

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐			RECEIVED APR 30 1992 O. C. D.		
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐			SINGLE ZONE ☐ MULTIPLE ZONE ☐		
2. NAME OF OPERATOR Nearburg Producing Company ✓					
3. ADDRESS AND TELEPHONE NO. P. O. Box 823085, Dallas, TX 75382-3085, (214) 739-1778					
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2007' FNL and 1536' FWL of Section 32-T24S-R29E At proposed prod. zone 1470' U.T. 17					
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7 miles SE of Malaga, NM					
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)		218'		16. NO. OF ACRES IN LEASE 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		560'		17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 2929' GR				20. ROTARY OR CABLE TOOLS Rotary	
				22. APPROX. DATE WORK WILL START* March 30, 1992	

PROPOSED CASING AND CEMENTING PROGRAM
Controlled Water Down

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24#	600'	Circulate to surface
7 7/8"	5 1/2"	15.50 or 17#	6700'	400 sx.

Propose to drill well to sufficient depth to evaluate the Delaware formation. After reaching total depth, logs will be run and casing set if the evaluation is positive. The well will then be perforated, tested, and stimulated as necessary to establish production. BOP Program is attached.

Post ID-1
5-8-92
New Loc & API

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Eddie J. Schuch TITLE Operations Coordinator DATE 2/27/92
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE 4-28-92

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

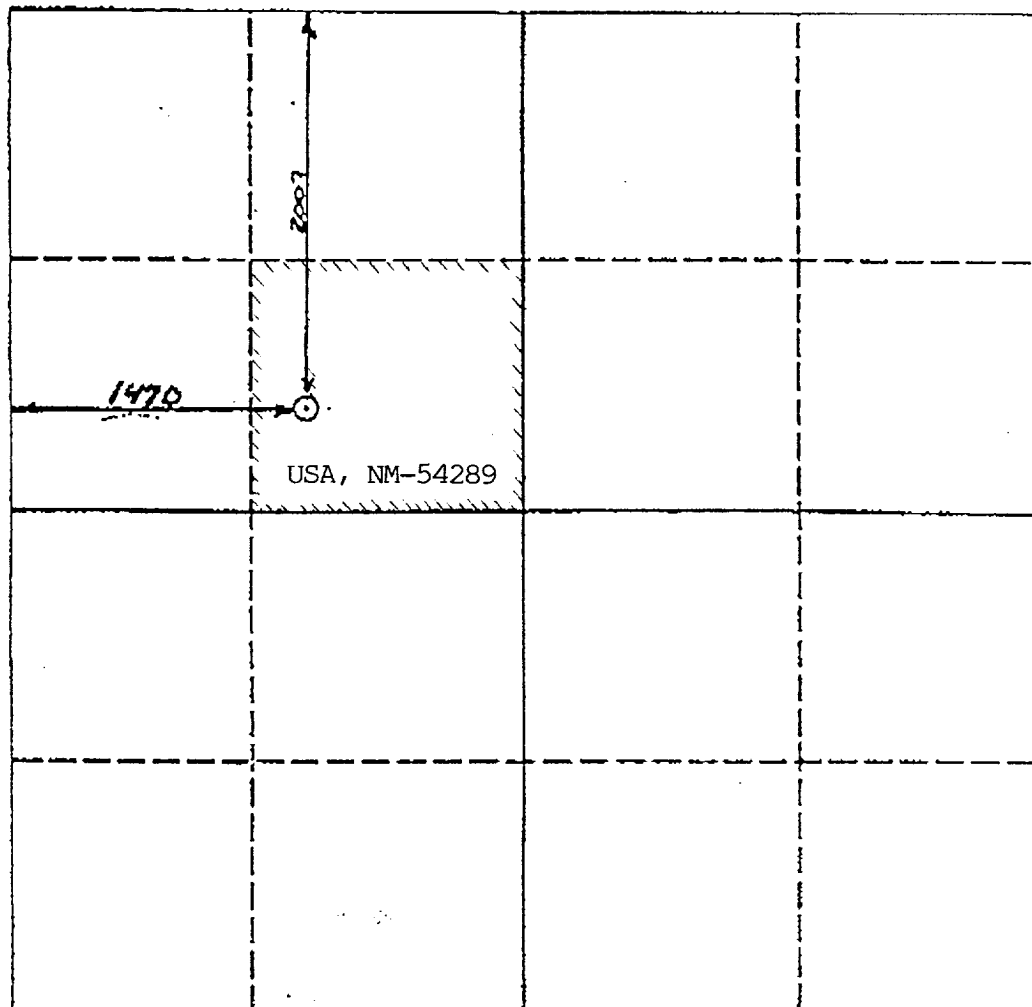
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Nearburg Producing Co.			Lease Emerald 32 Federal		Well No. 1
Unit Letter F	Section 32	Township 24 South	Range 29 East	County NMPM	Eddy
Actual Footage Location of Well: 2007 feet from the North line and 1470 feet from the West line					
Ground level Elev. 2929	Producing Formation Delaware	Pool Undesignated Delaware	Dedicated Acreage: 40.00 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc?
☐ Yes ☐ No If answer is "yes" type of consolidation N/A
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)
No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Kathie Craft
Printed Name
Kathie Craft
Position
Land Administrator
Company
Nearburg Producing Co.
Date
April 3, 1992

