

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr
Hobbs NM 88240

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

5. Lease Designation and Serial No.

NMNM-100709 NM-92187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Nearburg Producing Company

3. Address and Telephone No.

3300 N A St., Bldg 2, Suite 120, Midland, TX 79705 915/686-8235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

4,300' FSL and 1,310' FWL, Section 1, T21S, R32E

NM-100709

8. Well Name and No.

Minis 1 Federal Com #3

9. API Well No.

30-025-33506

10. Field and Pool, or Exploratory Area

Hat Mesa; Morrow

11. County or Parish, State

Lea County, NM

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other Water Disposal Application
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

- 1.) Water is produced from the Morrow zone.
- 2.) There is approximately 10-50 bbls per month produced
- 3.) A water analysis is attached
- 4.) Water is stored in (1) 500 BBL steel tank
- 5.) Water is trucked from steel tank
- 6.) Water is transported by Key Energy Services, Hobbs, New Mexico to:
RA State SWD
Section 31, T18S, R36E
Lea County, New Mexico

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

Signed

Kim Stewart

Title Regulatory Analyst

Date 01/11/00

(This space for Federal or State office use)

Approved by

Conditions of approval, if any:

DAVID E. [Signature]

Title

PETROLEUM ENGINEER

Date

JAN 24 2000

Title of U.S. Government work, or work of any person knowing 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.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies
☒ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Nearburg Producing Company 3300 North A Street, Building 2, Suite 120 Midland, Texas 79705		² OGRID Number 15742
		³ Reason for Filing Code NW - Correct Property Number <i>d Name</i>
⁴ API Number 30 - 0 25-33506	⁵ Pool Name Hat Mesa Morrow	⁶ Pool Code 78240
⁷ Property Code 22946	⁸ Property Name Minis 1 Federal Com	⁹ Well Number 3

II. ¹⁰ Surface Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
12	1	21S	32E		4,300'	South	1,310'	West	Lea

¹¹ Bottom Hole Location

UI or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
¹² Use Code F	¹³ Producing Method Code Flowing	¹⁴ Gas Connection Date 02/05/98	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date				

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
032109	LG & E Natural Gathering & Processing Company 2777 Stemmons Freeway, Suite 700 Dallas, TX 75207	2820672	G	Tank Battery
021778	Sun Co. Inc. (R&M) PO Box 2039 Tulsa, NM 74102	2820671	O	Tank Battery

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
2820673	Tank Battery

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations	³⁰ DHC, DC, MC
08/19/97	02/05/98	14,550'	14,449'	13,936' - 13,992'	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17-1/2"	13-3/8"	570'	450 sx		
11"	8-5/8"	5,300'	2,200 sx		
7-7/8"	5-1/2"	14,550'	2,765 sx		

VI. Well Test Data

³⁵ Date New Oil 02/06/98	³⁶ Gas Delivery Date 02/05/98	³⁷ Test Date 02/17/98	³⁸ Test Length 24 hrs	³⁹ Tbg. Pressure 650	⁴⁰ Csg. Pressure --
⁴¹ Choke Size 16//64	⁴² Oil 7	⁴³ Water 3	⁴⁴ Gas 513	⁴⁵ AOF	⁴⁶ Test Method Flowing
⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.			OIL CONSERVATION DIVISION		
Signature: <i>E. Scott Kimbrough</i>			Approved by: <i>[Signature]</i>		
Printed name: E. Scott Kimbrough			Title: <i>[Signature]</i>		
Title: Manager of Drilling and Production			Approval Date: JUL 3 1998		
Date:			Phone: (915) 686-8235		

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature

Printed Name

Title

Date

District I
PO Box 1980, Hobbs, NM 88241-1980
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811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
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		³ Reason for Filing Code NW
⁴ API Number 30 - 0 25-33506	⁵ Pool Name Hat Mesa Morrow	⁶ Pool Code 78240
⁷ Property Code 15230	⁸ Property Name Minis Federal Com	⁹ Well Number 3

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
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¹¹ Bottom Hole Location

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¹² Use Code	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
F	Flowing	02/05/98			

