

PT6-W  
1115446822

ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Nearburg 15792  
Fairchild 24 #2H  
30-015 - 390B

**ADMINISTRATIVE APPLICATION CHECKLIST**

6409

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

- [NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
- [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
- [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
- [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
- [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
- [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Simultaneous Dedication  
 NSL  NSP  SD

Check One Only for [B] or [C]

- [B] Commingling - Storage - Measurement  
 DHC  CTB  PLC  PC  OLS  OLM

- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
 WFX  PMX  SWD  IPI  EOR  PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or  Does Not Apply

- [A]  Working, Royalty or Overriding Royalty Interest Owners
- [B]  Offset Operators, Leaseholders or Surface Owner
- [C]  Application is One Which Requires Published Legal Notice
- [D]  Notification and/or Concurrent Approval by BLM or SLO  
U S Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E]  For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F]  X Waivers are Attached

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2011 JUN -2 P 2:45

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

**Note: Statement must be completed by an individual with managerial and/or supervisory capacity.**

J. Scott Hall

*J. Scott Hall* Attorney for Applicant

6/2/2011

Print or Type Name

Signature

Title

Date

shall@montand.com  
 e-mail Address



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

RECEIVED OGD

2011 JUN -2 P 2:45

Ms. Jami Bailey, Director  
New Mexico Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

Hand Delivered – June 2, 2011

Re: Nearburg Producing Company  
Request for Administrative Approval  
Unorthodox Well Location and Non-Standard Spacing Unit  
North Seven Rivers Glorieta-Yeso Pool (97565)

Fairchild 24 Well No. 2H  
API No. 30-015-39013  
2520' FSL and 750' FWL (L) (Surface)  
330' FNL and 330' FWL (D) (Bottom hole)  
Section 24, T19S, R25E  
Eddy County, New Mexico

Dear Ms. Bailey:

On behalf of Nearburg Producing Company ("Nearburg") and pursuant to Division Rule 19.15.15.13 and the applicable statewide rules governing oil well locations for the North Seven Rivers Glorieta-Yeso Pool (97565; Order No. R-13350), we request administrative approval for an unorthodox well location for the Fairchild 24 Well No. 2H to be drilled at the surface and bottom-hole locations reflected above. Nearburg also seeks approval pursuant to Rule 19.15.16.14 of an 80-acre non-standard spacing and proration unit comprised of the W/2 NW/4 of Section 24 (Units D and E) to be designated as the horizontal drilling project area for the well.

This well will be drilled to a depth sufficient to test the Yeso formation within the boundaries of the North Seven Rivers Glorieta-Yeso oil Pool. The statewide rules for the pool currently provide that wells shall be located no closer than 330' to the boundary of a unit, with 40-acre units dedicated to the wells.

**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

The bottom-hole terminus for this well is no closer than 330' to the outer boundary of the NW/4 NW/4 of the section and otherwise complies with statewide locational rules. The C-101 along with the C-102 plat showing the W/2 NW/4 spacing unit and the proposed unorthodox location for the Fairchild 24 No. 2H are attached as Exhibit A.

In this case, the surface location is outside the proposed non-standard unit and is 120' south of the southern boundary of the unit in Unit L. As can be seen in the attached drilling profile (Exhibit B) the well will be drilled vertically to a kick-off point of 2252' true vertical depth where the well will begin to turn to the northwest. The top of the Glorieta formation will be intercepted at approximately 2482' TVD, approximately 70' from the southern boundary of the unit. The Yeso formation will be intercepted at approximately 2602' TVD at the unit boundary. The Mid-Yeso marker will be intercepted at 2,767' TVD at a location approximately 330' from the south line of the spacing unit. 500' from the kick-off point (380' from the boundary of the unit), the well will continue horizontally to its terminus at a standard oil well location. An external casing packer will be set 500' from the kick-off point (380' from the boundary), which will mark the beginning of the well's producing area to its terminus. The section of the well up-hole from the casing packer will be isolated and will not be produced. Therefore, the entirety of the producing area of the well should be regarded as orthodox.

The Fairchild 24 Well No. 2H will be drilled from a location that partially shares an an existing well pad with the Mewbourne Oil Company Wyatt Draw 24/25 LE Well No. 1-H. This well pad is shown on Exhibit C. Utilization of part of the existing pad will conserve surface resources and will accommodate the use of horizontal drilling methodology.

On May 2, 2011, Mewbourne Oil Company, as the operator of the offsetting Yeso formation unit to the south where the Wyatt Draw 24/25 LE Well No. 1-H is located waived its objections to the unorthodox location and non-standard unit/project area. Mewbourne's signed waiver is attached as Exhibit D.

Ownership of the NW/4 NW/4 and the SW/4 NW/4 of Section 24 is identical. Nearburg owns and controls 100 percent of the leasehold under these two tracts and participation in the two tracts comprising the non-standard unit is unaffected. Therefore, no further notification is indicated under the Division's rules and practices.

Ms. Jami Bailey, Director  
New Mexico Oil Conservation Division  
Page 2

The Division's Administrative Application Checklist is enclosed.

Thank you for your consideration of this request. Should more information be required, please do not hesitate to contact me.

Very truly yours,

MONTGOMERY & ANDREWS, P. A.



