

2/11/2014 DATE IN	SUSPENSE	MAM ENGINEER	2/11/2014 LOGGED IN	NSL TYPE	PMAM1404259582 APP NO
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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



RECEIVED 11 P 3:09

ADMINISTRATIVE APPLICATION CHECKLIST

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
☒ NSL ☐ 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 _____

- NSL
- Newburg Producing Co
15742

Well
Midway State #1
30-025-40826
Pool

(2) NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
[B] ☐ 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] ☐ Waivers are Attached

Midway, Strawn
46340

(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.

James Bruce

Print or Type Name

Signature

Attorney

Title

Date

jamesbruc@aol.com

e-mail Address

2/2/14

JAMES BRUCE
ATTORNEY AT LAW

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SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)
(505) 660-6612 (Cell)
(505) 982-2151 (Fax)

jamesbruc@aol.com

February 7, 2014

Jami Bailey, Director
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Dear Ms Bailey:

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

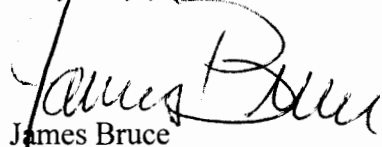
<u>Well:</u>	Midway 8 State Well No. 1
<u>Location:</u>	932 feet FNL & 1635 feet FWL
<u>Well Unit:</u>	NE $\frac{1}{4}$ NW $\frac{1}{4}$ §8-17S-37E, Lea County, New Mexico

The well is in the Midway-Strawn Pool. The pool is developed on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to the boundary of a quarter-quarter section. An APD with a Form C-102 is attached as **Exhibit A**.

The location is based on geologic reasons. Attached as **Exhibit B** is a structure/production map of the Strawn formation (based on well control and seismic). The location of the well is at the highest point in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8, which is necessary to potentially drill a successful well.

The well encroaches on the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8. However, the N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 8 is subject to State Lease VB-1702, with common interest ownership. As a result, there is no adversely affected interest owner, and notice of this application is not necessary..

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
511 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720
District III
1000 Rio Bruzós 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 156603

** Amended*

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 30-025-40826
4. Property Code 39510	5. Property Name MIDWAY 8 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
C	S	17S	37E	C	932	N	1635	W	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
<i>CA</i>	S	17S	37E	C	932	N	1635	W	Lea

9. Pool Information

MIDWAY, STRAWN	46340
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable Rotary	14. Lease Type State	15. Ground Level Elevation 3798
16. Multiple N	17. Proposed Depth 11060	18. Formation Mississippian Age Rocks-Undivided	19. Contractor	20. Spud Date 11.15.2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. 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	465	510	
Intl	12.25	9.625	32	4650	1135	
Prod	7.875	5.5	17	11060	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=1.33cfs; Mix Water=6.33gpps 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% bwoc Sodium Chloride +0.3% bwoc FL-52 +5% bwoc LCM-1 +135.5% Fresh Water. Wt=11.8ppg; Yield=2.45cfs; Mix Water=13.65gpps 8 5/8" Casing Tail: 370 sacks "C" Neat Wt=14.8ppg; Yield=1.33cfs; Mix Water=6.33gpps 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% bwoc 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=7.29gpps Volumes based on 50% excess. 5 1/2" Casing 2nd Stage Lead: 545 sacks 50:50 Poz (Fly Ash): Class H Cement +0.3%

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydrl	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.16.14.9 (A) NMAC <input type="checkbox"/> and/or 19.16.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: _____ Printed Name: Electronically filed by Leigh Ann Hall Title: Production Tech Email Address: lhall@nearburg.com Date: 10/18/2012 Phone: 432-818-2950	OIL CONSERVATION DIVISION	
	Approved By: ELIDIO GONZALES	
	Title: HOBBS STAFF MANAGER	
	Approved Date: 10/19/2012	Expiration Date: 10/19/2014
	Conditions of Approval Attached	

EXHIBIT

A

dm

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-4
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
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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 156603

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40826	2. Pool Code 46340	3. Pool Name MIDWAY,STRAWN
4. Property Code 39510	5. Property Name MIDWAY 8 STATE	6. Well No. 001
7. OGRID No. 15742	8. Operator Name NEARBURG PRODUCING CO	9. Elevation 3798