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
032109	L G & E Natural Gathering & Processing Company 2777 Stemmons Freeway, Suite 700 Dallas, TX 75207		G	
00734	Amoco Pipeline Co. 302 E. Avenue A Lovington, NM 88260		O	

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
	Tank Battery

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBTD	²⁹ Perforations	³⁰ DHC, DC, MC
08/19/97	02/05/98	14,550'	14,449'	13,936' - 13,992'	
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17-1/2"	13-3/8"	570'	450 sx		
11"	8-5/8"	5,300'	2,200 sx		
7-7/8"	5-1/2"	14,550'	2,765 sx		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
02/06/98	02/05/98	02/17/98	24 hrs	650	-
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method
16/64	7	3	513		Flowing

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>E. Scott Kimbrough</i>		Approved by: <i>WILLIAMS</i>	
Printed name: E. Scott Kimbrough		Title:	
Title: Manager of Drilling and Production		Approval Date:	
Date: 3/2/98	Phone: (915) 688-8235		
⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator			
Previous Operator Signature	Printed Name	Title	Date

(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.

NM-92187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Minis 1 Federal Com #3

9. API WELL NO.

30-025-33506

10. FIELD AND POOL, OR WILDCAT

Hat Mesa Morrow

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Section 1, T21S, R32E

12. COUNTY OR PARISH

Lea

13. STATE

New Mexico

1a. TYPE OF WELL:

OIL WELL ☐

GAS WELL ☒

DRY ☐

Other

N.M. Oil Cons. D.

b. TYPE OF COMPLETION:

NEW WELL ☒

WORK OVER ☐

DEEP-EN ☐

PLUG BACK ☐

DIFF. RESVR. ☐

Other

P.O. Box 1980

Hobbs, NM 88241

2. NAME OF OPERATOR

Nearburg Producing Company

3. ADDRESS AND TELEPHONE NO.

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

4,300' FSL and 1,310' FWL

At top prod. Interval reported below

At total depth

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

Lea

13. STATE

New Mexico

15. DATE SPUDDED

08/19/97

16. DATE T.D. REACHED

10/11/97

17. DATE COMPL. (Ready to prod.)

02/05/98

18. ELEVATIONS (DF, RKB, RT, GE, ETC.)*

3,734' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

14,550'

21. PLUG, BACK T.D., MD & TVD

14,449'

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

X

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)*

13,936' - 13,992' Morrow

25. WAS DIRECTIONAL SURVEY MADE

No

26. TYPE ELECTRIC AND OTHER LOGS RUN

DLL/LDT/CNL/GR/CAL

27. WAS WELL CORED

No

28.

CASING RECORD (Report all strings set in well)

CASING SIZE GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	570'	17-1/2"	Circ. to surface; 450 sx	
8-5/8"	24 & 32#	5,300'	11"	Circ. to surface; 2,200 sx	
5-1/2"	17 & 20#	14,550'	7-7/8"	4,824' by calc; 2,765 sx	

29.

LINER RECORD

30.

TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	13,717'	13,831'

31. PERFORATION RECORD (Interval, size and number)

13,936' - 13,958' - .4" - 88 shots

13,984' - 13,992' - .4" - 64 shots

(CPIG. SGD.) GARY GOURLE

ACCEPTED FOR RECORD

MAR 16 1998

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
13,936' - 13,958'	3,000 gals 7-1/2% acid + additives w/1,000
13,984' - 13,992'	SCFPB N2
	Frac w/35,000# 20/40 ISP

33. *

BLM

PRODUCTION

DATE FIRST PRODUCTION

02/05/98

PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)

Flowing

WELL STATUS (Producing or shut-in)

P

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
02/17/98	24	16/64		7	513	3	73286:1
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
650			7	513	3		47.4

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold

TEST WITNESSED BY

Matt Lee

35. LIST OF ATTACHMENTS

C-104, Deviation Report, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

[Signature]

TITLE Manager of Drilling and Production

DATE

3/2/98

*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes 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.

