

## CONDITIONS OF APPROVAL

API #	Operator	Well name & Number
	NEMO FUND I LLC	

Applicable conditions of approval marked with XXXXXX

### Other wells

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### Drilling

XXXXXXX	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string

### Casing

XXXXXXX	SURFACE CASING - Cement must circulate to surface --
XXXXXXX	PRODUCTION CASING - Cement must circulate to surface --
XXXXXXX	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement

### Completion & Production

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### Lost Circulation

XXXXXXX	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186

### Stage Tool

XXXXXXX	Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186
XXXXXXX	When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.

### Gas Capture Plan

XXXXXXX	The New! Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.