

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) 749-1283 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 214386

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

1. Operator Name and Address NEMO FUND I, LLC 5826 New Territory, Box 412 Sugarland, TX 77479-594		2. OGRID Number 310809
		3. API Number 30-025-42980
4. Property Code 315728	5. Property Name PITA STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot M	Section 13	Township 10S	Range 36E	Lot Idn	Feet From 10	N/S Line S	Feet From 660	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot D	Section 13	Township 10S	Range 36E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County Lea
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9. Pool Information

CROSSROADS;SAN ANDRES, EAST	14270
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3979
16. Multiple N	17. Proposed Depth 4980	18. Formation San Andres	19. Contractor	20. Spud Date 1/20/2016
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	9.625	36	2300	1135	0
Prod	8.75	5.5	17	9975	1650	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	2000	3000	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 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: _____ Printed Name: Electronically filed by Preston Bornman Title: President Email Address: pbornman@nautilus-energy.com Date: 12/18/2015	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 12/18/2015 Expiration Date: 12/18/2017 Conditions of Approval Attached
Phone: 713-416-2281	

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Form C-102
 August 1, 2011
 Permit 214386

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42980	2. Pool Code 14270	3. Pool Name CROSSROADS,SAN ANDRES, EAST
4. Property Code 315728	5. Property Name PITA STATE COM	6. Well No. 001H
7. OGRID No. 310809	8. Operator Name NEMO FUND I, LLC	9. Elevation 3979

10. Surface Location

UL - Lot M	Section 13	Township 10S	Range 36E	Lot Idn	Feet From 10	N/S Line S	Feet From 660	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 13	Township 10S	Range 36E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County Lea
12. Dedicated Acres 160.00			13. Joint or Infill		14. Consolidation Code		15. 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

	OPERATOR CERTIFICATION		
	<i>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(s) 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.</i>		
	E-Signed By:	Preston Bornman	
	Title:	President	
Date:	12/18/2015		
SURVEYOR CERTIFICATION			
<i>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.</i>			
Surveyed By:	Macon McDonald		
Date of Survey:	12/12/2014		
Certificate Number:	12185		

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Form APD Comments

Permit 214386

PERMIT COMMENTS

Operator Name and Address: NEMO FUND I, LLC [310809] 5826 New Territory, Box 412 Sugarland, TX 77479-594	API Number: 30-025-42980
	Well: PITA STATE COM #001H

Created By	Comment	Comment Date
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Form APD Conditions

Permit 214386

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: NEMO FUND I, LLC [310809] 5826 New Territory, Box 412 Sugarland, TX 77479-594	API Number: 30-025-42980
	Well: PITA STATE COM #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	SURFACE & PRODUCTION CASING - Cement must circulate to surface
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.