

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

FORM APPROVED
OMB NO 1004-0137
Expires March 31, 2007

EA 11-1005

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a Type of Work ☒ DRILL ☐ REENTER <i>NOS RCD 5/19/11</i>		5 Lease Serial No NMNM14758
1b Type of Well ☒ Oil Well ☐ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone		6 If Indian, Allottee or Tribe Name
2 Name of Operator Nearburg Producing Company <i><15742></i>		7. Unit or CA Agreement Name and No
3a Address 3300 N A St., Bldg 2, Ste 120	3b. Phone No (include area code) 432/686-8235	8 Lease Name and Well No. Huber Federal #5H <i><8396></i>
4 Location of Well (Report location clearly and in accordance with any State requirements)* At surface 10' FSL and 1980' FWL, Sec 3-20S-25E UL: N At proposed prod. zone 330' FNL and 1980' FWL, Sec 3-20S-25E UL: C		9. API Well No. 30-015-39177 <i><9756></i>
14 Distance in miles and direction from nearest town or post office* 5 miles SW of Lakewood, NM		10 Field and Pool, or Exploratory N. Seven Rivers; Glor-Yeso
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drg. unit line, if any) 10'		11 Sec., T., R., M., or Blk and Survey or Area 3-20S-25E
16 No. of Acres in lease 1442.36		12. County or Parish Eddy
17. Spacing Unit dedicated to this well 160.61 acres		13 State NM
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 2402'		20. BLM/BIA Bond No. on file NMB000153
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3443		22 Approximate date work will start* 7/7/11
		23 Estimated duration 10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| 1 Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above) |
| 2 A Drilling Plan | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6 Such other site specific information and/or plans as may be required by the authorized officer. |

25 Signature 	Name (Printed/Typed) Terri Stathem	Date 6/9/11
Title Regulatory / Production Analyst		
Approved by (Signature) /s/ James Stovall	Name (Printed/Typed) /s/ James Stovall	Date JUL - 1 2011
Title FIELD MANAGER CARLSBAD FIELD OFFICE		

Application approval 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.

Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

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)

OCD CONDITION OF APPROVAL for Drilling
Intent to drill ONLY --- CANNOT produce until the Non-Standard
Location has been approved by OCD Santa Fe office

Witness Surface Casing

Roswell Controlled Water Basin

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

K2 07/06/11

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

Attachment to Form 3160-3
Huber Federal #5H
10' FSL & 1980 FWL, Sec. 3, T20S, R25E
Eddy County, NM

Drilling Program

1. GEOLOGICAL NAME OF SURFACE FORMATION

Permian

2. ESTIMATED TOPS OF GEOLOGICAL MARKERS

Grayburg 412' MD
San Andres 712' MD
Glorieta 2282' TVD
Yeso 2382' TVD

3. ESTIMATED DEPTHS OF ANTICIPATED FRESH WATER, OIL OR GAS

Grayburg 412' (MD) Wtr
San Andres 712' (MD) Oil
Yeso 2382' (TVD) Oil

4. CASING AND CEMENTING PROGRAM

Csg Sz	Setting Depth	Weight	Grade	Joint	Collapse	Burst	Tension
8-5/8	0-825'	32#	New J55	STC	1.125	1.125	1.6
5-1/2	0-7362'	17#	New N80	LTC	1.126	1.125	1.6

see COA { Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

Drill 12-1/4" hole to 825'. 8-5/8" surface casing will be cemented with Stage 2:
Lead: 180 sxs Thixotropic "H" + 10% A-10 + 1% CC + 10 pps LCM-1 + .25 pps Cello
+ 5 pps LCM 1. Wt 14.6 ppg. Yield 1.52 cfs. Water 6.15 gps. Tail: 314 sx "C" +
2% CC + 1 gps FP-6L. Weight 14.8 ppg. Yield 1.32 cfs. Water 6.3 gps. These
volumes based upon circulating cement to surface. 100% excess.

Drill 7-7/8" hole to 7093'. 5-1/2" production casing will be cemented with Stage 2:
550 sxs "C" Weight 14.8 Ppg. Yield 1.32 cfs. Water 6.3 gps. The volumes based
upon circulating cement to surface. 100% excess. DV Tool @ 2000'

Set isolation packer at the top of the Glorieta
to provide isolation from the San Andres + Glorieta

5. **MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL**

Nipple up on 8-5/8" with 11", 2M system and test to 2000 with independent tester.

BOP will be operationally checked each 24 hr period. BOP will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 3" choke line will be included in the drilling spool located below the BOP. Other accessories to the BOP equipment will include a Kelly Cock and floor safety valve (inside BOP) and choke lines and choke manifold with 2000 psi WP rating.

6. **TYPES AND CHARACTERICS OF THE PROPOSED MUD SYSTEM**

<u>DEPTH</u>	<u>TYPE SYSTEM</u>	<u>MUD WT</u>	<u>VISC</u>	<u>WATERLOSS</u>
0 – 825'	Fresh Water	8.4	29	N.C.
825 – 7362'	Cut Brine	8.9	29	N.C.

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. **AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT**

NONE REQUIRED

8. **LOGGING, TESTING, AND CORING PROGRAM** *See COA*

DLL/CNL/LDT/CAL/GR logging is planned. Drill stem tests, cores, and sidewall cores are possible.

9. **ABNORMAL CONDITIONS, PRESSURES, TEMPERATURES, & POTENTIAL HAZARDS**

None anticipated. BHP expected to be 1,100 psi.

10. **ANTICIPATED STARTING DATE**

Operations are planned to commence on July 7, 2011 with drilling and completion operations lasting 23 days.

Nearburg Producing Co.

