

JAMES BRUCE
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jamesbruc@aol.com

June 10, 2011

David K. Brooks
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to NMAC 19.15.15.13, Nearburg Producing Company applies for approval of an unorthodox oil well location for the following well:

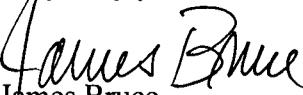
<u>Well:</u>	Rocking 12 Well No. 1
<u>Location:</u>	720 feet FNL & 1335 feet FEL
<u>Well Unit:</u>	N $\frac{1}{2}$ NE $\frac{1}{4}$ §12-12S-32E, Lea County, New Mexico

Applicant intends to drill the well to test the North Bagley Permo-Pennsylvanian Pool. The pool has 80 acre spacing and wells to be located within 150 feet of the center of a quarter section. An APD with a Form C-102 is attached as **Exhibit A**.

The location is based on topographic and geologic reasons. Attached as **Exhibit B** is a write-up discussing the reasons for the location.

The well encroaches on the NE $\frac{1}{4}$ NE $\frac{1}{4}$, and possibly on the SE $\frac{1}{4}$ NE $\frac{1}{4}$, of Section 12. However, interest ownership is common in the NE $\frac{1}{4}$, so there is no adversely affected interest owner, and notice of this application is not required to be given to any offset.

Very truly yours,


James Bruce

Attorney for Nearburg Producing Company

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(505) 393-6161 Fax (505) 393-0720

District II

1301 W. Grand Ave., Artesia, NM 88210
Phone (505) 748-1283 Fax:(505) 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-102
Permit 132487

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-40158	2. Pool Code 3820	3 Pool Name BAGLEY;PERMO PENN, NORTH
4 Property Code 38651	5 Property Name ROCKING 12	
6 Well No. 001	7 OGRID No 15742	
8. Operator Name NEARBURG PRODUCING CO	9. Elevation 4321	

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	12	12S	32E		720	N	1335	E	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
12. Dedicated Acres 80.00		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

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; height: 40px;"></td> <td style="width: 25%; height: 40px;"></td> <td style="width: 25%; height: 40px; background-color: #cccccc;"></td> <td style="width: 25%; height: 40px;"></td> </tr> <tr> <td style="width: 25%; height: 40px;"></td> </tr> <tr> <td style="width: 25%; height: 40px;"></td> </tr> <tr> <td style="width: 25%; height: 40px;"></td> </tr> </table>																	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><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></p> <p>E-Signed By: Terri Stathem Title: Regulatory Analyst Date: 6/2/2011</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Ronald Eidson Date of Survey: 3/29/2011 Certificate Number: 3239</p>

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	Pool Name
Property Code	Property Name ROCKING 12	Well Number 1
OGRID No.	Operator Name NEARBURG PRODUCING COMPANY	Elevation 4321'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	12	12-S	32-E		720	NORTH	1335	EAST	LEA

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	Joint or Infill	Consolidation Code	Order No.						

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	<p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=836736.5 N X=703806.1 E</p> <p>LAT.=33.298420° N LONG.=103.666319° W</p>	<p>SURVEYOR CERTIFICATION</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>MARCH 29, 2011</p>
	<p>Date of Survey _____</p> <p>Signature & Seal of Professional Surveyor: </p> <p>Certificate Number: 12841 Ronald J. Eidson 3239 LA JWSC W.O.: 11.11:0730</p>

Rocking 12 #1

SHL 720' FNL and 1335' FEL

Section 12, T-12-S, R-32-E

Lea County, New Mexico

The non-standard surface location for the Rocking 12 #1 well was necessitated in part by the fact that the well needed to be located on the highest structural position with respect to the Bough "C" structure map. This map was constructed by integrating the subsurface well control with 3-D seismic to generate the subsea depth structure map. In addition, we were unable to move the location to the west ^{farther} into the NW/4NE/4 section 1 due to a pipeline crossing there and were unable to move the location farther to the east into the NE/4NE/4 section 1 due to the risk of encountering a much thinner Bough "C" interval.

