

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

DEC 01 2014

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

RECEIVED

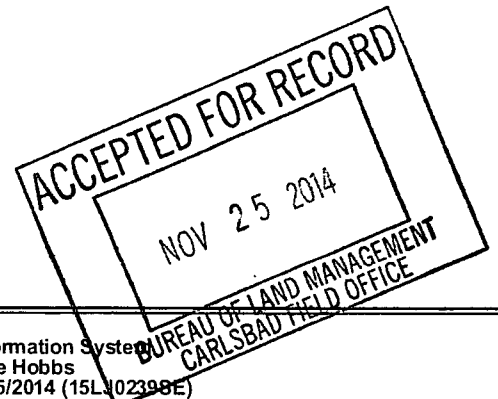
| | | |
|---|---|---|
| 1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other | | 5. Lease Serial No. NMNM78273 |
| 2. Name of Operator NEARBURG PRODUCING COMPANY | | 6. If Indian, Allottee or Tribe Name |
| Contact: VICKI JOHNSTON Email: vjohnston1@gmail.com | | 7. If Unit or CA/Agreement, Name and/or No. |
| 3a. Address 3300 NORTH A STREET BLDG 2 STE 120 MIDLAND, TX 79705 | 3b. Phone No. (include area code) Ph: 432.686.8235 | 8. Well Name and No. LAGUNA 23 FEDERAL COM 3H |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 23 T20S R34E SESW 330FSL 2130FWL 32.330818 N Lat, 103.315732 W Lon | | 9. API Well No. 30-025-41946-00-X1 |
| | | 10. Field and Pool, or Exploratory LEA |
| | | 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 APD |
| | <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 recompleting 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 submits the attached modified casing and cementing plans.

*Work Already Done
without prior Approval*

| | |
|---|--------------------------------------|
| 14. I hereby certify that the foregoing is true and correct. Electronic Submission #263036 verified by the BLM Well Information System For NEARBURG PRODUCING COMPANY, sent to the Hobbs Committed to AFMSS for processing by LINDA JIMENEZ on 11/05/2014 (15L-02398E) | |
| Name (Printed/Typed) TIM GREEN | Title MARKETING & PRODUCTION SERVICE |
| Signature (Electronic Submission) | Date 09/12/2014 |

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

| | | |
|---|--|-----------------|
| Approved By ACCEPTED | EDWARD FERNANDEZ Title PETROLEUM ENGINEER | Date 11/25/2014 |
| 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 **

DEC 02 2014

NEARBURG PRODUCING COMPANY
LAGUNA 23 FED COM #3H

9-5/8" CASING 2 STAGE JOB if Needed

1st Stage

Lead:

260 sxs 40/60 POZ Class "C" + 3% (BWOW) pf44 + 6% PF61 + 0.3%PF606 + 0.7% PF-79 +
0.2%PF513 + 0.125 PPS PF-29 + 0.6 PPS PF46 + 5 PPS PF42

Weight 12 ppg Yield 2.32 Mix water 12.847 gps

Tail:

250 sxs Class "C" + 0.2% PF13

Weight 14.8 ppg Yield 1.33 Mix water 6.307 gps

2nd Stage

Lead:

570 sxs 40/60 POZ Class "C" + 3% (BWOW) pf44 + 6% PF61 + 0.3%PF606 + 0.7% PF-79 +
0.2%PF513 + 0.125 PPS PF-29 + 0.6 PPS PF46 + 5 PPS PF42

Weight 12 ppg Yield 2.32 Mix water 12.847 gps

Tail:

250 sxs Class "C" + 0.2% PF13

Weight 14.8 ppg Yield 1.33 Mix water 6.307 gps

*Both
stages
circulated.*

5-1/2" CASING

1st Stage

Lead:

35 sxs (50/50) Poz (Fly Ash): Class H Cement: + 5% bwoc PF44 + 10%PF20 +
0.4% PF153 + 3PPS PF42 + 0.125 PPS PF29 + 0.6 PPS PF46

Weight 11.9 ppg Yield 2.47 cfs Mix water 13.826 gps

Tail:

1300 sxs PVL + 1.3% bwowPF44+ 5%PF174 +0.5% PF606 + 0.1% PF153

3% PF183 + .4 pps PF46

Weight 13 ppg Yield 1.48 cfs Mix water 7.583 gps

These volumes based on 50% excess.

2nd Stage

Lead:

800 sxs :35/65 Poz Class C Cement +5% bwoc PF44 + 0.6% PF20 + 0.2% PF13 + 0.125 pps PF29

0.4 pps PF46 + 3 pps PF42

Weight 12.6 ppg Yield 2.06 cfs Mix water 10.959 gps

Tail:

200 sxs Class H + 1% PF13

Weight 15.6 ppg Yield 1.18 cfs Mix water 5.238 gps

These volumes based on 50% excess.

Final cement volumes for production casing to be calculated off of open hole logs.

*Single stage only
2700 sks.*

| Casing Depth From (ft) | Casing Setting Depth (ft) MI | Casing Setting Depth (ft) TVD | Open Hole Size (inches) | Casing Size (inches) | Casing Weight (lb/ft) | Casing Grade | Thread | Condition | BHP (psig) |
|------------------------|------------------------------|-------------------------------|-------------------------|----------------------|-----------------------|--------------|--------|-----------|------------|
| Surface | | | | | | | | | |
| 0' | 1675' | 1675' | 17 1/2 | 13 3/8 | 54.5 | J-55 | ST&C | New | 754 |
| Intermediate | | | | | | | | | |
| 0' | 4550' | 4550' | 12 1/4 | 9 5/8 | 40 | N-80 | LT&C | New | 2,453 |
| 4550' | 5450' | 5450' | 12 1/4 | 9 5/8 | 40 | HCN-80 | LT&C | New | |
| Production | | | | | | | | | |
| 0' | 9100' | 9100' | 8 3/4 | 5 1/2 | 17 | N-80 | LT&C | New | 2,203 |
| 9100' | 14084' | 9100' | 8 3/4 | 5 1/2 | 17 | N-80 | BT&C | New | 4,311 |

NEARBURG PRODUCING COMPANY
LAGUNA 23 FED COM #3H

| Anticipated Mud Weight (ppg) | Collapse SF Full Evacuation (1.125) | Collapse SF 1/3 Evacuation (1.125) | Burst SF (1.125) | Cumulative Air Weight (lbs) | Cumulative Bouyed Weight (lbs) | Bouyant Tension SF (1.8) |
|------------------------------|-------------------------------------|------------------------------------|------------------|-----------------------------|--------------------------------|--------------------------|
| 8.4 | 1.54 | | 3.64 | 91,288 | 79,580 | 6.46 |
| 10.2 | | 1.52 | 1.61 | 218,000 | 184,052 | 2.83 |
| 9.2 | 1.43 | | 3.51 | 162,860 | 139,985 | 2.49 |
| 9.2 | 1.37 | | 1.8 | 6,630 | 5,699 | 69.66 |