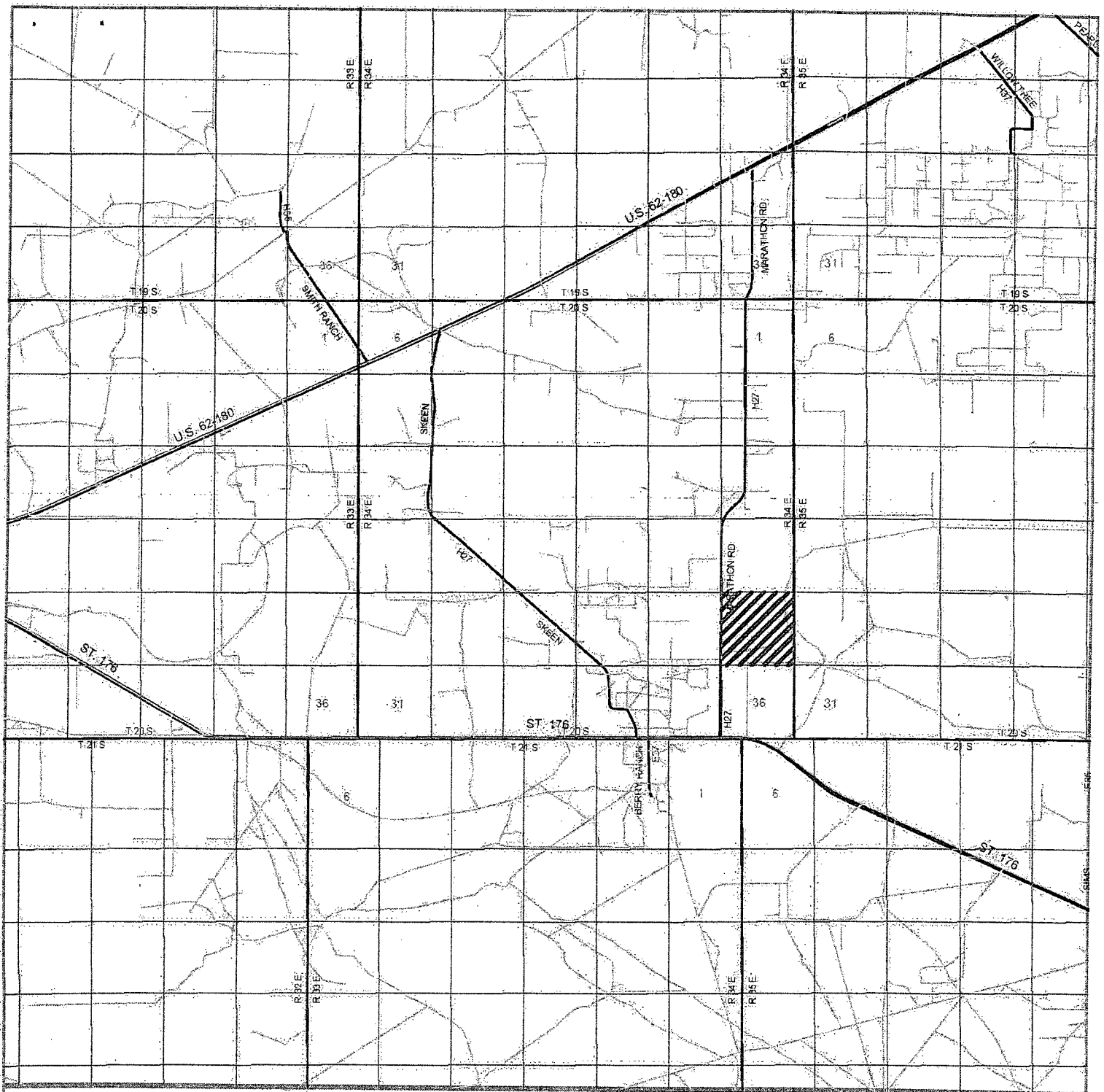
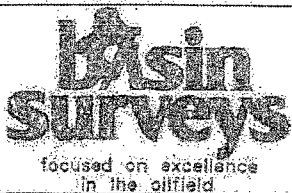


Exhibit A – One-Mile Radius Map
 Lea South 25 Federal Com #9H
 Nearburg Producing Co.
 25-20S-34E
 SHL 93 FSL & 806 FWL
 BHL 330 FNL & 810 FWL
 Lea County, NM



LEA SOUTH 25 FEDERAL COM #9H
 Located 93' FSL and 806' FWL
 Section 25, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



P.O. Box 1786
 1120 N. West County Rd.
 Hobbs, New Mexico 88241
 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

