

DATE IN 6-2-11	SUSPENSE	ENGINEER DJ	LOGGED IN 6.3.11	TYPE NSL	APP NO 1115446822
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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
 X NSL X 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] X 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

RECEIVED OGD
 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 OCD

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 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

[illegible]

2d. β

EXHIBIT A

EXHIBIT A

**1220 S. St Francis Dr.
Santa Fe, NM 87505**

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

1. Operator Name and Address NEARBURG PRODUCING CO 3300 N. A Street, Bldg 2, Midland, TX 79707		2. OGRID Number 15742
		3. API Number 30-015-39013
4. Property Code 21143	5. Property Name FAIRCHILD 24	6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idx	Feet From	N/S Line	Feet From	E/W Line	County
L	24	19S	25E	L	2520	S	750	W	EDDY

8. Pool Information

N. SEVEN RIVERS, GLORIETA-YESO	97565
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Runway	12. Lease Type Private	13. Ground Level Elevation 3417
14. Multiple N	15. Proposed Depth 5082	16. Formation Yeso Formation	17. Contractor	18. Spud Date 7/10/2011
Depth to Ground water		Distance from nearest depth water well		Distance to nearest surface water
Fil: Linear Synthetic <input type="checkbox"/> mils thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	32	825	494	0
Prod	7.875	5.5	17	5082	400	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Annular	5000	5000	Shaffer

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"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 5/4/2011	Expiration Date: 5/4/2013
Printed Name: Electronically filed by Terri Stathem		
Title: Regulatory Analyst		
Email Address: tstathem@nearburg.com		
Date: 5/4/2011	Phone: 432-818-2950	Conditions of Approval Attached

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

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 80	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' 0.8.H</p> <p>GRID AZ = 351°28'03"</p> <p>HORIZ. DIST = 2522.7'</p> <p>750' S.L. SEE DETAIL</p> <p>2520'</p> <p>GEODETIC COORDINATES NAD 27 NME</p> <p>SURFACE LOCATION Y=598684.5 N X=466010.5 E LAT.=32.645837° N LONG.=104.443760° W</p> <p>BOTTOM HOLE LOCATION Y=601178.6 N X=465636.3 E</p>	<p>OPERATOR CERTIFICATION</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>Terri Stathem Printed Name</p> <p>tstathem@nearburg.com E-mail Address</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 8, 2011</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor: <i>Ronald J. Eidson</i></p> <p>RONALD J. EIDSON NEW MEXICO 3239</p> <p>Certificate Number: 12641 Ronald J. Eidson 3239</p> <p>LA WSC 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°

