

District I - (505) 382-5161
1625 N. Front St
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210-
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

1280 Form C-142
Date 06/99

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

SEP 30 1999

APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Nearburg Producing Company 3300 North "A" Street, Bldg 2, Suite 120 Midland, TX 79705						OGRID Number 015742		
Contact Party Kim Stewart						Phone 915/686-8235		
Property Name Sand Dunes 36 State Com				Well Number 1		API Number 30-015-30643		
UT	Section	Township	Range	Feet From The	North/South Line	Feet From The	East/West Line	County
E	36	18S	29E	1650	North	660	West	Eddy

II. Date/Time Information

Spud Date 6/23/99	Spud Time 2415 hrs	Date Completed 8/16/99	Pool Turkey Track; Morrow, North
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of Texas)

County of Midland)

Kim Stewart being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature Kim Stewart Title Regulatory Analyst Date 9/29/99

SUBSCRIBED AND SWORN TO before me this 28th day of September, 1999.



DIXIE D. WALTON
Notary Public
STATE OF TEXAS

Dixie D. Walton
Notary Public

My Commission expires 05/20/2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark R. Kelly</u>	Title <u>P.E. Spec.</u>	Date <u>OCT 1 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: OCT 4 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006931336

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.
30 015 30643

Indicate Type of Lease

STATE ☒

FEE ☐

State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

Name of Operator
Nearburg Producing Company

Lease Name or Unit Agreement Name

Sand Dunes 36 State Com

Well No.

1

Address of Operator

3300 North "A" Street, Building 2, Suite 120, Midland, TX 79705 (915) 686-8235

Pool name or Wildcat

Turkey Track; Morrow; North

Well Location

Unit Letter E : 1650 Feet From The North Line and 660 Feet From The West Line

Section 36 Township 18S Range 29E NMPM Eddy County

Elevation (Show whether DF, RKB, RT, GR, etc.)

3,444' GR

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

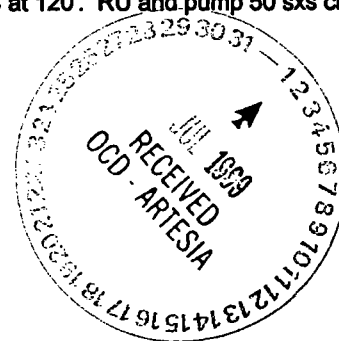
PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Surface Casing and Cement ☒

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spud well on 06/23/99 at 2415 hrs. Drilled to 350'. C&C hole. RU and run 8 jts 13-3/8", 48#, H40, STC casing to 350'. Cement casing using 400 sxs cement plus additives. No returns during cmt job. WOC. RU and run 1" pipe. Tag TOC at 120'. RU and pump 50 sxs cmt. Tag @ 88' with 1". Cut off wellhead and weld on wellhead. NU BOPE and test.



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

SIGNATURE

Kim Stewart

TITLE Regulatory Analyst

DATE 06-29-99

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. (915)686-8235

(This space for State Use)

APPROVED BY

Jim W. Lewis
B3670

TITLE

District Supervisor

DATE

7-1-99

CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.
30 015 30643

Indicate Type of Lease

STATE ☒

FEE ☐

State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:

OIL
WELL ☐

GAS
WELL ☒

OTHER

Name of Operator
Nearburg Producing Company

Well No.
1

Address of Operator
3300 North "A" Street, Building 2, Suite 120, Midland, TX 79705 (915) 686-8235

Pool name or Wildcat
Turkey Track; Morrow, North

Well Location

Unit Letter E : 1650 Feet From The North Line and 660 Feet From The West Line

Section 36 Township 18S Range 29E NMPM Eddy County

Elevation (Show whether DF, RKB, RT, GR, etc.)

3,444' GR

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

PULL OR ALTER CASING ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐

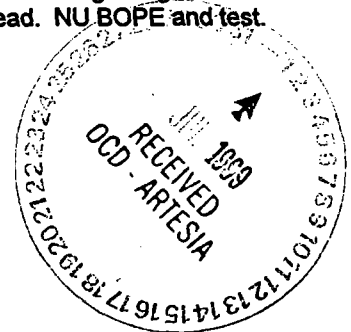
PLUG AND ANBANDONMENT ☐

CASING TEST AND CEMENT JOB ☐

OTHER: Intermediate Casing and Cement ☒

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Drilled to 3,206'. C&C hole. RU and run 77 jts 8-5/8", 24# & 32#, J55, STC casing to 3,206'. Cement casing using 900 sxs cement plus additives. Circ 150 sxs cmt to surface. WOC. ND BOPE. Cut off wellhead and weld on wellhead. NU BOPE and test.



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

SIGNATURE Kim Stewart TITLE Regulatory Analyst DATE 06-29-99

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. (915)686-8235

(This space for State Use)

APPROVED BY Jim W. Lewis TITLE District Supervisor DATE 7-1-99

CONDITIONS OF APPROVAL, IF ANY:

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO.
30 015 30643

Indicate Type of Lease

STATE ☒ FEE ☐

State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"
(FORM C-101) FOR SUCH PROPOSALS.)

