

DATE IN 7/28/2016	SUSPENSE	ENGINEER MAM	LOGGED IN 7/28/2016	TYPE CTB	APP NO PMAM1620758455
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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



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 _____

- CTB 718
- nearburg producing co
15742

well

- LCC South 25 Red
Com #54

30-025-41367

- LCC South 25 Red

Com #64 30-025-41367

- LCC South 25 Red

Com #84

30-025-43457

Red

- LCC Bonespring
South

37580

[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

[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.

Tim Green
Print or Type Name

Signature

Production Manager
Title

7-21-16
Date

tgreen@nearburg.com
e-mail Address



Surface Specialties

RECEIVED OCD

2015 JUL 25 P 3: 01

3416 W. Wall St., Suite 102A
Midland, TX 79701
Tel: (432) 685-9158

July 21, 2016

SENT VIA CERTIFIED MAIL
7013 0600 0001 4364 7398
7013 0600 0001 4364 7404 (cc)

State of New Mexico EMNRD
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Attn: Michael McMillan, Engineering Bureau

Re: **Surface Commingling (Central Tank Battery) Application**
Nearburg Producing Company

Dear Mr. McMillan:

Please find enclosed Form C-107B Application for Surface Commingling with related attachments. A copy of this application has been provided to the Bureau of Land Management.

If you require additional information, please contact me at (830) 537-4599 or via e-mail: vjohnston1@gmail.com.

Sincerely,

Vicki Johnston
Regulatory Consultant
GSS-Agent for Nearburg Producing Company

cc: OCD-District I
1625 N. French Drive
Hobbs, New Mexico 88240

District I
1625 N. French Drive, Hobbs, NM 88240
District II
811 S. First St., Artesia, NM 88210
District III
1000 Rio Hrazos Road, Aztec, NM 87410
District IV
1220 S. St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107-B
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 S. St Francis Drive
Santa Fe, New Mexico 87505

Submit the original
application to the Santa Fe
office with one copy to the
appropriate District Office.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Nearburg Producing Company, OGRID #15742
OPERATOR ADDRESS: 3300 N. A Street, Bldg. 2, Ste. 120, Midland, TX 79705
APPLICATION TYPE:
☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☐ State ☒ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land Office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No BLM was notified.

(A) POOL COMMINGLING
Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING
Please attach sheets with the following information

- (1) Pool Name and Code. Lea Bone Spring South 37580
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☒ Metering ☐ Other (Specify)

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attach sheets with the following information

- (1) Is all production from same source of supply? ☐ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE: Tim Green TITLE: Production Manager DATE: 7-21-16
TYPE OR PRINT NAME Tim Green TELEPHONE NO.: (432) 818-2940
E-MAIL ADDRESS: lgreen@nearburg.com

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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.*5. Lease Serial No.
NMLC066126

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.

LEA SOUTH 25 FED COM 5H

2. Name of Operator

NEARBURG PRODUCING COMPANY

Contact: VICKI JOHNSTON

E-Mail: vjohnston1@gmail.com

9. API Well No.

30-025-41367

3a. Address

3300 NORTH A STREET BLDG 2 SUITE 120
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 830-537-4599

10. Field and Pool, or Exploratory

LEA BONE SPRING SOUTH

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

Sec 25 T20S R34E Mer NMP

11. County or Parish, and State

LEA COUNTY, NM

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 type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Surface Commingling
	<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 recompleat 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 recompleat 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.)

Nearburg Producing Company requests approval of Surface Commingling and a Central Tank Battery for the following wells:

Lea South 25 Fed Com #5H SESW, Sec 25, T20S, R34E 3002541367

Lea South 25 Fed Com #6H SESW, Sec 25, T20S, R34E 3002541898

Lea South 25 Fed Com #8 SESE, Sec 25, T20S, R34E 2002543057

Please see attached detailed commingling information, diagram, and map(s).

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

Electronic Submission #345322 verified by the BLM Well Information System
For NEARBURG PRODUCING COMPANY, sent to the Hobbs

Name (Printed/Typed) TIM GREEN

Title PRODUCTION MANAGER

Signature (Electronic Submission)

Date 07/21/2016

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

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

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.

**** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ****

APPLICATION FOR COMMINGLING AT A CENTRAL TANK BATTERY, LEASE COMMINGLE AND STORAGE.

Proposal for Lea South 25 Fed Com 5H, 6H and 8H wells.