J. Scott Hall

Attorneys for Nearburg Producing Company

JSH:kw

Enclosures:

Exhibit A C-101 and C-102

Exhibit B Drilling Profile

Exhibit C Surface Diagram

Exhibit D Waiver of Objection

Administrative Application Checklist

**EXHIBIT A**



OCD Reviewer	Condition
Artesia	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
Artesia	Will require administrative order for non-standard location

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210  
DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
DISTRICT IV  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code <b>97565</b>	Pool Name <b>N. Seven Rivers; Glorieta-Yeso</b>
Property Code <b>21143</b>	Property Name <b>FAIRCHILD 24</b>	Well Number <b>2H</b>
OGRID No.	Operator Name <b>NEARBURG PRODUCING COMPANY</b>	Elevation <b>3417</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	24	19-S	25-E		2520	SOUTH	750	WEST	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
D	24	19-S	25-E		330	NORTH	330	WEST	EDDY

Dedicated Acres <b>80</b>	Joint or Infill	Consolidation Code	Order No.
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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>GRID AZ = 351°28'03" HORIZ. DIST = 2522.7'</p> <p>330' B.H.</p> <p>750' S.L. SEE DETAIL</p> <p>2520'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Terri Stathem</i> 5/3/11 Signature Date</p> <p><b>Terri Stathem</b> Printed Name</p> <p><b>tstathem@nearburg.com</b> E-mail Address</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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><b>MARCH 8, 2011</b> Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor: <i>Ronald J. Eidson</i></p> <p><b>RONALD J. EIDSON</b> NEW MEXICO 3239</p> <p>Certificate Number: <b>Gary G. Eidson 12641</b> <b>Ronald J. Eidson 3239</b></p> <p>LA WBC W O.: 11.13.1010</p>

## **EXHIBIT B**

# Nearburg Producing

Fairchild 24, Well No. 2H  
 Eddy County, New Mexico  
 Quote No. 041511129



### SITE DETAILS

Fairchild 24 #2H  
 Site Centre Northing: 598684.50  
 Easting: 466010.50  
 Ground Level: 3417.00  
 Positional Uncertainty: 0.00  
 Convergence: -0.13

### FIELD DETAILS

Eddy County, New Mexico  
 Geodetic System: US State Plane Coordinate System 1983  
 Ellipsoid: GRS 1980  
 Zone: New Mexico, Eastern Zone  
 Magnetic Model: WMM\_2010  
 System Datum: Mean Sea Level  
 Local North: Grid North

### ANNOTATIONS

No.	TVD	MD	Annotation
1	2252.00	2252.00	KOP, Build 10.00%/100'
2	2824.96	3151.99	Hold 90.00°, 351.47° Azimuth
3	2825.00	5101.05	PBHL - Lateral



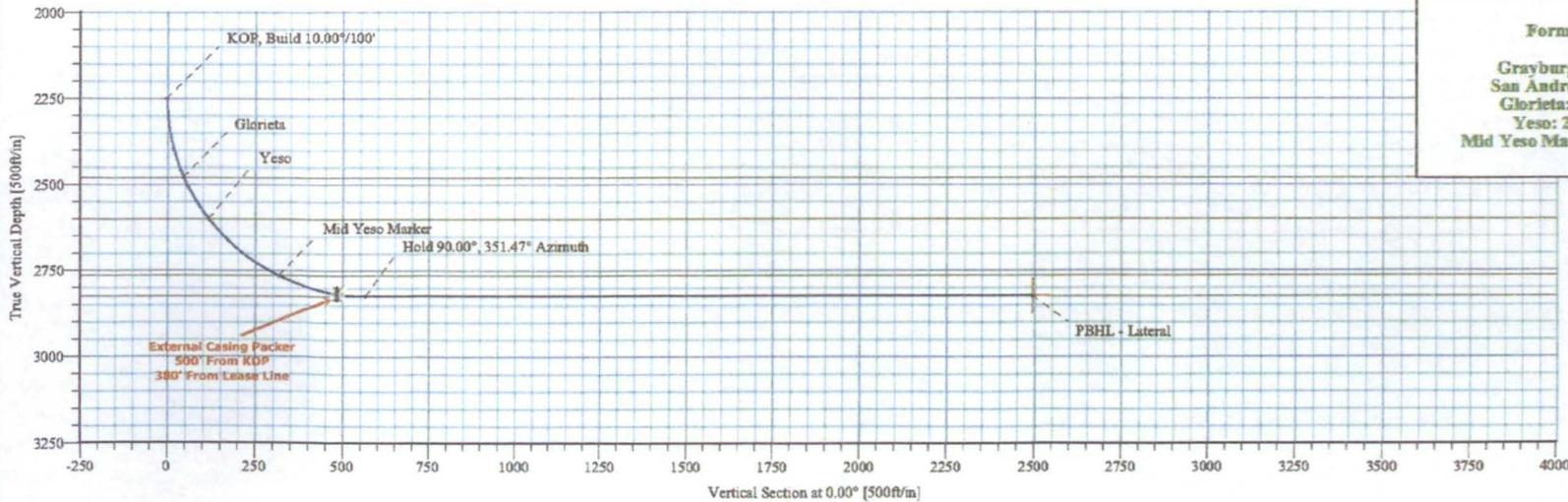
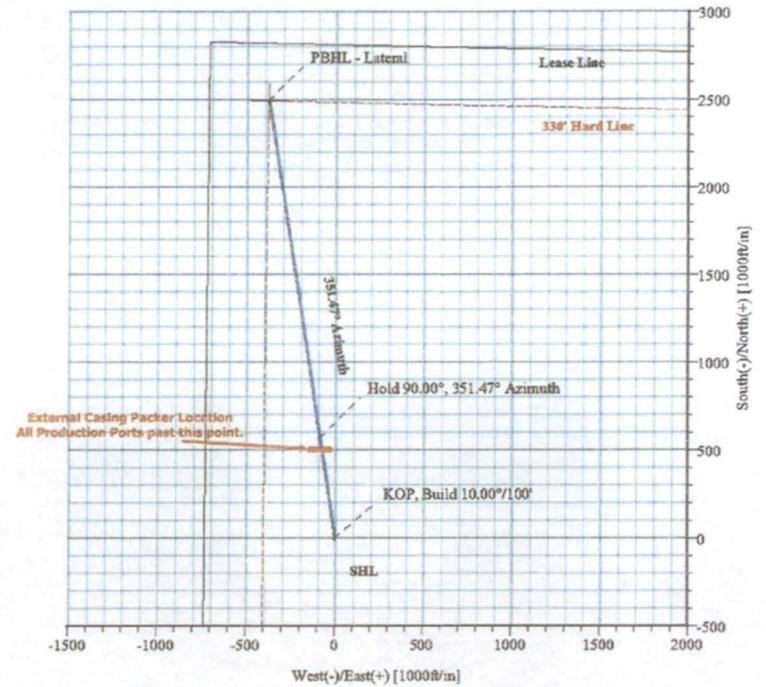
Azimuths to Grid North  
 True North: 0.13°  
 Magnetic North: 8.23°  
 Magnetic Field  
 Strength: 48792nT  
 Dip Angle: 60.39°  
 Date: 2011/05/03  
 Model: WMM\_2010

### TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL - Lateral	2825.00	2494.10	-374.20	601178.60	465636.30	32°39'08.795N	104°34'45.482W	Point

### SECTION DETAILS

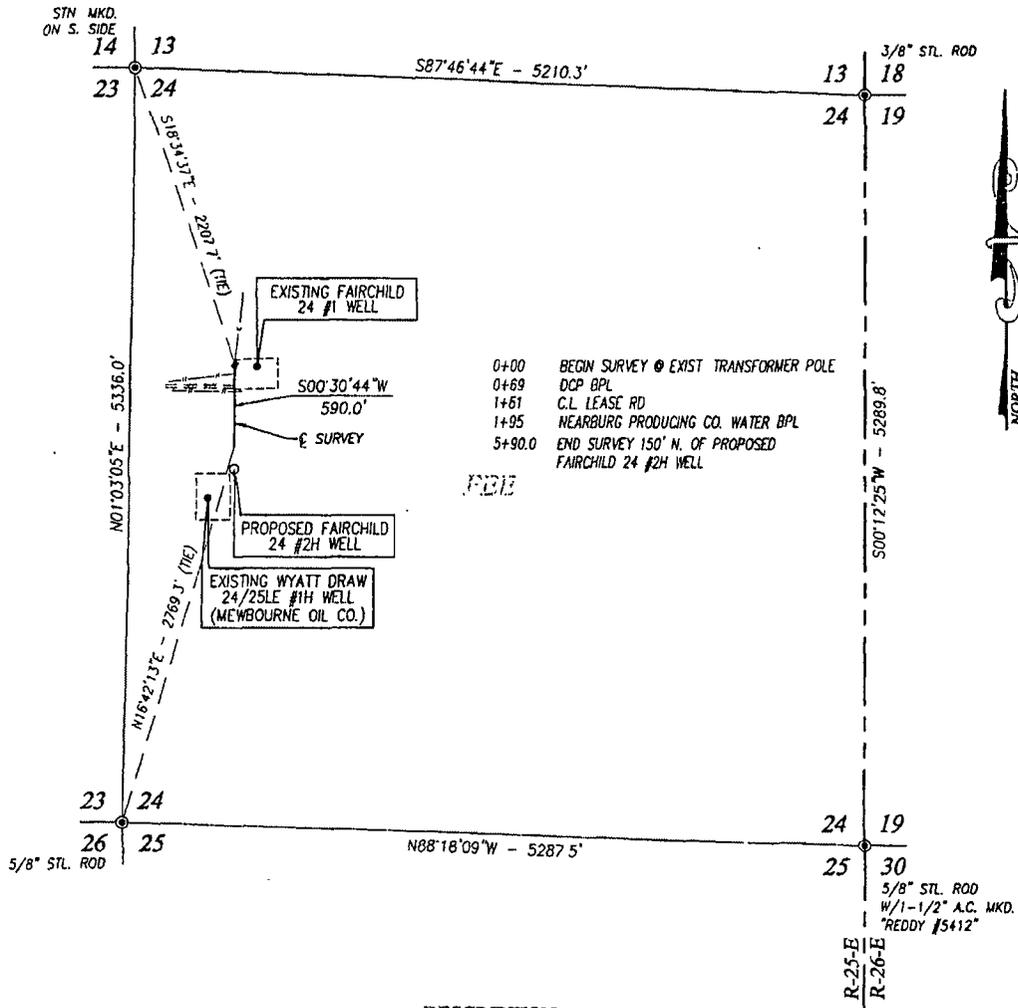
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	2252.00	0.00	0.00	2252.00	0.00	0.00	0.00	0.00	0.00	
2	3151.99	90.00	351.47	2824.96	566.60	-85.01	10.00	351.47	566.60	
3	5101.06	90.00	351.47	2825.00	2494.10	-374.20	0.00	0.00	2494.10	PBHL - Lateral



**Formation Tops:**  
 Grayburg: 472' KBTVD  
 San Andres: 902' KBTVD  
 Glorieta: 2482' KBTVD  
 Yeso: 2602' KBTVD  
 Mid Yeso Marker: 2767' KBTVD

## **EXHIBIT C**

SECTION 24, TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.,  
EDDY COUNTY NEW MEXICO



**DESCRIPTION**

SURVEY OF A MULTI-USE LINE CROSSING SECTION 24, TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 24, WHICH LIES S18°34'37"E 2207.7 FEET FROM THE NORTHWEST CORNER OF SAID SECTION; THEN S00°30'44"W 590.0 FEET TO A POINT IN SAID SOUTHWEST QUARTER OF THE NORTHWEST QUARTER, WHICH LIES N16°42'13"E 2769.3 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 590.0 FEET OR 35.76 RODS.