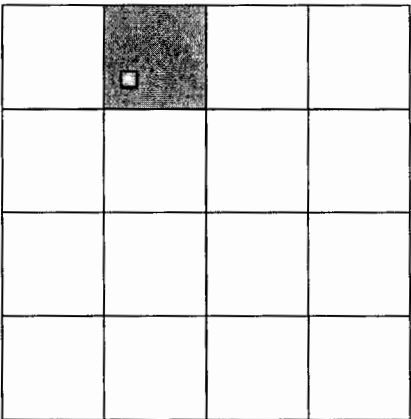
10. Surface Location

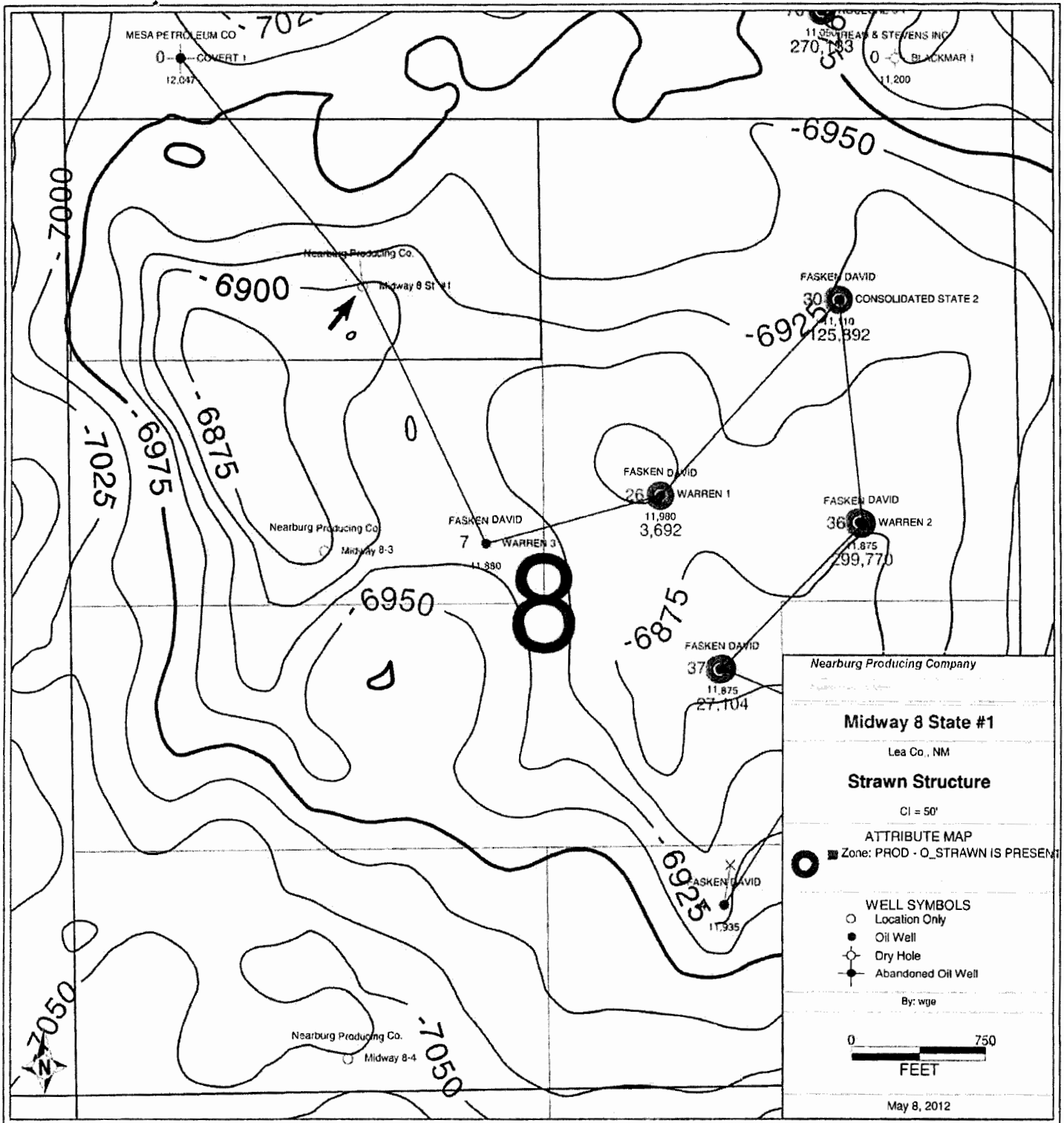
UL - Lot	Section	Township	Range	Lot Idn.	Feet From	N/S Line	Feet From	E/W Line	County
C	8	17S	37E		932	N	1635	W	LEA

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

	<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: LeighAnn Hall Title: Production Tech Date: 10/18/2012</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: Michael Brown Date of Survey: 9/7/2011 Certificate Number: 18329</p>
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K:\projects\LEA & EDDY\OVERLAY\KNOWLES EXT.OVL

EXHIBIT **B**