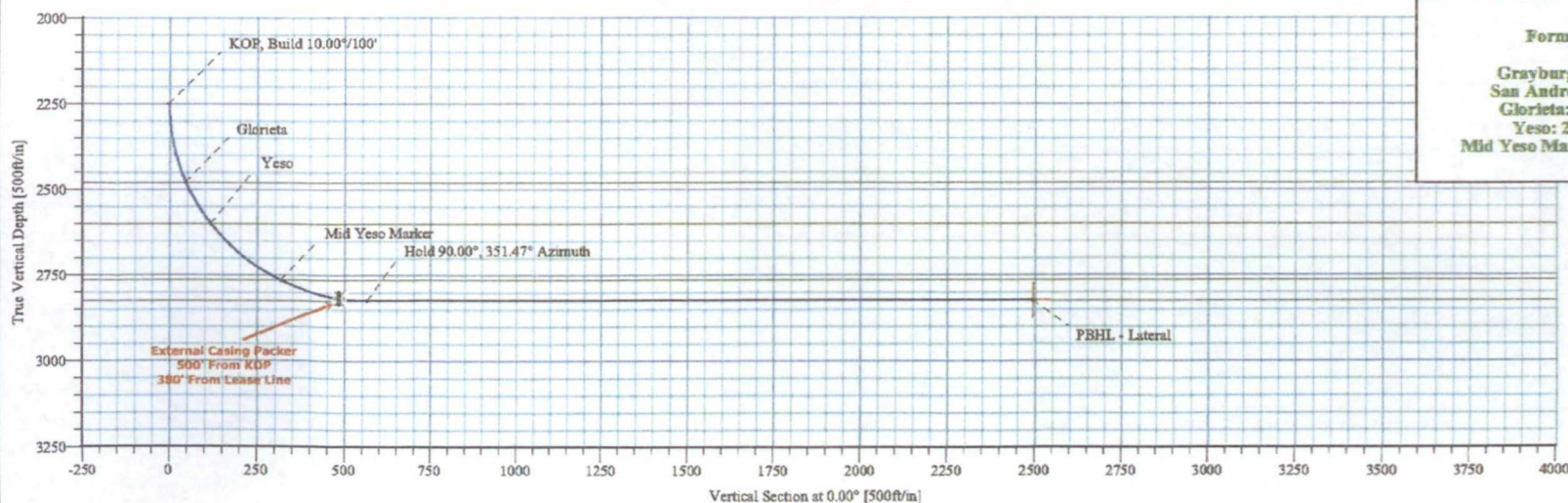
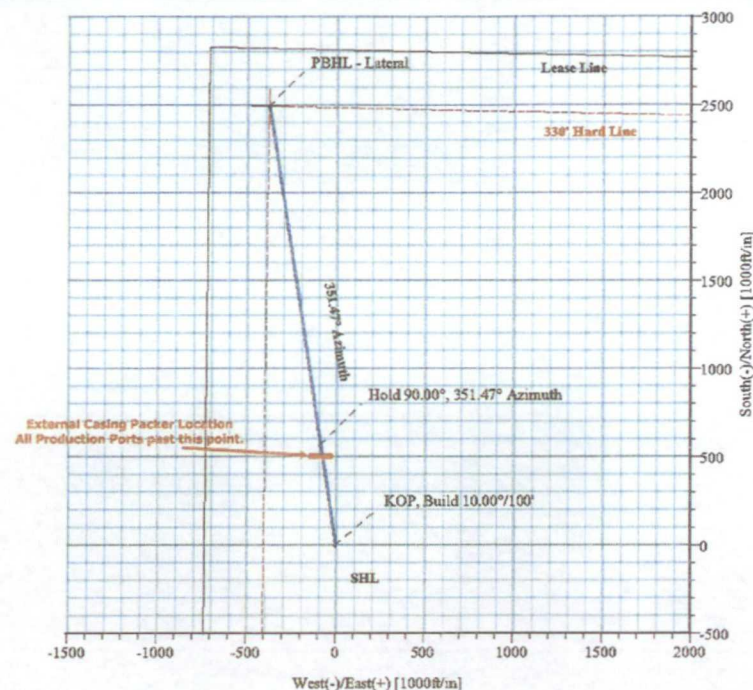
Magnetic Field
Strength: 48792nT
Dip Angle: 60.39°
Date: 2011/05/03
Model: WMM_2010