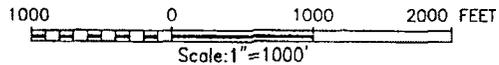
**NOTE**

1) BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

**LEGEND**

⊙ DENOTES FOUND CORNER AS NOTED

I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS ACTUAL ON THE GROUND SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAN MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



GARY C. EIDSON, N.M. P.S. No. 12641  
RONALD J. EIDSON, N.M. P.S. No. 3239

PROVIDING SURVEYING SERVICES SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117

**NEARBURG PRODUCING COMPANY**

SURVEY OF A MULTI-USE LINE  
CROSSING SECTION 24,  
TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO

Survey Date: 3/8/11	Sheet 1 of 1 Sheets
W.O. Number: 11.11.0582	Drawn By: DSS
Date: 3/14/11	Rev: .
CAD: 11110582	Rel. W.O.: 11110519

## **EXHIBIT D**

**Nearburg Producing Company**

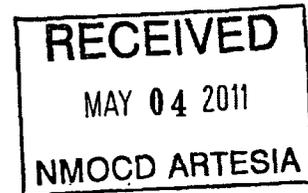
Exploration and Production  
500 North 7th Street  
Building 2, Suite 1020  
Midland, Texas 79701  
432/686-2335  
FAX: 432/686-7408

April 21, 2011

Via Fax (432) 685-4170; Email [cmitchell@mewbourne.com](mailto:cmitchell@mewbourne.com)  
and Certified Mail-Return Receipt No.

30-015-39013

Mewbourne Oil Company  
500 W. Texas, Suite 1020  
Midland, Texas 79701  
Attn: Mr. Corey Mitchell



Re: Fairchild 24 Prospect  
Eddy County, New Mexico  
Unorthodox Well location  
Fairchild 24 #2H  
Section 24, T-19-S, R-25-E, N.M.P.M.

Gentlemen:

Nearburg Producing Company (Nearburg) as Operator proposes to drill a horizontal well at a surface location (SL) of 2,520' FSL & 750' FWL of Section 24, T-19-S, R-25-E, Eddy County, New Mexico to a bottom hole location (EOL) of 330' FNL & 330' FWL of the captioned Section 24. The proposed well will be drilled to a true vertical depth (TVD) of approximately 2,850 feet subsurface to evaluate the Yeso formation for oil production. The proposed well will have a measured depth (MD) of approximately 5,082 feet. A special project area and non-standard spacing and proration unit comprised of the W/2NW/4 of the captioned Section 24 will be dedicated to the well.

Nearburg seeks a waiver of objection to the surface location and the proposed non-standard unit from Mewbourne Oil Company (Mewbourne) as an offset operator for the New Mexico Oil Conservation Division to grant approval to Nearburg to drill the referenced well at the referenced unorthodox surface location.

Nearburg wishes to drill this well at the proposed location as we feel it is necessary if we are to maximize our recovery of oil and gas reserves underlying our lease. While the well is planned to penetrate the Yeso formation at a location closer than 330' FNL of Mewbourne's lease in the W/2SW/4 of Section 24, the well will not be completed or produced from the Yeso formation at a location closer than 330' FNL of such Mewbourne lease.

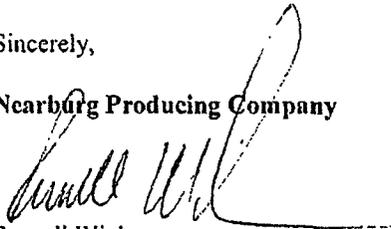
Please indicate Mewbourne's agreement to grant Nearburg the suggested waiver by signing and returning the duplicate originals of this letter to me at your earliest convenience so that we can proceed with applying for administrative approval of the above referenced unorthodox surface location and non-standard unit. Thanks for your cooperation in connection with our application.

Mewbourne Oil Company  
Fairchild 24 #2H  
Unorthodox Well Location  
April 21, 2011  
Page 2 of 2

Should you have any questions regarding the above, please email me at [rwickman@nearburg.com](mailto:rwickman@nearburg.com) or call me at (432) 818-2913.

Sincerely,

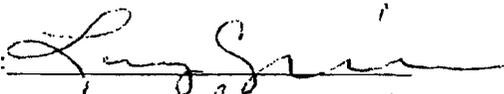
**Nearburg Producing Company**



Russell Wickman  
Senior Landman

*The undersigned has no objection to granting approval of the above referenced unorthodox location and waives notice of hearing regarding the same.*

**Mewbourne Oil Company**

\* By:   
Name: Larry Cunningham  
Title: Exploration Manager

Date Signed: 5/2/2011

\* Conditional to the roads and right of ways being placed where agreed upon by Mewbourne and Nearburg personnel on location.

DISTRICT I  
1625 N. FRENCH DR., HOBBS, NM 88240  
DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 88210  
DISTRICT III  
1000 RIO BRAZOS RD., AZTEC, NM 87410  
DISTRICT IV  
11885 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised July 16, 2010  
Submit to Appropriate  
District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number <b>30-015-39013</b>	Pool Code <b>97565</b>	Pool Name <b>N. Seven Rivers; Glorieta-Yeso</b>
Property Code <b>21143</b>	Property Name <b>FAIRCHILD 24</b>	Well Number <b>2H</b>
OGRID No. <b>15742</b>	Operator Name <b>NEARBURG PRODUCING COMPANY</b>	Elevation <b>3417</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	24	19-S	25-E		2520	SOUTH	750	WEST	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
D	24	19-S	25-E		330	NORTH	330	WEST	EDDY

