

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
March 4, 2004

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

RECEIVED Submit to appropriate District Office
FEB 08 2005 State Lease - 6 Copies
Fee Lease - 5 Copies
OCD-ARTESIA ☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120. Midland, TX 79705		² OGRID Number 015742
⁴ Property Code	⁵ Property Name Salt Draw 10 State Com	³ API Number 30- 015 - 33939
		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
	10	25S	28E		840	North	660	East	Eddy

⁸ Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

⁹ Proposed Pool 1

Undesignated; Atoka

¹⁰ Proposed Pool 2

Salt Draw Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
	10	25S	28S		840	North	660	East	Eddy
Depth to ground water				Distance from nearest fresh water well			Distance from nearest surface water		
¹¹ Work Type Code N		¹² Well Type Code G		¹³ Cable/Rotary R		¹⁴ Lease Type Code S		¹⁵ Ground Level Elevation 2962	
¹⁶ Multiple No		¹⁷ Proposed Depth 12,500		¹⁸ Formation Atoka		¹⁹ Contractor Patterson UTI		²⁰ Spud Date 2/10/05	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48	5000 SSC	400	Circ to surface.
12-1/4	9-5/8	40	5000	1000	Circ to surface
8-3/4	5-1/2	17	12,500	1500	Tie back to 9-5/8

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill the well to sufficient depth to test the Atoka formation. Perf, test and stimulate as necessary to establish production.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: Sarah Jordan

Title: Production Analyst

E-mail Address: sjordan@nearburg.com

Date: 2/3/05

Phone: 432/686-8235 x 203

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

DISTRICT II SUPERVISOR

Title:

Approval Date: FEB 08 2005

Expiration Date: FEB 08 2006

Conditions of Approval:

Attached ☐

State of New Mexico

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

OIL CONSERVATION DIVISION 1220 SOUTH ST. FRANCIS DR. Santa Fe, New Mexico 87505

Form C-102
Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name <i>Undesignated, Atoka</i>
Property Code	Property Name W SALT DRAW 10 STATE COM	Well Number 1
OGRID No. <i>015742</i>	Operator Name NEARBURG PRODUCING COMPANY	Elevation 2962'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	10	25-S	28-E		840	NORTH	660	EAST	EDDY

Bottom Hole Location If Different From Surface

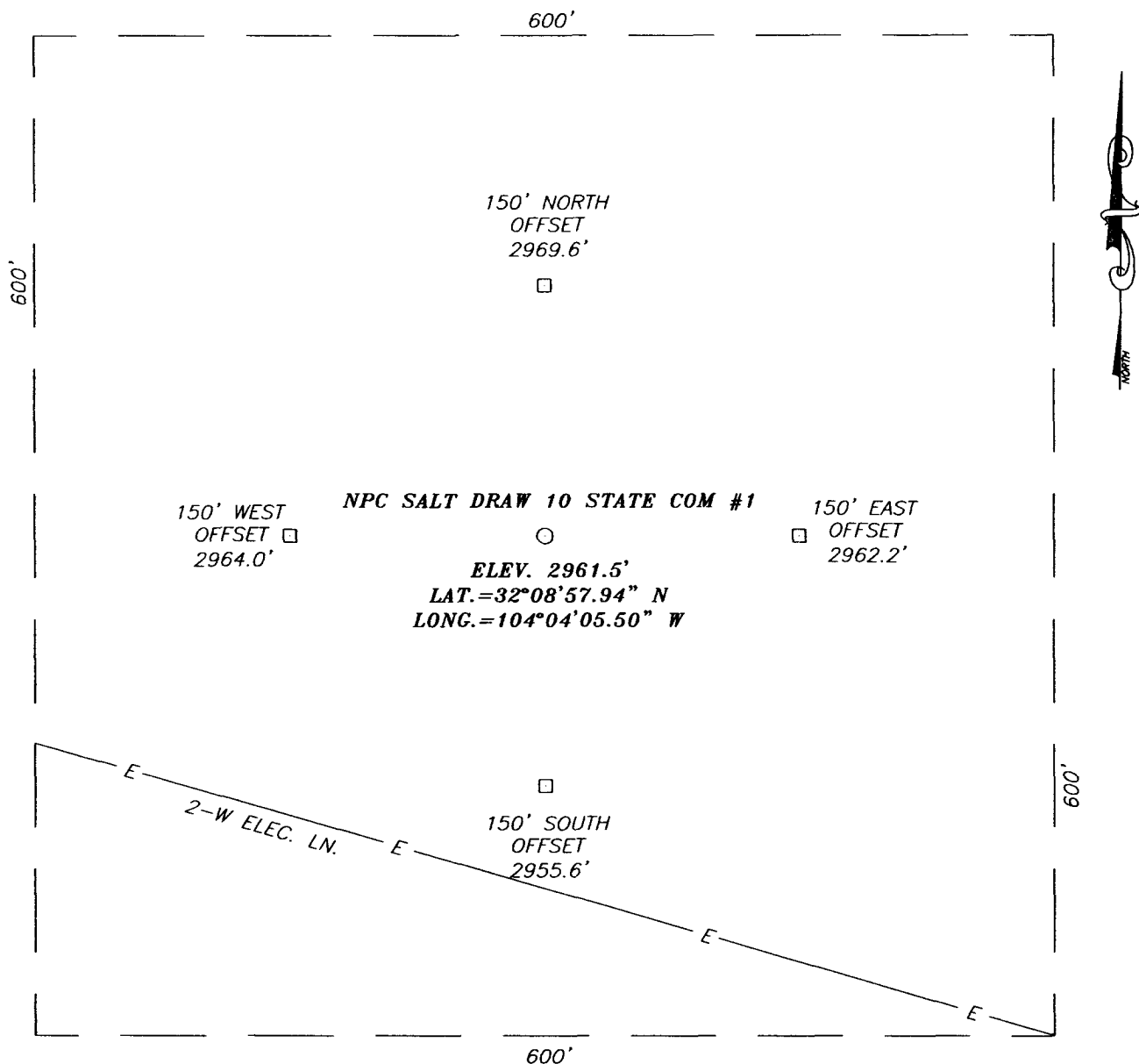
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres <i>320</i>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