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

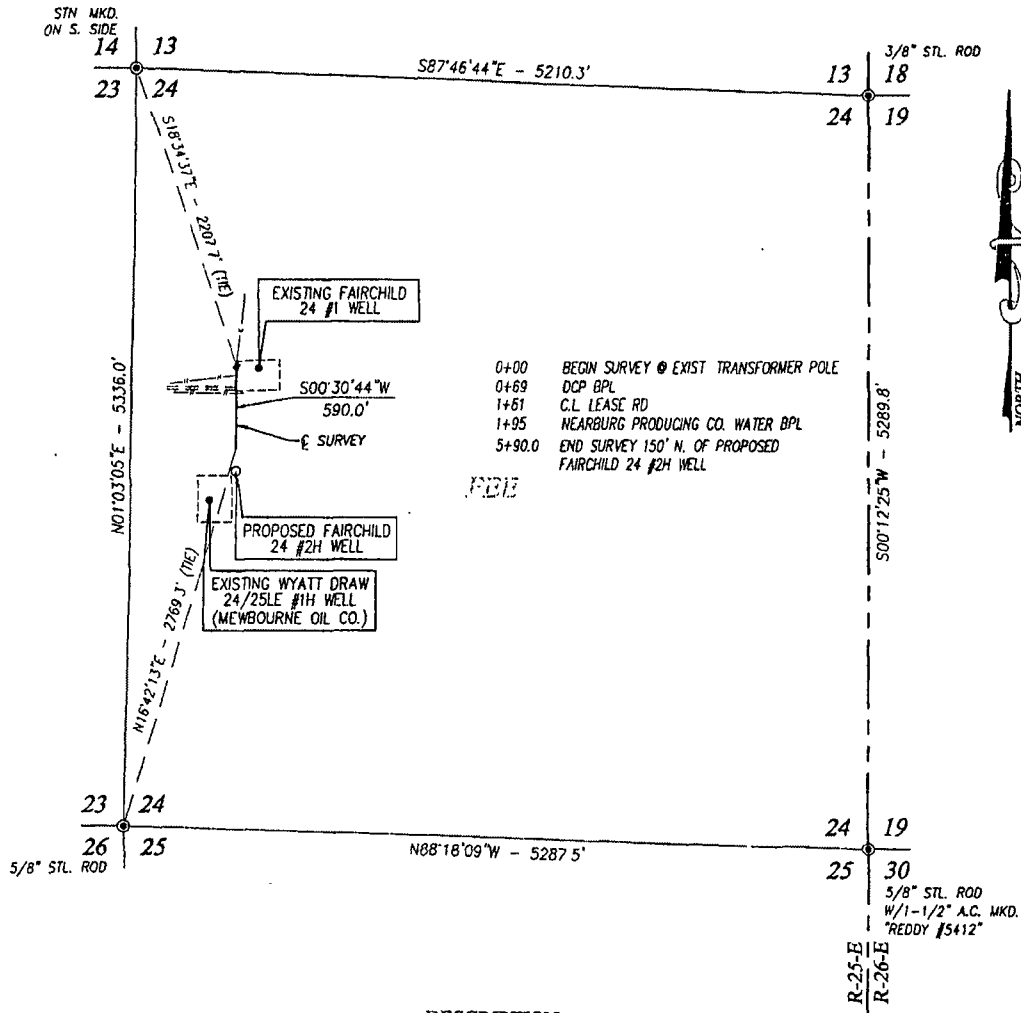


Formation Tops:

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\"/>

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.

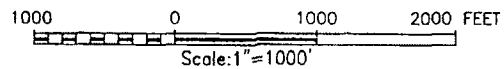
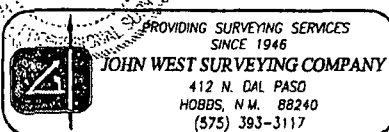
LEGEND

⊙ 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 PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

GARY C. EIDSON, N.M. P.S. 3/16/11
RONALD J. EIDSON, N.M. P.S.

No. 12641
No. 3239



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

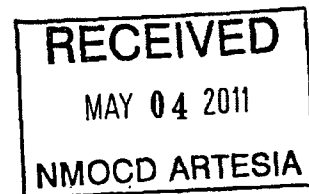
Exploration and Production
5500 North 7th Street
Building 2, Suite 120
Midland, Texas 79701
432/686-2335
FAX: 432/686-7008

April 21, 2011

Via Fax (432) 685-4170; Email 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 Yezo 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 Yezo 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 Yezo formation at a location closer than 330' FNL of such Mewbourne lease.