SURVEYOR CERTIFICATION

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 knowledge and belief.

Date Surveyed
4 - 02 - 92
Signature & Seal of Professional Surveyor
Truman Gaskin
Truman
Certificate No.
2126



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Nearburg Producing Company

Exploration and Production
P.O. Box 823085
5447 Glen Lakes Drive
Dallas, Texas 75382-3085
214-739-1778
FAX 214-739-4819

SUPPLEMENTAL DRILLING DATA

NEARBURG PRODUCING COMPANY

EMERALD 32 FEDERAL WELL NO. 1

1. SURFACE FORMATION:

Quaternary Alluvium.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Rustler.....1,205'
Base/Salt.....2,570'
Delaware.....2,780'
Bell Canyon.....2,805'
Cherry Canyon.....3,710'
Brushy Canyon.....4,955'
Bone Spring Limestone.....6,545'
TD.....6,700'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Bell Canyon.....2,805'
Cherry Canyon.....3,710'
Brushy Canyon.....4,955'

4. CASING AND CEMENTING PROGRAM:

<u>Casing Size</u>	<u>Setting Depth</u>		<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
	<u>From</u>	<u>To</u>			
8-5/8"	0'	600'	24#	J-55	ST&C
5-1/2"	0'	6,700'	17#	J-55 & N-80	LT&C

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

8-5/8" casing will be cemented with 775 sacks or volume necessary to circulate.

5-1/2" production casing will be cemented with approximately 400 sacks of Class "H" 50/50 POZ.

5. PRESSURE CONTROL EQUIPMENT:

The BOP stack will consist of a 3,000 psi working pressure, dual ram type preventer.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 6,700':

Spud and drill to 2,500' with fresh water mud, weight 8.9 to 9.1 ppg, viscosity 32 to 38. Below 2,500', add brine to bring chlorides up to at least 60,000 ppm. Use starch for water loss of 8-10 cc, viscosity 35-38, mud weight 9.2 to 9.7 ppg.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING, AND CORING PROGRAM:

Electric logging is planned, drill stem tests possible.

9. ABNORMAL PRESSURES, TEMPERATURES, OR HYDROGEN SULFIDE GAS:

None anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on March 30, 1992, with drilling and completion operations lasting about 45 days.

Exploration and Production
P.O. Box 823085
5447 Glen Lakes Drive
Dallas, Texas 75382-3085
214-739-1778
FAX 214-739-4819

MAR 13 11 27 AM '02
C. J. ...
...

AMENDED

SURFACE USE AND OPERATIONS PLAN FOR
DRILLING, COMPLETING, AND PRODUCING

NEARBURG PRODUCING COMPANY
EMERALD 32 FEDERAL WELL NO. 1
2,007' FNL & 1,538' FWL SECTION 32-T24S-R29E
EDDY COUNTY, NEW MEXICO

LOCATED:

6 air miles southeast of Malaga, New Mexico.

OIL & GAS LEASE:

NM-54289 was issued for a primary term of 10 years.

RECORD LESSEE:

Enron Oil and Gas.

BOND COVERAGE:

\$25,000 statewide bond of Nearburg Producing Company.

