

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Hobbs

HOBBS OCD

FORM 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 abandoned well. Use form 3160-3 (APD) for such proposals.

APR 02 2014

SUBMIT IN TRIPLICATE - Other instructions on reverse side

RECEIVED

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMLC066126
2. Name of Operator NEARBURG PRODUCING COMPANY		6. If Indian, Allottee or Tribe Name
Contact: TIM GREEN E-Mail: tgreen@nearburg.com		7. If Unit or CA/Agreement, Name and/or No.
3a. Address 330 NORTH A STREET BLDG 2 SUITE 120 MIDLAND, TX 79707	3b. Phone No. (include area code) Ph: 432-818-2940	8. Well Name and No. LYNCH 25 FEDERAL COM 1H ✓
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T20S R34E 1650FSL 330FEL		9. APT Well No. 30-025-40723
		10. Field and Pool, or Exploratory LEA BONE SPRING S
		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	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplete 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 recompletion 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 Producing Company respectfully requests an operator change and well name change of the Lynch 25 Federal #1 well to the following:

Proposal:
Operator: Nearburg Producing Company
Well Name: Lea South 25 Federal Com #1H

Previous approval:
Operator: Cimarex Energy Co.
Well Name: Lynch 25 Federal Com #1

SUBJECT TO LIKE
APPROVAL BY STATE

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Nearburg Producing Company accepts all applicable terms, conditions, stipulations and restrictions

Effective 1/10/2014 BLM Bond # NMB000153

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

Electronic Submission #240212 verified by the BLM Well Information System
For NEARBURG PRODUCING COMPANY, sent to the Hobbs
Committed to AFMSS for processing by JERRY BLAKLEY on 03/27/2014 ()

Name (Printed/Typed) TIM GREEN	Title MARKETING & PRODUCTION SERVICE
Signature (Electronic Submission)	Date 03/27/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Jerry Blakley</i>	Title	Date MAR 27 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	

APPROVED
MAR 27 2014
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

FOR RECORD ONLY
MW/OCD 4-3-14

APR 03 2014

Additional data for EC transaction #240212 that would not fit on the form

32. Additional remarks, continued

concerning operations conducted on the leased land.

or portion thereof

BLM Bond: NMB000153

This well will be drilled in 2014

Please see attached OCD Operator Change C145.

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
Change of Operator

Form C-145
 August 1, 2011
 Permit 178728

HOBBS OCD
JAN 09 2014
RECEIVED

Previous Operator Information

New Operator Information

OGRID:	<u>215099</u>	OGRID:	<u>15742</u>
Name:	<u>CIMAREX ENERGY CO.</u>	Name:	<u>NEARBURG PRODUCING CO</u>
Address:	<u>600 N MARIENFELD STREET</u> <u>SUITE 600</u>	Address:	<u>3300 N. A Street, Bldg 2.</u> <u>Suite 120</u>
City, State, Zip:	<u>MIDLAND, TX 79701</u>	City, State, Zip:	<u>Midland, TX 79707</u>

Effective Date: Effective on the date of approval by the OCD

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the certified list of wells is true to the best of my knowledge and belief.

Additionally, by signing below, NEARBURG PRODUCING CO certifies that it has read and understands the following synopsis of applicable rules.

PREVIOUS OPERATOR certifies that all below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells being transferred are either (1) in compliance with 19.15.17 NMAC, (2) have been closed pursuant to 19.15.17.13 NMAC or (3) have been retrofitted to comply with Paragraphs 1 through 4 of 19.15.17.11(i) NMAC.

NEARBURG PRODUCING CO understands that the OCD's approval of this operator change:

1. constitutes approval of the transfer of the permit for any permitted pit, below-grade tank or closed-loop system associated with the selected wells; and
2. constitutes approval of the transfer of any below-grade tanks constructed and installed prior to June 16, 2008 associated with the selected wells, regardless of whether the transferor has disclosed the existence of those below-grade tanks to the transferee or to the OCD, and regardless of whether the below-grade tanks are in compliance with 19.15.17 NMAC.

**BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972**

Effective 1/10/2014
Bond NMB000153

**3/27/2014 Approved subject to Conditions of Approval. JDB
Change of Operator
Conditions of Approval**

1. Tank battery must be bermed/diked (must be able to contain 1 1/2 times the volume of the largest tank).
2. Submit for approval of water disposal method.
3. Submit updated facility diagrams as per Onshore Order #3
4. This agency shall be notified of any spill or discharge as required by NTL-3A.
5. All outstanding environmental issue must be addressed within 90 days. Contact Jim Amos for inspection and to resolve environmental issues. 575-234-5909
6. Install legible well sign on location with operator name, well name and number, lease number, unit number, 1/4 1/4, section, township, and range. NMOCD requires the API number on well signs.
7. Subject to like approval by NMOCD.
8. All Reporting to ONRR (OGOR Reports) must be brought current within 30 days of this approval including any past history.
9. If this well is incapable of producing in paying quantities submit NOI to plug and abandon this well or obtain approval to do otherwise within 90 days.
10. If not in place acquire operating rights on this lease within 30 days with BLM office in Santa Fe, NM.