

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010**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.5. Lease Serial No.
NMNM78273

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

JAN 31 2014

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

NEARBURG PRODUCING COMPANY

Contact: TIM GREEN

E-Mail: tgreen@nearburg.com

RECEIVED

8. Well Name and No.

LAGUNA 23 FED COM 2H

9. API Well No.

30-025-40697-00-X1

3a. Address

3300 NORTH A STREET BLDG 2 STE 120
MIDLAND, TX 79705

3b. Phone No. (include area code)

Ph: 432-818-2940

10. Field and Pool, or Exploratory
LEA

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

Sec 23 T20S R34E SWSW 0175FSL 0630FWL

11. County or Parish, and State

LEA COUNTY, NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Subsequent Report | <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Final Abandonment Notice | <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input type="checkbox"/> Recomplete | <input checked="" type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | Change to Original A |
| | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | PD |

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 site is ready for final inspection.)

Nearburg respectfully requests approval to drill a pilot hole according to the following procedure:

Drill 8-3/4" pilot hole from 10600' (anticipated KOP) to 11300' and log. Plug back from TD to approximately 10400' with 380 sx PlugCem-H + 0.5% CFR-3 + 0.1% HR-800 weighing 14.6 ppg, yielding 1.19 cu ft and mixed using 5.35 gals water / sack. We reserve the right to alter cement volumes and/or additives to match actual hole conditions.

Verbally approved by C. Walls 1/24/14.

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

Electronic Submission #233250 verified by the BLM Well Information System

For NEARBURG PRODUCING COMPANY, sent to the Hobbs

Committed to AFMSS for processing by JOHNNY DICKERSON on 01/28/2014 (14JLD1138SE)

Name (Printed/Typed) TIM GREEN

Title MARKETING & PRODUCTION SERVICE

Signature (Electronic Submission)

Date 01/27/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By CHRISTOPHER WALLS

Title PETROLEUM ENGINEER

Date 01/28/2014

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 Hobbs

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

FEB 11 2014