

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

HOBBS OCD
OCD-HOBBS
FEB 12 2015
RECEIVED

FORM APPROVED
OMB NO. 1004-0135
Expires: July 31, 2010

5. Lease Serial No.
NMNM56265
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.

1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other: INJECTION		8. Well Name and No. FEDERAL L 1
2. Name of Operator NEARBURG PRODUCING COMPANY - Mail: vjohnston1@gmail.com		9. API Well No. 30-025-20811
3a. Address 3300 NORTH A STREET, BUILDING 2 MIDLAND, TX 79705	3b. Phone No. (include area code) Ph: 830-537-4599	10. Field and Pool, or Exploratory SEVEN RIVERS <96141> SWD, Yates - Seven Rivers
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 25 T20S R34E Mer NMP SENW 1650FNL 1980FWL		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 type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Deepen
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input type="checkbox"/> Other
	<input type="checkbox"/> Alter Casing
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Convert to Injection
	<input checked="" 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.)

11/3/14 ? MIRU Lucky Svcs P/U. POOH & LD 1-1/2"x26" PR w/1-3/4"x16" PRL. Unseat pump. POOH & LD (4) 1"x2"x4"x6"x8" T-66 pony rod subs, (110) 1"x25" T-66 rods, (120) 7/8"x25" T-66 rods, (82) ??x25" T-66 rods, (6) ??x25" ?EL? rods, (6) 1-1/2"x25" Grade K sinker bars, 2-1/2"x1-1/4"x24" RHBC pump w/30" gas anchor. ND wellhead & NU BOP. Release TAC. POOH stdg back 32 jts 2-7/8" L-80 6.5# EUE 8rd tbg. Put valve on tbg. Close BOP rams. SDFN.
11/4/14 ? Remove valve from tbg. Open BOP rams. POOH & stand back 92 jts-2-7/8" L-80 6.5# EUE 8rd tbg in derrick. Continue to POOH & LD 124 jts-2-7/8" L-80 6.5# EUE 8rd tbg. LD 2-7/8"x7" TAC w/45k shear. POOH w/1 jt-2-7/8" L-80 tbg, 2-7/8" API SSN, 2-7/8"x4" N-80 perf tbg sub, 2 jts-2-7/8" L-80 6.5# EUE 8rd tbg w/bullplug. MIRU JSI elec trk; RIH w/5.719" gauge ring/JB/CCL to 8350' to ensure no csg obstruct. POOH w/gauge ring/JB/CCL. PU & RIH w/7" CIBP w/gamma gun/CCL to log & corr to ?Sonic Log? from 8350' up to 8150'. Set CIBP @ 8290'. POOH w/stg tool. RIH w/cement dump blr. 35' cement on top of CIBP w/TOC @ 8255'. After stg CIBP & bef dump blg cement.

DENIED

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

Electronic Submission #281233 verified by the BLM Well Information System For NEARBURG PRODUCING COMPANY, sent to the Hobbs Committed to AFMSS for processing by PAUL SWARTZ on 11/26/2014 ()

Name (Printed/Typed) TIM GREEN	Title PRODUCTION MANAGER
Signature (Electronic Submission)	Date 11/24/2014

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By <i>Paul R Swartz</i>	Title PET	Date 2/3/2015
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 CFD	

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.

Zone Permanently Plugged (ZPP)

OPERATOR-SUBMITTED ** OPERATOR-SUBMITTED **

Laguna Valley, Delaware

Accepted for Record Only

MSB/OCD 2/16/2015

FEB 17 2015

hm

Additional data for EC transaction #281233 that would not fit on the form

32. Additional remarks, continued

logged 7? csg from 5500? up to 5300? to get csg collars; corr to ?Sonic Log? to set 2nd CIBP. PU & RIH w/7? CIBP/CCL. Logged csg collars & set CIBP @ 5450?. POOH w/stg tool. Close BOP blinds. SI well. SDFN.

11/5/14 ? Open BOP blinds. RU JSI elec trk; RIH w/cement dump blr; 35? cement on top of CIBP w/TOC @ 5450?. LD cement dump blr. PU & RIH w/7? CIBP/CCL. Logged csg collars & set CIBP @ 4016?. POOH w/stg tool. PU cmt dump blr; 35? cement on top of CIBP w/TOC @4016?. LD dump blr. RDMO JSI elec trk. RIH w/2-7/8?x4? perf tbg sub (bullplugged) on bottom of 119 jts-2-7/8? L-80 6.5# EUE 8rd tbg leaving EOT @ 3908? (tailed depth). Had TRM pump trk rev circ by pumping 220 bbls 2% KCl wtr down csg & out tbg to frac tank. POOH & LD 9 jts-2-7/8? L-80 tbg on pipe racks lvg 110 jts tbg in derrick. Close BOP blinds. SI well. SDFN.