Nearburg Producing Company is requesting approval for a Central Tank Battery, Lease Commingle and Storage of the following wells:

Federal Leases NM-56265 & LC066126

Well Names	Location	API #	Pool	BOPD	Oil Gravity	MCF/D	BTU Factor
Lea South 25 Fed Com 5H	SWSW, Sec 25, T20S-R34E	30-025-41367	Lea Bone Spring South	100	42.5	150	1437
Lea South 25 Fed Com 6H	SESW, Sec 25, T20S-R34E	03-025-41898	Lea Bone Spring South	90	42.5	80	1286

Federal Lease LC066126

Well Names	Location	API #	Pool	BOPD	Oil Gravity	MCF/D	BTU Factor
Lea South 25 Fed Com 8H	SESE, Sec 25, T20S-R34E	30-025-43057	Lea Bone Spring South	350*	44*	700*	1300*

*These are estimates for future completed well.

Attached is a map that displays the federal leases and well locations in Section 25, T20S-R34E.

Lease NM-56365 is a Schedule "B" - competitive royalty (Step Scale Royalty lease). Royalty percentage for this lease can range from 12.5 to 25% depending on average daily production from each well. The Lea South 25 Fed Com 5H & 6H above are producing oil that is allocated to the Step Scale lease. I have attached a schedule showing the royalty percentage paid to Lse NM-56365 for the 5H & 6H wells above. Schedule also shows average oil production per well per day. Lease LC066126 above is a standard 12.5% royalty lease. The lease covers 50% of the Lea South Fed Com 5H & 6H wells and 100% of the 8H well. The purpose of the above explanation is to prove both leases will be receiving the same 12.5% royalty rate from all the above wells.

Oil & Gas metering and allocation:

The central tank battery is located on the pad of the Lea South 25 Fed Com 5H in Sec 25, R20S-T34E, Lea County, New Mexico. The Lea South 25 Fed Com 6H & 8H production will flow through their own 3 phase separator with turbine meters to measure the oil, flow meters to measure the water and EFM gas allocation meters to measure the gas. VRU will be allocated back to the well level using the monthly oil production from each well.

The Lea South 25 Fed Com 5H battery has 4 500 bbl oil tanks and 2 500 bbl water tanks. After all the wells flow through their own 3 phase separator, the oil will be metered separately through it's own turbine meter then flow through a common heater treater on to the oil tanks. Ultimately sold through a lact meter to Plains Pipeline, LLC. Targa's sales meter # 1181241 is located on the NW corner of the pad. Downstream of the 3 phase separator each well has it's own Electronic Flow Meter to measure the gas for allocation of sales back to the individual well. Nearburg also has a check meter just upstream of the Targa sales meter to check for accurate measurement. The water is metered using a turbine meter for each well and then flows to the water tanks.

Oil production will be allocated on a daily basis based on the turbine allocation meter located downstream of the 3 phase separator. The turbine oil meter will be proven, as per API, NMOCD and BLM specifications. The gas will be allocated back to the well using volumes downloaded from the individual well's allocation meter. The gas will be allocated using MMBTU volumes from each well. The gas off the VRU allocation meter will flow to the Targa sales meter(low psi). The gas meters will be calibrated on a regular basis per API, NMOCD and BLM specifications. The BLM and OCD will be notified of any future changes in the facility.

Process and Flow Descriptions:

The flow of produced fluids is shown in detail on the enclosed facility diagram, along with a description of each vessel and map which show the lease boundaries and location of the wells. The proposed commingling is appropriate based on the BLM's guidance in IM 2013-152. The proposed commingling will maximize the ultimate recovery of oil and gas from the federal leases and will reduce environmental impacts. The proposed commingling will reduce operating expenses, as well as, not adversely affect federal royalty income, production accountability, or the distribution of royalty.

Nearburg Producing Company understands the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument

Working, royalty and overriding interest owners have been notified of this proposal via certified mail.

Signed:

Print name: Tim Green

Title: Marketing and Production Mgr.