J/C

... and contents thereof; cored intervals; and all
... cushion used, time tool open, flowing and shut-in pressures, and

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Salt	1520	3130	salt, anhydrite
Yates	3130	3592	sandstone, dolomite, anhydrite
Capitan	3592	5438	dolomite, anhydrite
Delaware	5438	8770	sandstone, dolomite, shale
Bone Spring Carbonate	8770	9850	limestone, shale
1st BS Sand	9850	10126	sandstone, shale
2nd BS Carb	10126	10555	limestone, shale
2nd BS Sand	10555	10918	sandstone, shale
3rd BS Carb	10918	11050	limestone, shale
3rd BS Sand	11050	11600	sandstone, shale
Wolfcamp Chert	11830	12255	shale, limestone, chert
Penn. Shale	12225	12910	shale, limestone
Strawn	12910	13110	limestone, shale
Atoka Clastics	13110	13340	shale, limestone
Atoka Limestone	13340	13502	limestone, shale
Morrow Carb	13502	13590	limestone, shale
Morrow Clastics	13590	14430	shale, sandstone, limestone
Barnett Shale	14430	14545	shale

38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH
Salt (salade)	1520		Wolfcamp chert	11830	
Yates	3130		Penn. Shale	12225	
Capitan	3529		Strawn	12910	
Delaware	5438		Atoka Clastics	13110	
Bone Spring CaCO ₃	8770		Atoka Limestone	13340	
1st BS Sand	9850		Morrow CaCO ₃	13502	
2nd BS CaCO ₃	10126		Morrow Clastics	13590	
3rd BS Sand	10555		Barnett Shale	14430	
4th BS Sand	10918				
5th BS Sand	11050				

District I
PO Box 1982, Hobbs, NM 88240-2982

District II

PO Drawer DD, Artesia, NM 88211-0719

District III

1000 Rio Grande Rd., Aztec, NM 87410

District IV

PO Box 2082, Santa Fe, NM 87504-2082

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102

Revised February 10, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Post Name
30-025-33506	23240	Hat Mesa Morra
Property Code	Property Name	Well Number
15230	MINIS "1" FEDERAL COM	3
OGRID No.	Operator Name	Elevation
15742	NEARBURG PRODUCING COMPANY	3734.

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 12	1	21-S	32-E		4300	SOUTH	1310	WEST	LEA

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	Joint or Infill	Consolidation Code	Order No.
317.66	N	C	R-2607

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

4 NM-60777	3 NM-62924	2	1
5 NM-60777	6 NM-60777	7	8
12 1310' NMNM-92187	11 NMNM-84727	10	9
13 NMNM-92187	14 NMNM-92187	15	16
17 4300'			
18			

17 OPERATOR CERTIFICATION

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

Clyde P. Findlay II
Signature
Clyde P. Findlay II
Printed Name
Senior Engineer
Title
04/09/97
Date

18 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 belief.

APRIL 8, 1997
Date of Survey
R. REDD
Signature and Seal of Professional Surveyor
NEW MEXICO
REGISTERED PROFESSIONAL ENGINEER
5412
Certificate Number
NM PROFESSIONAL 5412

OCTOBER 23, 1997

WELL NAME AND NUMBER:
LOCATION:
OPERATOR:
DRILLING CONTRACTOR:

MINIS 1 FED COM #3
Sec. 1 T21S R32E
NEARBURG OPERATING Co
PATTERSON DRILLING

Unit L
+300/S +1310/W
25-025-33506

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

<u>DEGREE AND DEPTH</u>		<u>DEGREE AND DEPTH</u>		<u>DEGREE AND DEPTH</u>	
0.50	570	1.00	5324	2.00	9782
0.50	1351	1.00	5444	1.25	9939
0.75	1648	1.00	6152	1.00	10315
0.75	1992	1.00	6556	1.50	10921
1.00	2338	1.25	6964	1.00	10629
1.25	2682	0.25	7372	1.75	11168
1.75	3062	0.75	7779	1.00	11418
1.75	3188	1.50	8249	1.00	11729
1.00	3314	1.00	8844	1.00	12134
0.50	3629	3.00	9249	0.50	12478
1.00	4029	4.00	9343	1.00	12822
1.00	4437	4.25	9433	1.50	13413
1.00	4796	4.75	9531	0.00	14275
0.25	5190	4.00	9625		

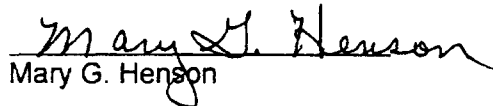
Drilling Contractor: PATTERSON DRILLING

By:


Billy Jensen

Subscribed and sworn to before me this 23rd day of October, 1997

My Commission Expires:
june 30, 2001


Mary G. Henson

REFERENCE SHEET FOR UNDESIGNATED WELLS

DATE 3/5/98

OIL/GAS Gas

COUNTY Lea

OPERATOR Neacburg Producing Co

ADDRESS 3300 North A St, Bldg 2, Suite 120 Midland TX

LEASE NAME, WELL NO. Minis Federal Corn #3-L 79705

FOOTAGE LOCATION 4300 FROM THE S LINE AND 130 FROM THE W LINE

SECTION 1 TOWNSHIP 21s RANGE 32e

COMPLETION DATE 2/6/98

NAME OF PRODUCING FORMATION Morrow

TOP OF PERFORATIONS 13936-13992

DEPTH TO CASING SHOE

C-123 FILED

NAME OF POOL FOR WHICH EXTENSION WAS ASKED

ADVERTISED FOR HEARING CASE NO.

NAME OF POOL FOR WHICH EXTENSION WAS ADVERTISED

PLACED IN BY ORDER NO. R-

REMARKS Hat Mesa Morrow

37.66 ac

Lots 4, 5, 6, 11, 12, 13, 14

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL & GAS
1000
HOBBS, NM 88241

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Nearburg Producing Company

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL & 4,300' FSL, Section 1, T21S, R32E

5. Lease Designation and Serial No.

NM-92187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Minis 1 Federal Com #3

9. API Well No.

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Hat Mesa Morrow

11. County or Parish, State

Lea County, New Mexico

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TYPE OF ACTION

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- ☐ Change of Plans
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☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drilled to 14,550'. C&C hole. Rig up and run 376 jts. 5-1/2", 17 & 20#, N80 & S95, BTC & LTC csg. DV tool at 11,927'. Set casing at 14,550'. Cement casing in two stages using 2,765 sx. cement plus additives. Circ 60 sx cement off DV tool. WOC. NU BOPE and test. Cut casing off and weld on cover plate. Release rig at 1800 hrs 10/14/97.

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

Signed T. Scott Embury
(This space for Federal or State office use)

Title Manager of Drilling and Production

Date 10/22/97

Approved by

Conditions of approval, if any:

Title

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

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SUBMIT IN TRIPLICATE**1. TYPE OF WELL**☐ Oil Well☒ Gas Well☐ Other**2. NAME OF OPERATOR**

Nearburg Producing Company

3. ADDRESS AND TELEPHONE NO.

3300 N. "A" Street, Bldg. 2, Suite 120 Midland, TX 79705

4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL & 4,300' FSL, Section 1, T21S, R32E

5. LEASE DESIGNATION AND SERIAL NO.

NM-92187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME**7. If Unit or CA, Agreement Designation****8. Well Name and No.**

Minis 1 Federal Com #3

9. API Well No.

30-025-33506

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

11. County or Parish, State

Lea County, New Mexico

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other: Intermed. Casing & Cement
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion To Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drilled to 5,324'. C&C hole. Rig up and run 131 jts. 8-5/8", 24 & 32#, J55 & HCN80, STC csg. Set casing at 5,300'. Cement casing in two stages using 2,200 sx. cement plus additives. Circ 300 sx cement to pit on both stages. WOC for 21-1/2 hrs. Cut casing off and weld on wellhead. NU BOPE and test.

14. I hereby certify the foregoing is true and correct

SIGNED

T. Scott Lindley

TITLE Manager of Drilling and Production

DATE

9/10/97

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

FORM APPROVED

Budget Bureau No. 1004-0135

Expires: March 31, 1993

5. LEASE DESIGNATION AND SERIAL NO.
 NM-92187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Minis 1 Federal Com #3

9. API Well No.

30-025-33506

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

11. County or Parish, State

Lea County, New Mexico

1. TYPE OF WELL

☐ Oil Well ☒ Gas Well ☐ Other

2. NAME OF OPERATOR

Nearburg Producing Company

3. ADDRESS AND TELEPHONE NO.

3300 N. "A" Street, Bldg. 2, Suite 120 Midland, TX 79705

4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL & 4,300' FSL, Section 1, T21S, R32E