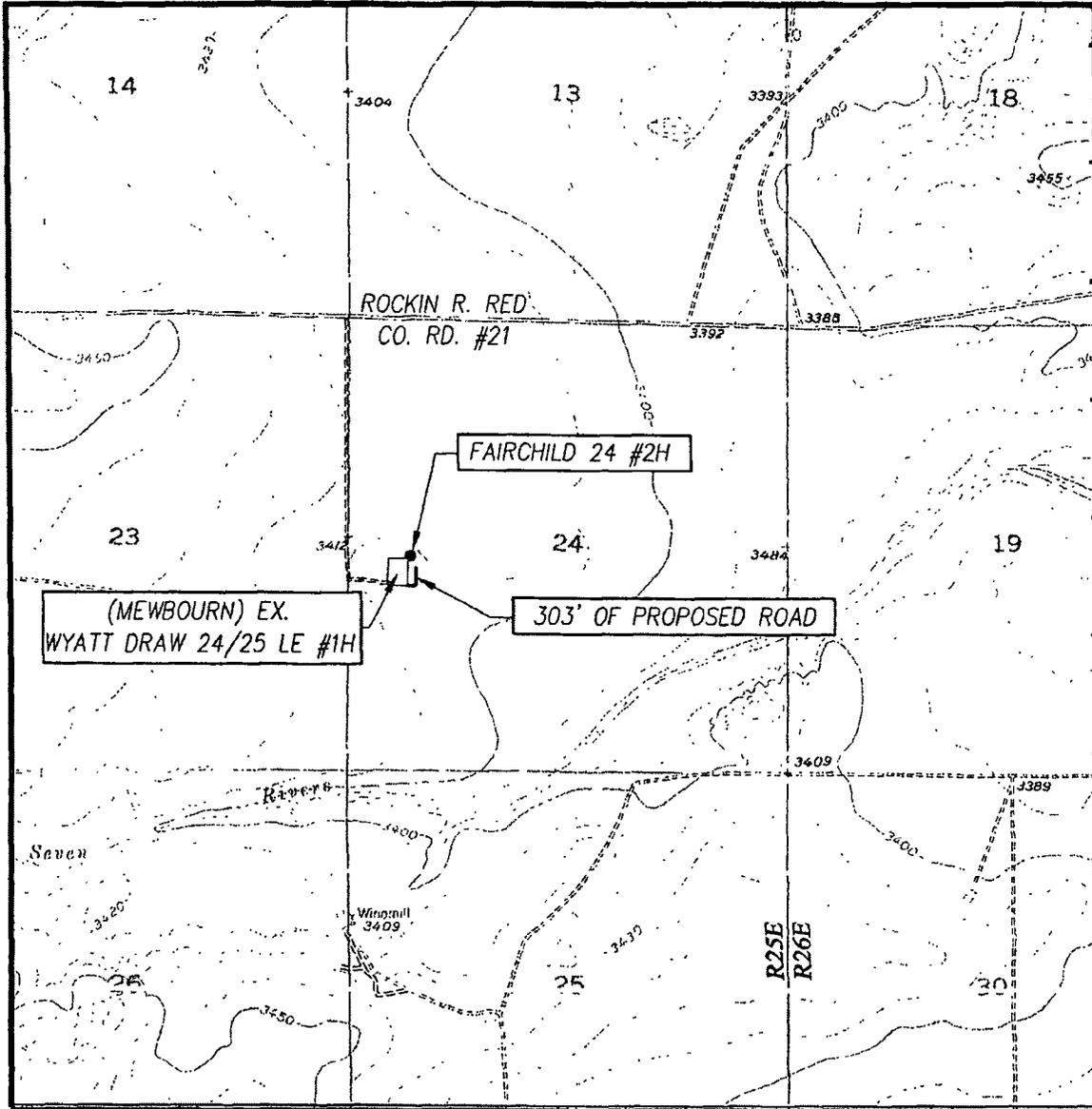
Dedicated Acres <b>80</b>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>330' B.H. GRID AZ = 351°28'03" HORIZ. DIST. = 2522.7' 750' S.L. SEE DETAIL 2520'</p> <p>GEODETIC COORDINATES NAD 27 NME SURFACE LOCATION Y=598684.5 N X=166010.5 E LAT.=32.645837° N LONG =104 443760° W BOTTOM HOLE LOCATION Y=601178.6 N X=165636.3 E</p>	<p><b>OPERATOR CERTIFICATION</b> I hereby certify that the information 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 mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Terri Stathem</i> 5/3/11 Signature Date <b>Terri Stathem</b> Printed Name <b>tstathem@nearburg.com</b> E-mail 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>MARCH 8, 2011 Date of Survey Signature &amp; Seal of Professional Surveyor:  Certificate Number <b>3239</b> Gary G. Eidson 12641 Ronald J. Eidson 3239 LA WSC W.O.: 11.13.1010</p>

**RECEIVED**  
MAY 04 2011  
NMOCD ARTESIA

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:  
 DAYTON, N.M. - 10'  
 SEVEN RIVERS, N.M. - 10'

SEC. 24 TWP. 19-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 2520' FSL & 750' FWL

ELEVATION 3417'