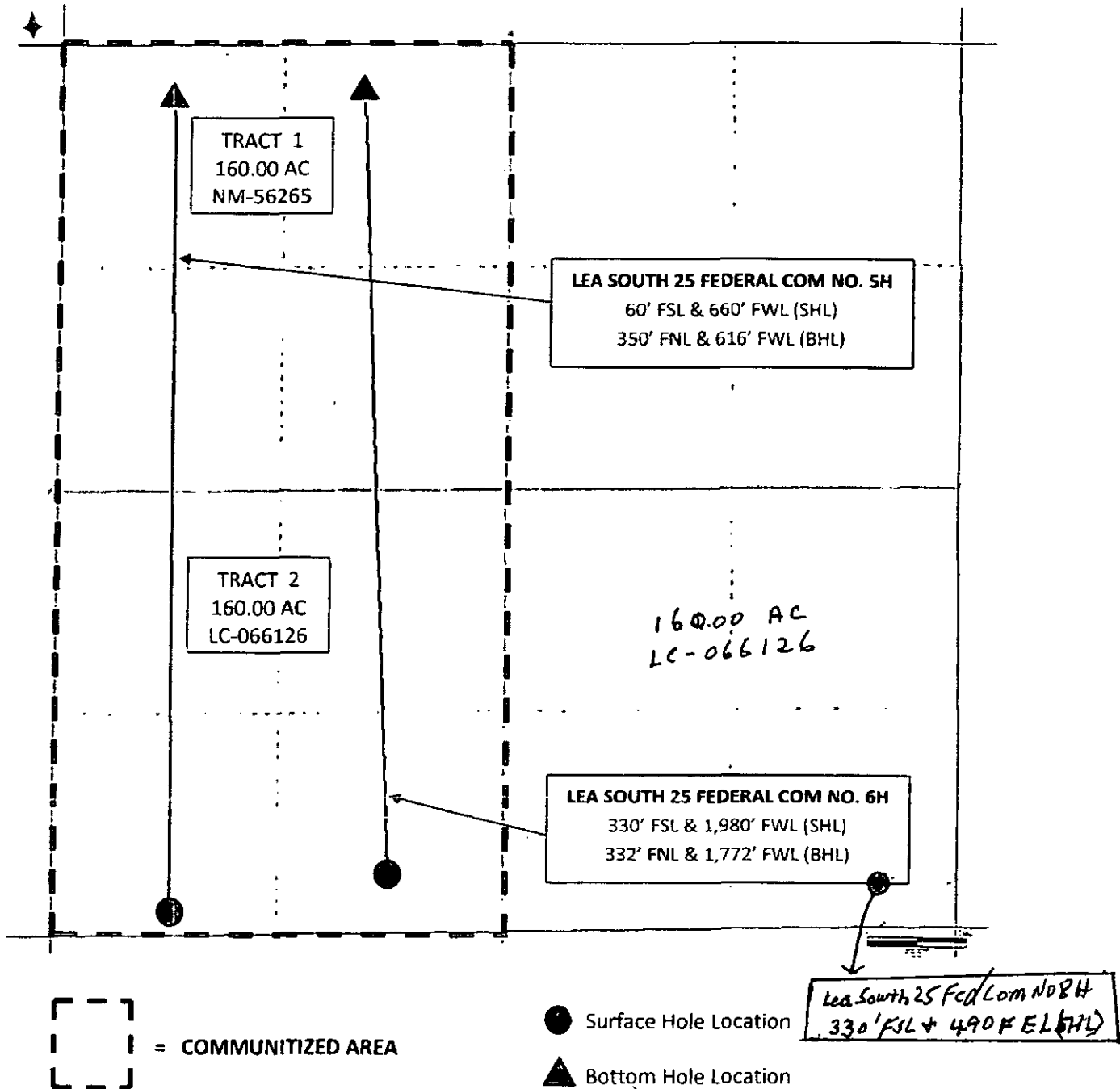
Date: 07-14-18

*Vertical well
40-Acre
spring no
comm.*

SE/SE

EXHIBIT "A"

Attached to and made a part of that certain Communization Agreement dated January 1, 2014,
Nearburg Producing Company, Operator covering W/2 of Section 25, T-20-S, R-34-E, N.M.P.M.,
Lea County, New Mexico