W.O. Number: JMS 28413

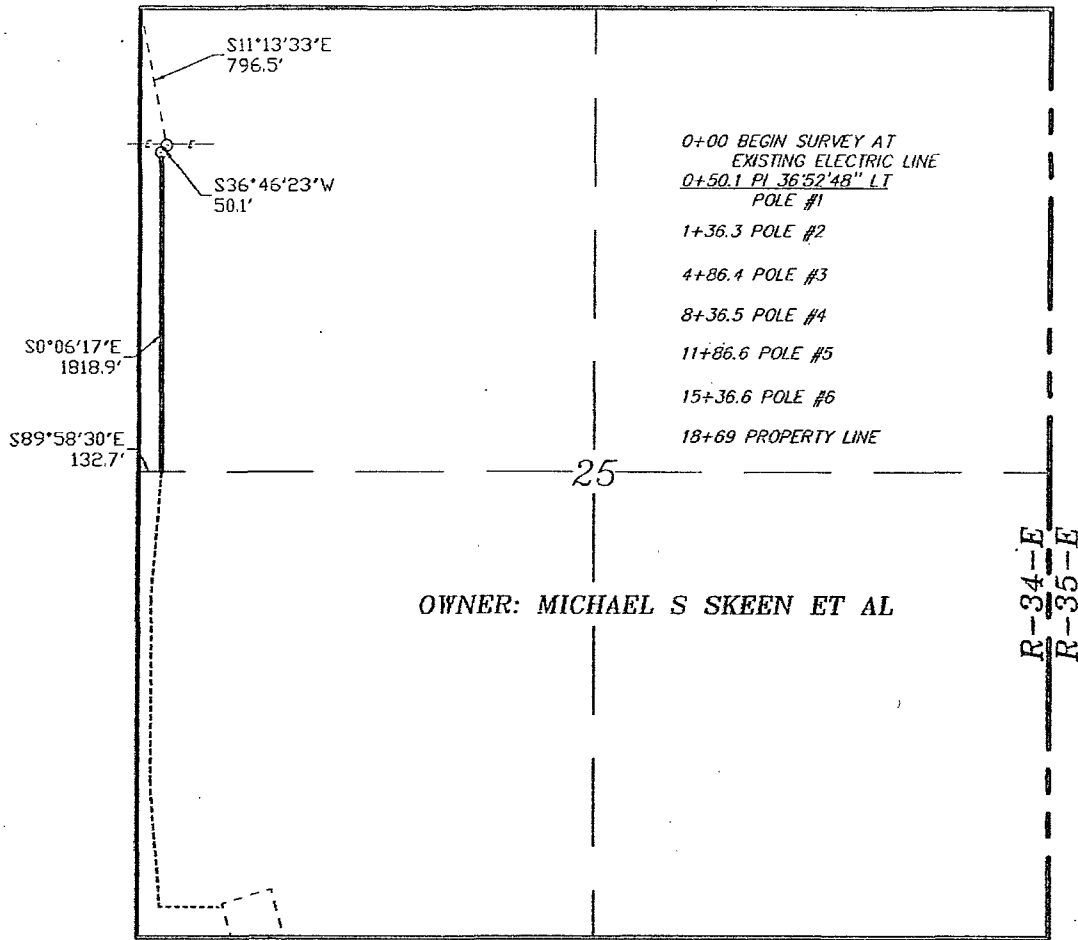
Survey Date: 03-27-2013

Scale: 1" = 2 Miles

Date: 04-04-2013

**NEARBURG
 PRODUCING CO.**

SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT WHICH LIES S11°13'33"E., 796.5 FEET FROM THE NORTHWEST CORNER OF SAID SECTION 25; THENCE S36°46'23"W., 50.1 FEET; THENCE S0°06'17"E., 1818.9 FEET TO A POINT ON THE SOUTH PROPERTY LINE WHICH LIES S89°58'30"E., 132.7 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 25. SAID STRIP OF LAND BEING 1869.0 FEET OR 113.27 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ACCURATE SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.