Huber "3" Federal, Well No. 5H
Eddy County, New Mexico
Sec. 3-20S-25E
Quote No. 060711199



SITE DETAILS

Huber "3" Fed #5H

Site Centre Northing 580256 20
Easting 456577 60

Ground Level 3443 00
Positional Uncertainty 0 00
Convergence -0 15

FIELD DETAILS

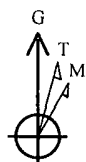
Eddy County, New Mexico

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	2109 00	2109 00	KOP, Build 10 00°/100'
2	2681 96	3008.99	Hold 90 00°, 0 14° Azimuth
3	2682 00	7361 75	PBHL - Lateral



Azimuths to Grid North
True North 0 15°
Magnetic North 8.04°

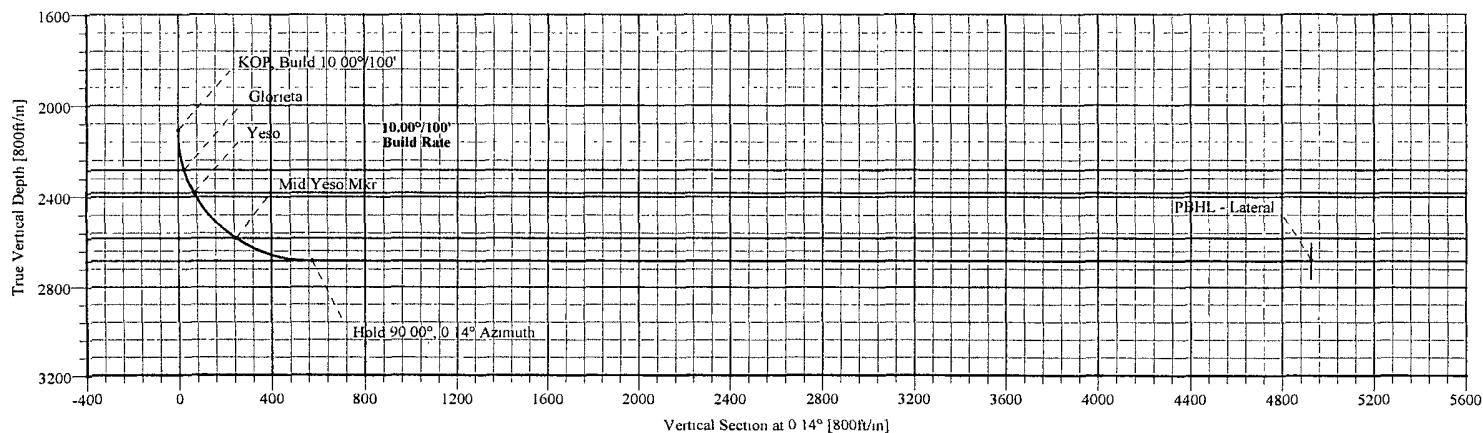
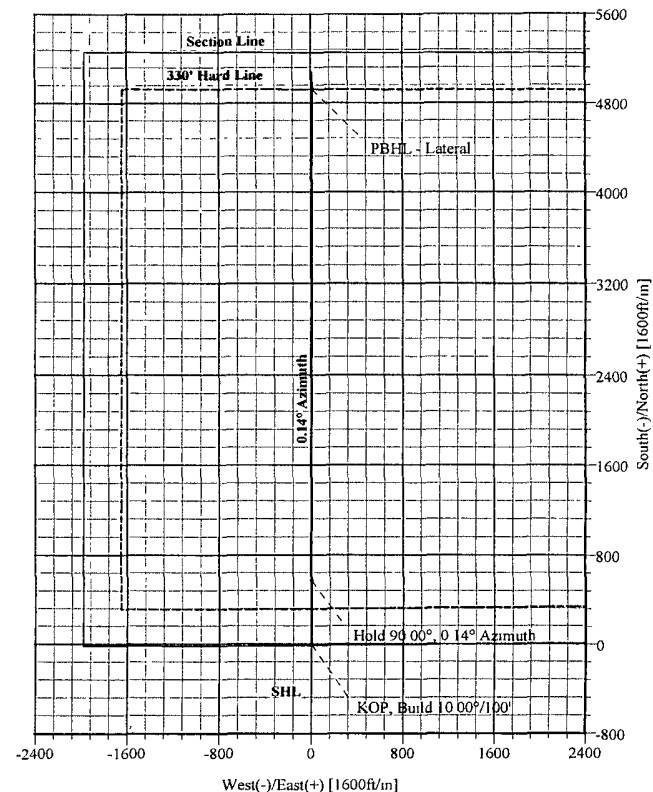
Magnetic Field
Strength 48590nT
Dip Angle 60 10°
Date 06/07/2011
Model WMM_2010

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
PBHL - Lateral	2682 00	4925 70	12 40	585181 90	456590.00	32°36'30.283N	104°36'30 810W	Point

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	2109 00	0.00	0 00	2109 00	0.00	0 00	0 00	0 00	0 00	
2	3008.99	90 00	0.14	2681 96	572 95	1 44	10 00	0.14	572 95	
3	7361 76	90.00	0.14	2682 00	4925 70	12 40	0.00	0 00	4925 72	PBHL - Lateral



Formation Tops:

Greyburg: 412' KBTVD
San Andres: 712' KBTVD
Glorieta: 2282' KBTVD
Yeso: 2382' KBTVD
Mid Yeso Mkr: 2582' KBTVD
Target Center Line: 2683' KBTVD

Dip: 0.00° (90.00°)

Drawn By ALR
Date Created 06/07/11
Date Revised 06/07/11
File Nearburg Producing- Huber 3 Fed #5H Lateral 1 to gp32

Aim Directional Services, LLC

Planning Report - Geographic

Company: Nearburg Producing Company	Date: 06/07/2011	Time: 09:16:02	Page: 1
Field: Eddy County, New Mexico	Co-ordinate (NE) Reference: Well: #5H Grid: North		
Site: Huber "3" Fed #5H	Vertical (TVD) Reference: SITE 0.0		
Well: #5H	Section (VS) Reference: Well: (0.00N,0.00E,0.14Azi)		
Wellpath: Lateral 1r0	Plan: Lateral 1r0		