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other: Surface Casing & Cement

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

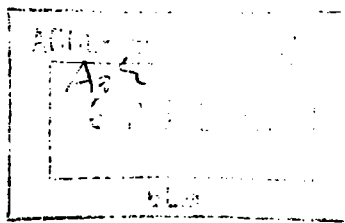
☐ Conversion To Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Drilled to 570'. C&C hole. Rig up and run 14 jts. 13-3/8", 48#, H40, STC csg. Set casing at 570'. Cement casing using 450 sx. cement plus additives. Circ 190 sx cement to pits, WOC for 10 hrs. Cut casing off and weld on wellhead. NU BOPE and test.



RECEIVED
 SEP 11 A 10:09
 ROSWELL OFFICE

14. I hereby certify the foregoing is true and correct

SIGNED

TITLE Manager of Drilling and Production

DATE

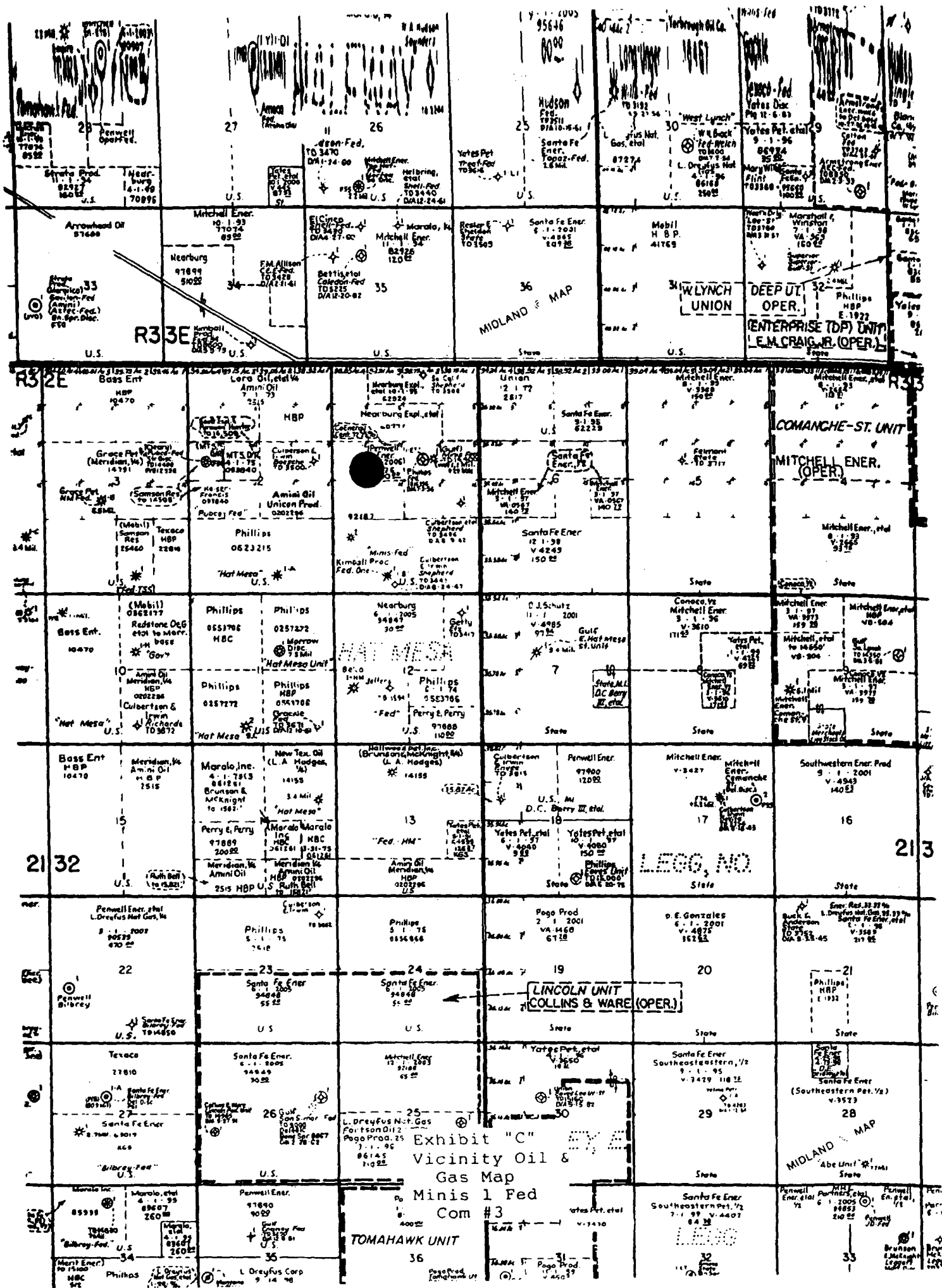
(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:



SUPPLEMENTAL DRILLING DATA
NEARBURG PRODUCING COMPANY
MINIS 1 FEDERAL COM #3

1. SURFACE FORMATION:

Quaternary

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware	5,530'	Morrow	13,440'
Bone Spring	8,740'	TD	14,600'
Wolfcamp	11,600'		
Penn Shale	12,200'		
Strawn	12,800'		
Atoka	13,100'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Isolated Delaware Sand	- 5,530' - 8,740'	Atoka	13,200'
		Morrow	13,440'

4. CASING AND CEMENTING PROGRAM:

<u>Casing Size</u>	<u>Setting Depth</u> <u>From To</u>	<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
13-3/8"	0 - 500'	48#	J-55	ST&C
9-5/8"	0 - 4,500'	36#	J-55	STC & LTC
5-1/2"	0 - 4,200'	20#	N-80	LT&C
5-1/2"	4,200' - 8,400'	17#	N-80	LT&C
5-1/2"	8,400' - 14,600'	20#	N-80	LT&C

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

We plan to drill a 17-1/2" hole to equal 500'. 13-3/8" casing will be cemented with 500 sx or volume necessary to tie back to surface.

12-1/4" hole will be drilled to 4,500' and 9-5/8" casing will be cemented with 2,500 sx or volume necessary to tie back to surface.

7-7/8" hole will be drilled and 5-1/2" casing will be cemented with 500 sx of Class "H" 50/50 POZ.

5. PRESSURE CONTROL EQUIPMENT:

The BOP stack will consist of a 5,000 psi working pressure, dual ram type preventer and annular. A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 14,600'

Spud and drill to 500' with fresh water mud for surface string. The intermediate section will be drilled with 10# brine to 4,500'. The production section from 4,500' - 10,800' will be fresh water, from 10,800' - 12,400' with 9# cut brine, from 12,400' - 14,600' with a Brine/Poly Pac/XCD system with mud weight sufficient to control formation pressures.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

Electric logging is planned, drill stem tests, cores and sidewall cores possible.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

Anticipated bottom hole pressure: 4,000 - 5,000 psi.

No abnormalities anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on May 1, 1997, with drilling and completion operations lasting about 45 days.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTP.O. BOX 823085
DALLAS, TEXAS 75382-3085
HOBBS, NEW MEXICO 88240

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

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

1,310' FWL and 3,300' FSL
At proposed prod. zoneUNORRHODOX
LOCATION:Unit M
Lot 13

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

26 miles Northwest of Eunice, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any.)

660'

16. NO. OF ACRES IN LEASE

140

17. NO. OF ACRES ASSIGNED
TO THIS WELL

317.66

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1,470'

19. PROPOSED DEPTH

14,500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3,745' GR

Capitan Controlled Water Basin

22. APPROX. DATE WORK WILL START*

June 9, 1996

23.

PROPOSED CASING AND CEMENTING PROGRAM

R-10607

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" J-55	48#	500'	500 sx
12-1/4"	9-5/8" J-55	36# 140#	4,500'	2,500 sx
7-7/8"	5-1/2" N, K & S	17#, 20# & 23#	14,500'	500 sx SEE STIPS.

Propose to drill the well to sufficient depth to evaluate the Morrow formation. After reaching TD, logs will be run and casing set if the evaluation is positive. Perforate, test and stimulate as necessary to establish production.