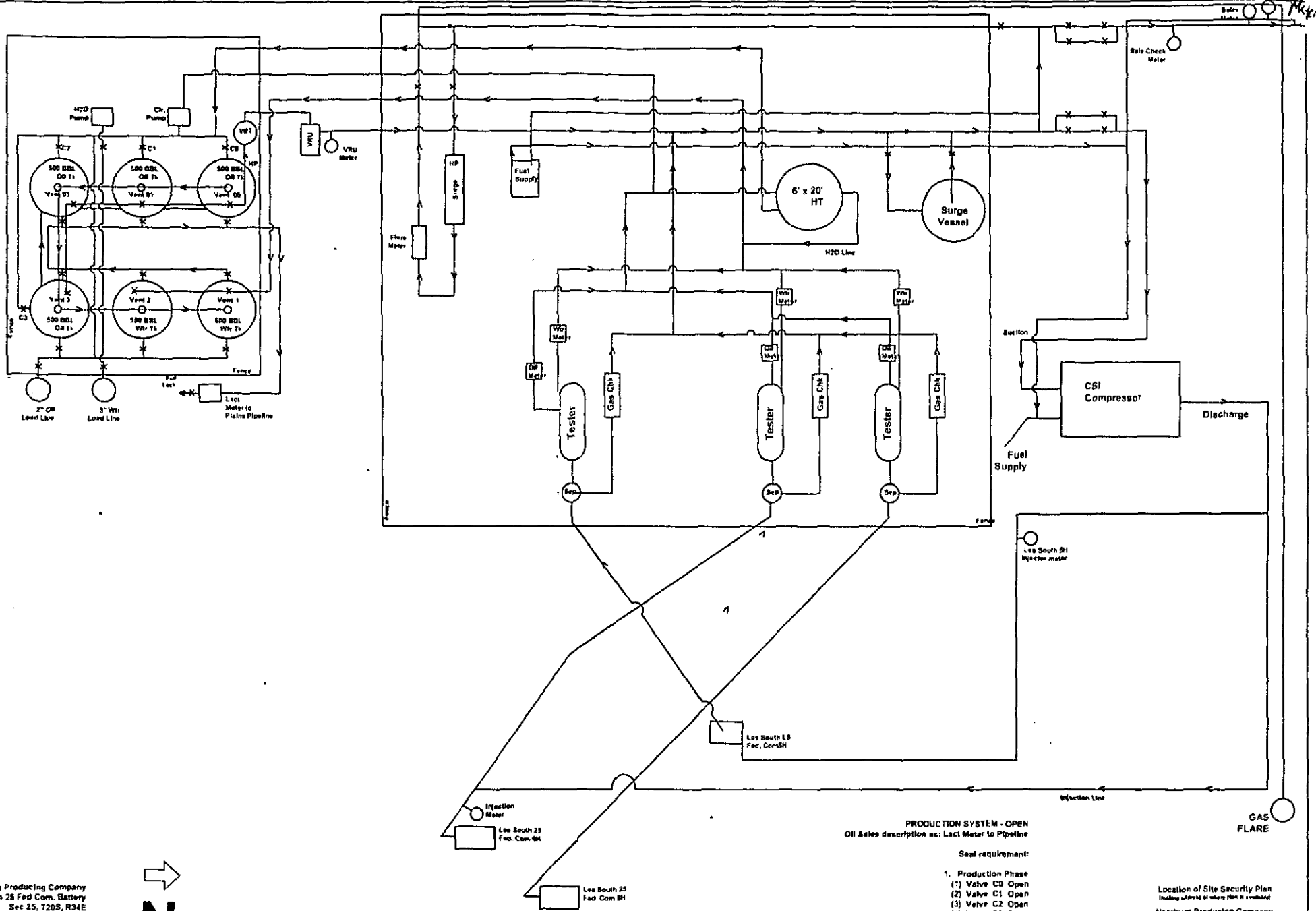
SCHEDULE "B" - COMPETITIVE ROYALTY (STEP SCALE ROYALTY)

LEA SOUTH 25 FED COM #5H WELL IS ON 50% NM 56265 STEP SCALE ROYALTY AND 50% NM LC 066126 AT 12.5% ROYALTY

PROSPECT LEA SOUTH MARIE P1075 COM AGREEMENT INCLUDES

OIL PRODUCTION 261-00 USA NM 56265 STEP SCALE ROYALTY LEASE
341-00 USA NM LC 066126 12.5% ROYALTY LEASE

	Prod Month	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16
Lease #	071-066126-0	0.125	0.125	0.125	0.125	0.125	0.125 Roy % Pd
Lease #	030-056265-0	0.125	0.125	0.125	0.125	0.125	0.125 Roy % Pd
Avg. oil production per well per day(3 wells)		30	32	30	26	31	33



Nearburg Producing Company
South 25 Fed Com. Battery
Sec 25, T20S, R34E
Lea County, New Mexico