NEARBURG

OPERATOR PRODUCING COMPANY

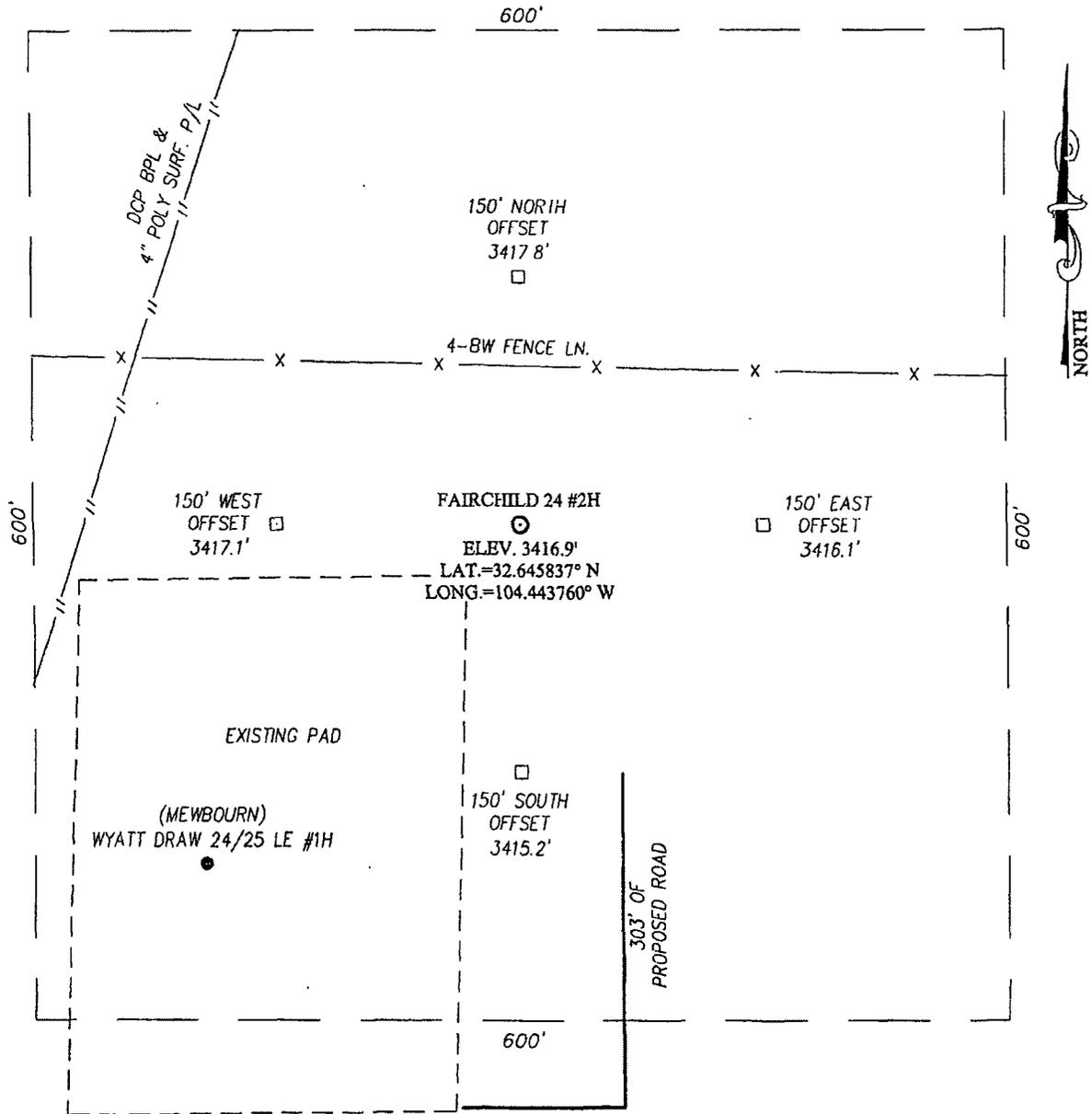
LEASE FAIRCHILD 24

U.S.G.S. TOPOGRAPHIC MAP  
DAYTON, N.M.



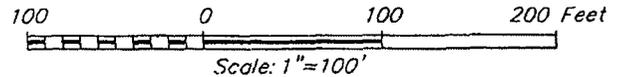
PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

SECTION 24, TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.  
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF HWY. #285 AND CO. RD. #21 (ROCKIN R RED RD.), GO WEST ON CO. RD. #21 APPROX. 3.0 MILES. TURN LEFT AND GO SOUTH APPROX. 0.6 MILES. TURN LEFT AND GO EAST APPROX. 0.1 MILE TO THE MEWBOURNE WYATT DRAW 24/25 LE #1H WELL. THIS LOCATION IS APPROX. 250 FEET EAST OF EXISTING WELL.