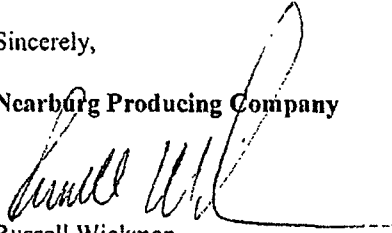
Please indicate Mewbourne's agreement to grant Nearburg the suggested waiver by signing and returning the duplicate originals of this letter to me at your earliest convenience so that we can proceed with applying for administrative approval of the above referenced unorthodox surface location and non-standard 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 or call me at (432) 818-2913.

Sincerely,

Nearburg Producing Company

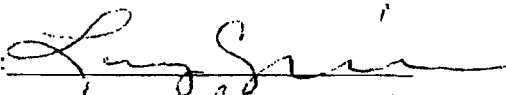


Russell Wickman
Senior Landman

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:



Date Signed: 5/2/2011

Name: Larry Cunningham

Title: Exploration Manager

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

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

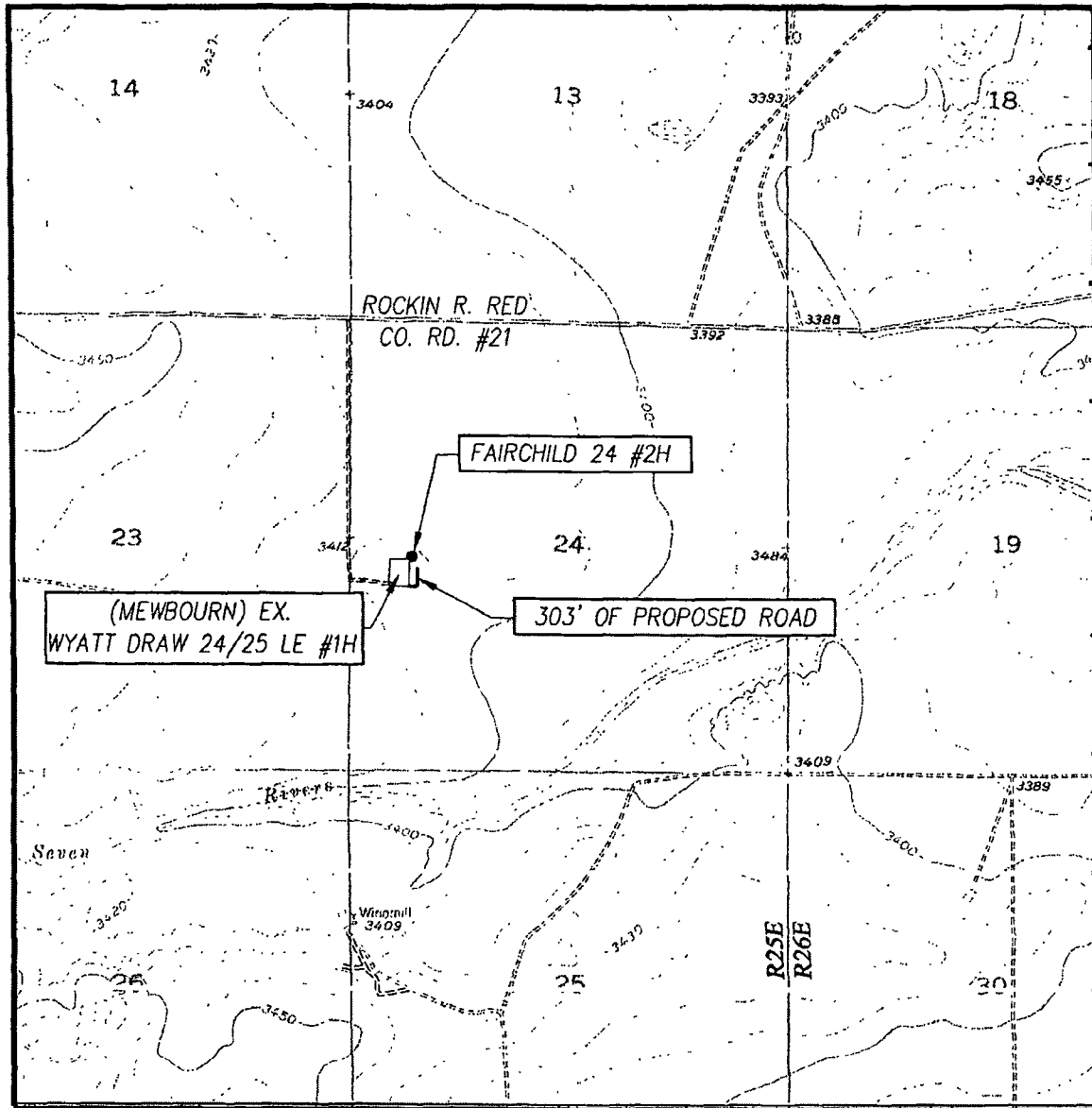
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	24	19-S	25-E		330	NORTH	330	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