11/6/14 ? MIRU JSI elec trk to RIH w/5.80? gauge ring/JB/CCL to 3850? to make sure no prob. RIH w/pkr. POOH w/gauge ring. PU & RIH w/3-3/8? csg gun loaded w/23 gr shot (.46 hole-41? penetration) @ 4 spf & 60 degree phsg to corr gun on depth w/csg collar log (on depth w/Sonic gamma ray log). Perf from 3826?-3832? (28 shots) and 3808?-3813? (24 shots). POOH w/shot gun. PU 3-3/8? csg gun loaded as bef & corr on depth to perf from 3778?-3782? (20 shots), 3772?-3776? (20 shots), 3764?-3768? (20 shots) and 3744?-3748? (20 shots). POOH w/shot guns. PU 3-3/8? csg gun loaded as bef & corr on depth to perf from 3705?-3726? (88 holes). POOH w/shot gun. RDMO JSI elec. PU & RIH w/2-7/8?x7? CST treating pkr, 2-7/8? API SSN, 110 jts-2-7/8? L-80 6.5# EUE 8rd tbg. RU Hydrostatic Tbg testers to test 2-7/8? tbg to 6000# above slips while RIH. All tbg tested good. Set pkr @ 3625?. Close BOP rams. Had TRM pump trk press test csg to 500# to chk pkr seat. Holding good. Bled down pressure. RDMO TRM pump trk. Put valve in tbg. SI well. SDFN.

11/7/14 ? MIRU acid trks to acidize new Yates perms. RU Pacesetter acid pump trk to 2-7/8? tbg tieing into 2? valve. Had TRM pump trk tie into csg & put 500# to hold while pumping acid job to monitor pkr. Transducer in csg backside to monitor pressure. Start pumping 2% KCl wtr dn tbg @ 2 bpm until brkg back & was then able to pump into formation. Pumped 5 bbls 2% KCl wtr bef switching to 15% NEFE HCl acid. Pumped 10,800 gals (257 bbls) 15% NEFE HCl acid @ 7.0 bpm w/740# tbg press displacing acid w/125 bbls 2% KCl wtr. SD. Tbg on vac. RDMO acid & pump trks. Remove valve from tbg. Open BOP rams. Rls pkr. POOH & LD 110 jts-2-7/8? L-80 6.5# EUE 8rd tbg on pipe racks. LD 2-7/8?x7? CST pkr. Close BOP blinds. SDFN.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

NOTICE OF INCIDENTS OF NONCOMPLIANCE

Certified Mail - Return Receipt Requested
7010187000352255879

Hand Delivered Received by _____

Identification
JID
Lease NMNM56265
CA
Unit
PA

Bureau of Land Management Office HOBBS INSPECTION OFFICE	Operator NEARBURG PRODUCING COMPANY
Address 414 WEST TAYLOR HOBBS NM 88240	Address 3300 NORTH A STREET BLDG 2 STE 120 MIDLAND TX 79705
Telephone 575.393.3612	Attention
Inspector SWARTZ	Attn Addr

Site Name L FEDERAL COM	Well/Facility/FMP 01	1/4 1/4 Section SE NW 25	Township 20S	Range 34E	Meridian NMP	County LEA	State NM
Site Name (SEE ATTACHED)	Well/Facility/FMP	1/4 1/4 Section	Township	Range	Meridian	County	State

THE FOLLOWING VIOLATION WAS FOUND BY BUREAU OF LAND MANAGEMENT INSPECTORS ON THE DATE AND AT THE SITE LISTED ABOVE

Date	Time (24 - hour clock)	Violation	Gravity of Violation
02/03/2015		43 CFR 3162.3-2, 43 CFR 3162.3-4, 43 CFR 3162.4-1, O.O. #1.XII., & O.O.#2.III.G.	MINOR
Corrective Action To Be Completed By	Date Corrected	Assessment for Noncompliance	Assessment Reference
03/05/2015			43 CFR 3163.1()

Remarks

Operator conducted subsequent well operations without BLM approval. Those operations failed to comply with BLM standards of abandonment. Compliance may be achieved by adherence to the conditions of approval dated 12/02/2014 attached to the Form 3160-5 notice of intent received by BLM 11/20/2014. That notice of intent was filed by the operator subsequent to the well workover (Remarks continued on following page(s).)

When violation is corrected, sign this notice and return to above address.

Company Representative Title _____ Signature _____ Date _____

Company Comments _____

WARNING

Incidents of Noncompliance correction and reporting timeframes begin upon receipt of this Notice or 7 business days after the date it is mailed, whichever is earlier. Each violation must be corrected within the prescribed time from receipt of this Notice and reported to the Bureau of Land Management office at the address shown above. Please note that you already may have been assessed for noncompliance (see amount under "Assessment for Noncompliance"). If you do not comply as noted above under "Corrective Action To Be Completed By" you may incur an additional assessment under (43 CFR 3163.1) and may also incur Civil Penalties (43 CFR 3163.2). All self-certified corrections must be postmarked no later than the next business day after the prescribed time for correction.

Section 109(d)(1) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3163.2(f)(1), provides that any person who "knowingly or willfully" prepares, maintains, or submits, false, inaccurate, or misleading reports, notices, affidavits, record, data, or other written information required by this part shall be liable for a civil penalty of up to \$25,000 per violation for each day such violation continues, not to exceed a maximum of 20 days.

REVIEW AND APPEAL RIGHTS

A person contesting a violation shall request a State Director review of the Incidents of Noncompliance. This request must be filed within 20 working days of receipt of the Incidents of Noncompliance with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Lands Appeals, 801 North Quincy Street, Suite 300, Arlington VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

Signature of Bureau of Land Management Authorized Officer *Paul R Swartz* Date **02/03/15** Time **2 PM**

FOR OFFICE USE ONLY

Number 3D	Date	Assessment	Penalty	Termination
Type of Inspection WK				

Wells and/or Facilities and/or FMPs, continued

Site Name	Well/Facility/FMP	1/4	1/4	Sec	Twn	Range	Mer	Lease	State	County
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BLM Remarks, continued

operations of 11/03-12/2014 converting the well for water disposal purposes.