Apr 27, 2008



Nearburg Producing Company

Exploration and Production
P.O. Box 823085
5447 Glen Lakes Drive
Dallas, Texas 75382-3085
214-739-1778
FAX 214-739-4819

July 18, 2016

Cimarex Energy Company
202 S. Cheyenne Ave., Ste 1000
Tulsa, OK 74103-3001

Re: Lea South 25 Fed Com #5H
Lea South 25 Fed Com #6H
Lea South 25 Fed Com #8H
Application For Commingling at a Central Tank Battery
Lea County, New Mexico

To Production Manager:

This letter serves as notification that Nearburg Producing Co. will file with the BLM our intent to comeingle production at the Lea South 25 Battery of the above 3 wells. See attached copy.

Cordially,



Tim Green
Marketing and Production Manager
Nearburg Producing Company
432-686-8235
Tgreen@nearburg.com

By: Carolyn McIver

Nearburg Producing Company

Exploration and Production
P.O. Box 823085
5447 Glen Lakes Drive
Dallas, Texas 75382-3085
214-739-1778
FAX 214-739-4819

July 18, 2016

Trajan Development Company
3800 Shiloh Ridge
Edmond, OK 73034

Re: Lea South 25 Fed Com #5H
Lea South 25 Fed Com #6H
Lea South 25 Fed Com #8H
Application For Commingling at a Central Tank Battery
Lea County, New Mexico

To Production Manager:

This letter serves as notification that Nearburg Producing Co. will file with the BLM our intent to comeingle production at the Lea South 25 Battery of the above 3 wells. See attached copy.

Cordially,



Tim Green
Marketing and Production Manager
Nearburg Producing Company
432-686-8235
Tgreen@nearburg.com

By: Carolyn McIver

7011 2000 0000 6692 3762

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: **TRAJAN DEVELOPMENT Co.**
 Street Apt. No. or PO Box No. **3800 Shiloh Ridge**
 City State ZIP+4 **Edmond, OK 73034**

PS Form 3800, August 2005 (PSN 7530-01-000-9000) See Reverse for Instructions

7011 2000 0000 6692 3755

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$
Certified Fee	3.30
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$

Sent To: **CIMAREX ENERGY Co.**
 Street Apt. No. or PO Box No. **202 S. CHEYENNE AVE, STE 1000**
 City State ZIP+4 **Tulsa, OK 74103-3001**

PS Form 3800, August 2005 (PSN 7530-01-000-9000) See Reverse for Instructions

HOBBS OGD

MAR 06 2014

RECEIVED

Form C-102

Revised August 1, 2011

Submit one copy to appropriate District Office

DISTRICT I
1625 N. French Dr., Hobbs, NM 88248
Phone (505) 383-8181 Fax: (505) 383-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1682 Fax: (505) 748-9780

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6179 Fax: (505) 334-6179

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

□ AMENDED REPORT

API Number 30-025-41367	Pool Code 37580	Pool Name Lea Bone Spring South
Property Code 40102	Property Name LEA SOUTH 25 FEDERAL COM	Well Number 5H
GRID No. 15742	Operator Name NEARBURG PRODUCING CO.	Elevation 3728'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	20 S	34 E		60	SOUTH	660	WEST	LEA

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
0	25	20 S	34 E		330350	NORTH	660	WEST	LEA
Dedicated Acres	Joint or Infill	Consolidation Code	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>N: 565285.8 E: 791227.4 NAD 83</p> <p>330</p> <p>560'</p>	<p>BOTTOM HOLE LOCATION Lot - N 32°33'01.65" Long - W 103°31'12.73" NAD83 - N 564940.8 E 791889.7 (NAD-83)</p>	<p>N: 565287.0 E: 793869.4 NAD 83</p>	<p>N: 565310.0 E: 796509.3 NAD 83</p>	<p>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 unless 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</p> <p>Signature: <u>Tim Green</u> Date: <u>2-18-14</u></p> <p>Printed Name: <u>Tim Green</u></p> <p>Email Address: <u>tim@greenenergy.com</u></p>
<p>N: 569985.5 E: 791266.2 NAD 83</p> <p>3721.8'</p> <p>3727.0'</p>	<p>SURFACE LOCATION Lot - N 32°32'13.26" Long - W 103°31'12.73" NAD83 - N 560050.9 E 791825.6 (NAD-83)</p>	<p>N: 580007.5 E: 793917.3 NAD 83</p>	<p>N: 560930.8 E: 796356.2 NAD 83</p>	<p>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.</p> <p>DATE: <u>MARCH 27, 2014</u></p> <p>Date Surveyed: <u>2-18-14</u></p> <p>Signature: <u>[Signature]</u> Professional Surveyor</p> <p>Certificate No. <u>28417</u></p> <p>7977</p> <p>HASIN SURVEYS 28417</p>

