

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
NO. 1004-0137
Expires: January 31, 2018

Carlsbad Field Office
OCD Hobbs

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.

5. Lease Serial No.
M56265

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
LEA SOUTH 25 FEDERAL COM 2BS 7H

9. API Well No.
30-025-43029-00-X1

10. Field and Pool or Exploratory Area
LEA

11. County or Parish, State
LEA COUNTY, NM

SUBMIT IN TRIPLICATE - Other instructions on page 2

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

NEARBURG PRODUCING COMPANY

Contact: BETTIE WATSON

E-Mail: bettie@watsonreg.com

3a. Address

3300 NORTH A STREET BLDG 2 STE 120
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 972-979-0132

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 25 T20S R34E SWSE 330FSL 1980FEL
32.321592 N Lat, 103.304173 W Lon

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	Change to Original A
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	PD

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 recomplete 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 recompletion 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.

a) Change well name from Lea South 25 Federal Com 2BS 7H to Lea South 25 Fed Com 3BS 7H.

b) Request approval to run an annular casing packer set directly below the DV tool at 3870"

14. I hereby certify that the foregoing is true and correct.

Electronic Submission #382757 verified by the BLM Well Information System
For NEARBURG PRODUCING COMPANY, sent to the Hobbs
Committed to AFMSS for processing by MUSTAFA HAQUE on 08/09/2017 (17MH0039SE)

Name (Printed/Typed) BETTIE WATSON

Title AGENT

Signature (Electronic Submission)

Date 07/27/2017

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By MUSTAFA HAQUE

Title PETROLEUM ENGINEER

Date 08/22/2017

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.

Office Hobbs

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 **

Kz

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Nearburg Operating
LEASE NO.:	NMLC0066126
WELL NAME & NO.:	Lea South 25 Fed Com 3BS 7H
SURFACE HOLE FOOTAGE:	330 'S & 1980'/E
BOTTOM HOLE FOOTAGE:	330'/N & 2080'/E
LOCATION:	Section 25, T.20 S., R.34 E., NMPM
COUNTY:	Lea County, New Mexico

A. CASING

All previous COAs still apply except the following:

Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.

1. The minimum required fill of cement behind the 9-5/8 inch intermediate casing is:

Operator has proposed DV tool at depth of 3870', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.

- a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage. **Excess calculates to 24% - Additional cement might be required.**

- b. Second stage above DV tool:

☒ Cement to surface. If cement does not circulate to the surface:

- i. The appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

- ii. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours after bringing cement to surface or 500 pounds compressive strength, whichever is greater.
- iii. If cement falls back, remedial cementing will be done prior to drilling out that string.
- iv. **Wait on cement (WOC) time for a primary cement job is to include the lead cement slurry due to capitan reef or potash.**

MHH 08222017



Haque, Mustafa <mhaque@blm.gov>

RE: Lea South 25 Fed Com 3BS 7H

1 message

Brad Burke <bburke@chisholmenergy.com>

Tue, Aug 22, 2017 at 9:58 AM

To: "Haque, Mustafa" <mhaque@blm.gov>

Cc: Bettie Watson <bwatson@chisholmenergy.com>

The cement information for the intermediate casing is as follows is as follows:

Intermediate String Casing Cement Program (BJ)

Type	Description	Pump Time	Amount	Volume	TOC
Stage 1 Lead	12.0 ppg, 2.31 cuft/sk, Class H		396 sks	163 bbls	
Stage 1 Tail	14.4 lb/gal, 1.22 cuft/sk, Class H	2.3 hrs	290 sks	63 bbls	3870'
Stage 2	12.0 ppg, 2.43 cuft/sk, Class C	2.5 hrs	998 sks	433 bbls	Surface

***100% Excess**

The current plan has 100% excess for all stages but as you know, we have already lost circulation on this well so we will be running a caliper log before casing and adjusting our volumes accordingly. Our practice for Capitan Reef strings is to go 30% over caliper volume to ensure cement returns to surface. We will pump the first stage then open the DV tool and we will circulate for 4 hours and note cement returns to surface. We are running an ACP to ensure we have a solid base above the Capitan Reef for our second stage job. Please let me know if you have any questions or need anything further.

Thanks,

Brad Burke

Sr. Engineer

Office: 817-953-3042

Cell: 432-413-2367

Chisholm Energy Holdings, LLC