Type of Well:

OIL WELL ☐ GAS WELL ☒ OTHER

Name of Operator
Nearburg Producing Company

Well No.
1

Address of Operator
3300 North "A" Street, Building 2, Suite 120, Midland, TX 79705 (915) 686-8235

Pool name or Wildcat
Turkey Track; Morrow, North

Well Location

Unit Letter E : 1650 Feet From The North Line and 660 Feet From The West Line

Section 36 Township 18S Range 29E NMPM Eddy County

Elevation (Show whether DF, RKB, RT, GR, etc.)
3,444' GR

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: Production Casing and Cement ☒

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Drilled to 11,835'. C&C hole. RU and run 292 jts 5-1/2", 17# & 20#, N80, LTC casing to 11,835'. Cement casing using 750 sxs cement plus additives. ND BOPE. Cut off casing and set slips. Ran Temp Survey, TOC @8,130'. Release rig @3:00AM 7/30/99.



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

SIGNATURE Kim Stewart TITLE Regulatory Analyst DATE 08-03-99

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. (915)686-8235

(This space for State Use)

APPROVED BY Jim W. Smith TITLE District Supervisor DATE 8-6-99

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies
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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-105
Revised 1-1-89

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-015-30643
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____	7. Lease Name or Unit Agreement Name Sand Dunes 36 State Com
b. Type of Completion: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF RESVR <input type="checkbox"/> OTHER _____	
2. Name of Operator Nearburg Producing Company	8. Well No. 1
3. Address of Operator 3300 N A St., Bldg 2, Suite 120, Midland, TX 79705	9. Pool name or Wildcat Turkey Track; Morrow, North

4. Well Location Unit Letter <u>E</u> : <u>1650</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>36</u> Township <u>18S</u> Range <u>29E</u> NMPM Eddy County					
10. Date Spudded 06/23/99	11. Date T.D. Reached 07/28/99	12. Date Compl. (Ready to Prod.) 08/16/99	13. Elevations (DF & RKB, RT, GR, etc.) 3,444' GR 3,460' KB	14. Elev. Casinghead	
15. Total Depth 11,835'	16. Plug Back T.D. 11,683'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By	Rotary Tools <input checked="" type="checkbox"/>	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 11,468' - 11,498' Morrow					20. Was Directional Survey Made No
21. Type Electric and Other Logs Run GR/CBL/VDL/CCL/PEX/HALS/FMI				22. Was Well Cored No	

23. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	350'	17-1/2"	400 sx	TOC @ 120'
8-5/8"	24# & 32#	3,206'	11"	900 sx	Circ.
5-1/2"	17# & 20#	11,835'	7-7/8"	750 sx	TOC 8,130'

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	11,201'	11,201'
26. Perforation record (interval, size, and number) 11,468' - 82', 11,492' - 98'; 2 JSPF - 44 holes				27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.			
				DEPTH INTERVAL			
				11,468' - 11,498'			
				AMOUNT AND KIND MATERIAL USED			
				Pump 61bbbls 5% HCL acid w/methanol and CO2 mix.			
				Frac w/45,000 gals 70% Q foam and 44,000# sand.			

28. PRODUCTION							
Date First Production 08/16/99		Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing				Well Status (Prod. or Shut-in) Producing	
Date of Test 08/23/99	Hours Tested 24	Choke Size 48/64"	Prod'n For Test Period	Oil - BbL 48	Gas - MCF 2,118	Water - BbL 2	Gas - Oil Ratio 44,125
Flow Tubing Press. 270#	Casing Pressure 0#	Calculated 24-Hour Rate	Oil - BbL 48	Gas - MCF 2,118	Water - BbL 2	Oil Gravity - API - (Corr.) 57	
29. Disposition of Gas (Sold, used for fuel, vented, etc.) Sold						Test Witnessed By Matt Lee	

30. List Attachments C-104, Deviation Survey, Logs			
31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief			
Signature <u>Kim Stewart</u>	Printed Name <u>Kim Stewart</u>	Title <u>Regulatory Analyst</u>	Date <u>09/02/99</u>

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

T. Anhy _____ 350.0
 T. Salt _____
 B. Salt _____
 T. Yates _____ 1440.0
 T. 7 Rivers _____
 T. Queen _____ 2265.0
 T. Grayburg _____
 T. San Andres _____
 T. Glorieta _____
 T. Paddock _____
 T. Blinebry _____
 T. Tubb _____
 T. Drinkard _____
 T. Abo _____
 T. Wolfcamp _____ 9063.0
 T. Penn _____
 T. Cisco (Bough C) _____