MAR 06 2014

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6101 Fax: (575) 393-6700

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (575) 746-1283 Fax: (575) 746-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6178 Fax: (505) 334-8170

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3450 Fax: (505) 476-3402

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

JUN 09 2014

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025- 41898	Pool Code 37580	Pool Name Lea Bone Spring South
Property Code 4 0102	Property Name LEA SOUTH 25 FEDERAL COM	Well Number 6H
OGRID No. 025575 15742	Operator Name NEARBURG PRODUCING CO.	Elevation 3758'

Surface Location

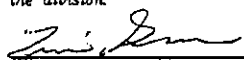
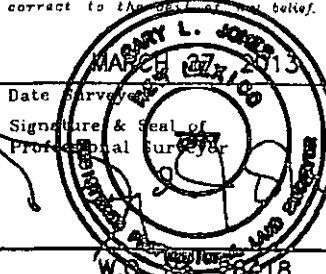
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	25	20 S	34 E		330	SOUTH	1980	WEST	LEA

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
C	25	20 S	34 E		330	NORTH	1780	WEST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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>N: 565255.0 E: 791227.4 NAD 83</p> <p>1780'</p> <p>330'</p> <p>N: 565287.9 E: 793869.4 NAD 83</p> <p>BOTTOM HOLE LOCATION Lat - N 32°33'01.66" Long - W 103°30'59.65" NMSPC - N 564950.5 E 793009.5 (NAD-83)</p> <p>NMNM056265</p> <p>NMMLC0066126</p> <p>3745.6'</p> <p>3743.2'</p> <p>1980'</p> <p>N: 565985.5 E: 791266.2 NAD 83</p> <p>N: 560007.5 E: 793917.3 NAD 83</p> <p>N: 560030.8 E: 796556.2 NAD 83</p> <p>3757.7'</p> <p>3757.7'</p>	<p>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 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.</p> <p> 10/16/13 Signature Date Tim Green Printed Name tgreen@nearburg.com Email Address</p> <p>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.</p> <p> Date Surveyed Signature & Seal of Professional Surveyor W.S. No. 28418</p> <p>Certificate No. Gary L. Jones 7977 BASIN SURVEYS 28418</p>
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JUN 09 2014

DISTRICT I
1525 N. French Dr., Hobbs, NM 88240
Phone (505) 343-6161 Fax: (505) 343-6729

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-6700

DISTRICT III
1900 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6176 Fax: (505) 334-6178

DISTRICT IV
1820 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 478-3468 Fax: (505) 478-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-43057	Pool Code	Pool Name 3rd Bone Spring
Property Code 40102	Property Name LEA SOUTH 25 FEDERAL COM	Well Number 8H
OGRID No. 15742	Operator Name NEARBURG PRODUCING CO.	Elevation 3761'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	25	20 S	34 E		330	SOUTH	490	EAST	LEA

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
P	25	20 S	34 E		330	SOUTH	330	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
40			

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

N: 565265.0 E: 791227.4 NAD 83	N: 565287.0 E: 793869.4 NAD 83	N: 565310.9 E: 796509.3 NAD 83	<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p><i>Tim Green</i> Signature Date 5/31/16</p> <p>Tim Green Printed Name</p> <p>+916 204 1840 Email Address</p>
N: 569985.5 E: 791266.2 NAD 83	N: 560007.5 E: 793917.3 NAD 83	N: 562868.1 E: 796532.8 NAD 83	
<p>SURFACE LOCATION Lat - N 32°32'15.94" Long - W 103°30'24.33" NMSPC - N 560356.5 E 796065.5 (NAD-83)</p> <p>BOTTOM HOLE LOCATION Lat - N 32°32'15.94" Long - W 103°30'22.46" NMSPC - N 560357.8 E 796223.3 (NAD-83)</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>APR 18 2016 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>7977 Certificate No. Gary L. Jones</p> <p>BASIN SURVEYS 28420</p>

