

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

☐ AMENDED REPORT

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

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| ¹ Operator Name and Address Nemo Fund I, LLC 901 West Missouri, Suite 911 Midland, TX 79701 | ² OGRID Number 310809 |
| ⁴ Property Code 316244 | ³ Property Name Santa Fe 35 |
| ⁵ API Number 30-025-43265 | |
| ⁶ Well No. 004H | |

7. Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| I | 26 | 10 S | 36 E | | 2610 | South | 1310 | East | Lea |

8. Proposed Bottom Hole Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 35 | 10 S | 36 E | | 330 | South | 660 | East | Lea |

9. Pool Information

| | |
|---|---|
| ⁹ Pool Name DICKENSON Crossroads; San Andres, East | ¹⁰ Pool Code 14270 17650 |
|---|---|

Additional Well Information

| | | | | |
|---|---|---|--|--|
| ¹¹ Work Type New | ¹² Well Type Oil | ¹³ Cable/Rotary R | ¹⁴ Lease Type P | ¹⁵ Ground Level Elevation 3981 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 5000 | ¹⁸ Formation San Andres | ¹⁹ Contractor TBD | ²⁰ Spud Date TBD |
| ²¹ Depth to Ground water > 70 feet | | ²² Distance from nearest fresh water well ~3696' | | ²³ Distance to nearest surface water ~3718' |

☒ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 12-1/4" | 8-5/8" | 32 | 2350 | 1190 | Surface |
| Prod | 7-7/8" | 5-1/2" | 20/23 | 12340 | 1366 | 1800 |

Casing/Cement Program: Additional Comments

Drill 7-7/8" prod hole to 4400±', KOP 4425', drill curve 4427'-5327' MD, 5000' TVD, drill lateral 12340' MD, 5000' TVD. 5-1/2" prod casing to be set at 12340' MD, 5000' TVD. See attached C-102, proposed wellbore diagram and directional plan.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|----------------|
| Double Ram | 5000 | 5000 | NOV (National) |

| | |
|---|---|
| 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 I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: <i>D. Holcomb</i> | <p style="text-align: center;">OIL CONSERVATION DIVISION</p> |
| Printed name: Danny J. Holcomb | Approved By: <i>[Signature]</i> |
| Title: Agent for Nemo Fund I, LLC | Title: Petroleum Engineer |
| E-mail Address: danny@pwlfc.net | Approved Date: 05/20/16 Expiration Date: 05/20/18 |
| Date: 5/13/2016 Phone: 806-471-5628 | Conditions of Approval Attached |

See Attached
Conditions of Approval