Field: Eddy County, New Mexico

Map System: US State Plane Coordinate System 1983
 Geo Datum: GRS 1980
 Sys Datum: Mean Sea Level

Map Zone: New Mexico, Eastern Zone
 Coordinate System: Well Centre
 Geomagnetic Model: WMM_2010

Site: Huber "3" Fed #5H

Site Position:	From: Map	Northing: 580256.20 ft	Easting: 456577.60 ft	Latitude: 32 35 41.541 N	Longitude: 104 36 30.806 W
Position Uncertainty:	0.00 ft			North Reference: Grid	
Ground Level:	3443.00 ft			Grid Convergence: -0.15 deg	

Well: #5H

Slot Name:

Well Position:	+N/-S 0.00 ft	Northing: 580256.20 ft	Latitude: 32 35 41.541 N
	+E/-W 0.00 ft	Easting: 456577.60 ft	Longitude: 104 36 30.806 W
Position Uncertainty:	0.00 ft		

Wellpath: Lateral 1r0

Current Datum:	SITE	Height	0.00 ft	Drilled From:	Surface
Magnetic Data:	06/07/2011			Tie-on Depth:	0.00 ft
Field Strength:	48590 nT			Above System Datum:	Mean Sea Level
Vertical Section:	Depth From (TVD)	+N/-S	ft	Declination:	7.89 deg
	ft	ft		Mag Dip Angle:	60.10 deg
				+E/-W	Direction
				ft	deg
	0.00	0.00		0.00	0.14

Plan: Lateral 1r0

Date Composed: 06/07/2011
 Version: 1
 Tied-to: User Defined

Principal: Yes

Plan Section Information

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target
2109.00	0.00	0.00	2109.00	0.00	0.00	0.00	0.00	0.00	0.00	
3008.99	90.00	0.14	2681.96	572.95	1.44	10.00	10.00	0.02	0.14	
7361.76	90.00	0.14	2682.00	4925.70	12.40	0.00	0.00	0.00	0.00	PBHL - Lateral

Section 1 : Start DLS 10.00 TFO 0.14

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
2109.00	0.00	0.00	2109.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2150.00	4.10	0.14	2149.97	1.47	0.00	1.47	10.00	10.00	0.00	0.00
2200.00	9.10	0.14	2199.62	7.21	0.02	7.21	10.00	10.00	0.00	0.00
2250.00	14.10	0.14	2248.58	17.26	0.04	17.26	10.00	10.00	0.00	0.00
2284.74	17.57	0.14	2282.00	26.74	0.07	26.74	10.00	10.00	0.00	0.00
2300.00	19.10	0.14	2296.48	31.54	0.08	31.54	10.00	10.00	0.00	0.00
2350.00	24.10	0.14	2342.96	49.94	0.13	49.94	10.00	10.00	0.00	0.00
2393.55	28.46	0.14	2382.00	69.22	0.17	69.22	10.00	10.00	0.00	0.00
2400.00	29.10	0.14	2387.65	72.32	0.18	72.32	10.00	10.00	0.00	0.00
2450.00	34.10	0.14	2430.22	98.51	0.25	98.51	10.00	10.00	0.00	0.00
2500.00	39.10	0.14	2470.35	128.32	0.32	128.32	10.00	10.00	0.00	0.00
2550.00	44.10	0.14	2507.73	161.50	0.41	161.50	10.00	10.00	0.00	0.00
2600.00	49.10	0.14	2542.07	197.82	0.50	197.82	10.00	10.00	0.00	0.00
2650.00	54.10	0.14	2573.12	236.99	0.60	236.99	10.00	10.00	0.00	0.00
2665.43	55.64	0.14	2582.00	249.61	0.63	249.61	10.00	10.00	0.00	0.00
2700.00	59.10	0.14	2600.63	278.72	0.70	278.72	10.00	10.00	0.00	0.00
2750.00	64.10	0.14	2624.41	322.69	0.81	322.69	10.00	10.00	0.00	0.00
2800.00	69.10	0.14	2644.26	368.56	0.93	368.56	10.00	10.00	0.00	0.00
2850.00	74.10	0.14	2660.04	415.99	1.05	415.99	10.00	10.00	0.00	0.00
2900.00	79.10	0.14	2671.62	464.61	1.17	464.61	10.00	10.00	0.00	0.00
2950.00	84.10	0.14	2678.92	514.06	1.29	514.06	10.00	10.00	0.00	0.00

Aim Directional Services, LLC

Planning Report - Geographic

Company: Nearburg Producing Company Field: Eddy County, New Mexico Site: Huber 3" Fed #5H Well: #5H Wellpath: Lateral 1r0	Date: 06/07/2011 Co-ordinate(NE) Reference: Well #5H Grid North Vertical (TVD) Reference: SITE 0.0 Section (VS) Reference: Well (0.00N 0.00E 0.14Azi) Plan: Lateral 1r0
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Section 1 : Start DLS 10.00 TFO 0.14

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
3000.00	89.10	0.14	2681.89	563.96	1.42	563.96	10.00	10.00	0.00	0.00
3008.99	90.00	0.14	2681.96	572.95	1.44	572.95	10.00	10.00	0.00	0.00