ACRES IN LEASE:

80.00

POOL:

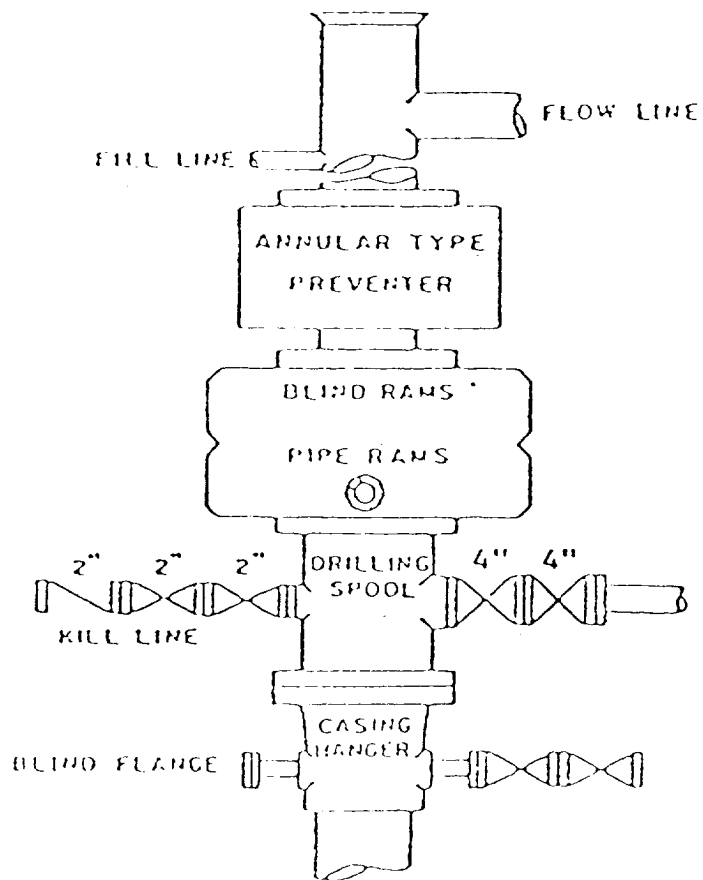
Undesignated Delaware.

EXHIBITS:

- A. Area Road Map
- B. Drilling Rig Layout
- C. Vicinity Oil & Gas Map
- D. Topographic & Location Verification Map
- E. Well Location & Acreage Dedication Plat

This well will be drilled to a depth of approximately 6,700'.

BLOWOUT PREVENTER SKETCH
Nearburg Producing Company
Emerald 32 Federal No. 1



1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a section map showing the location of the proposed well as staked.
- B. Exhibit "C" is a plat showing existing roads in the vicinity of the proposed well site.

2. ACCESS ROAD:

A. Length and Width:

The access road will be approximately 12' wide and about 600' long, coming from the Nearburg Producing Company Amethyst State Com Well #1, and is shown on Exhibit "D".

B. Surfacing Material:

Caliche. Surfacing material will come from the Federal Caliche Pit located in Section 24-T24S-R28E. The Pit Number is 24282402.

C. Maximum Grade:

Less than two percent.

D. Turnouts:

None necessary.

E. Drainage Design:

Existing.

F. Culverts:

None necessary.

G. Gates and Cattle Guards:

None necessary.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells in the immediate area are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Necessary production facilities for this well will be located on the well pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is not contemplated that a water well will be drilled. Water necessary for drilling will be purchased and hauled to the site over existing roads shown on Exhibit "D".

6. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drilling fluids will be contained in a closed system during drilling operations. At conclusion of operations, all drilling fluids will be disposed of in an approved site.
- B. Water produced during tests will be hauled to an approved disposal.
- C. Oil produced during tests will be stored in test tanks.
- D. Trash, waste paper, garbage and debris will be stored in trash cages and hauled to an approved disposal site at conclusion of operations.

7. ANCILLARY FACILITIES:

- A. None required.

8. WELL SITE LAYOUT:

- A. Exhibit "B" shows the relative location and dimensions of the well pad, mud pits, reserve pit, and trash cages, and the location of major rig components.

9. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. The well site will be cleaned of all trash and junk to leave the site in an as aesthetically pleasing condition as possible.
- B. After abandonment, all equipment, trash, and junk will be removed and the well site will be cleaned.

10. OTHER INFORMATION:

A. Topography:

The land surface at the well site is rolling native grass with a regional slope being to the southeast.

B. Soil:

Top soil at the well site is sandy soil.