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>OPERATOR CERTIFICATION</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>Terri Stathem Printed Name</p> <p>tstathem@nearburg.com E-mail Address</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 8, 2011</p> <p>Date of Survey</p> <p>Signature & Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> RONALD J. EIDSON NEW MEXICO 3239 Certificate Number 3239 Gery G. Eidson 12641 Ronald J. Eidson 3239 LA W.S.C. W.O.: 11.13.1010</p>
	<p>RECEIVED MAY 04 2011 NMOCD ARTESIA</p>

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

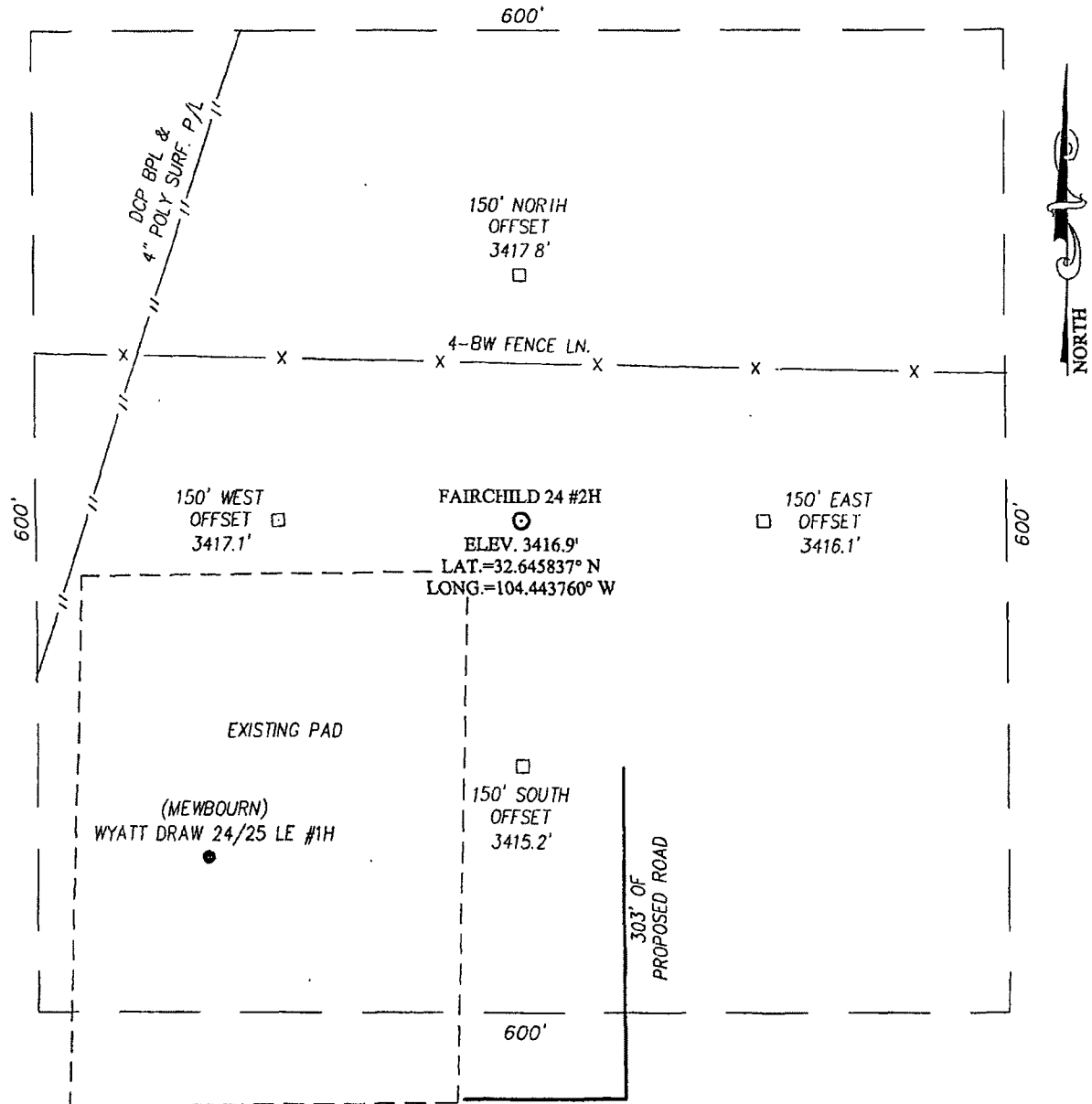
LEASE FAIRCHILD 24

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



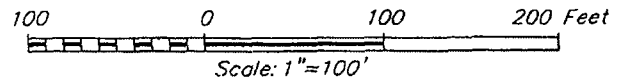
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

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.