GARY L. JOHNSON, P.S., No. 7977
P.O. Box 1786, Hobbs, NM 88401
No. 5074

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 28707 Drawn By: J. GOAD

Date: 5-22-2013 Disk: JG - 28707E

1000 0 1000 2000 FEET

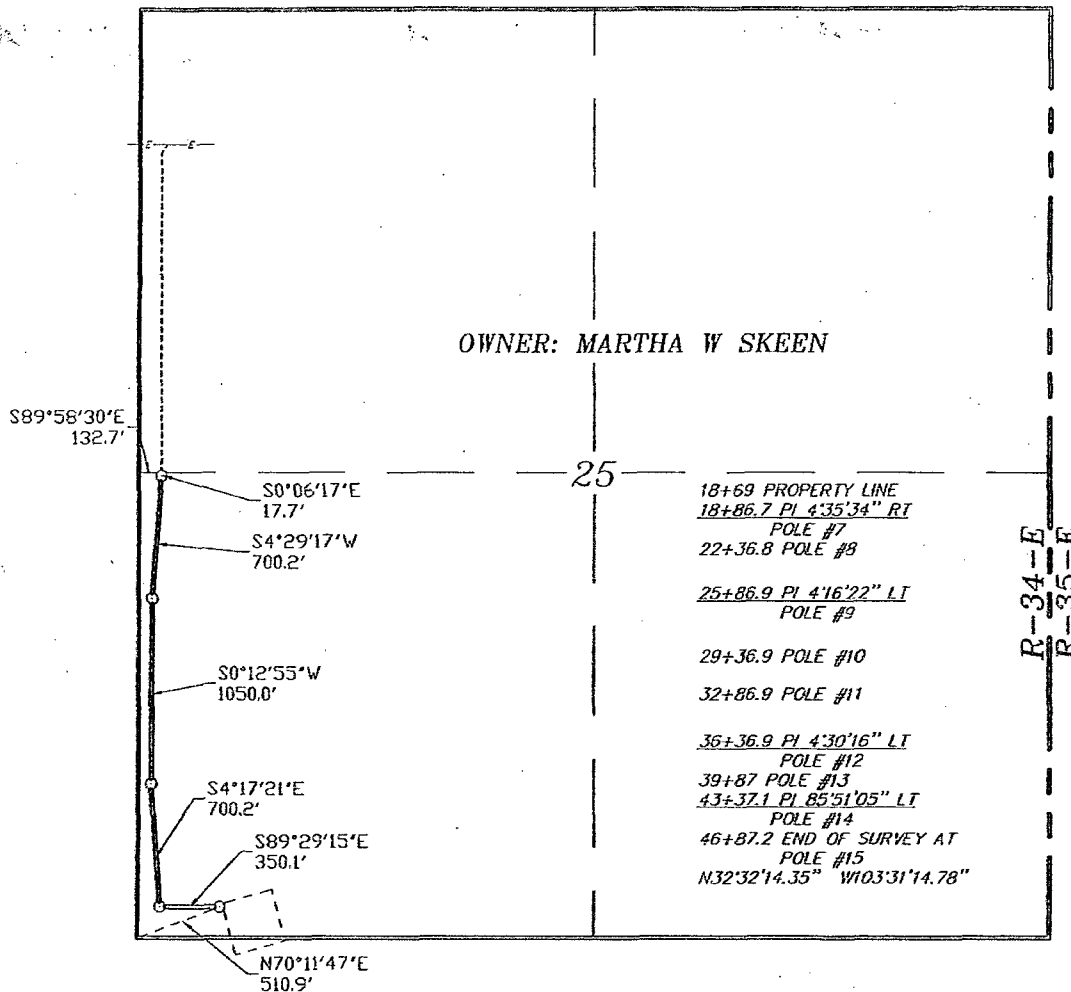
NEARBURG PRODUCING CO.

REF: PROPOSED LYNCH/CHIEF WELLS ELECTRIC LINE

A ELECTRIC LINE CROSSING FEE LAND IN
SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 5-15-2013 Sheet 1 of 2 Sheets

**SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.**

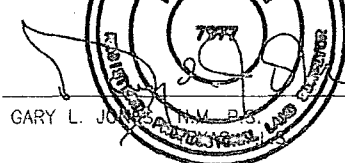


LEGAL DESCRIPTION

A STRIP OF LAND 30.0 FEET WIDE, LOCATED IN SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING 15.0 FEET LEFT AND RIGHT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY.

BEGINNING AT A POINT ON THE NORTH PROPERTY LINE WHICH LIES S89°58'30"E., 132.7 FEET FROM THE WEST QUARTER CORNER OF SAID SECTION 25; THENCE S0°06'17"E., 17.7 FEET; THENCE S4°29'17"W., 700.2 FEET; THENCE S0°12'55"W., 1050.0 FEET; THENCE S4°17'21"E., 700.2 FEET; THENCE S89°29'15"E., 350.1 FEET TO THE END OF THIS LINE WHICH LIES N70°11'47"E., 510.9 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION 25. SAID STRIP OF LAND BEING 2818.2 FEET OR 170.80 RODS IN LENGTH.

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED FROM FIELD NOTES OF AN ARCADE SURVEY AND MEETS OR EXCEEDS ALL REQUIREMENTS FOR LAND SURVEYS AS SPECIFIED BY THIS STATE.