C. Flora and Fauna:

The location is in an area sparsely covered with mesquite and range grasses.

D. Ponds and Streams:

The Pecos River is approximately 700' southeast of this location.

10. OTHER INFORMATION: (Continued)

E. Residences and Other Structures:

There are no occupied dwellings or other structures within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites:

See attached archaeological report.

G. Surface Ownership:

BLM

H. Land Use:

Grazing.

I. Grazing Lease:

Jerry Ballard
P. O. Box 60
Malaga, New Mexico 88263
(505) 745-3347

11. OPERATOR'S REPRESENTATIVE:

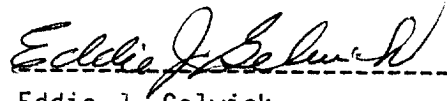
Scott Kimbrough
P. O. Box 831
Hobbs, New Mexico 88240
Office: (505) 397-4186
Home: (505) 392-3035

12. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Nearburg Producing Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

March 10, 1992

Date



Eddie J. Gelwick
Operations Coordinator

R26E

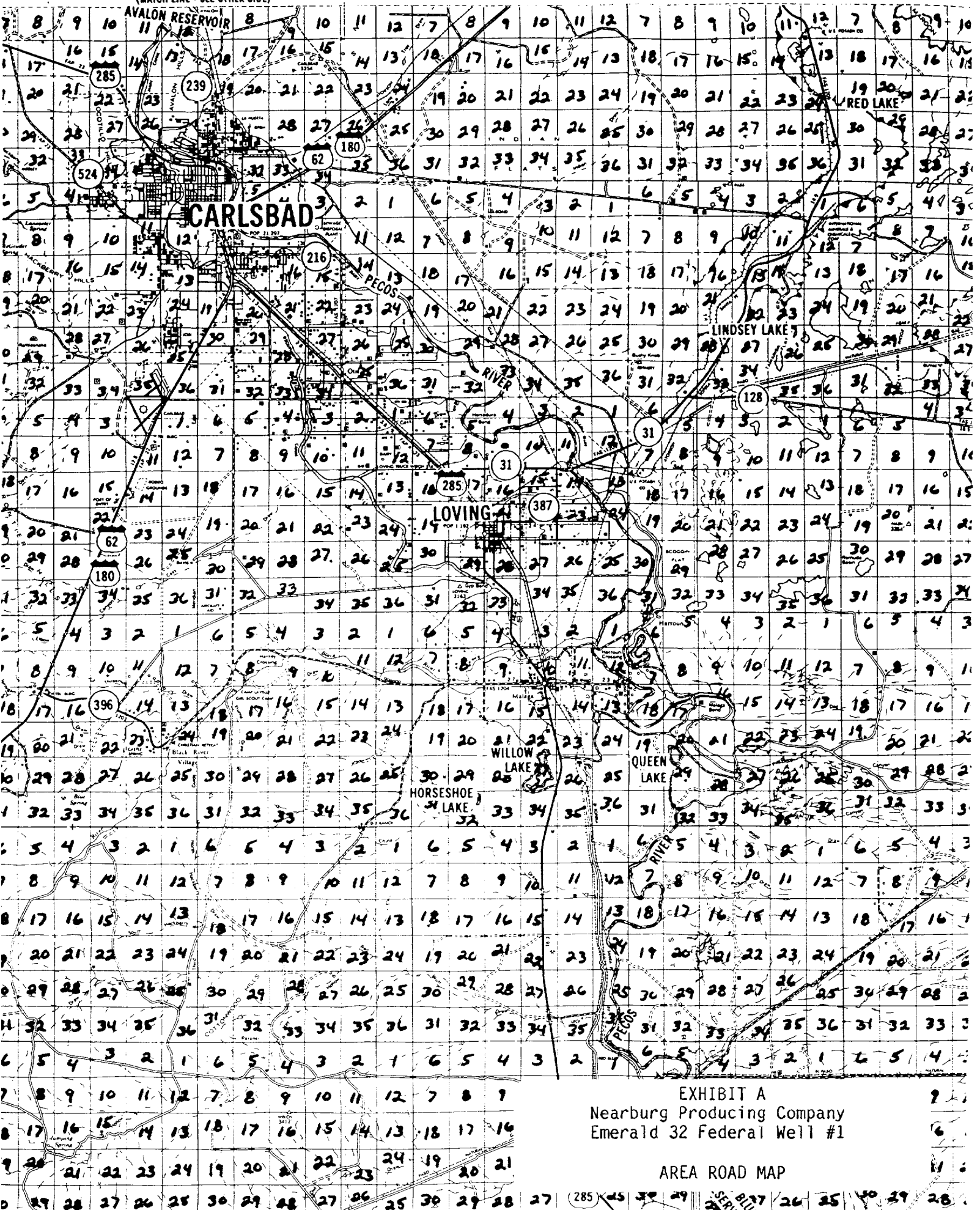
R27E

R28E

R29E

R30E

(MATCH LINE - SEE OTHER SIDE)