Section 2 : Start Hold

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg
3100.00	90.00	0.14	2681.96	663.96	1.67	663.96	0.00	0.00	0.00	0.00
3200.00	90.00	0.14	2681.96	763.96	1.92	763.96	0.00	0.00	0.00	0.00
3300.00	90.00	0.14	2681.96	863.96	2.17	863.96	0.00	0.00	0.00	0.00
3400.00	90.00	0.14	2681.96	963.95	2.43	963.96	0.00	0.00	0.00	0.00
3500.00	90.00	0.14	2681.96	1063.95	2.68	1063.96	0.00	0.00	0.00	0.00
3600.00	90.00	0.14	2681.96	1163.95	2.93	1163.96	0.00	0.00	0.00	0.00
3700.00	90.00	0.14	2681.96	1263.95	3.18	1263.96	0.00	0.00	0.00	0.00
3800.00	90.00	0.14	2681.97	1363.95	3.43	1363.96	0.00	0.00	0.00	0.00
3900.00	90.00	0.14	2681.97	1463.95	3.69	1463.96	0.00	0.00	0.00	0.00
4000.00	90.00	0.14	2681.97	1563.95	3.94	1563.96	0.00	0.00	0.00	0.00
4100.00	90.00	0.14	2681.97	1663.95	4.19	1663.96	0.00	0.00	0.00	0.00
4200.00	90.00	0.14	2681.97	1763.95	4.44	1763.96	0.00	0.00	0.00	0.00
4300.00	90.00	0.14	2681.97	1863.95	4.69	1863.96	0.00	0.00	0.00	0.00
4400.00	90.00	0.14	2681.97	1963.95	4.94	1963.96	0.00	0.00	0.00	0.00
4500.00	90.00	0.14	2681.97	2063.95	5.20	2063.96	0.00	0.00	0.00	0.00
4600.00	90.00	0.14	2681.97	2163.95	5.45	2163.96	0.00	0.00	0.00	0.00
4700.00	90.00	0.14	2681.97	2263.95	5.70	2263.96	0.00	0.00	0.00	0.00
4800.00	90.00	0.14	2681.98	2363.95	5.95	2363.96	0.00	0.00	0.00	0.00
4900.00	90.00	0.14	2681.98	2463.95	6.20	2463.96	0.00	0.00	0.00	0.00
5000.00	90.00	0.14	2681.98	2563.95	6.45	2563.96	0.00	0.00	0.00	0.00
5100.00	90.00	0.14	2681.98	2663.95	6.71	2663.96	0.00	0.00	0.00	0.00
5200.00	90.00	0.14	2681.98	2763.95	6.96	2763.96	0.00	0.00	0.00	0.00
5300.00	90.00	0.14	2681.98	2863.95	7.21	2863.96	0.00	0.00	0.00	0.00
5400.00	90.00	0.14	2681.98	2963.95	7.46	2963.96	0.00	0.00	0.00	0.00
5500.00	90.00	0.14	2681.98	3063.95	7.71	3063.96	0.00	0.00	0.00	0.00
5600.00	90.00	0.14	2681.98	3163.95	7.96	3163.96	0.00	0.00	0.00	0.00
5700.00	90.00	0.14	2681.98	3263.95	8.22	3263.96	0.00	0.00	0.00	0.00
5800.00	90.00	0.14	2681.98	3363.95	8.47	3363.96	0.00	0.00	0.00	0.00
5900.00	90.00	0.14	2681.99	3463.95	8.72	3463.96	0.00	0.00	0.00	0.00
6000.00	90.00	0.14	2681.99	3563.95	8.97	3563.96	0.00	0.00	0.00	0.00
6100.00	90.00	0.14	2681.99	3663.95	9.22	3663.96	0.00	0.00	0.00	0.00
6200.00	90.00	0.14	2681.99	3763.95	9.48	3763.96	0.00	0.00	0.00	0.00
6300.00	90.00	0.14	2681.99	3863.95	9.73	3863.96	0.00	0.00	0.00	0.00
6400.00	90.00	0.14	2681.99	3963.95	9.98	3963.96	0.00	0.00	0.00	0.00
6500.00	90.00	0.14	2681.99	4063.94	10.23	4063.96	0.00	0.00	0.00	0.00
6600.00	90.00	0.14	2681.99	4163.94	10.48	4163.96	0.00	0.00	0.00	0.00
6700.00	90.00	0.14	2681.99	4263.94	10.73	4263.96	0.00	0.00	0.00	0.00
6800.00	90.00	0.14	2681.99	4363.94	10.99	4363.96	0.00	0.00	0.00	0.00
6900.00	90.00	0.14	2682.00	4463.94	11.24	4463.96	0.00	0.00	0.00	0.00
7000.00	90.00	0.14	2682.00	4563.94	11.49	4563.96	0.00	0.00	0.00	0.00
7100.00	90.00	0.14	2682.00	4663.94	11.74	4663.96	0.00	0.00	0.00	0.00
7200.00	90.00	0.14	2682.00	4763.94	11.99	4763.96	0.00	0.00	0.00	0.00
7300.00	90.00	0.14	2682.00	4863.94	12.24	4863.96	0.00	0.00	0.00	0.00
7361.76	90.00	0.14	2682.00	4925.70	12.40	4925.72	0.00	0.00	0.00	0.00

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec			Longitude Deg Min Sec		
2109.00	0.00	0.00	2109.00	0.00	0.00	580256.20	456577.60	32	35	41.541 N	104	36	30.806 W
2150.00	4.10	0.14	2149.97	1.47	0.00	580257.67	456577.60	32	35	41.556 N	104	36	30.806 W
2200.00	9.10	0.14	2199.62	7.21	0.02	580263.41	456577.62	32	35	41.613 N	104	36	30.806 W
2250.00	14.10	0.14	2248.58	17.26	0.04	580273.46	456577.64	32	35	41.712 N	104	36	30.806 W
2284.74	17.57	0.14	2282.00	26.74	0.07	580282.94	456577.67	32	35	41.806 N	104	36	30.806 W
2300.00	19.10	0.14	2296.48	31.54	0.08	580287.74	456577.68	32	35	41.853 N	104	36	30.806 W