EXHIBIT **B**

XY
Feet

703300

708300

840400

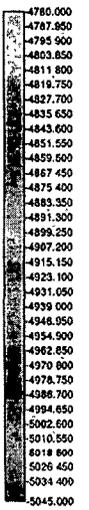
840400

835400

835400

703300

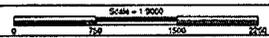
708300



Nearburg Producing

Bagley Field Area

Lea County, New Mexico



Bough C Subsea
C.I. = 10 feet

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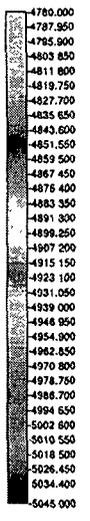
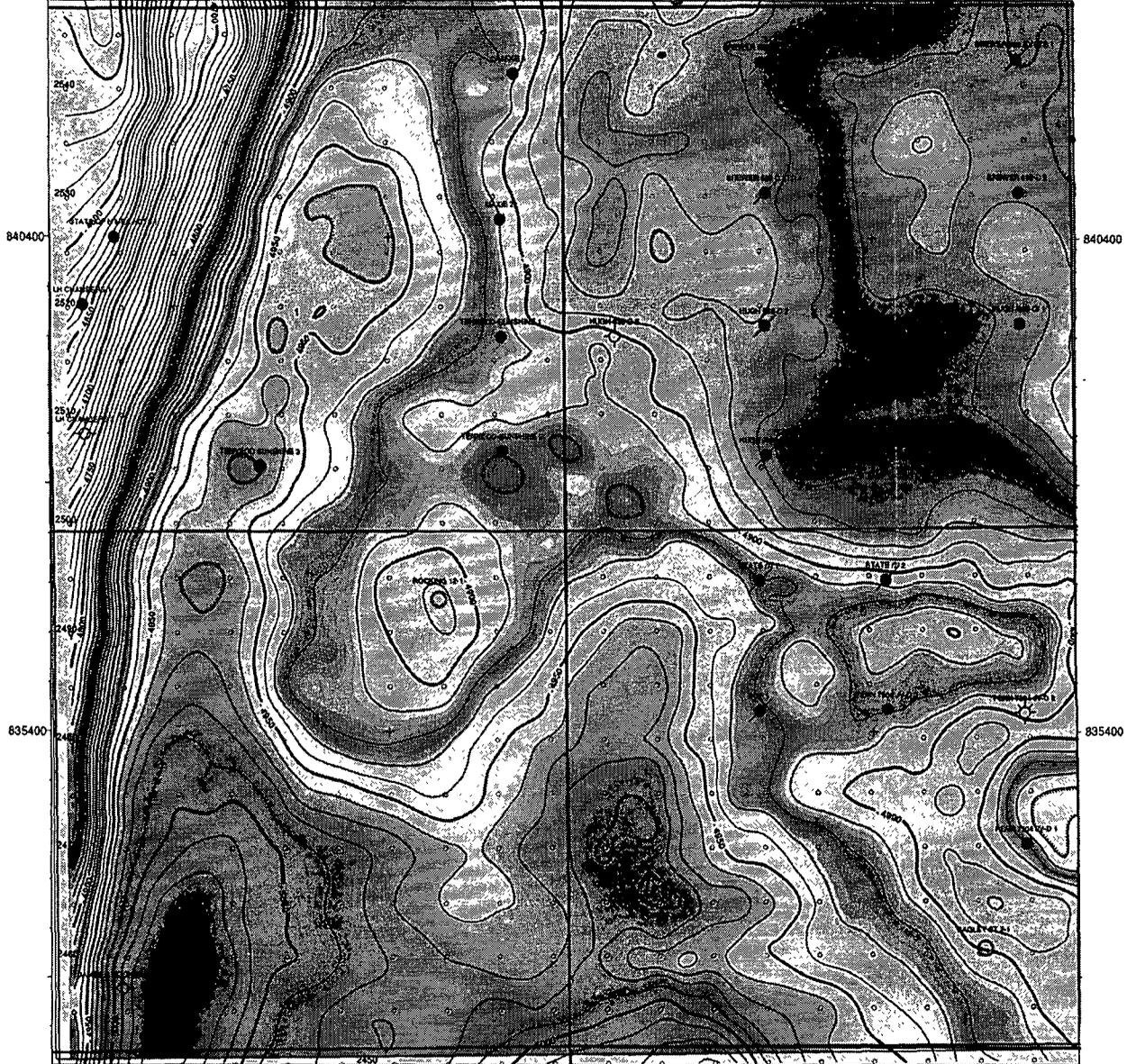
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X/Y:
Feet

703300

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Nearburg Producing
Bagley Field Area
Lea County, New Mexico
Scale = 1:8000
0 750 1500 2250 ft
Bough C Subsea
C.I. = 10 feet

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