

Aim

Directional Services, LLC

· Directional Drilling

· Horizontal Drilling

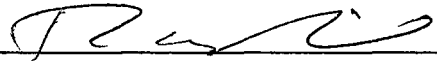
· MWD/LWD

· Mud Motors

30-05-39022

State of New Mexico
County of Eddy

I, Thomas Rinald, certify that; I am employed by Aim Directional Services, LLC; that I did on the day(s) of May 19, 2011 through June 5, 2011 conduct or supervise the taking of a directional MWD survey from a depth of 2071 feet to a depth of 7047 feet; that the data is true, correct, complete and within the limitations of the tool as set forth by Aim Directional Services, LLC; that I am authorized and qualified to make this report; that this survey was conducted at the request of Nearburg Producing for Huber 3 Fed #4H in Eddy County, New Mexico; and that I have reviewed this report and find that it conforms to the principles and procedures as set forth by Aim Directional Services, LLC.



Thomas Rinald
VP Operations

Aim Directional Services

Survey Report

Company: Nearburg Producing Company Field: Eddy County, New Mexico Site: Huber "3" Fed #4H Well: #4H Wellpath: Aim MWD Surveys		Date: 06/05/2011 Co-ordinate(NE) Reference: Well: #4H - Grid North Vertical (TVD) Reference: SITE 0.0 Section (VS) Reference: Well: (0.00N, 0.00E, 180.20Azi) Survey Calculation Method: Minimum Curvature		Time: 09:10:02 Page: 1						
Field: Eddy County, New Mexico										
Map System: US State Plane Coordinate System 1983 Geo Datum: GRS 1980 Sys Datum: Mean Sea Level		Map Zone: New Mexico, Eastern Zone Coordinate System: Well Centre Geomagnetic Model: WMM_2010								
Site: Huber "3" Fed #4H										
Site Position: From: Map Position Uncertainty: 0.00 ft Ground Level: 3491.00 ft		Northing: 585178.20 ft Easting: 458025.20 ft Latitude: 32 36 30.283 N Longitude: 104 36 14.031 W North Reference: Grid Grid Convergence: -0.15 deg								
Well: #4H										
Well Position: +N/-S 0.00 ft Position Uncertainty: 0.00 ft		Slot Name: Well Position: +N/-S 0.00 ft Position Uncertainty: 0.00 ft								
Well Position: +E/-W 0.00 ft		Latitude: 32 36 30.283 N Longitude: 104 36 14.031 W								
Wellpath: Aim MWD Surveys										
Current Datum: SITE Magnetic Data: 05/23/2011 Field Strength: 48761 nT Vertical Section: Depth From (TVD) ft		Drilled From: Gyrodata Gyro Surveys Tie-on Depth: 1981.00 ft Above System Datum: Mean Sea Level Declination: 8.10 deg Mag Dip Angle: 60.35 deg +E/-W ft Direction deg								
0.00		0.00								
0.00		180.20								
Survey: Aim MWD Surveys										
Company: Aim Directional Services Tool:		Start Date: 05/23/2011 Engineer: Sabrina Harwood Tied-to: User Defined								
Survey: Aim MWD Surveys										
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
1981.00	0.51	355.03	1980.81	25.99	-0.67	-25.98	0.00	0.00	0.00	Tie-in to Gyro Surveys
2071.00	3.20	179.11	2070.77	23.87	-0.67	-23.87	4.12	2.99	-195.47	
2165.00	5.20	177.80	2164.52	16.99	-0.46	-16.99	2.13	2.13	-1.39	
2196.00	8.50	175.20	2195.29	13.30	-0.22	-13.30	10.69	10.65	-8.39	
2228.00	11.60	173.80	2226.80	7.75	0.33	-7.75	9.72	9.69	-4.37	
2260.00	14.50	173.10	2257.97	0.57	1.16	-0.57	9.08	9.06	-2.19	
2291.00	17.40	174.50	2287.77	-7.90	2.07	7.89	9.44	9.35	4.52	
2323.00	20.70	175.10	2318.01	-18.30	3.01	18.29	10.33	10.31	1.87	
2355.00	24.50	175.50	2347.55	-30.55	4.02	30.54	11.88	11.87	1.25	
2386.00	28.40	176.30	2375.30	-44.32	5.00	44.30	12.63	12.58	2.58	
2417.00	32.00	178.60	2402.09	-59.90	5.67	59.88	12.20	11.61	7.42	
2449.00	33.80	180.30	2428.96	-77.27	5.83	77.25	6.32	5.62	5.31	
2481.00	35.70	180.80	2455.25	-95.51	5.66	95.49	6.00	5.94	1.56	
2512.00	37.90	180.20	2480.07	-114.08	5.50	114.06	7.19	7.10	-1.94	
2543.00	40.10	179.90	2504.16	-133.59	5.48	133.57	7.12	7.10	-0.97	
2574.00	42.20	180.90	2527.50	-153.98	5.33	153.97	7.10	6.77	3.23	
2604.00	44.40	181.30	2549.33	-174.55	4.94	174.54	7.39	7.33	1.33	
2636.00	47.40	182.50	2571.60	-197.52	4.17	197.50	9.75	9.37	3.75	
2667.00	49.90	183.30	2592.08	-220.76	2.99	220.75	8.29	8.06	2.58	
2698.00	52.40	182.70	2611.52	-244.86	1.73	244.86	8.20	8.06	-1.94	
2729.00	55.50	182.40	2629.76	-269.90	0.62	269.90	10.03	10.00	-0.97	
2761.00	58.50	182.40	2647.19	-296.71	-0.51	296.71	9.37	9.37	0.00	
2793.00	61.40	181.70	2663.21	-324.39	-1.50	324.39	9.26	9.06	-2.19	
2825.00	64.10	180.90	2677.86	-352.83	-2.14	352.83	8.73	8.44	-2.50	

