

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC069276
2. Name of Operator NEARBURG PRODUCING COMPANY Contact: VICKI JOHNSTON Email: vjohnston1@gmail.com		6. If Indian, Allottee or Tribe Name
3a. Address 3300 NORTH A STREET BLDG 2 STE 120 MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 432.686.8235	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 31 T18S R33E SWNE 1980FNL 1650FEL		8. Well Name and No. GAZELLE 31 FEDERAL 01
		9. API Well No. 30-025-34317-00-S1
		10. Field and Pool, or Exploratory CORBIN Bone Spring South
		11. County or Parish, and State LEA COUNTY, NM

HOBBS OCD

JUN 01 2015

RECEIVED

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

This procedure is to plug back and complete the Bone Spring from 8704' to 8784'.

- MIRU Well service unit. Kill well with 2% KCl wtr.
- ND wellhead and NU BOP.
- Release pkr and POH with tbg. and pkr.
- RU Wireline. RIH and set CIBP at 13,001 and dump 35' cmt on top. (5-1/2" 20# casing)
- RIH with tubing open ended to 8,800' +/- Test casing to 6,000#
- Pickle tbg w/750g Xylene and 2500g 15% NeFeHCl pump down tbg and out BS to clean both tbg & 5-1/2 casing.
- POH with tubing
- Perforate Bone Spring with 2 SPF 60 deg. phasing as follows: 8704-8706, 8711-8713, 8741-8743, 8754-8756, 8761-8763, 8772-8774, 8782-8784 (6 shots per cluster, 42 shots total). Correlated all

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

see COA

14. I hereby certify that the foregoing is true and correct.

**Electronic Submission #251080 verified by the BLM Well Information System
For NEARBURG PRODUCING COMPANY, sent to the Hobbs
Committed to AFMSS for processing by CHRISTOPHER WALLS on 09/02/2014 (14CRW0203SE)**

Name (Printed/Typed) TIM GREEN	Title MARKETING & PRODUCTION SERVICE
Signature (Electronic Submission)	Date 06/27/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE APPROVAL

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice 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.		
Office _____	<div style="border: 2px solid black; padding: 5px; display: inline-block;"> APPROVED MAY 21 2015 /s/ Chris Walls </div>	

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 a false statement or representation to any Federal, State, or local agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

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dm

Additional data for EC transaction #251080 that would not fit on the form

32. Additional remarks, continued

perforating to Schlumberger "Platform Express - Compensated Neutron Log Three Detector Density/NGT" log dated 8-24-1998. All wireline work to be done under a 5000# lubricator.

9) RIH with test/treat packer and tubing. Set packer at +/- 8600'

10) Acidize perms with 5,000 gals 15% NeFeHCl using 64 ball sealers. Pump 1,000 gals acid then drop 8 balls every 500 gals. Get 5, 10 and 15 minute shut-ins.

11) Swab to recover load.

12) Unseat packer and POH with tubing and packer.

13) ND BOP, NU wellhead.

14) NU frac stack.

15) Frac well per design.

16) Flow back well until well dies.

17) ND wellhead, NU BOP.

18) RIH with 4-5/8" bit and tubing to 9,000'.

19) POH with tubing and bit.

20) RIH with tubing for production set-up.

21) ND BOP, NU wellhead

22) Run pump and rods. Hang well on and turn over to production.

CURRENT WELLBORE DIAGRAM

LEASE: <u>Gazelle 31 Federal</u>	WELL: <u>1</u>	FIELD: <u>Corbin Morrow: South</u>	API: <u>30-025-34317</u>
LOC: <u>1980' FNL & 1650' FEL</u>	SEC: <u>31</u>	BLK: <u>T18S R33E</u>	Reservoir: <u>Morrow</u>
SVY: _____	GL: <u>3738'</u>	CTY/ST: <u>Lea Co., NM</u>	SPUD: <u>6/30/1998</u>
CURRENT STATUS: _____	KB: <u>3755</u>	DF: <u>3754</u>	TD DATE: <u>8/24/1998</u>
			COMP. DATE: <u>10/2/1998</u>

FRESH WATER
DEPTH:

HOLE SIZE: 17.5"
 SURF CSG & SIZE: 13-3/8" 54.5#
 SET @: 401'
 SXS CMT: 400 sx
 CIRC: yes
 TOC AT: Surf
 TOC BY: Circ

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
 PRODUCTIVE OF HYDRO-
 CARBONS:

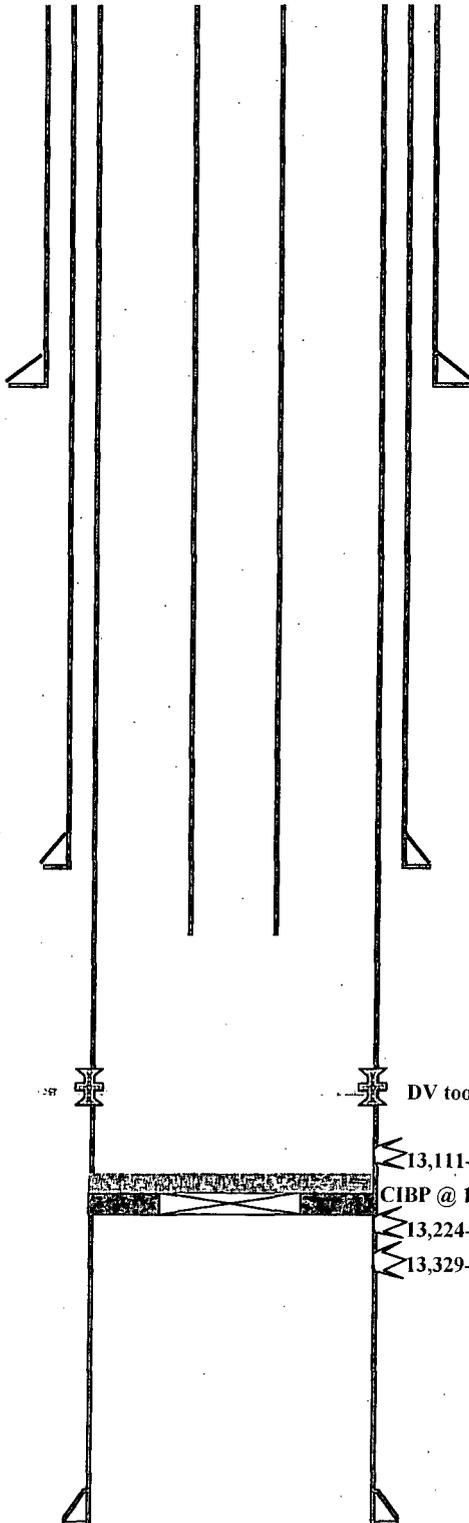
FBG:
 FTS:
 FN:
 FAC:
 ROD SIZE:

HOLE SIZE: 11"
 INT. CSG & SIZE: 8-5/8" 32#
 SET @: 5160'
 SXS CMT: 2135 sx
 CIRC: yes
 TOC AT: Surf
 TOC BY: Circ

CURRENT PERFS:

PKR:
 TYPE:

SQUEEZE JOBS:



WC -10,614'

WH ID:
 WTD:
 BTD: 13,526'
 D: 13,617'

HOLE SIZE: 7-7/8"
 PROD. CSG & SIZE: 5-1/2" 17 & 20#
 SET @: 13,617'
 SXS CMT: 2350 sx
 CIRC: 140 sx on 1st stage
 TOC AT: 4950' on 2nd stage
 TOC BY: estimated

OPEN HOLE:

LINER:

BY:
 6/26/2014

PROPOSED WELLBORE DIAGRAM

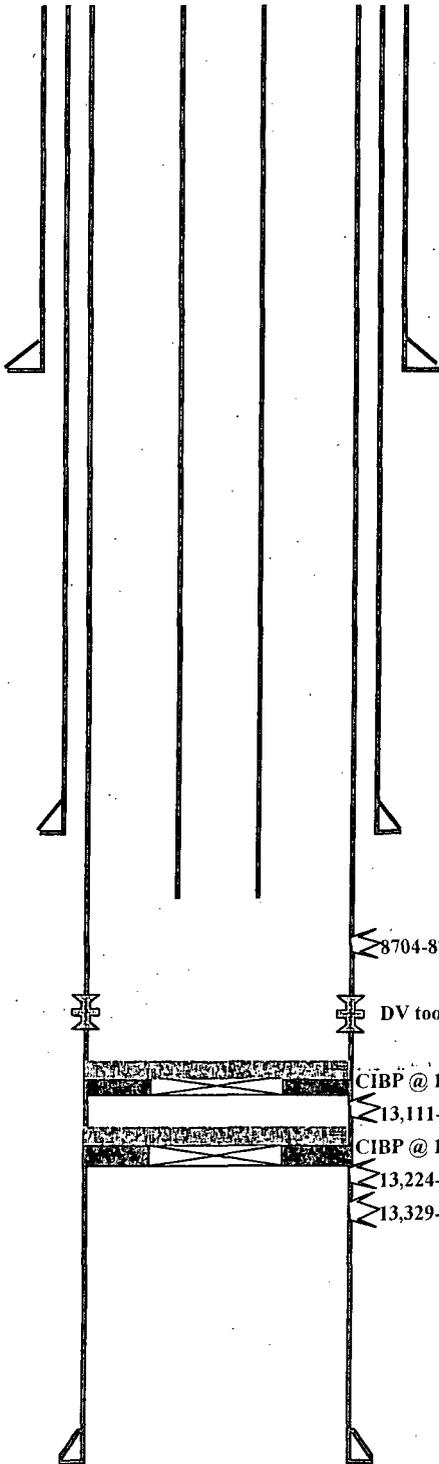
LEASE: <u>Gazelle 31 Federal</u>	WELL: <u>1</u>	FIELD: <u>Corbin South Bone Spring</u>	API: <u>30-025-34317</u>
LOC: <u>1980' FNL & 1650' FEL</u>	SEC: <u>31</u>	BLK: <u>T18S R33E</u>	Reservoir: <u>Bone Spring</u>
SVY: <u>0</u>	GL: <u>3738'</u>	CTY/ST: <u>Lea Co., NM</u>	SPUD: <u>6/30/1998</u>
CURRENT STATUS: <u>#</u>	KB: <u>3755</u>	DF: <u>3754</u>	TD DATE: <u>8/24/1998</u>
			COMP. DATE: <u>10/2/1998</u>

FRESH WATER
DEPTH:

TBG: 0
JTS: 0
SN: 0
TAC: 0
ROD SIZE:

PKR:
TYPE:

OH ID:
COTD:
PBDT: 13,056'
TD: 13,617'



HOLE SIZE: 17.5"
SURF CSG & SIZE: 13-3/8" 54.5#
SET @: 401'
SXS CMT: 400 sx
CIRC: yes
TOC AT: Surf
TOC BY: Circ

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:

HOLE SIZE: 11"
INT. CSG & SIZE: 8-5/8" 32#
SET @: 5160'
SXS CMT: 2135 sx
CIRC: yes
TOC AT: Surf
TOC BY: Circ

CURRENT PERFS:

SQUEEZE JOBS:

HOLE SIZE: 7-7/8"
PROD. CSG & SIZE: 5-1/2" 17 & 20#
SET @: 13,617'
SXS CMT: 2350 sx
CIRC: 140 sx on 1st stage
TOC AT: 4950' on 2nd stage
TOC BY: estimated

BY: TS
6/22/2014

OPEN HOLE:

LINER:

Nearburg Producing Company
30-025-34317
Gazelle 31 Federal 1
Conditions of Approval

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

1. **Operator shall set a CIBP at 13,061' and dump 35' of cement on top.**
2. **Operator shall set a class H cement plug from 10,654'-10,444'. (Top of Wolfcamp – 10,614')**
3. **Operator shall set a class H cement plug from 10,035'-9,835'. WOC and Tag. (DV Tool - 9985')**
4. **Must conduct a casing integrity test before perforating and fracturing. Submit results to BLM. The CIT is to be performed on the production casing to 1500 psi. Notify BLM if test fails.**
5. Before casing or a liner is added or replaced, prior BLM approval of the design is required. Use notice of intent Form 3160-5.
6. Surface disturbance beyond the originally approved pad must have prior approval.
7. Closed loop system required.
8. Operator to have H2S monitoring equipment on location.
9. A minimum of a 5000 (5M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.
10. **Subsequent sundry required detailing work done, a C-102 form, and completion report for the new formations. Operator to include well bore schematic of current well condition when work is complete.**

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Production Zone Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within **ninety (90)** days from this approval.

If you are unable to plug back the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged back. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plug back operations. For wells in Eddy County, call 575-361-2822. For wells in Lea County, call 575-393-3612

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The BOP must be installed and maintained as per API and manufacturer recommendations. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of brine water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. Any plug that requires a tag will have a minimum WOC time of 4 hours.

In lieu of a cement plug across perforations in a cased hole (not for any other plugs), a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient. **Before pumping or bailing cement on top of CIBP, tag will be required to verify depth.**

Unless otherwise specified in the approved procedure, the cement plug shall consist of either **Neat Class "C"**, for up to 7,500 feet of depth or **Neat Class "H"**, for deeper than 7,500 feet plugs.

6. **Subsequent Plug back Reporting:** Within 30 days after plug back work is completed, file one original and three copies of the Subsequent Report, Form 3160-5 to BLM. The report should give in detail the manner in which the plug back work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date work was completed.**

7. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.