Nearburg Producing, LLC		
Well_Name:	LEA SOUTH 25 FEDERAL COM # 5H	API: 3002541367
Location:	M-25-20.0S-34E 60 FSL 660 FWL	
Operator Name:	NEARBURG PRODUCING CO	County:
Month	Oil(BBLS)	Gas(MCF)
12/1/2015	2251	3783
1/1/2016	2338	4410
2/1/2016	1857	2377
3/1/2016	1725	2498
4/1/2016	2382	3713
5/1/2016	3156	4659
CUM	208520	277564

Well_Name:	LEA SOUTH 25 FEDERAL COM #6H	API 3002541898
Location:	N-25-20.0S-34E 330 FSL 1980 FWL	
Month	Oil(BBLS)	Gas(MCF)
12/1/2015	3138	3388
1/1/2016	3480	1854
02/01/206	3265	3464
3/1/2016	3167	3501
4/1/2016	2983	2786
5/1/2016	2925	2147
CUM	103111	113897



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Pecos District

Carlsbad Field Office

620 E. Greene

Carlsbad, New Mexico 88220-6292

www.blm.gov/nm



IN REPLY REFER TO:

NM134225

3105.2 (P0220)

Reference:

Lea South 25 Fed Com 5H

3/9/15

Section 25:W2

Township 20 South, Range 34 E, N.M.P.M.

Lea County, NM

Nearburg

3300 N "A" St.

Bldg. 2, #120

Midland, TX 79705-5421

RECEIVED OCD
2015 MAR 17 A 3:42

Gentlemen:

Enclosed is an approved copy of Communitization Agreement NM134225 involving 160 acres of Federal land in lease NM56265, and 160 acres of Federal land in lease NMLC066126, Lea County, New Mexico, which comprise a 320 acre well spacing unit.

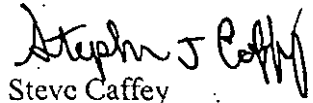
The agreement communitizes all rights to all producible hydrocarbons from the Bone Spring formation beneath the W/2, sec. 25, T. 20 S., R. 34E., NMPM, Lea County, NM, and is effective January 1, 2014. Approval of this agreement does not warrant or certify that the operator, thereof, and other working interest owners hold legal or equitable title to the leases which are committed hereto.

Copies of this approval letter are being distributed to the appropriate Federal agencies. You are requested to furnish all interested parties with the appropriate evidence of this approval. Any production royalties that are due must be reported and paid according to regulations set up by the Office of Natural Resources Revenue at 1-800-525-9167 or 303-231-3504.

If you have any questions regarding this approval, please contact Edward Fernandez, Petroleum Engineer at (575) 234-2220.

Please furnish all interested principals with appropriate evidence of this approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve J. Caffey".

Steve Caffey
Assistant Field Manager,
Lands and Minerals

1 Enclosure:

1 - Communitization Agreement

cc:

ONRR, Denver (357B-1, Antoinette Contreras, Stacey Kaiser)

NM Taxation & Revenue Dept. (Revenue Processing Div.)

NMOCD

NM (9200)

NM (P0220-CFO, File Room)



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.nm.blm.gov



In Reply Refer to
NM134225
3107 (P0220)

Memorandum

To: State Director (9210)

From: Land Law Examiner (P0220)

Subject: First Production, Communitization Agreement NM134225

Date of Completion: 12/19/13

Date of First Production: 12/20/13

Field: Lea

Operator, Well Name & No, API Number: Nearburg Producing Co.; Lea South 25 Fed Com 5H;
3002541367

Surface Location: W2 sec. 25, T. 20 S., R. 34 E.

Total Depth: 15,823' MD; 11,251' TVD

Surface Elevation: 3,728' GL

Producing Formation: Bone Spring (11,230' – 15,800')

Well Capable of Production in Paying Quantities: Yes

Initial Daily Production: Oil 871 BBL; Gas 935 MCF; Water 124 BBL

Current Status: Producing Oil Well

Remarks: CA NM134225, effective 1/1/14, communitizes production of all gas and fluid hydrocarbons in the Bone Spring formation beneath the W2 of sec. 25, T. 20 S., R. 34 E., NMPM, and is comprised of 160.00 acres of Federal land in lease NM56265, and 160.00 acres of Federal land in lease LC066126 for a 320.00 acre spacing unit, whose leases are held by actual production.

If you have any questions regarding this memorandum, please email Arthur Morrison at ajmorrison@blm.gov.