GARY L. JONES, N.M. P.S. No. 7977
No. 5074

BASTIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 28707 Drawn By: J. GOAD

Date: 5-22-2013 Disk: JG - 28707E

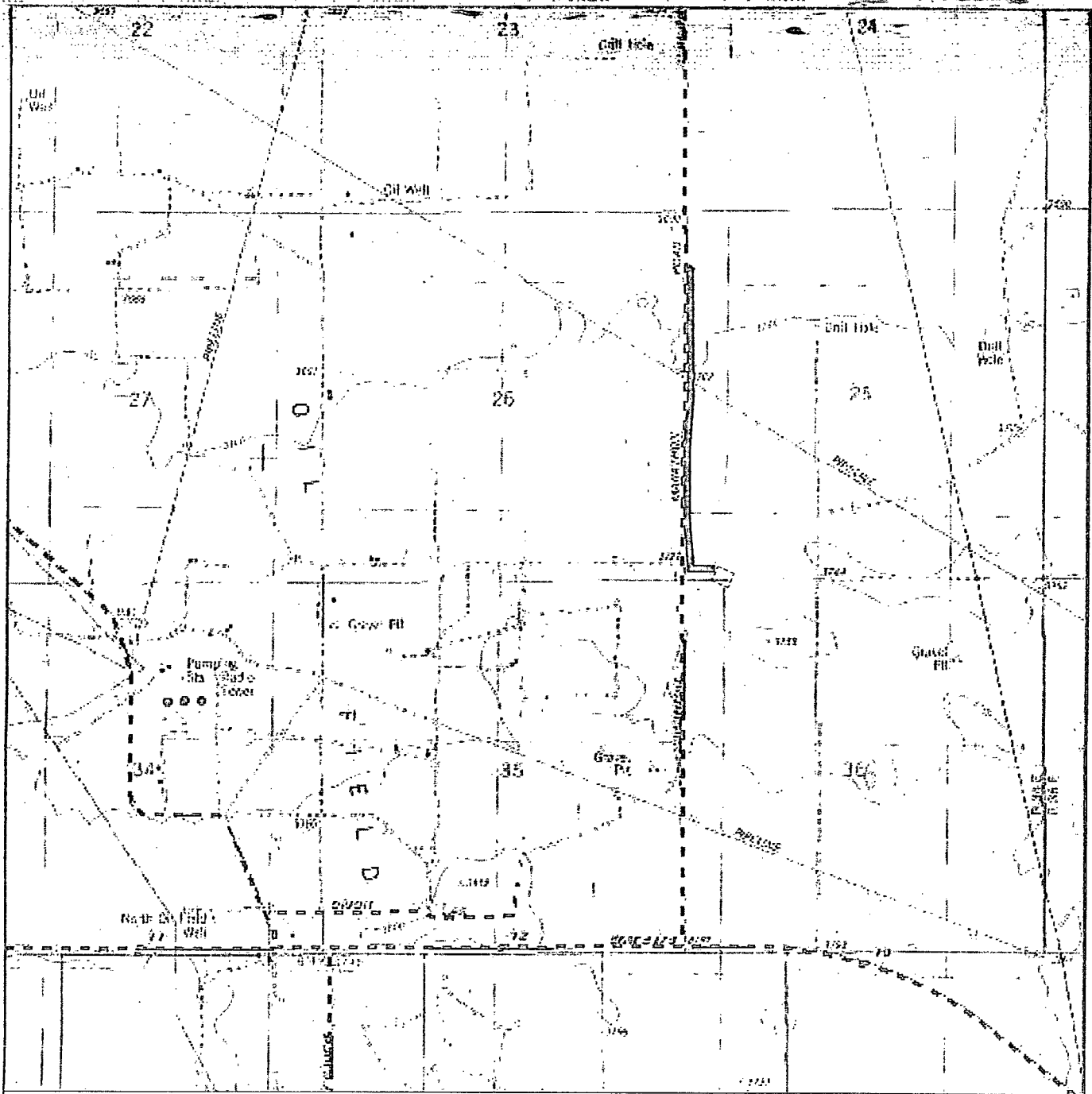
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NEARBURG PRODUCING CO.

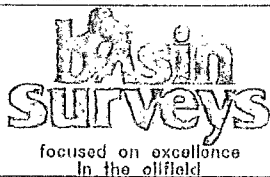
REF: PROPOSED LYNCH/CHIEF WELLS ELECTRIC LINE

A ELECTRIC LINE CROSSING FEE LAND IN
SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 5-15-2013 Sheet 2 of 2 Sheets



PROPOSED LYNCH/CHIEF WELLS ELECTRIC LINE
 Section 25, Township 20 South, Range 34 East,
 N.M.P.M., Lea County, New Mexico.