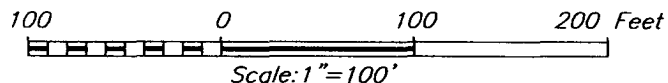
<p>GEODETTIC COORDINATES NAD 27 NME</p> <p>Y=418184.8 N X=582058.6 E</p> <p>LAT.=32°08'57.94" N LONG.=104°04'05.50" W</p>	<p>840'</p> <p>660'</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>S Jordan</i> Signature Sarah Jordan Printed Name Prod Analyst Title 2.7.05 Date</p>
		<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>JANUARY 27, 2005</p>
		<p>Date Surveyed _____ JR</p> <p>Signature & Seal of Professional Surveyor <i>GARY G. EIDSON</i> 05.11.0128 Certificate No. GARY EIDSON 12641</p>

SECTION 10, TOWNSHIP 25 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

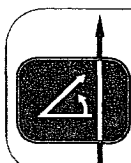
FROM MALAGA N.M., GO SOUTH ON ST. HWY. 285 FOR APPROX. 5.0 MILES TO AN EL PASO P/L CROSSING. TURN LEFT (EAST) AND GO THRU A P/L GATE. FOLLOW P/L FOR APPROX. 0.2 MILES. PROPOSED LOCATION IS APPROX. 1000' EAST.



