

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

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

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)

330 FNL and 660 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 3 Federal
#3H

9. API Well No.

30-015-38163

10. Field and Pool, or Exploratory Area
Cemetery; 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☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☒ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other _____

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.)

NPC requests to construct a powerline on lease from the Huber 3 Federal #3H well to the existing powerline. Please see attached survey. The Archeology Report has been filed with the BLM by Danny Boone. If you have any questions, please contact Tim Green at 432/818-2940.

RECEIVED

NOV 09 2010

NMOCD ARTESIA

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

Tim Green

Title

Marketing Manager

Date 10/14/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Don Peterson

Title

FIELD MANAGER

Date

NOV 5 2010

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






CARLSBAD FIELD 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.

EDDY COUNTY

NEW MEXICO



 = *Fence*
 = *Powerline*
 = *Water Line*
 = *Pipeline*
 = *Lease Road*

A strip of land 30.0 feet wide 1498.0 feet or 0.28 miles in length and being 15.0 feet Left and 15.0 feet Right of the above centerline survey.

I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY, THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.

MICHAEL BLAKE BROWN, P.S. NO. 18329

NEARBURG PRODUCING

TOPOGRAPHIC

SURVEYING • MAPPING • GIS • GPS
2903 N. BIG SPRING • MIDLAND, TEXAS 79705

TELEPHONE: (432) 682-1653 (800) 767-1653 • FAX (432) 682-1743

SCALE: 1" = 1000'

DATE: AUGUST 10, 2010

JOB NO.: 157974-PPL

QUAD NO.: 72NE

SHEET : 1 OF 1

NO.	REVISION	DATE	BY
SURVEYED BY:		A.C.	
DRAWN BY:		S.A.T.	
APPROVED BY:		M.B.B. -	

Lease #: NMNM 14758
Nearburg Producing Company
Huber 3 Federal #3H Powerline

STANDARD STIPULATIONS FOR OVERHEAD ELECTRIC DISTRIBUTION LINES

A copy of the grant and attachments, including stipulations, survey plat and/or map, will be on location during construction. BLM personnel may request to you a copy of your permit during construction to ensure compliance with all stipulations.

Holder agrees to comply with the following stipulations to the satisfaction of the Authorized Officer:

1. The holder shall indemnify the United States against any liability for damage to life or property arising from the occupancy or use of public lands under this grant.
2. The holder shall comply with all applicable Federal laws and regulations existing or hereafter enacted or promulgated. In any event, the holder shall comply with the Toxic Substances Control Act of 1976 as amended, 15 USC 2601 et seq. (1982) with regards to any toxic substances that are used, generated by or stored on the right-of-way or on facilities authorized under this right-of-way grant. (See 40 CFR, Part 702-799 and especially, provisions on polychlorinated biphenyls, 40 CFR 761.1-761.193.) Additionally, any release of toxic substances (leaks, spills, etc.) in excess of the reportable quantity established by 40 CFR, Part 117 shall be reported as required by the Comprehensive Environmental Response, Compensation, and Liability Act, section 102b. A copy of any report required or requested by any Federal agency or State government as a result of a reportable release or spill of any toxic substances shall be furnished to the authorized officer concurrent with the filing of the reports to the involved Federal agency or State government.
3. The holder agrees to indemnify the United States against any liability arising from the release of any hazardous substance or hazardous waste (as these terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. 9601, et seq. or the Resource Conservation and Recovery Act, 42 U.S.C. 6901, et seq.) on the Right-of-Way (unless the release or threatened release is wholly unrelated to the Right-of-Way holder's activity on the Right-of-Way), or resulting from the activity of the Right-of-Way holder on the Right-of-Way. This agreement applies without regard to whether a release is caused by the holder, its agent, or unrelated third parties.
4. There will be no clearing or blading of the right-of-way unless otherwise agreed to in writing by the Authorized Officer.
5. Powerlines shall be constructed in accordance to standards outlined in "Suggested Practices for Raptor Protection on Powerlines, " Raptor Research Foundation, Inc., 1981. The holder shall assume the burden and expense of proving that pole designs not shown in the above publication are "raptor safe." Such proof shall be provided by a raptor expert approved by the Authorized Officer. The BLM reserves the right to require modification or additions to all powerline

structures placed on this right-of-way, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by the holder without liability or expense to the United States.