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 1120 N. West County Rd.
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 (575) 393-7316 - Office
 (575) 392-2206 - Fax
 basinsurveys.com

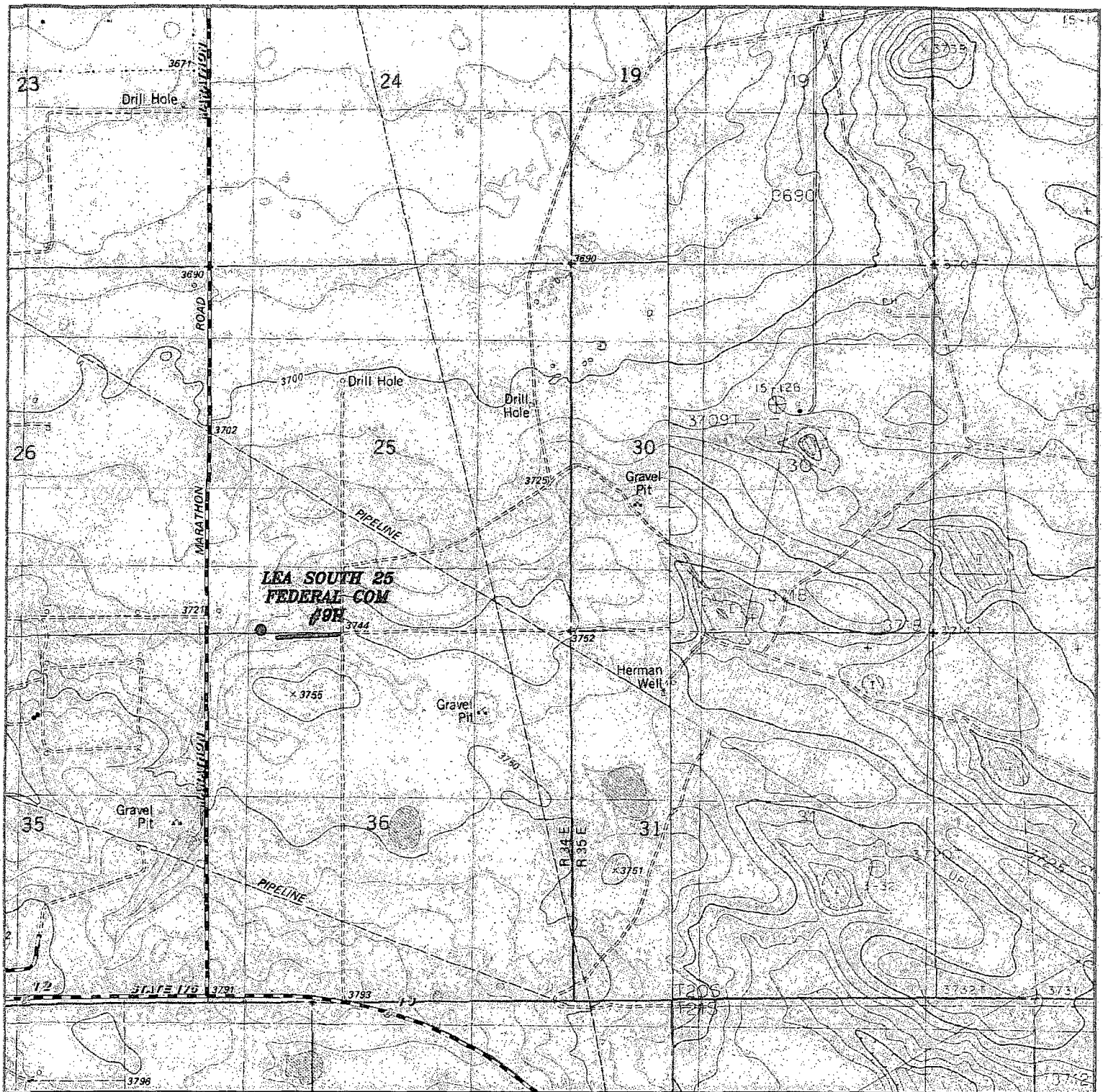
W.O. Number: JG - 28707E

Survey Date: 5-15-2013

Scale: 1" = 2000'

Date: 5-22-2013

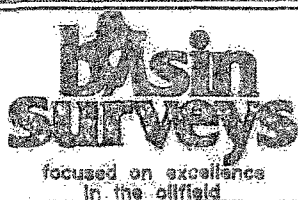
**NEARBURG
 PRODUCING
 CO.**



LEA SOUTH 25 FEDERAL COM #9H

Located 93' FSL and 806' FWL

Section 25, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.