Arthur Morrison
3/9/15

cc:
ONRR-MS 63230B
First Production File
LLNM (P0220, File Room)

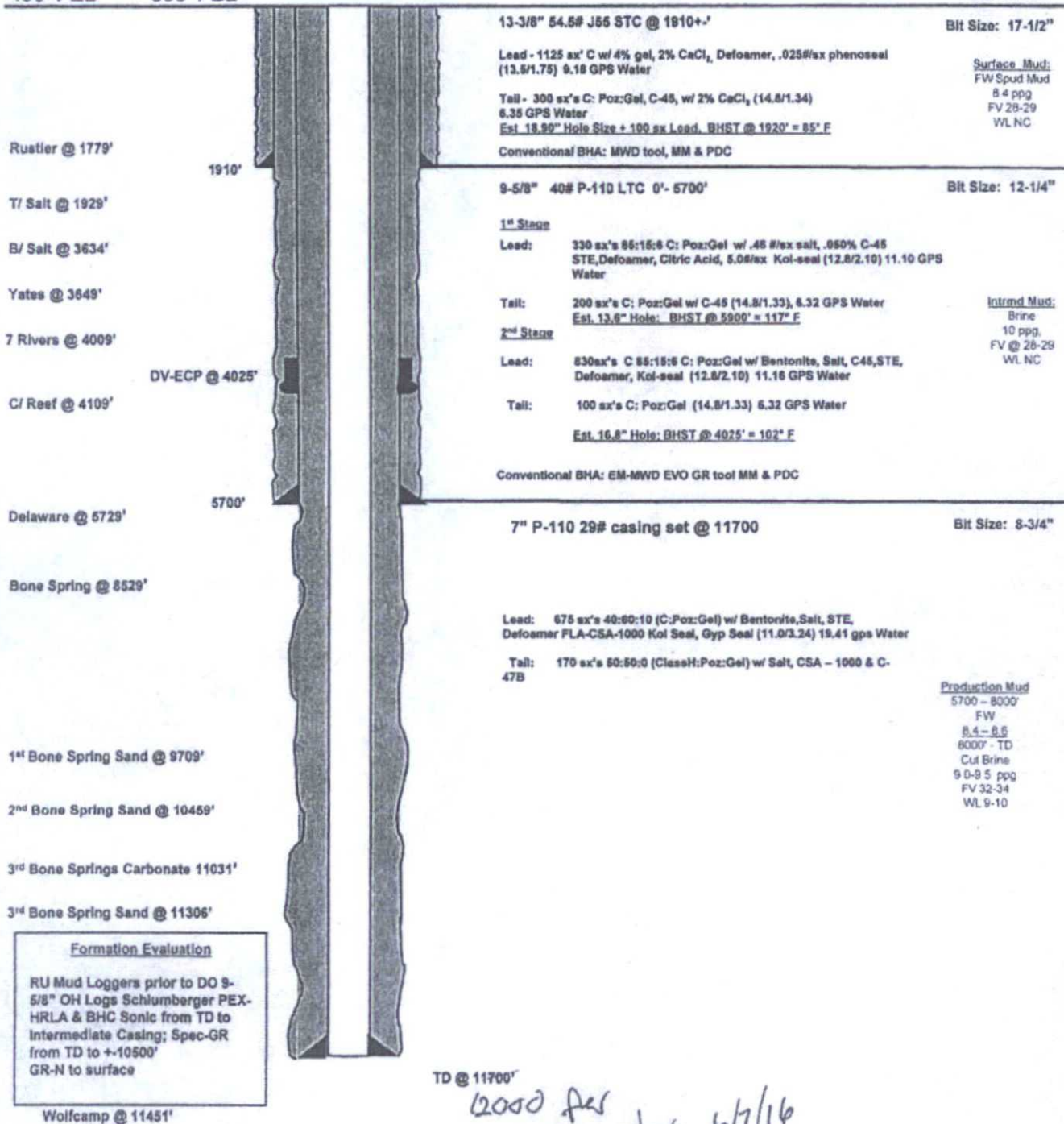
Lea County, NM
S25, T20S, R34E

Lea South 25 Federal Com #8
3rd Bone Spring
Proposed 7" Wellbore
API: 30-025-43057

Rig: H&P 497
Well Type: Vertical Pilot
AFE Days: 24
AFE M\$: \$2,607

KB: 3777'
GL: 3761'

SHL BHL
330' FSL 330' FSL
490' FEL 330' FEL



rds: 05/16/2016