6. The holder shall minimize disturbance to existing fences and other improvements on public lands. The holder is required to promptly repair improvements to at least their former state. Functional use of these improvements will be maintained at all times. The holder will contact the owner of any improvements prior to disturbing them. When necessary to pass through a fence line, the fence shall be braced on both sides of the passageway prior to cutting the fence. No permanent gates will be allowed unless approved by the Authorized Officer.

7. The BLM serial number assigned to this authorization shall be posted in a permanent, conspicuous manner where the power line crosses roads and at all serviced facilities. Numbers will be at least two inches high and will be affixed to the pole nearest the road crossing and at the facilities served.

8. Upon cancellation, relinquishment, or expiration of this grant, the holder shall comply with those abandonment procedures as prescribed by the Authorized Officer.

9. All surface structures (poles, lines, transformers, etc.) shall be removed within 180 days of abandonment, relinquishment, or termination of use of the serviced facility or facilities or within 180 days of abandonment, relinquishment, cancellation, or expiration of this grant, whichever comes first. This will not apply where the power line extends service to an active, adjoining facility or facilities.

10. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the holder, or any person working on his behalf, on public or Federal land shall be immediately reported to the Authorized Officer. Holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Authorized Officer. An evaluation of the discovery will be made by the Authorized Officer to determine appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of evaluation and any decision as to proper mitigation measures will be made by the Authorized Officer after consulting with the holder.

11. Special Stipulations:

- Limit all disturbance to authorized width of approved access road.
- For reclamation remove poles, lines, transformer, etc. and dispose of properly.
- Fill in any holes from the poles removed.

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Pit

☐ Convert to Injection☐ Plug Back☐ Water Disposal

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Please see attached

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

Name (Printed/Typed)

HR Willis

Title

Drilling Manager

Date

10/28/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

FIELD MANAGER

Date

4/5/10

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.

