

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
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
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 156553

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
4. Property Code 39764		3. API Number 30-025-41073
5. Property Name SAPIENT 17		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
H	17	17S	37E	H	1641	N	1225	E	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	17	17S	37E	B	1691	N	1225	E	Lea

9. Pool Information

MIDWAY;STRAWN, SOUTH	96346
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3783
16. Multiple N	17. Proposed Depth 11100	18. Formation Strawn	19. Contractor	20. Spud Date
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	2075	510	
Int1	12.25	8.625	32	4650	1135	
Prod	7.875	5.5	17	11100	1480	

Casing/Cement Program: Additional Comments

See attached (sent via hardcopy).

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydril	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 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: _____ Printed Name: Electronically filed by LeighAnn Hall Title: Production Tech Email Address: lhall@nearburg.com Date: 3/7/2013	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">OIL CONSERVATION DIVISION</td> </tr> <tr> <td colspan="2">Approved By: Paul Kautz</td> </tr> <tr> <td>Title: Geologist</td> <td></td> </tr> <tr> <td>Approved Date: 3/26/2013</td> <td>Expiration Date: 3/26/2015</td> </tr> <tr> <td colspan="2">Conditions of Approval Attached</td> </tr> </table>	OIL CONSERVATION DIVISION		Approved By: Paul Kautz		Title: Geologist		Approved Date: 3/26/2013	Expiration Date: 3/26/2015	Conditions of Approval Attached	
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Form C-102
August 1, 2011
Permit 156553

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41073	2. Pool Code 96346	3. Pool Name MIDWAY;STRAWN, SOUTH
4. Property Code 39764	5. Property Name SAPIENT 17	6. Well No. 001
7. OGRID No. 15742	8. Operator Name NEARBURG PRODUCING CO	9. Elevation 3783

10. Surface Location

UL - Lot H	Section 17	Township 17S	Range 37E	Lot Idn H	Feet From 1641	N/S Line N	Feet From 1225	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 17	Township 17S	Range 37E	Lot Idn H	Feet From 1691	N/S Line N	Feet From 1225	E/W Line E	County LEA
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

<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>																	<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: 3/7/2013</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: Ronald Eidson Date of Survey: 9/4/2011 Certificate Number: 3239</p>

Permit Comments

Operator: NEARBURG PRODUCING CO , 15742

Well: SAPIENT 17 #001

API: 30-025-41073

Created By	Comment	Comment Date
pkautz	NSL order required. 40 acre pool	3/8/2013
pkautz	Land s/P	3/8/2013
CHERRERA	OCD RECEIVED FORM C144 CLEZ OCD PERMIT # P1-05941	3/26/2013

Permit Conditions of Approval

Operator: NEARBURG PRODUCING CO , 15742

Well: SAPIENT 17 #001

API: 30-025-41073

OCD Reviewer	Condition
pkautz	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
pkautz	In order to seal off protectable water, the surface casing must be set 25' below the top of the Rustler Anhydrite. Estimated top of the Rustler Anhydrite is 2050'