Aim Directional Services, LLC

Planning Report - Geographic

Company: Nearburg Producing Company	Date: 06/07/2011	Time: 09:16:02	Page: 3
Field: Eddy County - New Mexico	Co-ordinate(NE) Reference: Well: #5H- Grid North		
Site: Huber #3 Fed #5H	Vertical (TVD) Reference: SITE 0.0		
Well: #5H	Section (VS) Reference: Well: (0.00N:0.00E:0.14Azi)		
Wellpath: Lateral 1r0	Plan: Lateral 1r0		

Survey

MD ft	Incl deg	Azim deg	TVD ft	N-S ft	E-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec	Longitude Deg Min Sec
2350.00	24.10	0.14	2342.96	49.94	0.13	580306.14	456577.73	32 35 42.035 N	104 36 30.806 W
2393.55	28.46	0.14	2382.00	69.22	0.17	580325.42	456577.77	32 35 42.226 N	104 36 30.806 W
2400.00	29.10	0.14	2387.65	72.32	0.18	580328.52	456577.78	32 35 42.257 N	104 36 30.806 W
2450.00	34.10	0.14	2430.22	98.51	0.25	580354.71	456577.85	32 35 42.516 N	104 36 30.806 W
2500.00	39.10	0.14	2470.35	128.32	0.32	580384.52	456577.92	32 35 42.811 N	104 36 30.806 W
2550.00	44.10	0.14	2507.73	161.50	0.41	580417.70	456578.01	32 35 43.139 N	104 36 30.806 W
2600.00	49.10	0.14	2542.07	197.82	0.50	580454.02	456578.10	32 35 43.499 N	104 36 30.806 W
2650.00	54.10	0.14	2573.12	236.99	0.60	580493.19	456578.20	32 35 43.886 N	104 36 30.806 W
2665.43	55.64	0.14	2582.00	249.61	0.63	580505.81	456578.23	32 35 44.011 N	104 36 30.806 W
2700.00	59.10	0.14	2600.63	278.72	0.70	580534.92	456578.30	32 35 44.299 N	104 36 30.806 W
2750.00	64.10	0.14	2624.41	322.69	0.81	580578.89	456578.41	32 35 44.734 N	104 36 30.806 W
2800.00	69.10	0.14	2644.26	368.56	0.93	580624.76	456578.53	32 35 45.188 N	104 36 30.806 W
2850.00	74.10	0.14	2660.04	415.99	1.05	580672.19	456578.65	32 35 45.658 N	104 36 30.806 W
2900.00	79.10	0.14	2671.62	464.61	1.17	580720.81	456578.77	32 35 46.139 N	104 36 30.806 W
2950.00	84.10	0.14	2678.92	514.06	1.29	580770.26	456578.89	32 35 46.628 N	104 36 30.806 W
3000.00	89.10	0.14	2681.89	563.96	1.42	580820.16	456579.02	32 35 47.122 N	104 36 30.806 W
3008.99	90.00	0.14	2681.96	572.95	1.44	580829.15	456579.04	32 35 47.211 N	104 36 30.806 W
3100.00	90.00	0.14	2681.96	663.96	1.67	580920.16	456579.27	32 35 48.111 N	104 36 30.806 W
3200.00	90.00	0.14	2681.96	763.96	1.92	581020.16	456579.52	32 35 49.101 N	104 36 30.806 W
3300.00	90.00	0.14	2681.96	863.96	2.17	581120.16	456579.77	32 35 50.090 N	104 36 30.806 W
3400.00	90.00	0.14	2681.96	963.95	2.43	581220.15	456580.03	32 35 51.080 N	104 36 30.807 W
3500.00	90.00	0.14	2681.96	1063.95	2.68	581320.15	456580.28	32 35 52.070 N	104 36 30.807 W
3600.00	90.00	0.14	2681.96	1163.95	2.93	581420.15	456580.53	32 35 53.059 N	104 36 30.807 W
3700.00	90.00	0.14	2681.96	1263.95	3.18	581520.15	456580.78	32 35 54.049 N	104 36 30.807 W
3800.00	90.00	0.14	2681.97	1363.95	3.43	581620.15	456581.03	32 35 55.038 N	104 36 30.807 W
3900.00	90.00	0.14	2681.97	1463.95	3.69	581720.15	456581.29	32 35 56.028 N	104 36 30.807 W
4000.00	90.00	0.14	2681.97	1563.95	3.94	581820.15	456581.54	32 35 57.017 N	104 36 30.807 W
4100.00	90.00	0.14	2681.97	1663.95	4.19	581920.15	456581.79	32 35 58.007 N	104 36 30.807 W
4200.00	90.00	0.14	2681.97	1763.95	4.44	582020.15	456582.04	32 35 58.996 N	104 36 30.807 W
4300.00	90.00	0.14	2681.97	1863.95	4.69	582120.15	456582.29	32 35 59.986 N	104 36 30.807 W
4400.00	90.00	0.14	2681.97	1963.95	4.94	582220.15	456582.54	32 36 0.975 N	104 36 30.807 W
4500.00	90.00	0.14	2681.97	2063.95	5.20	582320.15	456582.80	32 36 1.965 N	104 36 30.807 W
4600.00	90.00	0.14	2681.97	2163.95	5.45	582420.15	456583.05	32 36 2.954 N	104 36 30.808 W
4700.00	90.00	0.14	2681.97	2263.95	5.70	582520.15	456583.30	32 36 3.944 N	104 36 30.808 W
4800.00	90.00	0.14	2681.98	2363.95	5.95	582620.15	456583.55	32 36 4.934 N	104 36 30.808 W
4900.00	90.00	0.14	2681.98	2463.95	6.20	582720.15	456583.80	32 36 5.923 N	104 36 30.808 W
5000.00	90.00	0.14	2681.98	2563.95	6.45	582820.15	456584.05	32 36 6.913 N	104 36 30.808 W
5100.00	90.00	0.14	2681.98	2663.95	6.71	582920.15	456584.31	32 36 7.902 N	104 36 30.808 W
5200.00	90.00	0.14	2681.98	2763.95	6.96	583020.15	456584.56	32 36 8.892 N	104 36 30.808 W
5300.00	90.00	0.14	2681.98	2863.95	7.21	583120.15	456584.81	32 36 9.881 N	104 36 30.808 W
5400.00	90.00	0.14	2681.98	2963.95	7.46	583220.15	456585.06	32 36 10.871 N	104 36 30.808 W
5500.00	90.00	0.14	2681.98	3063.95	7.71	583320.15	456585.31	32 36 11.860 N	104 36 30.808 W
5600.00	90.00	0.14	2681.98	3163.95	7.96	583420.15	456585.56	32 36 12.850 N	104 36 30.808 W
5700.00	90.00	0.14	2681.98	3263.95	8.22	583520.15	456585.82	32 36 13.839 N	104 36 30.808 W
5800.00	90.00	0.14	2681.98	3363.95	8.47	583620.15	456586.07	32 36 14.829 N	104 36 30.809 W
5900.00	90.00	0.14	2681.99	3463.95	8.72	583720.15	456586.32	32 36 15.818 N	104 36 30.809 W
6000.00	90.00	0.14	2681.99	3563.95	8.97	583820.15	456586.57	32 36 16.808 N	104 36 30.809 W
6100.00	90.00	0.14	2681.99	3663.95	9.22	583920.15	456586.82	32 36 17.798 N	104 36 30.809 W
6200.00	90.00	0.14	2681.99	3763.95	9.48	584020.15	456587.08	32 36 18.787 N	104 36 30.809 W
6300.00	90.00	0.14	2681.99	3863.95	9.73	584120.15	456587.33	32 36 19.777 N	104 36 30.809 W
6400.00	90.00	0.14	2681.99	3963.95	9.98	584220.15	456587.58	32 36 20.766 N	104 36 30.809 W
6500.00	90.00	0.14	2681.99	4063.94	10.23	584320.14	456587.83	32 36 21.756 N	104 36 30.809 W
6600.00	90.00	0.14	2681.99	4163.94	10.48	584420.14	456588.08	32 36 22.745 N	104 36 30.809 W