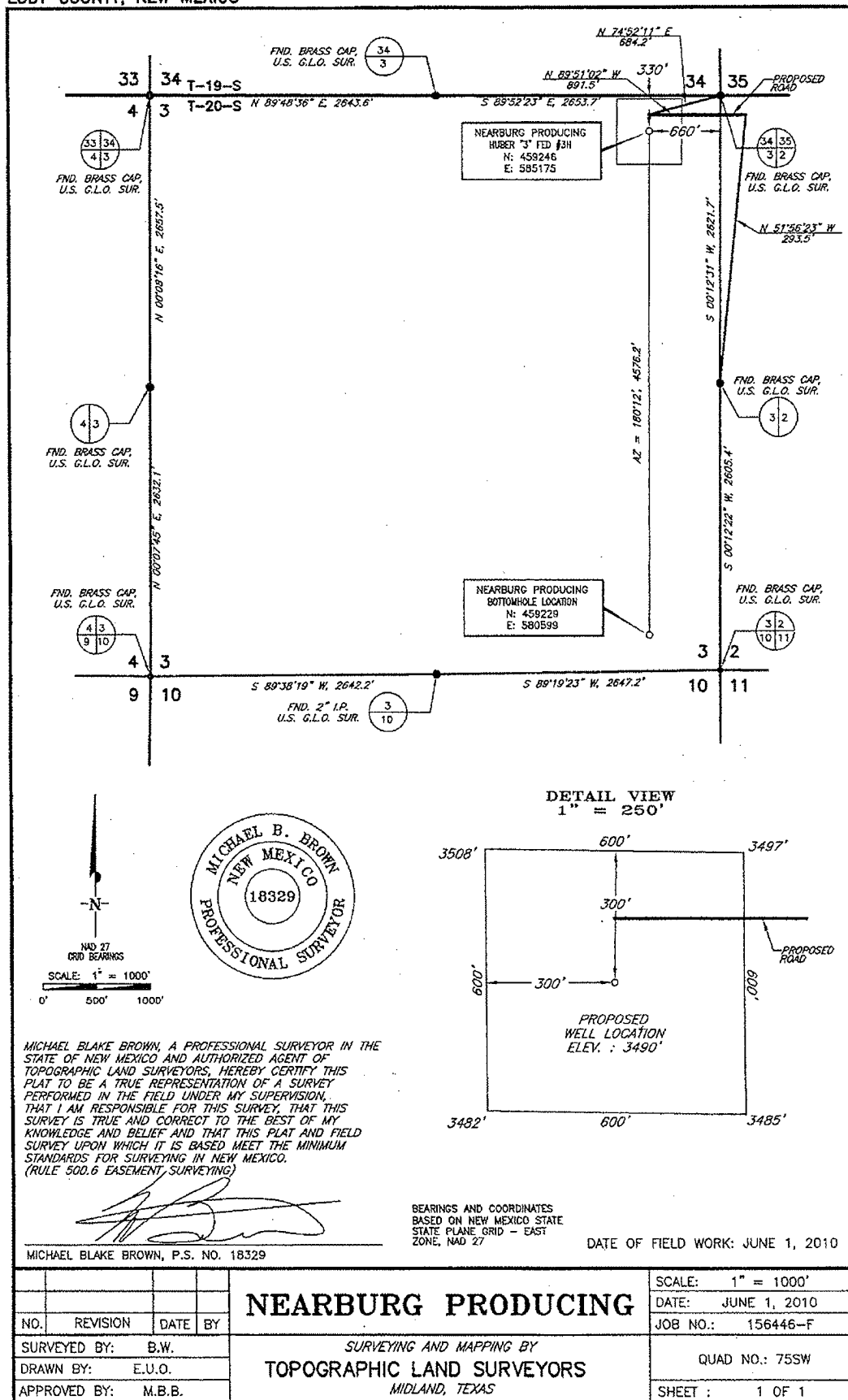
Office

CARLSBAD FIELD OFFICE

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- 1) Nearburg Producing Company requests to construct a Fresh Water Frac Pit on the West side of the existing location inside the 600 x 600 location boundary. The pond will be a polygon due to the boundary restriction. A plat showing the pond size and location is attached. Existing road will be used coming into the Huber 3 Federal #3H.
- 2) Wells to be serviced by the pond:
Huber 3 Federal #3H
Huber 3 Federal #4H
- 2a) No lines needed for the Huber 3 Federal #3H
- 2b) Will use an existing PL Row running North of the Huber 3 Federal #3H & #4H
- 3) Water will be trucked using the Huber 3 Federal #3H road
- 4) Attached
- 5) Stakes are in place.
- 6) Diagram Attached
- 7) Randy Rust did onsite Thursday morning, 10/28/10.

PLAT SHOWING PROPOSED WELL LOCATION IN
SECTION 3, T-20-S, R-25-E, N.M.P.M.
EDDY COUNTY, NEW MEXICO



DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Form C-102

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

Energy, Minerals, and Natural Resources Department

Revised October 12, 2005

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 copies

Fee Lease - 3 copies

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

1220 South St. Francis Dr.

Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	³ Pool Name
Property Code	⁵ Property Name HUBER "3" FED	⁶ Well Number 3H
⁷ GRID No.	⁸ Operator Name NEARBURG PRODUCING	⁹ Elevation 3490'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	3	20 SOUTH	25 EAST, N.M.P.M.		330'	NORTH	660'	EAST	EDDY

¹¹Bottom 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	3	20 SOUTH	25 EAST, N.M.P.M.		330'	SOUTH	660'	EAST	EDDY
¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