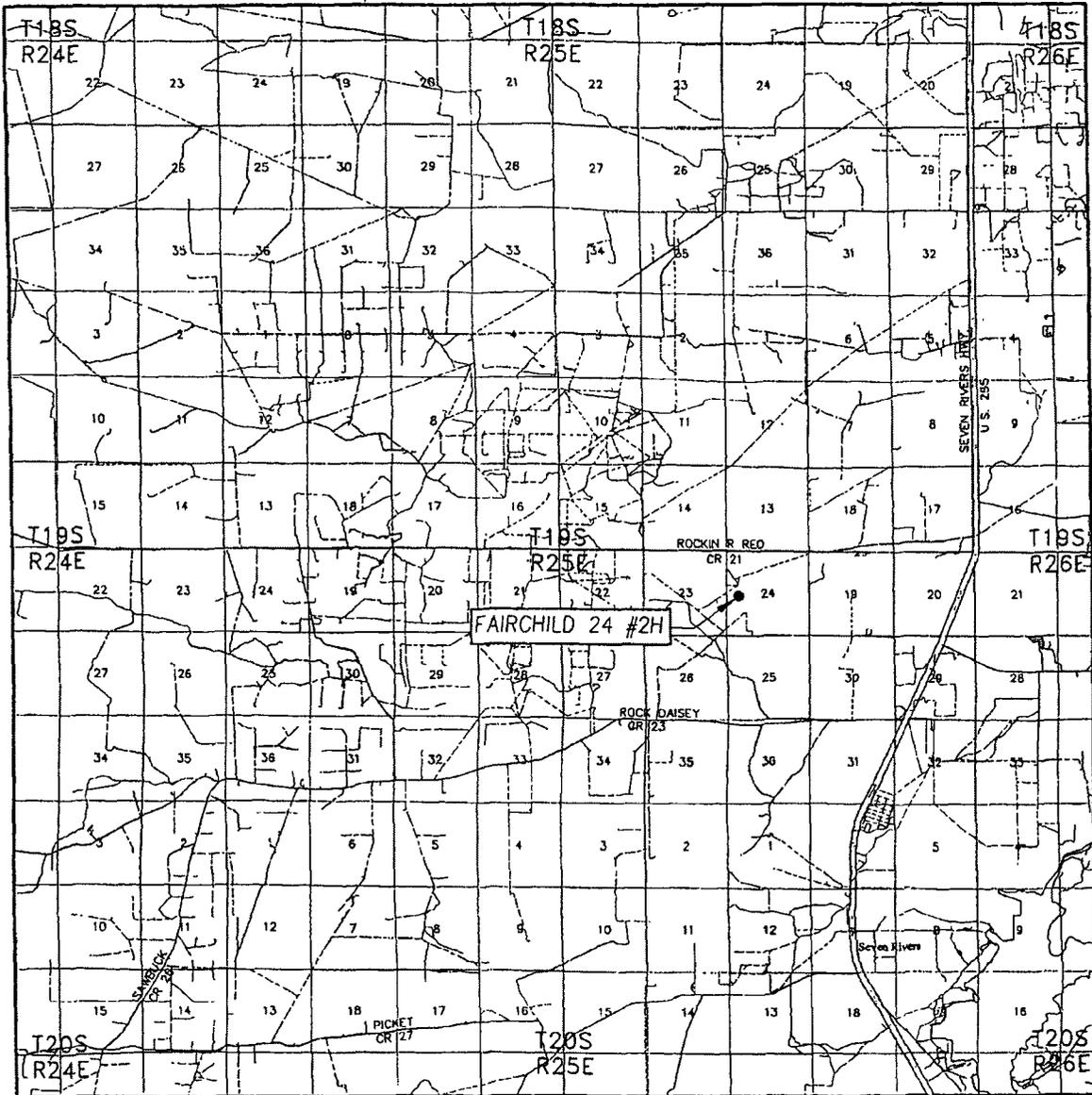
PROVIDING SURVEYING SERVICES SINCE 1946  
  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

**NEARBURG PRODUCING COMPANY**

FAIRCHILD 24 #2H WELL  
 LOCATED 2520 FEET FROM THE SOUTH LINE  
 AND 750 FEET FROM THE WEST LINE OF SECTION 24,  
 TOWNSHIP 19 SOUTH, RANGE 25 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 3/8/11	Sheet 1 of 1 Sheets	
W.O Number: 11.11.0519	Dr. By: LA	Rev 1:
Date: 3/15/11	Rel. W.O.:	11110519 Scale: 1"=100'

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 24 TWP. 19-S RGE. 25-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 2520' FSL & 750' FWL  
 ELEVATION 3417'  
 OPERATOR NEARBURG PRODUCING COMPANY  
 LEASE FAIRCHILD 24



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117

Created By	Comment	Comment Date
TSTATHEM	Waiver from Mewbourne was sent via email to Randy Dade and Paul Keutz along with C144 Thank You.	5/3/2011
Artesis	Land P/P	5/4/2011

# Nearburg Producing

Fairchild 24, Well No. 2H  
 Eddy County, New Mexico  
 Quote No. 041511129



### SITE DETAILS

Fairchild 24 #2H  
 Site Centre Northing: 598684.50  
 Easting: 466010.50  
 Ground Level: 3417.00  
 Positional Uncertainty: 0.00  
 Convergence: -0.13

### FIELD DETAILS

Eddy County, New Mexico  
 Geodetic System: US State Plane Coordinate System 1983  
 Ellipsoid: GRS 1980  
 Zone: New Mexico, Eastern Zone  
 Magnetic Model: WMM\_2010  
 System Datum: Mean Sea Level  
 Local North: Grid North

### ANNOTATIONS

No.	TVD	MD	Annotation
1	2252.00	2252.00	KOP, Build 10.00°/100'
2	2824.96	3151.99	Hold 90.00°, 351.47° Azimuth
3	2825.00	5101.05	PBHL - Lateral