P.O. Box 1785
1120 N. West County Rd.
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basinsurveys.com

W.O. Number: JMS 28413

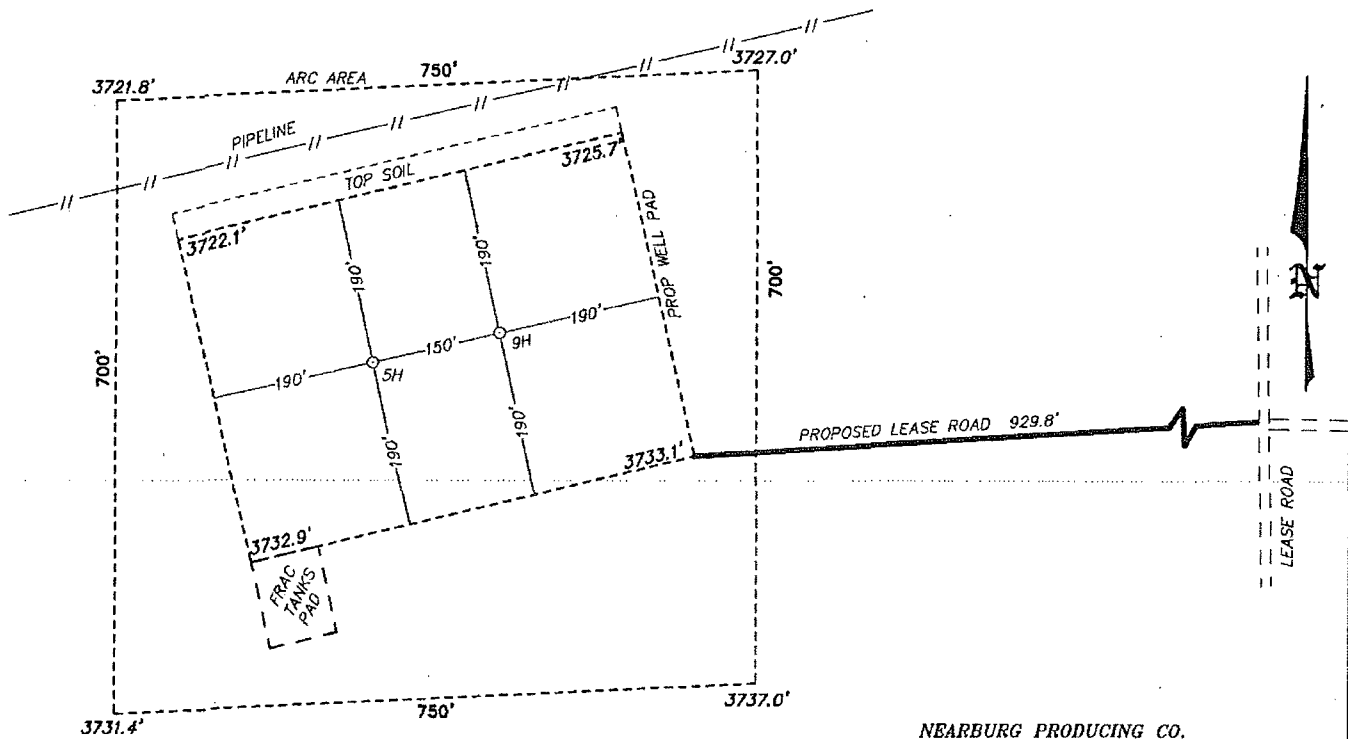
Survey Date: 03-27-2013

Scale: 1" = 2000'

Date: 04-04-2013

**NEARBURG
PRODUCING CO.**

SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



NEARBURG PRODUCING CO.
LEA SOUTH 25 FEDERAL COM #9H
ELEV. - 3728'
Lat - N 32°32'13.59"
Long - W 103°31'11.04"
NMSPC - N 560085.1
E 792071.4
(NAD-83)

EUNICE, NM IS ±23 MILES TO THE SOUTHEAST OF LOCATION.



Directions to Location:

FROM THE JUNCTION OF HWY 176 AND MARATHON ROAD, GO NORTH ON MARATHON ROAD FOR 1.3 MILES TO LEASE ROAD, ON LEASE ROAD TO EAST 0.4 MILES TO LEASE ROAD, TURN SOUTH 0.4 MILES TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786 - HOBBS, NEW MEXICO

W.O. Number: 28413 Drawn By: J. SMALL

Date: 04-04-2013 Disk: JMS 28413

NEARBURG PRODUCING CO.

