

**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<br>NEARBURG PRODUCING CO<br>3300 N. A Street, Bldg 2,<br>Midland, TX 79707 |                                 | 2. OGRID Number<br>15742      |
|   |                                 | 3. API Number<br>30-015-39000 |
| 4. Property Code<br>38614   | 5. Property Name<br>ROSE 12 A-D | 6. Well No.<br>001H           |

**7. Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| D        | 7       | 19S      | 26E   | 1       | 660       | N        | 100       | W        | EDDY   |

**8. Pool Information**

|                              |       |
|------------------------------|-------|
| PENASCO DRAW;SA-YESO (ASSOC) | 50270 |
|------------------------------|-------|

**Additional Well Information**

|  |                            |  |                           |                                    |
|--|----------------------------|--|---------------------------|------------------------------------|
| 9. Work Type<br>New Well   | 10. Well Type<br>OIL       | 11. Cable/Rotary                       | 12. Lease Type<br>Private | 13. Ground Level Elevation<br>3386 |
| 14. Multiple<br>N  | 15. Proposed Depth<br>7640 | 16. Formation<br>Yeso Formation        | 17. Contractor            | 18. Spud Date<br>6/20/2011         |
| Depth to Ground water  |                            | Distance from nearest fresh water well |                           | Distance to nearest surface water  |
| Pit: Liner: Synthetic <input type="checkbox"/> mls thick      Clay <input type="checkbox"/> Pit Volume:      bbls      Drilling Method:<br>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               | 7640          | 400             | 0             |

**Casing/Cement Program: Additional Comments**

|  |
|--|
|  |
|--|

**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.<br>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"/> . | <b>OIL CONSERVATION DIVISION</b> |                                 |
|  | 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: 5/3/2011   | Phone: 432-818-2950              | Conditions of Approval Attached |

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<br>50270                                 | Pool Name<br>Penasco Draw; SA-Yeso (Alloc) |
| Property Code      | Property Name<br><b>ROSE "12" A-D</b>              | Well Number<br>1H                          |
| OGRID No.<br>15742 | Operator Name<br><b>NEARBURG PRODUCING COMPANY</b> | Elevation<br>3386'                         |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D             | 7       | 19-S     | 26-E  |         | 660           | NORTH            | 100           | 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             | 12      | 19-S     | 25-E  |         | 660           | NORTH            | 330           | WEST           | EDDY   |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 1.60            |                 |                    |           |

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><b>OPERATOR CERTIFICATION</b></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>Terri Stathem</i> Date: 5/3/11</p> <p>Printed Name: Terri Stathem</p> <p>E-mail Address: tstathem@nearburg.com</p> |
| <p>GEODETIC COORDINATES<br/>NAD 27 NME</p> <p>SURFACE LOCATION<br/>Y=611258.6 N<br/>X=470617.3 E</p> <p>LAT.=32.680413° N<br/>LONG.=104.428830° W</p> <p>BOTTOM HOLE LOCATION<br/>Y=611285.0 N<br/>X=465492.4 E</p> <p>SCALE-1"=2000'</p> | <p><b>SURVEYOR CERTIFICATION</b></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>APRIL 11, 2011</p> <p>Date of Survey</p> <p>Signature &amp; Seal of Professional Surveyor:</p> <p><i>Ronald J. Eidson</i> 4/12/2011</p> <p>Certificate Number: Gary G. Eidson 12641<br/>Ronald J. Eidson 3239</p> <p>LA - REV: 4/27/11 JWSC W.O.: 11.11.0813</p>   |

## Permit Comments

Operator: NEARBURG PRODUCING CO , 15742

Well: ROSE 12 A-D #001H

API: 30-015-39000

| Created By | Comment  | Comment Date |
|------------|----------|--------------|
| Artesia    | LAND P/P | 5/3/2011     |

# Permit Conditions of Approval

Operator: NEARBURG PRODUCING CO , 15742

Well: ROSE 12 A-D #001H

API: 30-015-39000

| OCD<br>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 |