Aim Directional Services

Survey Report

Company: Nearburg Producing Company	Date: 06/05/2011	Time: 09:10:02	Page: 2
Field: Eddy County, New Mexico	Co-ordinate(NE) Reference:	Well: #4H, Grid North	
Site: Huber "3" Fed #4H	Vertical (TVD) Reference:	SITE 0.0	
Well: #4H	Section (VS) Reference:	Well (0.00N, 0.00E, 180.20Azi)	
Wellpath: Aim MWD Surveys	Survey Calculation Method:	Minimum Curvature	Db: Sybase

Survey: Aim MWD Surveys

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
2856.00	66.60	180.40	2690.79	-381.00	-2.46	381.00	8.20	8.06	-1.61	
2888.00	69.10	180.80	2702.86	-410.63	-2.77	410.64	7.90	7.81	1.25	
2919.00	71.60	180.60	2713.28	-439.82	-3.13	439.83	8.09	8.06	-0.65	
2951.00	73.80	180.60	2722.80	-470.37	-3.45	470.38	6.87	6.87	0.00	
2983.00	77.10	180.30	2730.83	-501.34	-3.69	501.35	10.35	10.31	-0.94	
3014.00	80.30	180.20	2736.91	-531.73	-3.82	531.74	10.33	10.32	-0.32	
3046.00	82.90	179.90	2741.58	-563.39	-3.85	563.40	8.18	8.12	-0.94	
3076.00	84.90	179.80	2744.77	-593.22	-3.77	593.23	6.67	6.67	-0.33	
3108.00	87.50	179.90	2746.89	-625.14	-3.69	625.15	8.13	8.12	0.31	
3140.00	89.50	180.20	2747.73	-657.13	-3.71	657.14	6.32	6.25	0.94	
3211.00	90.40	180.50	2747.79	-728.13	-4.15	728.14	1.34	1.27	0.42	
3303.00	91.00	180.70	2746.66	-820.12	-5.11	820.13	0.69	0.65	0.22	
3396.00	89.90	180.30	2745.93	-913.11	-5.92	913.12	1.26	-1.18	-0.43	
3488.00	89.00	180.40	2746.82	-1005.10	-6.48	1005.12	0.98	-0.98	0.11	
3582.00	88.70	179.90	2748.70	-1099.08	-6.73	1099.10	0.62	-0.32	-0.53	
3675.00	89.50	180.10	2750.16	-1192.07	-6.73	1192.09	0.89	0.86	0.22	
3768.00	90.20	180.10	2750.41	-1285.07	-6.89	1285.09	0.75	0.75	0.00	
3862.00	90.40	179.60	2749.92	-1379.07	-6.65	1379.08	0.57	0.21	-0.53	
3956.00	90.80	179.60	2748.93	-1473.06	-5.99	1473.07	0.43	0.43	0.00	
4051.00	89.50	179.50	2748.68	-1568.05	-5.24	1568.06	1.37	-1.37	-0.11	
4146.00	90.10	179.30	2749.01	-1663.05	-4.25	1663.05	0.67	0.63	-0.21	
4240.00	88.90	180.20	2749.84	-1757.04	-3.84	1757.04	1.60	-1.28	0.96	
4334.00	89.60	180.40	2751.07	-1851.03	-4.33	1851.03	0.77	0.74	0.21	
4427.00	90.50	180.60	2750.98	-1944.03	-5.14	1944.03	0.99	0.97	0.22	
4522.00	90.10	180.40	2750.49	-2039.02	-5.97	2039.03	0.47	-0.42	-0.21	
4617.00	89.70	180.40	2750.65	-2134.02	-6.64	2134.03	0.42	-0.42	0.00	
4712.00	90.40	180.50	2750.57	-2229.01	-7.38	2229.03	0.74	0.74	0.11	
4806.00	89.70	180.40	2750.49	-2323.01	-8.12	2323.03	0.75	-0.74	-0.11	
4899.00	90.10	180.50	2750.65	-2416.01	-8.85	2416.02	0.44	0.43	0.11	
4976.00	90.30	180.70	2750.38	-2493.00	-9.66	2493.02	0.37	0.26	0.26	
5069.00	90.20	181.00	2749.98	-2585.99	-11.04	2586.01	0.34	-0.11	0.32	
5162.00	89.10	179.90	2750.54	-2678.98	-11.77	2679.01	1.67	-1.18	-1.18	
5254.00	89.10	179.60	2751.99	-2770.97	-11.37	2770.99	0.33	0.00	-0.33	
5348.00	90.70	179.60	2752.15	-2864.97	-10.71	2864.99	1.70	1.70	0.00	
5440.00	90.90	180.20	2750.87	-2956.96	-10.55	2956.98	0.69	0.22	0.65	
5533.00	90.20	180.60	2749.98	-3049.95	-11.20	3049.97	0.87	-0.75	0.43	
5627.00	90.10	180.10	2749.73	-3143.95	-11.77	3143.97	0.54	-0.11	-0.53	
5720.00	90.30	180.10	2749.40	-3236.95	-11.93	3236.97	0.22	0.22	0.00	
5815.00	89.50	180.80	2749.57	-3331.94	-12.68	3331.97	1.12	-0.84	0.74	
5909.00	89.50	180.10	2750.39	-3425.94	-13.42	3425.96	0.74	0.00	-0.74	
6003.00	89.80	179.40	2750.97	-3519.93	-13.01	3519.96	0.81	0.32	-0.74	
6096.00	90.00	179.40	2751.13	-3612.93	-12.03	3612.95	0.22	0.22	0.00	
6191.00	90.50	180.00	2750.71	-3707.92	-11.54	3707.94	0.82	0.53	0.63	
6286.00	89.70	180.50	2750.55	-3802.92	-11.95	3802.94	0.99	-0.84	0.53	
6380.00	89.70	180.60	2751.04	-3896.92	-12.85	3896.94	0.11	0.00	0.11	
6474.00	89.80	181.10	2751.45	-3990.90	-14.25	3990.93	0.54	0.11	0.53	
6568.00	90.30	180.20	2751.37	-4084.90	-15.31	4084.93	1.10	0.53	-0.96	
6662.00	90.20	180.10	2750.96	-4178.90	-15.56	4178.92	0.15	-0.11	-0.11	
6756.00	90.10	180.30	2750.71	-4272.89	-15.89	4272.92	0.24	-0.11	0.21	
6852.00	90.00	180.20	2750.63	-4368.89	-16.31	4368.92	0.15	-0.10	-0.10	
6946.00	90.10	180.00	2750.55	-4462.89	-16.47	4462.92	0.24	0.11	-0.21	
6978.00	89.90	180.30	2750.55	-4494.89	-16.56	4494.92	1.13	-0.62	0.94	Last MWD Survey Taken
7047.00	89.90	180.30	2750.67	-4563.89	-16.92	4563.92	0.00	0.00	0.00	Projection to TD