REF: LEA SOUTH 25 FEDERAL COM #9H / WELL PAD TOPO

THE LEA SOUTH 25 FEDERAL COM #9H LOCATED 93'
FROM THE SOUTH LINE AND 806' FROM THE WEST LINE OF
SECTION 25, TOWNSHIP 20 SOUTH, RANGE 34 EAST,
N.M.P.M., LEA COUNTY, NEW MEXICO.

Survey Date: 03-27-2013 Sheet 1 of 1 Sheets

Public access from
Marathon Road

2.5

3.0

Existing lease
road.

**LEA SOUTH 25
FEDERAL COM
#9H**

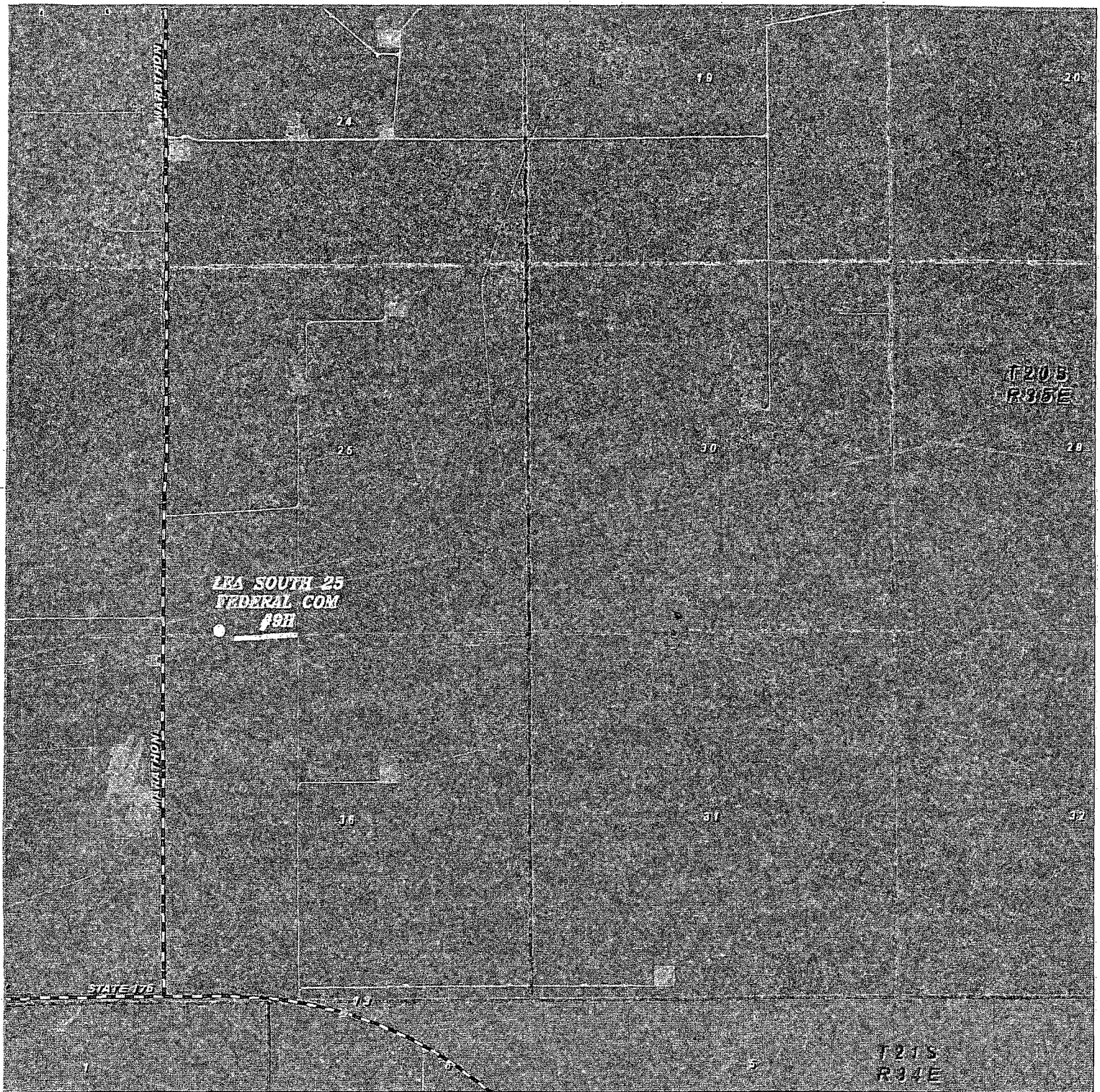
930' Proposed new
access road

3.6

3.7

Public Access and Lease Roads
Lea South 25 Federal Com #9H
Nearburg Producing Co.
25-20S-34E
SHL 93 FSL & 806 FWL
BHL 330 FNL & 810 FWL
Lea County, NM

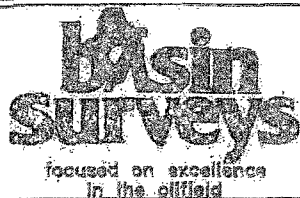
STATE 176



LEA SOUTH 25 FEDERAL COM #9H

Located 93' FSL and 806' FWL

Section 25, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.