NEARBURG PRODUCING COMPANY

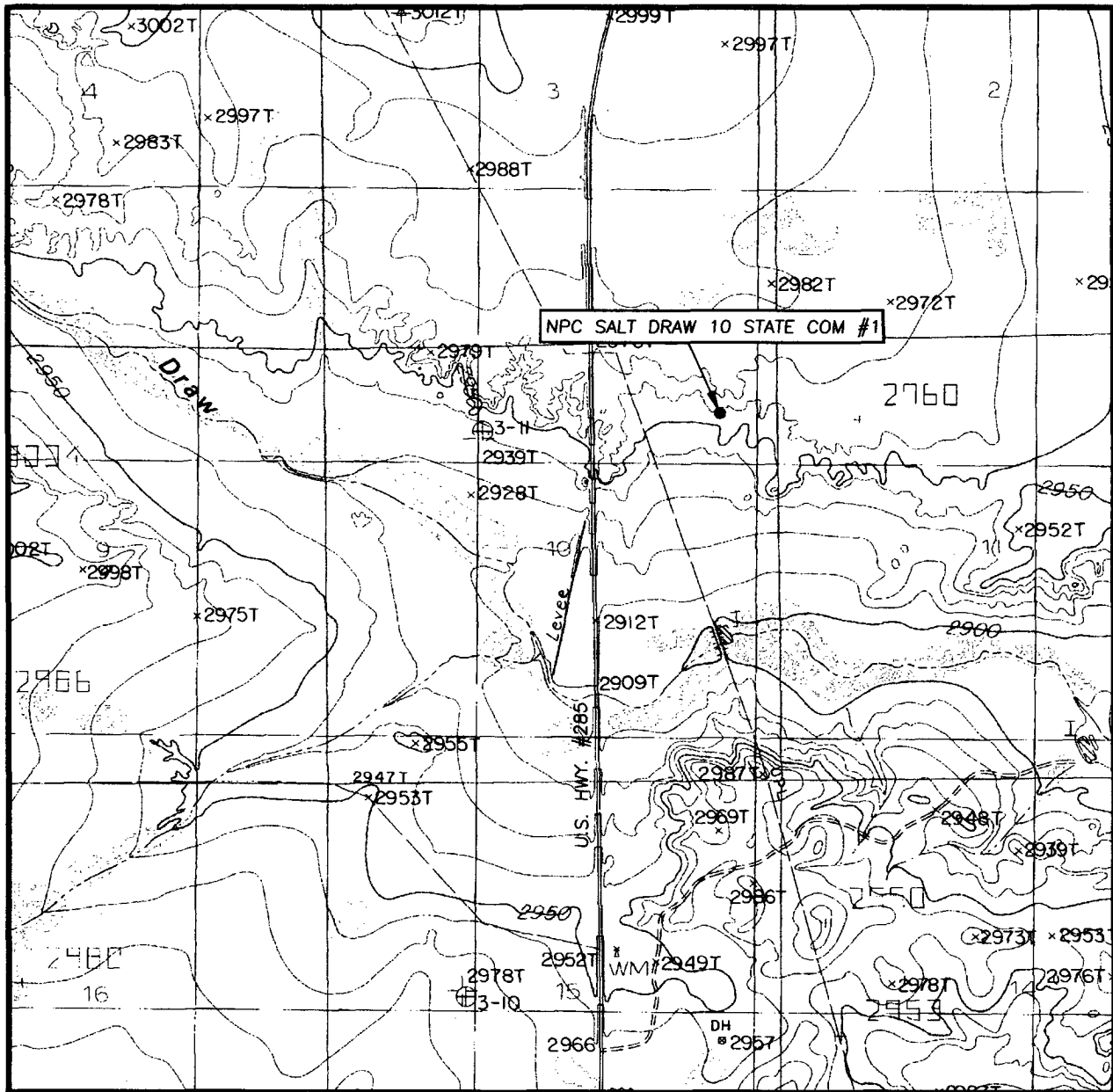
NPC SALT DRAW 10 STATE COM #1 WELL
 LOCATED 840 FEET FROM THE NORTH LINE
 AND 660 FEET FROM THE EAST LINE OF SECTION 10,
 TOWNSHIP 25 SOUTH, RANGE 28 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

Survey Date: 1/27/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.0128	Dr By: J.R. Rev 1:
Date: 2/3/05	Disk: CD#5 05110128 Scale: 1"=100'



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
MALAGA, N.M. - 10'

SEC. 10 TWP. 25-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

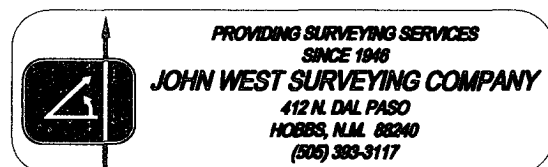
DESCRIPTION 840' FNL & 660' FEL

ELEVATION 2962'