Aim Directional Services, LLC

Planning Report - Geographic

Company: Nearburg Producing Company	Date: 06/07/2011	Time: 09:16:02	Page: 4
Field: Eddy County, New Mexico	Co-ordinate(NE) Reference: Well #5H Grid North		
Site: Huber "3" Fed #5H	Vertical (TVD) Reference: SITE 0.0		
Well: #5H	Section (VS) Reference: Well (0.00N,0.00E,0.14Azi)		
Wellpath: Lateral 1r0	Plan: Lateral 1r0		

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec			Longitude Deg Min Sec		
6700.00	90.00	0.14	2681.99	4263.94	10.73	584520.14	456588.33	32	36	23.735 N	104	36	30.809 W
6800.00	90.00	0.14	2681.99	4363.94	10.99	584620.14	456588.59	32	36	24.724 N	104	36	30.809 W
6900.00	90.00	0.14	2682.00	4463.94	11.24	584720.14	456588.84	32	36	25.714 N	104	36	30.809 W
7000.00	90.00	0.14	2682.00	4563.94	11.49	584820.14	456589.09	32	36	26.703 N	104	36	30.810 W
7100.00	90.00	0.14	2682.00	4663.94	11.74	584920.14	456589.34	32	36	27.693 N	104	36	30.810 W
7200.00	90.00	0.14	2682.00	4763.94	11.99	585020.14	456589.59	32	36	28.682 N	104	36	30.810 W
7300.00	90.00	0.14	2682.00	4863.94	12.24	585120.14	456589.84	32	36	29.672 N	104	36	30.810 W
7361.76	90.00	0.14	2682.00	4925.70	12.40	585181.90	456590.00	32	36	30.283 N	104	36	30.810 W

Targets

Name	Description Dip Dir	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec			Longitude Deg Min Sec		
PBHL - Lateral		2682.00	4925.70	12.40	585181.90	456590.00	32	36	30.283 N	104	36	30.810 W

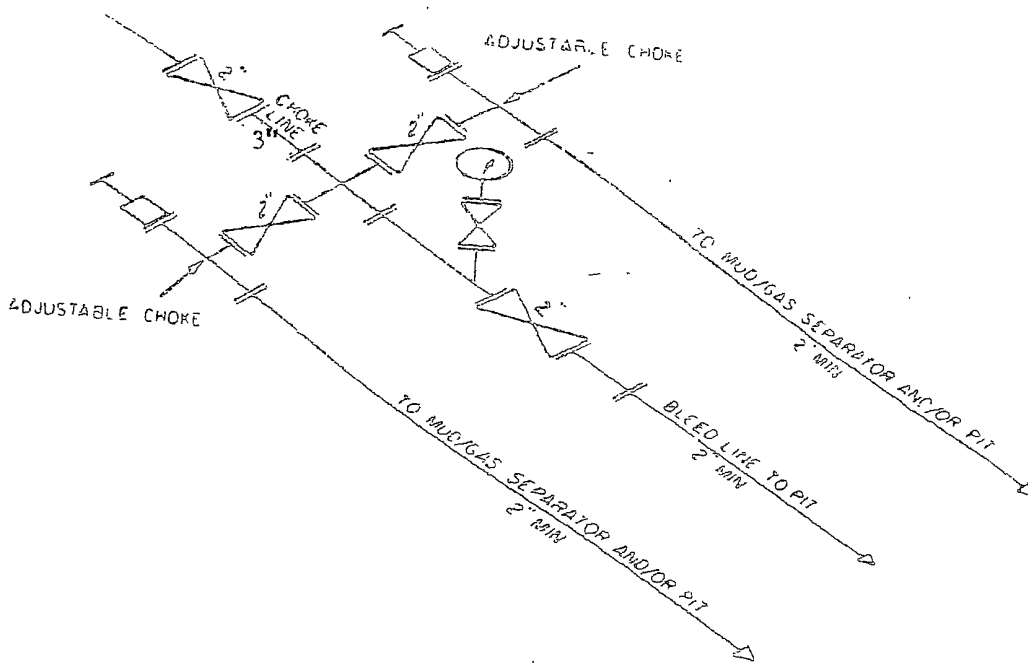
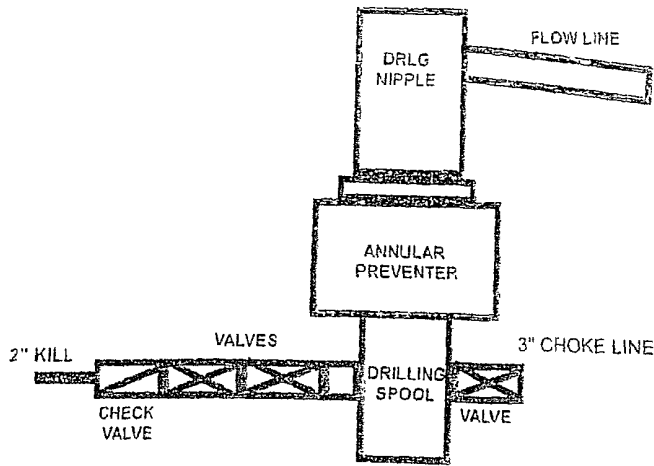
Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
2284.74	2282.00	Glorieta		0.00	0.00
2393.55	2382.00	Yeso		0.00	0.00
2665.43	2582.00	Mid Yeso Mkr		0.00	0.00
7300.00	2682.00	Target Center Line		0.00	0.00