Aim Directional Services

Survey Report

Company:	Nearburg Producing Company	Date:	06/05/2011	Time:	09:10:02	Page:	3
Field:	Eddy County, New Mexico	Co-ordinate(NE) Reference:	Well: #4H; Grid North	Vertical (TVD) Reference:	SITE 0.0		
Site:	Huber "3" Fed #4H	Section (VS) Reference:	Well: (0.00N,0.00E,180.20Azi)	Survey Calculation Method:	Minimum Curvature	Db:	Sybase
Well:	#4H						
Wellpath:	Aim MWD Surveys						

Annotation

MD	TVD	
ft	ft	
1981.00	1980.81	Tie-in to Gyro Surveys
6978.00	2750.55	Last MWD Survey Taken
7047.00	2750.67	Projection to TD

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

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.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

COPY FOR YOUR INFORMATION

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Nearburg Producing Company

3a. Address

3300 N A St., Bldg 2, Ste 120, Midland, TX 79705

3b. Phone No. (include area code)

432/818-2950

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

SHL: 330 FNL and 1880 FEL, Sec 3, 20S, 25E

BHL: 330 FSL and 1880 FEL, Sec.3, 20S, 25E

5. Lease Serial No

NM14758

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No

Huber Federal
#4H

9. API Well No.

30015-39022

10. Field and Pool, or Exploratory Area

N Seven rivers; Glor-Yeso

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☐ Alter Casing | ☐ Fracture Treat | ☐ Reclamation | ☐ Well Integrity |
| ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☒ Other <u>completion</u> |
| ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| ☐ Convert to Injection | ☐ Plug Back | ☐ 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 final site is ready for final inspection.)

8/12/11 Frac well: 1192252# 20/40 Tx Gold proppant; 60225 bbls total fluid; 630 bbls 15% HCL acid.

8/13/11 Flowback well. Csg press 620#.

8/23/11 RIH w/ sub pump. RIH w/ 2-3/8" tbg & set @ 2151'.

9/1/11 Producing: 176 BO, 866 BW, 122 MCF.

9/25/11 IP: 492 BO, 401 MCF, 698 BW.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Terri Stathem

Title

Regulatory/Production Analyst

Date 10/1/11

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, makes 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.