

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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 Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101  
August 1, 2011  
Permit 179491

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

1. Operator Name and Address NEARBURG PRODUCING CO 3300 N. A Street, Bldg 2, Midland, TX 79707		2. OGRID Number 15742
4. Property Code 40219		3. API Number 30-015-41948
5. Property Name SHELBY 23		6. Well No. 002

**7. Surface Location**

UL - Lot A	Section 23	Township 19S	Range 25E	Lot Idn	Feet From 900	N/S Line N	Feet From 990	E/W Line E	County Eddy
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**8. Proposed Bottom Hole Location**

UL - Lot A	Section 23	Township 19S	Range 25E	Lot Idn A	Feet From 900	N/S Line N	Feet From 990	E/W Line E	County Eddy
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**9. Pool Information**

N. SEVEN RIVERS; GLORIETA-YESO	97565
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3434
16. Multiple N	17. Proposed Depth 3600	18. Formation Yeso Formation	19. Contractor	20. Spud Date 1/13/2014
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ 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	12.25	8.625	32	825	494	0
Prod	7.875	5.5	17	3600	720	0

**Casing/Cement Program: Additional Comments**

8-5/8" Casing: Lead Cement: 180 sxs Thixotropic "H" + 10% A-10 + 1% CC + 10 pps LCM-1 + .25 pps Cello + 5 pps LCM 1. Weight 14.6 ppg Yield 1.32 cfs Mix Water 6.15 gps Tail Cement: 314 sxs "C" + 2% CC + 1 gps FP-6L. Weight 14.8 ppg Yield 1.32 cfs Mix Water 6.3 gps. These volumes based on circulating cement to surface. 100% excess. If cement does not circulate 1 inch cement to surface. 5-1/2" Casing: Lead Cement: 720 sxs "C" Neat Weight 14.8 ppg Yield 1.32 cfs Mix Water 6.3 gps. These volumes based on circulating cement to surface. 40% excess. Final cement volumes for production casing to be calculated off open hole logs plus 40% excess.

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable.  Signature: _____ Printed Name: Electronically filed by LeighAnn Hall Title: Production Tech Email Address: lhall@nearburg.com Date: 1/7/2014	<b>OIL CONSERVATION DIVISION</b>  Approved By: Randy Dade Title: District Supervisor Approved Date: 1/8/2014 Expiration Date: 1/8/2016 Conditions of Approval Attached
Phone: 432-818-2950	

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State of New Mexico  
Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011

Submit one copy to appropriate  
District Office

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number		Pool Code 97565	Pool Name N. SEVEN RIVERS; GLORIETA-YESO
Property Code 40219	Property Name SHELBY "23"		Well Number 2
OGRID No. 15742	Operator Name NEARBURG PRODUCING COMPANY		Elevation 3434'

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	23	19 S	25 E		900	NORTH	990	EAST	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 40		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>N 601438 3490 E 601082 6770 NAD83</p>	<p><b>SURFACE LOCATION</b> Lat - N 32°39'03.62" Long - W 104°27'00.21" NMSPC - N 600584.3 E 505414.4 (NAD-83)</p>	<p>N 601494 6335 E 506406 4850 NAD83</p>	<p>000' S.L. 990'</p>	<p><b>OPERATOR CERTIFICATION</b> 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><i>Tim Green</i> 1-7-14 Signature Date Tim Green Printed Name tgreen@nearburg.com Email Address</p>
				<p><b>SURVEYOR CERTIFICATION</b> 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>OCTOBER 23 2013 Date Surveyed Signature of Professional Surveyor 7977 Certification Number 7977 BASIN SURVEYORS</p> <p>0' 500' 1000' 1500' 2000' SCALE: 1" = 1000' WO Num. 29635</p>

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Form APD Comments  
  
Permit 179491

**PERMIT COMMENTS**

Operator Name and Address: NEARBURG PRODUCING CO [15742] 3300 N. A Street, Bldg 2, Midland, TX 79707		API Number: 30-015-41948
		Well: SHELBY 23 #002
Created By	Comment	Comment Date
CSHAPARD	Land p/P	1/7/2014

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Form APD Conditions  
  
 Permit 179491

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: NEARBURG PRODUCING CO [15742] 3300 N. A Street, Bldg 2, Midland, TX 79707		API Number: 30-015-41948
		Well: SHELBY 23 #002
OCD Reviewer	Condition	
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string	