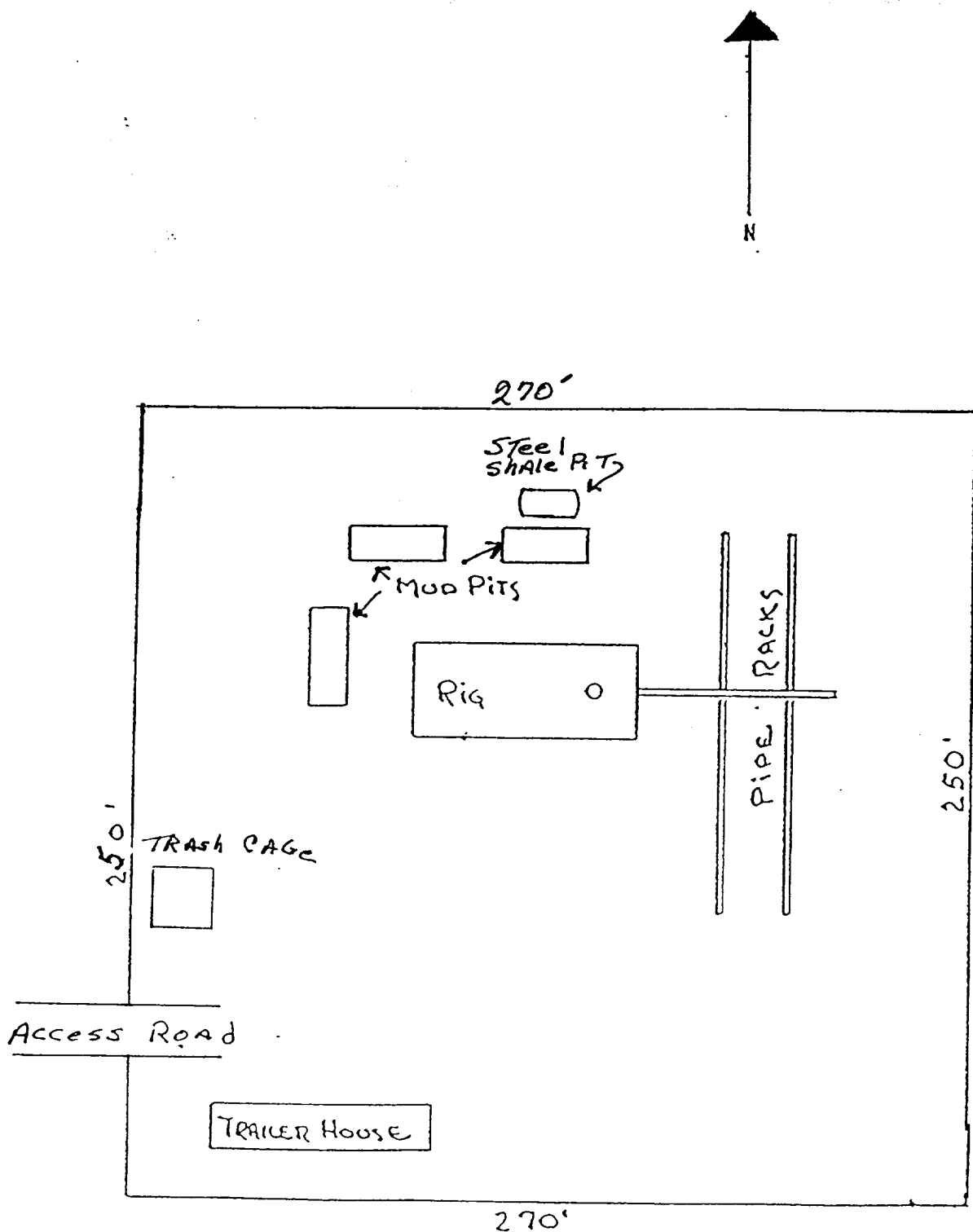


EXHIBIT B
Nearburg Producing Company
Emerald 32 Federal Well #1

DRILLING RIG LAYOUT

SCALE 1" = 50'

