Form 3160-5
(June 2015)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2018

**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.***

Carlsbad Field Office
OCD Hobbs
HOBBS OCD
JUN 19 2017
RECEIVED

***SUBMIT IN TRIPLICATE - Other instructions on page 2***

5. Lease Serial No.
NMNM56265

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
LEA SOUTH 25 FEDERAL COM 2BS 10H

2. Name of Operator
NEARBURG PRODUCING COMPANY

Contact: BETTIE WATSON
E-Mail: bettie@watsonreg.com

9. API Well No.
30-025-43409-00-X1

3a. Address
3300 NORTH A STREET BLDG 2 STE 120
MIDLAND, TX 79705

3b. Phone No. (include area code)
Ph: 972-979-0132

10. Field and Pool or Exploratory Area
LEA

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
Sec 25 T20S R34E SESW 330FSL 2130FWL
32.321594 N Lat, 103.305558 W Lon

11. County or Parish, State
LEA COUNTY, NM

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

| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
|---|---|---|---|---|
| ☒ Notice of Intent | ☐ Acidize | ☐ Deepen | ☐ Production (Start/Resume) | ☐ Water Shut-Off |
| ☐ Subsequent Report | ☐ Alter Casing | ☐ Hydraulic Fracturing | ☐ Reclamation | ☐ Well Integrity |
| ☐ Final Abandonment Notice | ☐ Casing Repair | ☐ New Construction | ☐ Recomplete | ☒ Other Change to Original APD |
| | ☐ Change Plans | ☐ Plug and Abandon | ☐ Temporarily Abandon | |
| | ☐ Convert to Injection | ☐ Plug Back | ☐ 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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.

A. Change of Well Name from: Lea South 25 Federal Com 10H
to: Lea South 25 Federal Com 2BS 10H

B. Change of Casing Design: See Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

**Electronic Submission #374808 verified by the BLM Well Information System**
**For NEARBURG PRODUCING COMPANY, sent to the Hobbs**
**Committed to AFMSS for processing by DEBORAH MCKINNEY on 05/04/2017 (17DLM0994SE)**

Name *(Printed/Typed)* BETTIE WATSON — Title AGENT

Signature (Electronic Submission) — Date 05/02/2017

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved By MUSTAFA HAQUE — Title PETROLEUM ENGINEER — Date 06/13/2017

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.

(Instructions on page 2)

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

# PECOS DISTRICT
# CONDITIONS OF APPROVAL

| | |
|---|---|
| OPERATOR'S NAME: | Nearburg Operating |
| LEASE NO.: | NMNM56265 |
| WELL NAME & NO.: | Lea South 25 Fed Com 2BS 10H |
| SURFACE HOLE FOOTAGE: | 330 '/S & 2130'/E |
| BOTTOM HOLE FOOTAGE | 330'/N & 2180'/E |
| LOCATION: | Section 25, T.20 S., R.34 E., NMPM |
| COUNTY: | Lea County, New Mexico |

## A. CASING

**All previous COAs still apply except the following:**

**Intermediate casing must be kept fluid filled to meet BLM minimum collapse requirement.**

1. The minimum required fill of cement behind the **9-5/8** inch intermediate casing is:

**Operator has proposed DV tool at depth of 3870', but will adjust cement proportionately if moved. DV tool shall be set a minimum of 50' below previous shoe and a minimum of 200' above current shoe. Operator shall submit sundry if DV tool depth cannot be set in this range. If an ECP is used, it is to be set a minimum of 50' below the shoe to provide cement across the shoe. If it cannot be set below the shoe, a CBL shall be run to verify cement coverage.**

a. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

b. Second stage above DV tool:

☒ Cement to surface. If cement does not circulate to the surface:

i. The appropriate BLM office shall be notified and a temperature survey utilizing an electronic type temperature survey with surface log readout will be used or a cement bond log shall be run to verify the top of the cement. Temperature survey will be run a minimum of six hours after pumping cement and ideally between 8-10 hours after completing the cement job.

ii. Wait on cement (WOC) time for a remedial job will be a minimum of 4 hours

after bringing cement to surface or 500 pounds compressive strength, whichever is greater.

iii. If cement falls back, remedial cementing will be done prior to drilling out that string.

**MHH 06132017**

a) Change Well Name

From: Lea South 25 Federal Com 10H

To: Lea South 25 Federal Com 2BS 10H

b) Casing Design

| Open Hole Size (Inches) | Casing Depth; From (ft) | Casing Setting Depth (ft) MD | Casing Setting Depth (ft) TVD | Casing Size (inches) | Casing Weight (lb/ft) | Casing Grade | Thread | Condition | Anticipated Mud Weight (ppg) | Burst SF (1.125) | Collapse SF (1.125) | Buoyant Weight (lbs) | Tension SF (1.8) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Intermediate | | | | | | | | | | | | | |
| 12.25" | 0' | 5700 | 5700 | 9 5/8" | 40 | J-55 | LTC | New | 10.2 | 1.31 | 1.28 | 192,462 | 2.35 |

**Casing Design Criteria and Casing Loading Assumptions:**

**Intermediate**

Tension: A 1.8 design factor with effects of buoyancy with a fluid equal to a mud weight of 10.2 ppg

Collapse: A 1.125 design factor with 1/3 TVD internal evacuation and collapse force equal to a mud gradient of 10.2 ppg

Burst: A 1.125 design factor with full external evacuation and burst force equal to a mud gradient of 10.2 ppg

c) Cement Program- Add DV tool to intermediate string @3870' (100' above Capitan)

| **Intermediate** | Sacks | Yield (cuft/sk) | Weight (ppg) | Cubic Feet | Cement Blend |
|---|---|---|---|---|---|
| **1st Stage** | | | | | |
| Lead | 450 | 1.88 | 12.9 | 846 | 35:65 (poz/C) + Salt + Bentonite + LCM + Retarder |
| Tail | 224 | 1.34 | 14.8 | 300 | Class C + LCM + Retarder |
| **2nd Stage** | | | | | |
| Lead | 1140 | 1.88 | 12.9 | 2144 | 35:65 (poz/C) + Salt + Bentonite + LCM + Retarder |
| Tail | 209 | 1.34 | 14.8 | 280 | Class C + LCM + Retarder |
| Comments | TOC: 0' | | 100% Excess | | DV Tool @ 3870' |