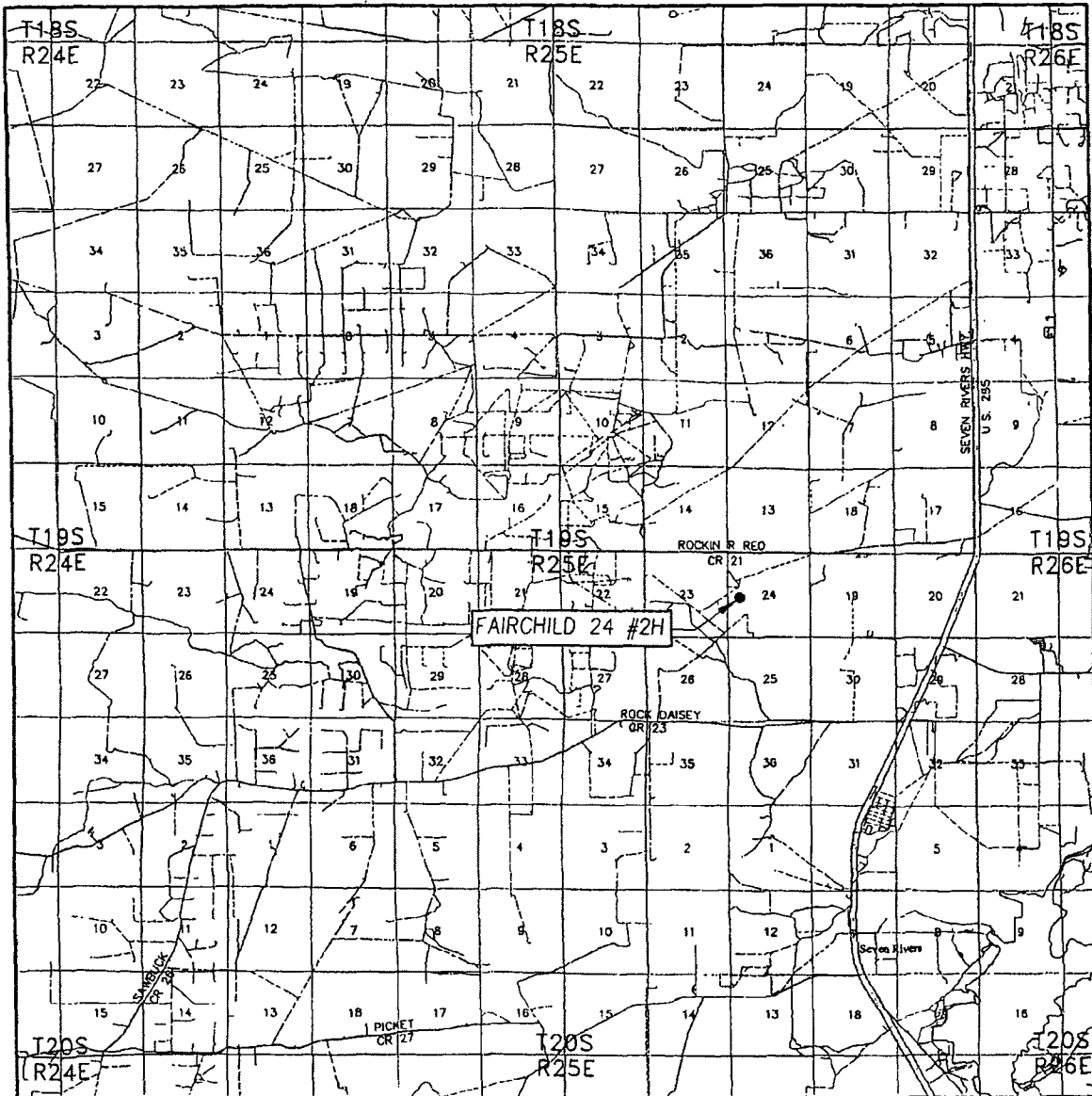
NEARBURG PRODUCING COMPANY

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
Date: 3/15/11	Rel. W.O.: 11110519
	Scale: 1"=100'

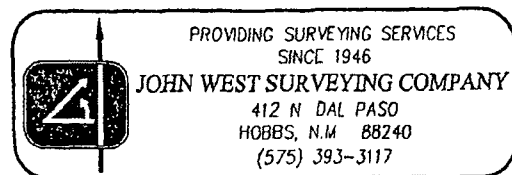
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(575) 393-3117

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



Created By	Comment	Comment Date
TSTATHEM	Waiver from Mewbourne was sent via email to Randy Dade and Paul Kautz 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