T. Canyon _____ 10125.0
 T. Strawn _____ 10380.0
 T. Atoka _____ 10712.0
 T. Miss _____
 T. Devonian _____
 T. Silurian _____
 T. Montoya _____
 T. Simpson _____
 T. McKee _____
 T. Ellenburger _____
 T. Gr. Wash _____
 T. Delaware Sand _____
 T. Bone Springs _____ 4054.0
 T. T/Morrow _____ 10867.0
 T. _____
 T. _____
 T. _____

Northwestern New Mexico

T. Ojo Alamo _____
 T. Kirtland-Fruitland _____
 T. Pictured Cliffs _____
 T. Cliff House _____
 T. Menefee _____
 T. Point Lookout _____
 T. Mancos _____
 T. Gallup _____
 Base Greenhorn _____
 T. Dakota _____
 T. Morrison _____
 T. Todilto _____
 T. Entrada _____
 T. Wingate _____
 T. Chinle _____
 T. Permain _____
 T. Penn. "A" _____

T. Penn. "B" _____
 T. Penn. "C" _____
 T. Penn. "D" _____
 T. Leadville _____
 T. Madison _____
 T. Elbert _____
 T. McCracken _____
 T. Ignacio Otzte _____
 T. Granite _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____
 T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from 9190 to 9390
 No. 2, from 11250 to 11500
 No. 3, from _____ to _____
 No. 4, from _____ to _____

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

No. 1, from _____ to _____ feet
 No. 2, from _____ to _____ feet
 No. 3, from _____ to _____ feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
350.0	1440.0		anhydrite				
1440.0	4045.0		dolomite, sand, anhy				
4045.0	7035.0		limestone				
7035.0	9063.0		sand, limestone				
9063.0	10190.0		limestone, shale				
10190.0	10380.0		shale				
10380.0	10600.0		limestone				
10600.0	10867.0		shale, sand				
10867.0	11112.0		limestone				
11112.0	11837.0		sand, shale				

PROPERTY OWNERSHIP REPORT
SAND DUNES 36 ST COM #1
D.I.V.I.S.I.O.N O.F. I.N.T.E.R.E.S.T

OWNER NAME	D.O. NUMBER 0 OPERATOR PA'S WPT?		E R	SEV TAX EXMPT EFFECTIVE DEC	WPT RATE EFFECTIVE DEC
	OWNER TYPE	WORKING INT JIB INT			
DANE A. DAVIS 673 HILLWOOD LANE DALLAS, TX 75248	OUTSIDE WORKING	.00034770		N	
DEVON ENERGY CORPORATION (NEVADA) ATTN: DRG ACCOUNTS PAYABLE 20 NORTH BROADWAY, STE 1500 OKLAHOMA CITY, OK 73102-8260	OUTSIDE WORKING	.08680500		N	
DIAMOND HEAD PROPERTIES, L.P. P.O. BOX 2127 MIDLAND, TX 79702	OUTSIDE WORKING	.02376300		N	
MC LYBROCK CORPORATION 4735 BAYBROOK DRIVE MIDLAND, TX 79707	OUTSIDE WORKING	.00355800		N	
DEAN A. MORNING 4201 WESTMINSTER MIDLAND, TX 79707	OUTSIDE WORKING	.000104920		N	
KASTMAN OIL COMPANY P.O. BOX 5930 LUGBOCK, TX 79417	OUTSIDE WORKING	.00334700		N	
THEOTRY R. MACDONALD 25 GRAHAM LANE LUCAS, TX 75002	OUTSIDE WORKING	.000104920		N	
MCROB ENERGY CORPORATION P.O. BOX 227 ARTESIA, NM 88211	OUTSIDE WORKING	.251217800		N	
MCARBURG EXPLORATION CO., L.L.C. P.O. BOX 823085 DALLAS, TX 75382-3085	OUTSIDE WORKING	.12579370 4		N	
ROBERT G. SHELTON 3100 NORTH "A" STREET BUILDING 2, SUITE 120 MIDLAND, TX 79705	OUTSIDE WORKING	.000104920		N	
SLOW OPERATING INC. 5719 AIRPORT FREEWAY FORT WORTH, TX 76117	OUTSIDE WORKING	.496164400		N	

PROPERTY OWNERSHIP REPORT

SAND DUNES 36 ST COM #1

D.I.V.I.S.I.O.N D.F. I.N.T.E.R.E.S.1

D.O.NUMBER 0
OPERATOR PAYS WPT?

OWNER TYPE	WORKING INT JIB ICT	REVENUE INT DOR ICT	SEV TAX EXMPT EFFECTIVE DEC	WPT RATE EFFECTIVE DEC
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FARA-JON CORP.
5005 MEADOWVIEW LANE
MIDLAND, TX 79707

OUTSIDE WORKING	.003805800		N	
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MARC D WILSON
4501 GREEN TREE BLVD
MIDLAND, TX 79707

OUTSIDE WORKING	.003805800		N	
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* DIVISION ORDER TOTAL *	1.000000000			
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** END OF REPORT **