

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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 PO BOX 823085 DALLAS , TX 75382		2. OGRID Number 15742
		3. API Number 30-025-40077
4. Property Code 38523	5. Property Name HOWENSTINE 12	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
B	12	17S	37E	B	500	N	1594	E	LEA

8. Pool Information

SHIPP;STRAWN	55695
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type Private	13. Ground Level Elevation 3734
14. Multiple N	15. Proposed Depth 12230	16. Formation Strawn	17. Contractor	18. Spud Date 3/15/2011
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: 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	17.5	13.375	48	465	491	0
Int1	11	8.625	32	4650	1165	0
Prod	7.875	5.5	17	12230	1510	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
Printed Name: Electronically filed by Sarah Jordan	Approved By: Paul Kautz
Title: Manager	Title: Geologist
Email Address: sjordan@nearburg.com	Approved Date: 3/8/2011 Expiration Date: 3/8/2013
Date: 3/7/2011 Phone: 432-686-8235	Conditions of Approval Attached

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION

1500 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

DISTRICT III
1000 RIO BRAZOS RD., AZTEC, NM 87410

DISTRICT IV
1500 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 55695	Pool Name Shupp, Strawn
Property Code	Property Name HOWENSTINE 12	Well Number 1
OGRID No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3734'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	12	17-S	37-E		500	NORTH	1594	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
B	12	17-S	37-E		330	NORTH	1570	EAST	LEA

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>Y=677092.5 N X=844020.5 E</p> <p>Y=677119.5 N X=846656.8 E</p> <p>Y=677130.0 N X=847974.9 E</p> <p>GRID AZ.=07°23'50" HORZ. DIST.=171.70'</p> <p>Y=677146.5 N X=849293.0 E</p> <p>Y=675797.8 N X=846671.5 E</p> <p>Y=675810.7 N X=847990.2 E</p> <p>Y=671810.2 N X=844075.2 E</p> <p>Y=671833.1 N X=846715.8 E</p> <p>Y=671855.1 N X=849356.2 E</p>	<p>500'</p> <p>330'</p> <p>1570'</p> <p>1594'</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>Signature: <i>Terry Stathem</i> Date: 3-7-11</p> <p>Printed Name: Terry Stathem</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>OCTOBER 26, 2010</p> <p>Date Surveyed: Rev: 3/2/11 DSS</p> <p>Signature & Seal of Professional Surveyor: <i>Ronald J. Eidson</i> 03/01/2011</p> <p>Certificate No. GARY G. EIDSON 12641 RONALD J. EIDSON 3239</p>
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Permit Comments

Operator: NEARBURG PRODUCING CO , 15742

Well: HOWENSTINE 12 #001

API: 30-025-40077

Created By	Comment	Comment Date
TSTATHEM	J W Drilling is the contractor. C144 submitted to OCD Donna Mull via email.	3/7/2011
DMULL	OCD Hobbs office has received form C-144. OCD Permit Number P1-02981.	3/8/2011
DMULL	Fee/Fee = Surface/Sub-surface	3/8/2011

Permit Conditions of Approval

Operator: NEARBURG PRODUCING CO , 15742

Well: HOWENSTINE 12 #001

API: 30-025-40077

OCD Reviewer	Condition
DMULL	Will require administrative order for non-standard location
DMULL	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