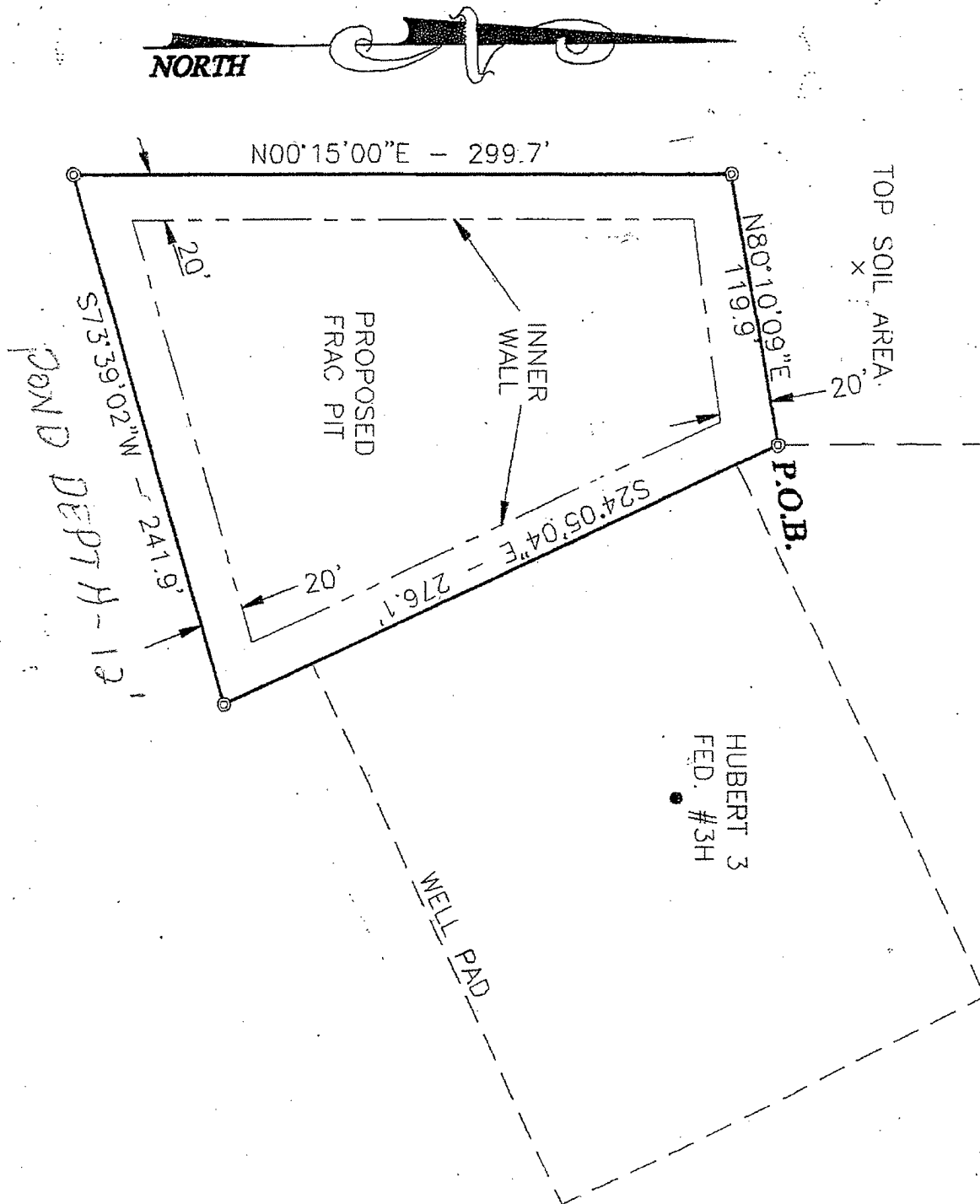
<div>¹⁶</div>	<div><p>¹⁷ OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole 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>Signature _____ Date _____</p><p>Printed Name _____</p><p>¹⁸ SURVEYOR CERTIFICATION</p><p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey or under my supervision, and that the same is true and correct to the best of my belief.</p><p>Date of Survey _____</p><p>Signature and Seal of Professional Surveyor _____</p><p>Certificate Number Michael Blake Brown P.S. #18329 JOB #156445 / 75 SW E.U.O.</p></div>
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NEARBURG PRODUCING COMPANY