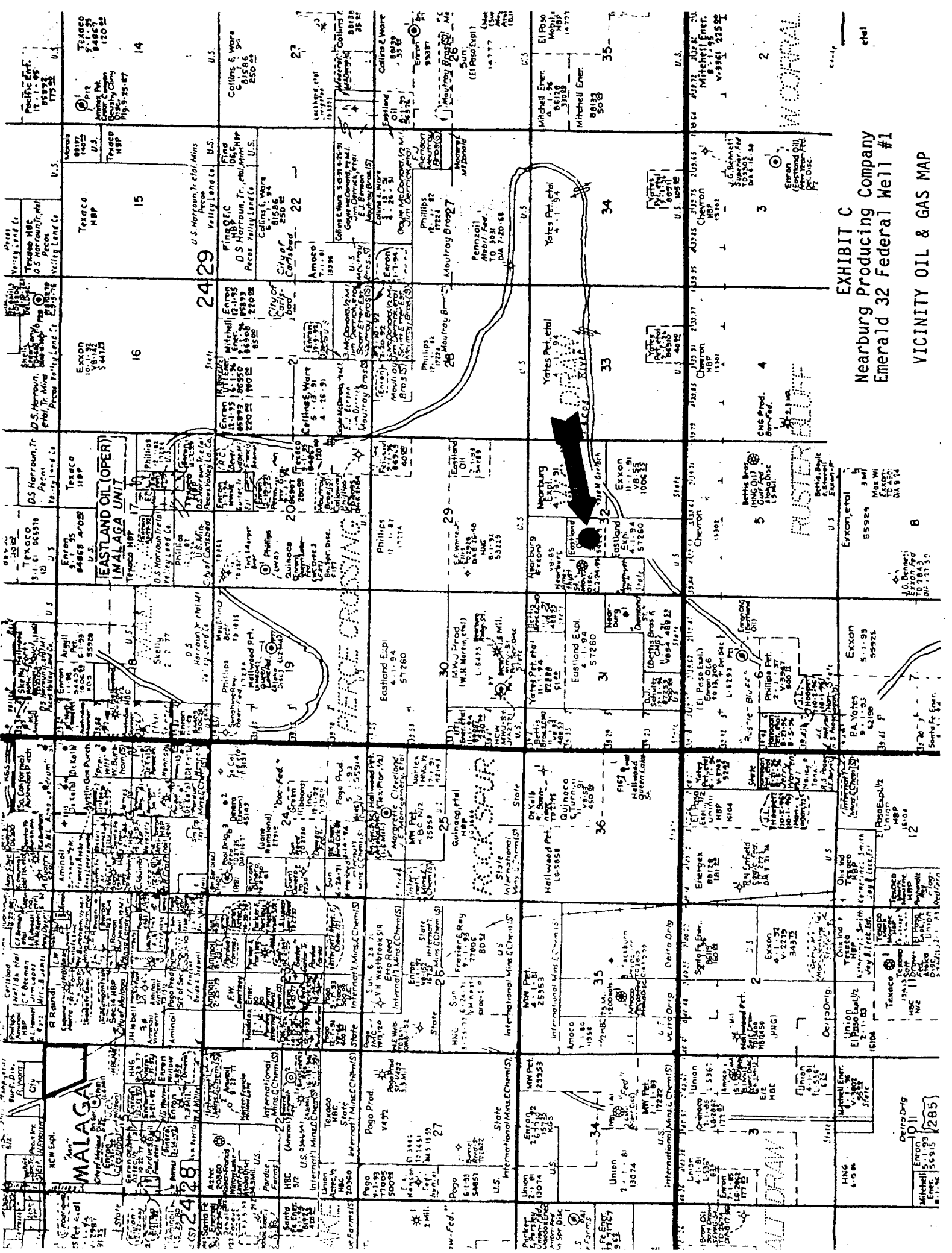


EXHIBIT C
Nearburg Producing Company
Emerald 32 Federal Well #1

VICINITY OIL & GAS MAP

285