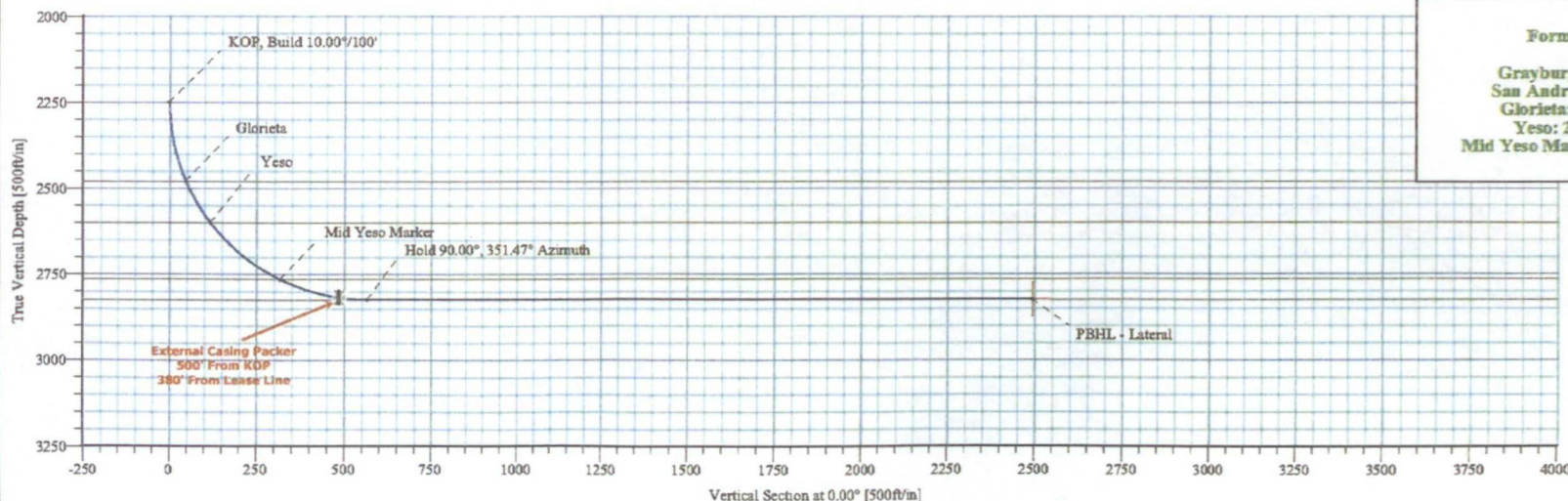
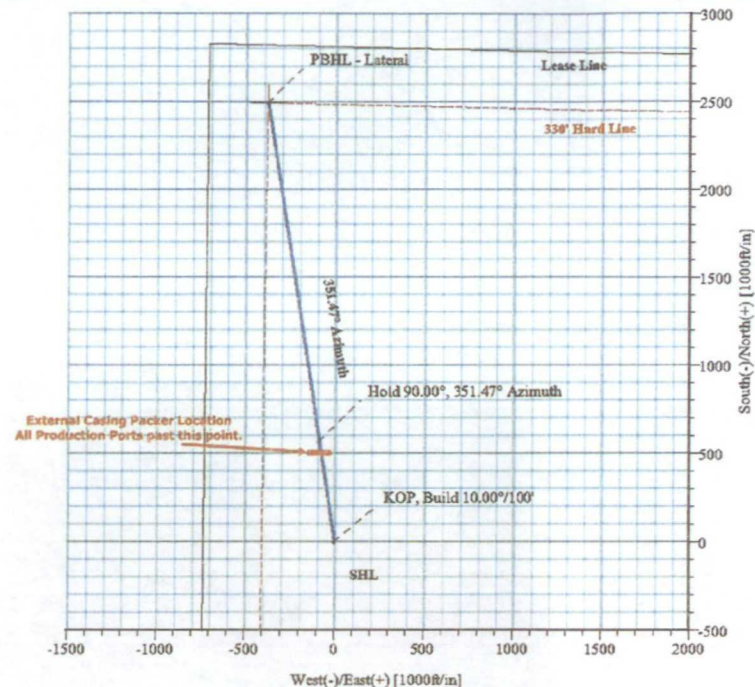
Azimuths to Grid North
True North: 0.13°
Magnetic North: 8.23°
Magnetic Field
Strength: 48792nT
Dip Angle: 60.39°
Date: 2011/05/03
Model: WMM_2010

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

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, preumably 2570 FSL of the section, but I also need distance from the East line.

Thanks

David Brooks

Brooks, David K., EMNRD

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
(505) 986-2646

THIS MESSAGE CONTAINS INFORMATION WHICH MAY BE CONFIDENTIAL AND PRIVILEGED. UNLESS YOU ARE THE ADDRESSEE (OR AUTHORIZED TO RECEIVE FOR THE ADDRESSEE), YOU MAY NOT USE, COPY OR DISCLOSE TO ANYONE THE MESSAGE OR ANY INFORMATION CONTAINED IN THE MESSAGE. IF YOU HAVE RECEIVED THIS MESSAGE IN ERROR, PLEASE ADVISE THE SENDER BY REPLY E-MAIL TO shall@montand.com AND DELETE THE MESSAGE. THANK YOU.

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