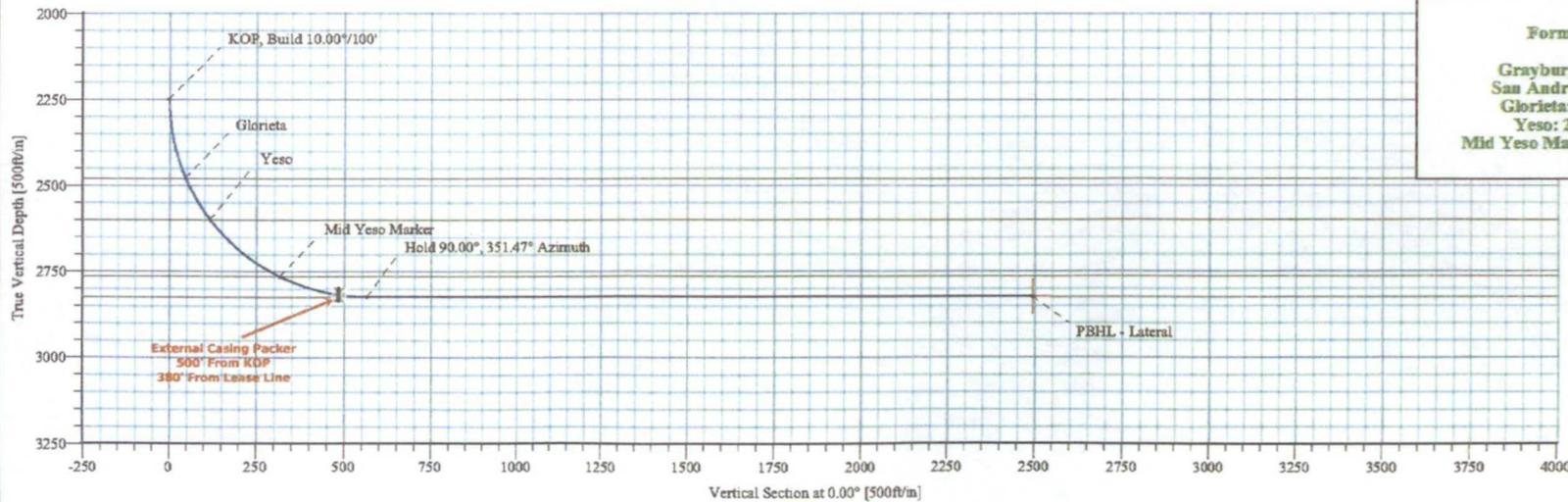
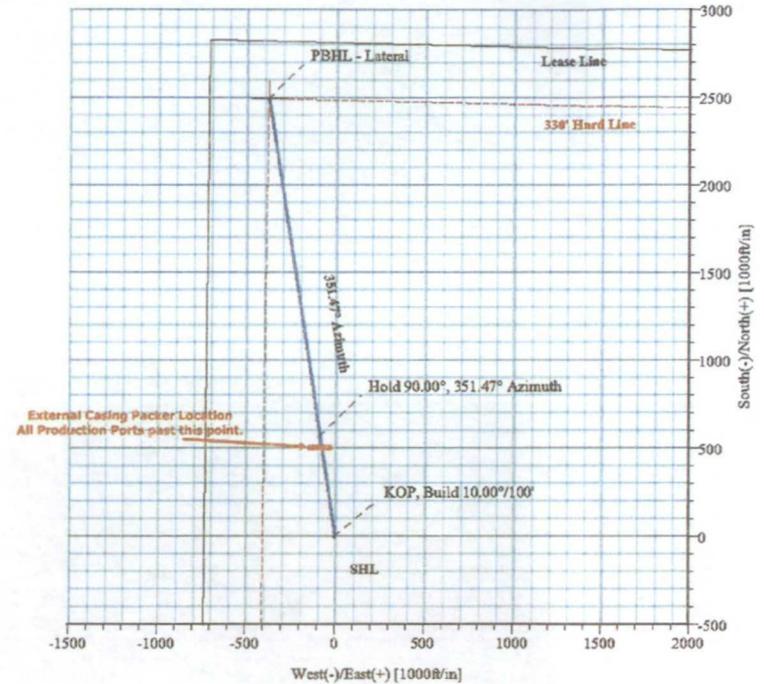
Azimuths to Grid North  
 True North: 0.13°  
 Magnetic North: 8.23°  
 Magnetic Field  
 Strength: 48792nT  
 Dip Angle: 60.39°  
 Date: 2011/05/03  
 Model: WMM\_2010

### TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL - Lateral	2825.00	2494.10	-374.20	601178.60	465636.30	32°39'08.795N	104°34'45.482W	Point

### SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	2252.00	0.00	0.00	2252.00	0.00	0.00	0.00	0.00	0.00	
2	3151.99	90.00	351.47	2824.96	566.60	-85.01	10.00	351.47	566.60	
3	5101.06	90.00	351.47	2825.00	2494.10	-374.20	0.00	0.00	2494.10	PBHL - Lateral



**Formation Tops:**  
 Grayburg: 472' KBTVD  
 San Andres: 902' KBTVD  
 Glorieta: 2482' KBTVD  
 Yeso: 2602' KBTVD  
 Mid Yeso Marker: 2767' KBTVD

**Brooks, David K., EMNRD**

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**From:** Brooks, David K., EMNRD  
**Sent:** Friday, June 24, 2011 2:37 PM  
**To:** 'J. Scott Hall'  
**Subject:** Nearburg ; Fairchild 24 #2H; NSL Application

Dear Scott

I do not believe there is a need for an 80-acre non-standard unit here because Nearburg can designate an 80-acre project area comprising to standard 40-acre units merely by filing a Form C-102 designating the project area with the OCD District Office. See 19.15.16.7.G and 19.15.14.B(1) NMAC.

That leaves the NSL application, for which I will need the footage location of the point where the wellbore will penetrate the top of the pool, *i.e.* the top of the Glorieta. You indicate that point is 70 feet from the south boundary of the proposed 80-acre unit, presumably 2570 FSL of the section, but I also need distance from the East line.

Thanks

David Brooks

**Brooks, David K., EMNRD**

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**From:** J. Scott Hall [SHall@montand.com]  
**Sent:** Tuesday, June 28, 2011 1:19 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** RE: Nearburg ; Fairchild 24 #2H; NSL Application

David:

Intercept point for the top of the Glorieta is 744' FWL.  
Let me know if any more information is needed.  
Thanks.

J. Scott Hall  
Montgomery & Andrews, P.A.  
P. O. Box 2307  
Santa Fe, NM 87504-2307  
[shall@montand.com](mailto:shall@montand.com)  
(505) 986-2646

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**From:** Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]  
**Sent:** Friday, June 24, 2011 2:39 PM  
**To:** J. Scott Hall  
**Subject:** Nearburg ; Fairchild 24 #2H; NSL Application

Dear Scott

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David Brooks