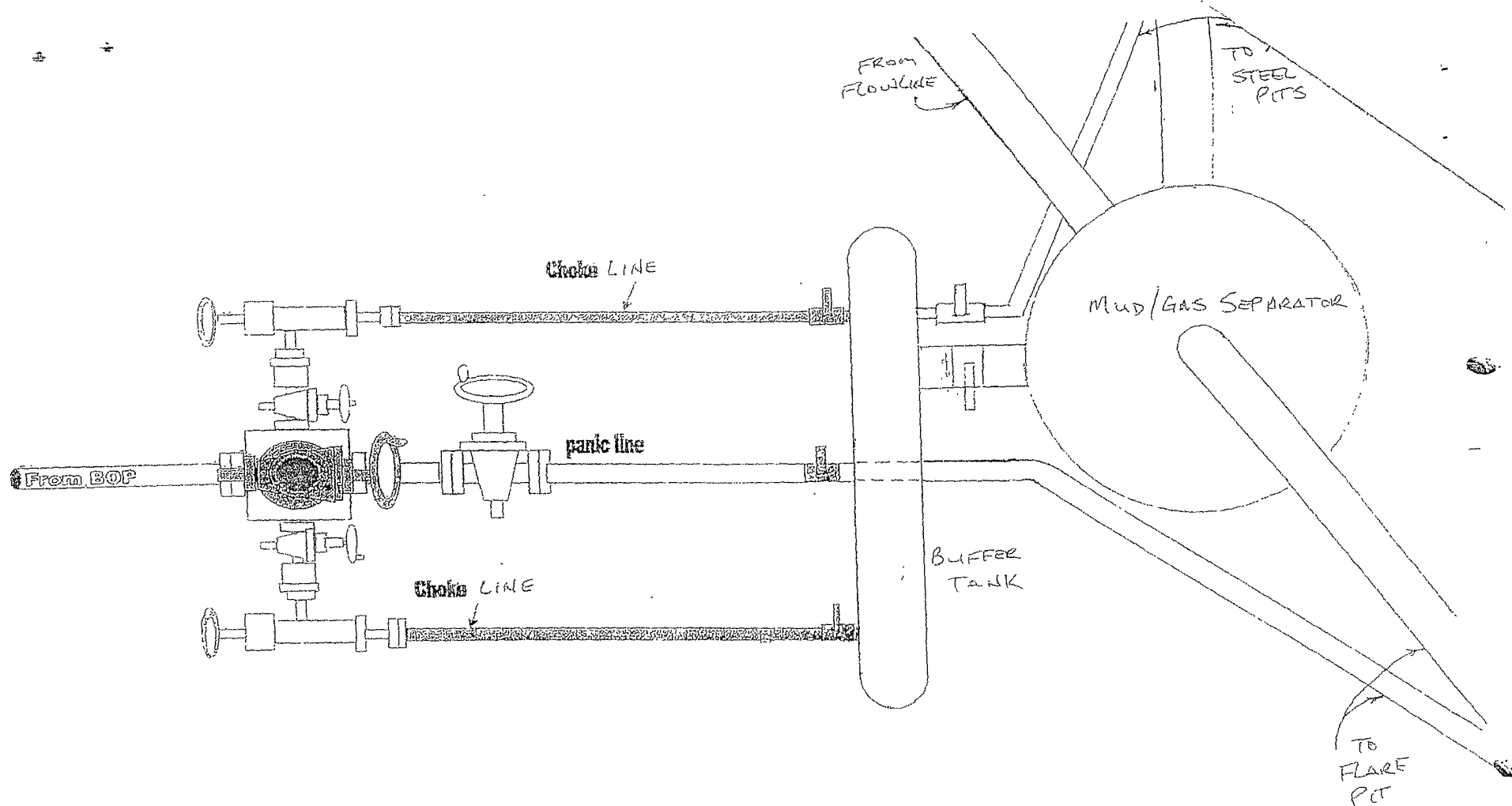
Annotation

MD ft	TVD ft	
2109.00	2109.00	KOP, Build 10.00°/100'
3008.99	2681.96	Hold 90.00°, 0.14° Azimuth
7361.75	2682.00	PBHL - Lateral

