

**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) 748-1283 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 148724

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

1. Operator Name and Address <b>NEARBURG PRODUCING CO</b> 3300 N. A Street, Bldg 2, Midland, TX 79707		2. OGRID Number 15742
		3. API Number 30-025-40575
4. Property Code 39227	5. Property Name KEMNITZ 17 STATE	6. Well No. 001

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	17	16S	33E	J	2309	S	1700	E	LEA

**8. Pool Information**

SANMAL;PENN, NORTH	54346
--------------------	-------

**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 4238
14. Multiple N	15. Proposed Depth 11700	16. Formation Pennsylvanian	17. Contractor	18. Spud Date 6/5/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1250	510	
Int1	12.25	8.625	32	4680	1135	
Prod	7.875	5.5	17	11700	1480	

**Casing/Cement Program: Additional Comments**

13 3/8" Casing: 510 sacks Class C cement+2% bwoc Calcium Chloride +0.125 bwoc Cello Flakes +56.3% Fresh Water. Wt=14.8ppg; Yield=1.35cfs; Mix Water=6.35gps Volumes based on circulating cement to surface. 100% excess. 8 5/8" Casing Lead: 765 sacks 50:50 Poz (Fly Ash): Class C Cement +10% bwoc Bentonite +0.125% bwoc Cello Flake +5% bwow Sodium Chloride +0.3% bwoc FL-52 +5% bwoc LCM-1 +135.5% Fresh Water. Wt=11.8ppg; Yield=2.45cfs; Mix Water=13.65gps 8 5/8" Casing Tail: 370 sacks "C" Neat. Wt=14.8ppg; Yield=1.33cfs; Mix Water=6.33gps Volumes based on circulating cement to surface 100% excess. 5 1/2" Casing 1st Stage Lead: 630 sacks (15:61:11) Poz (Fly Ash): Class C Cement: CSE-2 +0.7% bwoc FL-52 +0.6% bwoc FL-25 +4% bwow Sodium Chloride +3% bwoc LCM-1 +0.2% bwoc Sodium Metasilicate +0.15% bwoc R-21 +69.9% Fresh Water. Wt=13.50ppg; Yield=1.53cfs; Mix Water=7.29gps Volumes based on 50% excess. 5 1/2" Casing 2nd Stage Lead: 545 sacks 50:50 Poz (Fly Ash): Class H Cement +0.3%

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by LeighAnn Hall Title: Production Tech Email Address: lhall@nearburg.com Date: 5/16/2012      Phone: 432-818-2950	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 5/17/2012      Expiration Date: 5/17/2014  Conditions of Approval Attached
--	--

**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) 748-1283 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-102  
August 1, 2011  
Permit 148724

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-40575	2. Pool Code 54346	3. Pool Name SANMAL;PENN, NORTH
4. Property Code 39227	5. Property Name KEMNITZ 17 STATE	6. Well No. 001
7. OGRID No. 15742	8. Operator Name NEARBURG PRODUCING CO	9. Elevation 4238

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	17	16S	33E		2309	S	1700	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 40.00		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 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.*

E-Signed By: LeighAnn Hall  
Title: Production Tech  
Date: 5/16/2012

**SURVEYOR CERTIFICATION**

*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.*

Surveyed By: Ronald Eidson  
Date of Survey: 3/14/2012  
Certificate Number: 3239

## Permit Comments

**Operator:** NEARBURG PRODUCING CO , 15742

**Well:** KEMNITZ 17 STATE #001

**API:** 30-025-40575

Created By	Comment	Comment Date
pkautz	Land s/S	5/17/2012
CHERRERA	OCD RECEIVED FORM C144 CLEZ. OCD PERMIT # P1-04597	5/17/2012



# Permit Conditions of Approval

**Operator:** NEARBURG PRODUCING CO , 15742

**Well:** KEMNITZ 17 STATE #001

**API:** 30-025-40575

OCD Reviewer	Condition
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	Vertical Limits Sanmal;Penn, North are limited to the Cisco and Canyon Formations
pkautz	Surface casing must be set no deeper than 25' below top of Rustler Anhydrite