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Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND

NEARBURG
PRODUCING CO.

Application to the
Lea South 25 Federal Coal Field
Nearburg Producing Co. Agent: Unarex Energy Co.
UL: M, Sec. 25-20S-34E
Lea County, NM

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided for your consideration:

- 1 Location: SHL 93' FSL & 806' FWL
BHL 330' FNL & 810' FWL
- 2 Elevation above sea level: 3728' GR
- 3 Geologic name of surface formation: Quaternary Alluvium Deposits
- 4 Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
- 5 Proposed drilling depth: 14,454' MD 9,800' TVD
- 6 Estimated tops of geological markers:

| Formation | Est. Top | Bearing |
|----------------------|----------|--------------|
| Rustler | 1650 | NA |
| Top of Salt | 1800 | NA |
| Tansill | 3400 | NA |
| Capitan | 3970 | NA |
| Cherry Canyon | 5700 | Hydrocarbons |
| Bone Spring | 8400 | NA |
| Avalon Shale | 8900 | Hydrocarbons |
| 1st Bone Spring Ss | 9600 | Hydrocarbons |
| 2nd Bone Spring Ss | 10150 | Hydrocarbons |
| 3rd Carbonate | 10630 | NA |
| 3rd Bone Spring Ss | 10925 | NA |
| 3rd Bone Spring C Ss | 11015 | Hydrocarbons |

← possible missing formations (H₂O 300' above) notes

- 7 Possible mineral bearing formation:
Shown above

7A OSE Ground Water estimated depth: 100'

- 8 Casing Program:

See COA

| Casing Depth From (ft) | Casing Setting Depth (ft) MD | Casing Setting Depth (ft) TVD | Open Hole Size (inches) | Casing Size (inches) | Casing Weight (lb/ft) | Casing Grade | Thread | Condition | BHP (psig) | Anticipated Mud Weight (ppg) | Collapse SF (1.125) | Burst SF (1.125) | Cumulative Air Weight (lbs) | Cumulative Buoyed Weight (lbs) | Booyant Tension SF (1.8) |
|------------------------|------------------------------|-------------------------------|-------------------------|----------------------|-----------------------|--------------|--------|-----------|------------|------------------------------|---------------------|------------------|-----------------------------|--------------------------------|--------------------------|
| Surface | 1780 | | | | | | | | | | | | | | |
| 0' | 1675 | 1675 | 17 1/2 | 13 3/8 | 54.5 | J-55 | ST&C | New | 754 | 8.4 | 1.54 | 3.64 | 91,288 | 79,580 | 6.46 |
| Intermediate | 5700 | | | | | | | | | | | | | | |
| 0' | 5480 | 5480 | 12 1/4 | 9 5/8 | 40 | N-80 | LT&C | New | 2,466 | 10.2 | 1.78 | 2.33 | 219,200 | 185,065 | 3.98 |
| Production | | | | | | | | | | | | | | | |
| 0' | 9323 | 9323 | 8 3/4 | 5 1/2 | 17 | P-110 | LT&C | New | 2,254 | 9.2 | 1.68 | 4.72 | 166,600 | 143,200 | 3.11 |
| 9323' | 14454 | 9800 | 8 3/4 | 5 1/2 | 17 | P-110 | BT&C | New | 4,410 | 9.2 | 1.60 | 2.41 | 8,109 | 6,970 | 78.34 |

Casing Design Criteria and Casing Loading Assumptions:

Surface

- Tension A 1.8 design factor with effects of buoyancy. 8.4 ppg
- Collapse A 1.125 design factor with full internal evacuation and a collapse force equal to a 8.4 ppg mud gradient
- Burst A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.

Intermediate

- Tension A 1.8 design factor with effects of buoyancy. 10.2 ppg
- Collapse A 1.125 design factor evacuated 1/3 TVD of next casing string with a collapse force equal to a 10.2 ppg mud gradient
- Burst A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.

Production

- Tension A 1.8 design factor with effects of buoyancy. 9.2 ppg
- Collapse A 1.125 design factor with full internal evacuation and a collapse force equal to a 9.2 ppg mud gradient
- Burst A 1.125 design with a surface pressure equal to the fracture gradient at setting depth less gas gradient to surface.