2M SYSTEM

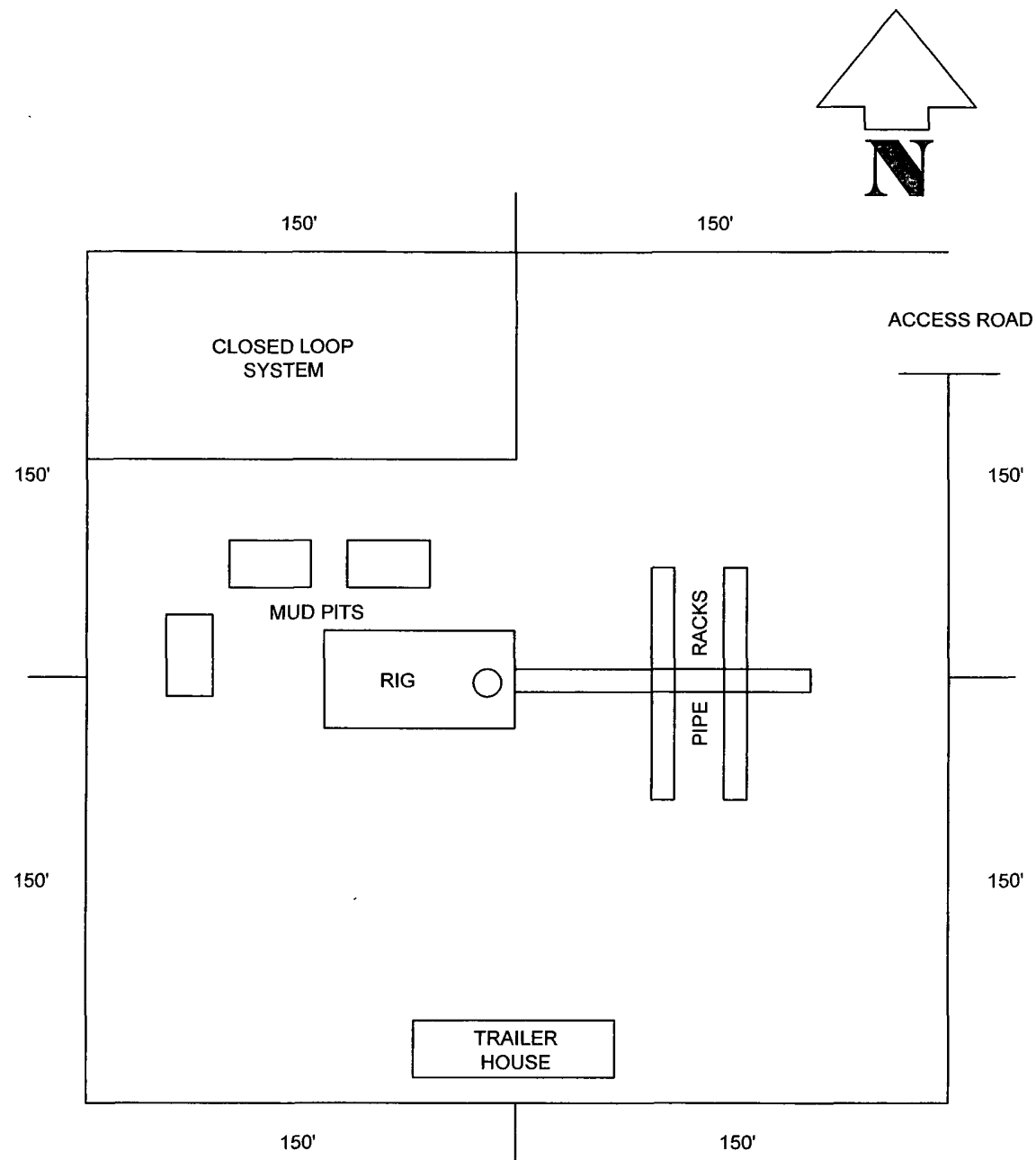


2M CHOKE MANIFOLD EQUIPMENT — CONFIGURATION OF CHOKES
MAY VARY



2000#/3000# BOP manifold system
 FOR POTENTIAL H₂S ENVIRONMENT

TO
 FLARE
 PIT
 (150' FROM
 WELL HEAD)
 WITH ELECTRIC
 OR PROPANE
 IGNITER



HUBER FEDERAL #5H

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

8396

Operator NIEARBURG PROD CO OGRID # 15742
 Well Name & # HUBER FEDERAL #5H Surface Type (F)(S) (P)
 Location: UL N Sect 3, Twnship 20s, RNG 25e,
C - 3 - 20 - 25 Sub-surface Type (F)(S) (P)

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID X BONDING FED PROP CODE X, WELL # X SIGNATURE X

2. Inactive Well list as of: 07/05/11 # wells 168, # Inactive wells 0

a. District Grant APD but see number of inactive wells:

No letter required X; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 07/05/11

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES X, NO , Signature X

1. Pool N. SEVEN QUARTERS, GLOP-4E40, Code 87565

a. Dedicated acreage 160, What Units CPKN

b. SUR. Location Standard : Non-Standard Location X PPNOR Standard

c. Well shares acres: Yes , No X # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No X

Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes X, No

a. Dedicated acreage 160, What Units CPKN

b. Bottomhole Location Standard X, Non-Standard Bottomhole

4. Downhole Commingle: Yes , No X

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No X

D. Blowout Preventer Yes X, No

E. H2S Yes X, No

F. C144 Pit Registration Yes , No

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes X, No , NSL #

2. Non-Standard Proration: Yes , No X, NSP #

3. Simultaneous Dedication: Yes , No X, SD #

Number of wells Plus #

4. Injection order Yes , No X; PMX # or WFX #

5. SWD order Yes , NO X; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date 7/5/11

API #30-015-39127

8. Reviewers Ka

*Condition of approval
can not produce
until NSL
approved*