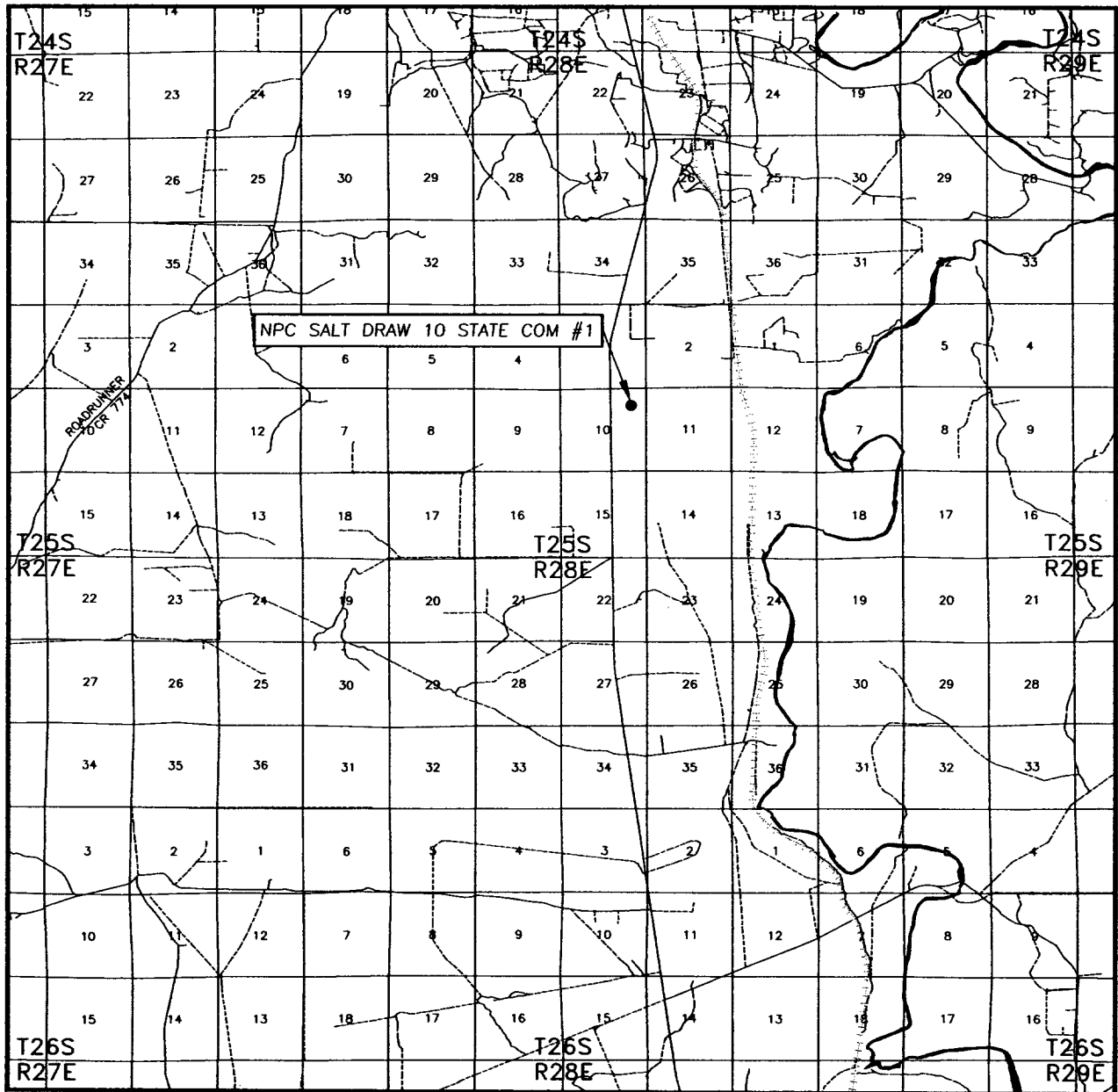
NEARBURG
OPERATOR PRODUCING COMPANY

LEASE NPC SALT DRAW 10 STATE COM

U.S.G.S. TOPOGRAPHIC MAP
MALAGA, N.M.



VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 25-S RGE. 28-E

SURVEY N.M.P.M.