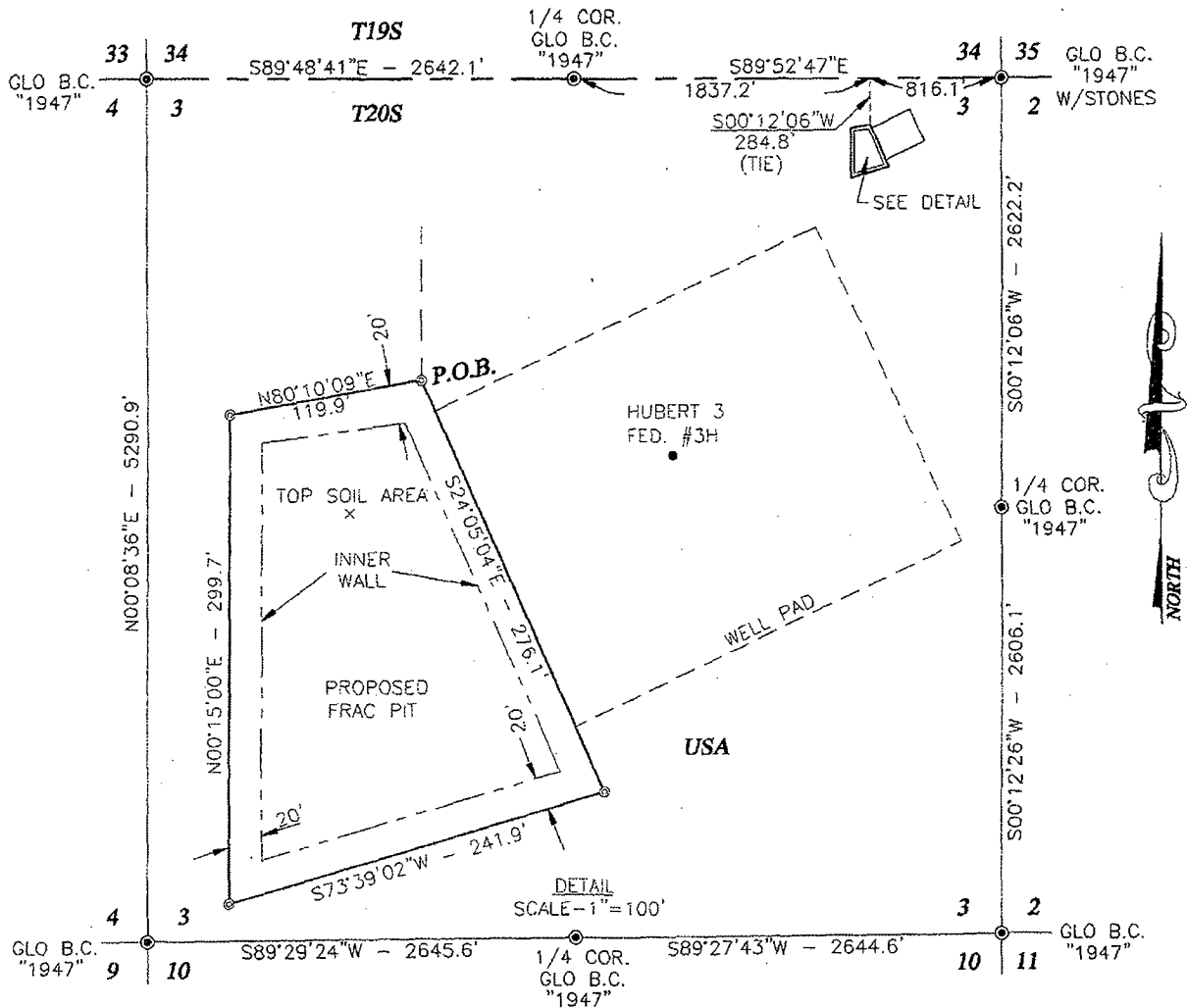
HUBER 3 FEDERAL #3H FRAC PIT

SECTION 3, TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

EDDY COUNTY, NEW MEXICO



SECTION 3, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M.
EDDY COUNTY NEW MEXICO



DESCRIPTION

A FRAC PIT SITUATED IN THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 3, TOWNSHIP 20 SOUTH, RANGE 25 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE FRAC PIT WHICH LIES N89°52'47"W ALONG THE NORTH LINE OF SAID SECTION A DISTANCE OF 816.1 FEET AND S00°12'06"W 284.8 FEET FROM THE NORTHEAST CORNER OF SAID SECTION; THEN S24°05'04"E 276.1 FEET; THEN S73°39'02"W 241.9 FEET; THEN N00°15'00"E 299.7 FEET; THEN N80°10'09"E 119.9 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.17 ACRES MORE OR LESS.

NOTE

BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

LEGEND

- DENOTES FOUND CORNER AS NOTED
- ⊙ DENOTES SET SPIKE NAIL

NEARBURG PRODUCING COMPANY

HUBER 3 FEDERAL #3H FRAC PIT

SECTION 3, TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM

EDDY COUNTY, NEW MEXICO

TOP SOIL AREA

x

20'

N80°10'09"E

119.9'



N00°15'00"E - 299.7'

INNER
WALL

S24°05'04"E - 276.1'

LOCATION

PROPOSED
FRAC PIT

20'