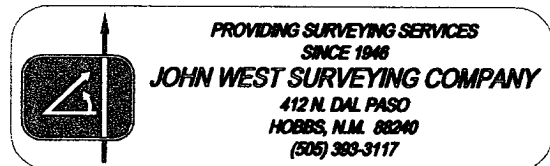
COUNTY EDDY

DESCRIPTION 840' FNL & 660' FEL

ELEVATION 2962'

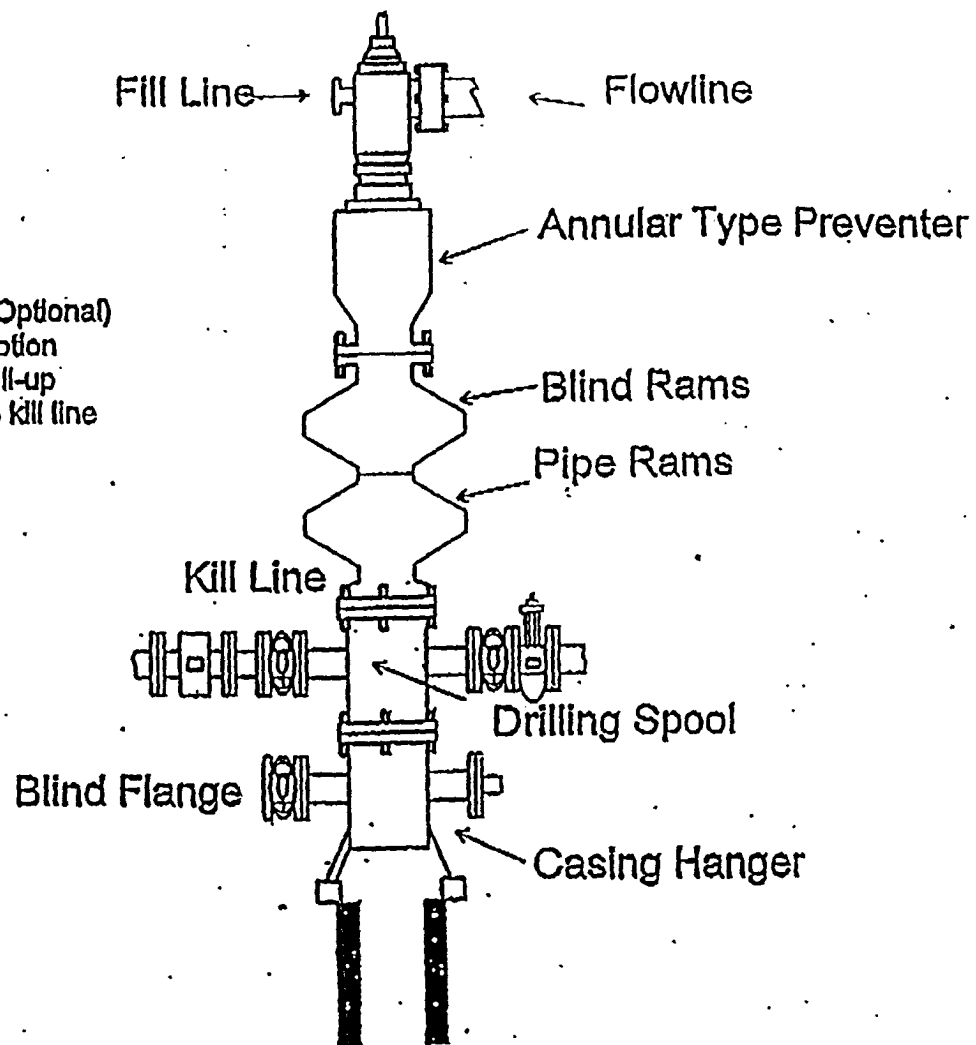
OPERATOR NEARBURG PRODUCING COMPANY

LEASE NPC SALT DRAW 10 STATE COM

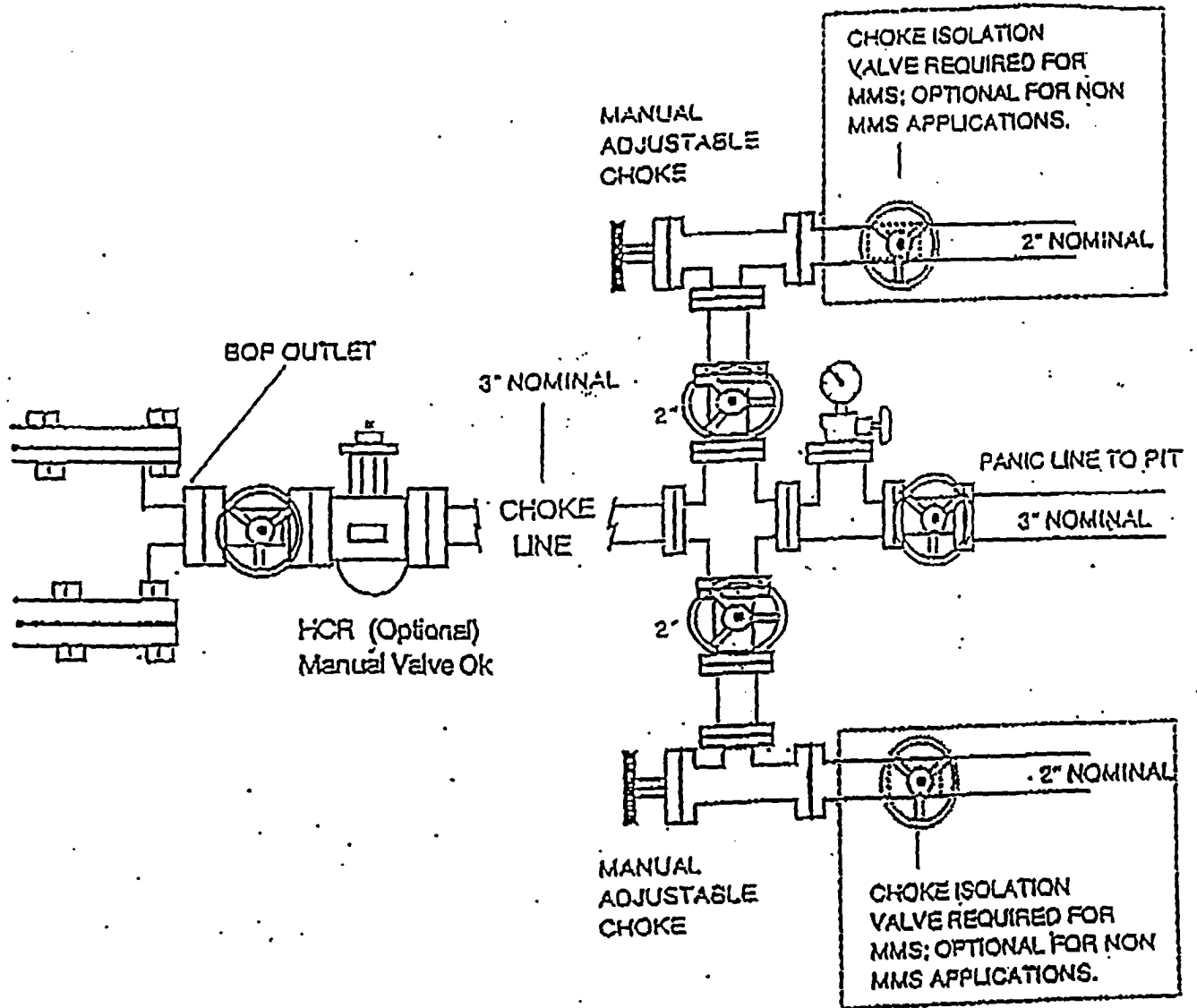


BOPE SCHEMATIC

Rotating Head (Optional)
Drilling Nipple option
must include a fill-up
line. Do not use kill line
for fill up.



SEARBURG PRODUCING CO. 11 11
CHOKE MANIFOLD
5M SERVICE



Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX: 432/686-7806

February 3, 2005

NM Oil Conservation Division
1301 W. Grand Ave
Artesia, NM 88210

RECEIVED
FEB 08 2005
OOD:ARTESIA

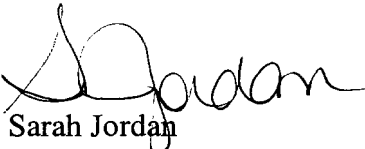
Ref: Salt Draw 10 State Com #1
840 FNL and 660 FEL
Sec 10, 25S, 28E
Eddy County, New Mexico

Sirs:

This is a new drill to the Atoka gas formation. We do not anticipate encountering H₂S and fill no contingency plan is needed. Nearburg will have proper equipment on location in case H₂S is encountered.

If you have any questions or need further information, please call me at the letterhead number.

Sincerely,



Sarah Jordan
Production Analyst

/sj