OPER. GRID NO. 15742PROPERTY NO. 15230POOL CODE 78240EFF. DATE 7/10/96API NO. 30-025-33506

R-10607 NISL

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

TITLE Mgr of Drlg and Prod

DATE 05/13/96

(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

Permy State Director

DATE

6/26/96

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

NM-NM92187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Minis "1" Fed Com #3

9. API Well No.

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

11. County or Parish, State

Lea County, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Nearburg Producing Company

3. Address and Telephone No.

P.O. Box 823085, Dallas, TX 75382-3035 214/739-1778

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL and 3,300' FSL, Section 1, T21S, R32E, NMPM

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

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other See below

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Per conversation with Adam Salameh on 6/5/96, below are clearer specifications to the subject well APD.

1. The 5-1/2" casing grade and weights are as follows (Note: BLM approval will be obtained prior to changes made to this design):

0' - 300' 5-1/2" 23# N-80 LTC csg

300' - 4,600' 5-1/2" 20# N-80 LTC csg

4600' - 14,500' 5-1/2" 23# N-80 LTC csg

2. The 5-1/2" csg will be cemented to surface in two stages using 1,700 sacks cement plus additives on the 1st stage and 900 sacks cement plus additives on the 2nd stage. The stage collar will be set at +/- 12,700'.

3. Estimated bottom hole pressure of the well is 4,822 psi.

4. From 12,500' to TD the mud program should show a minimum mud weight of 10.0 ppg to 10.5 ppg.

SEE ATTACHED

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

Signed [Signature] Title Mgr Drilling and Production Date 6/10/96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

NM-NM92187

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well - ☒ Gas Well ☐ Other

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 (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL and 3,300' FSL, Section 1, T21S, R32E, NMPM

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Minis "1" Federal Com #3

9. API Well No.

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

11. County or Parish, State

Lea County, New Mexico

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

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other: See below

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

Note: Report results of multiple completion on the Completion or Recompletion Report and Log form.

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

5. The 13-3/8" csg will all be 48# J55 STC.

6. The 9-5/8" csg will be as follows:

0' - 80' 9-5/8" 40# K55 STC
80' - 3,000' 9-5/8" 36# K55 STC
3,000' - 5,000' 9-5/8" 40# K55 STC

Note: 9-5/8" csg setting depth will be 5,000' rather than 4,500' as originally planned.

7. Both the 13-3/8" and 9-5/8" csg strings will be cemented to surface.

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

Signed

Title Mgr Drilling and Production

Date 6/10/96

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any

**SUPPLEMENTAL DRILLING DATA
NEARBURG PRODUCING COMPANY
MINIS 1 FEDERAL COM #3**

1. SURFACE FORMATION:

Quaternary

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware	5,530'	Morrow	13,440'
Bone Spring	8,740'	TD	14,500'
Wolfcamp	11,600'		
Penn Shale	12,200'		
Strawn	12,800'		
Atoka	13,100'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Isolated Delaware Sands	5,530' - 8,740'
Atoka	13,100'
Morrow	13,440'

4. CASING AND CEMENTING PROGRAM:

Casing Size	Setting Depth		Weight	Grade	Joint
	From	To			
13-3/8"	0	500'	48#	J-55	ST&C
9-5/8"	0	4,500	36#	J-55	LT&C
5-1/2"	4,500'	14,500'	17, 20 & 23#	N, K & S	LT&C

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

* REFER TO STIPULATIONS ATTACHED.

We plan to drill a 17-1/2" hole to equal 500'. 13-3/8" casing will be cemented with 500 sx or volume necessary to tie back to surface.

12-1/4" hole will be drilled to 4,500' and 9-5/8" casing will be cemented with 2,500 sx or volume necessary to tie back to surface.

7-7/8" hole will be drilled and 5-1/2" production casing will be cemented with 500 sx of class "H" 50/50 Poz.

5. PRESSURE CONTROL EQUIPMENT:

The BOP stack will consist of a 5,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 14,500':

Spud and drill to 500' with fresh water mud for surface string. The intermediate section will be drilled with 10# Brine to 4,500'. The production section from 4,500' to 10,800' will be fresh water, from 10,800' to 12,400' with 9# cut Brine, from 12,400' to 14,500' with a Brine/Poly Pac/XCD system with mud weight sufficient to control formation pressures.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

Electric logging is planned, drill stem tests, cores and sidewall cores possible.

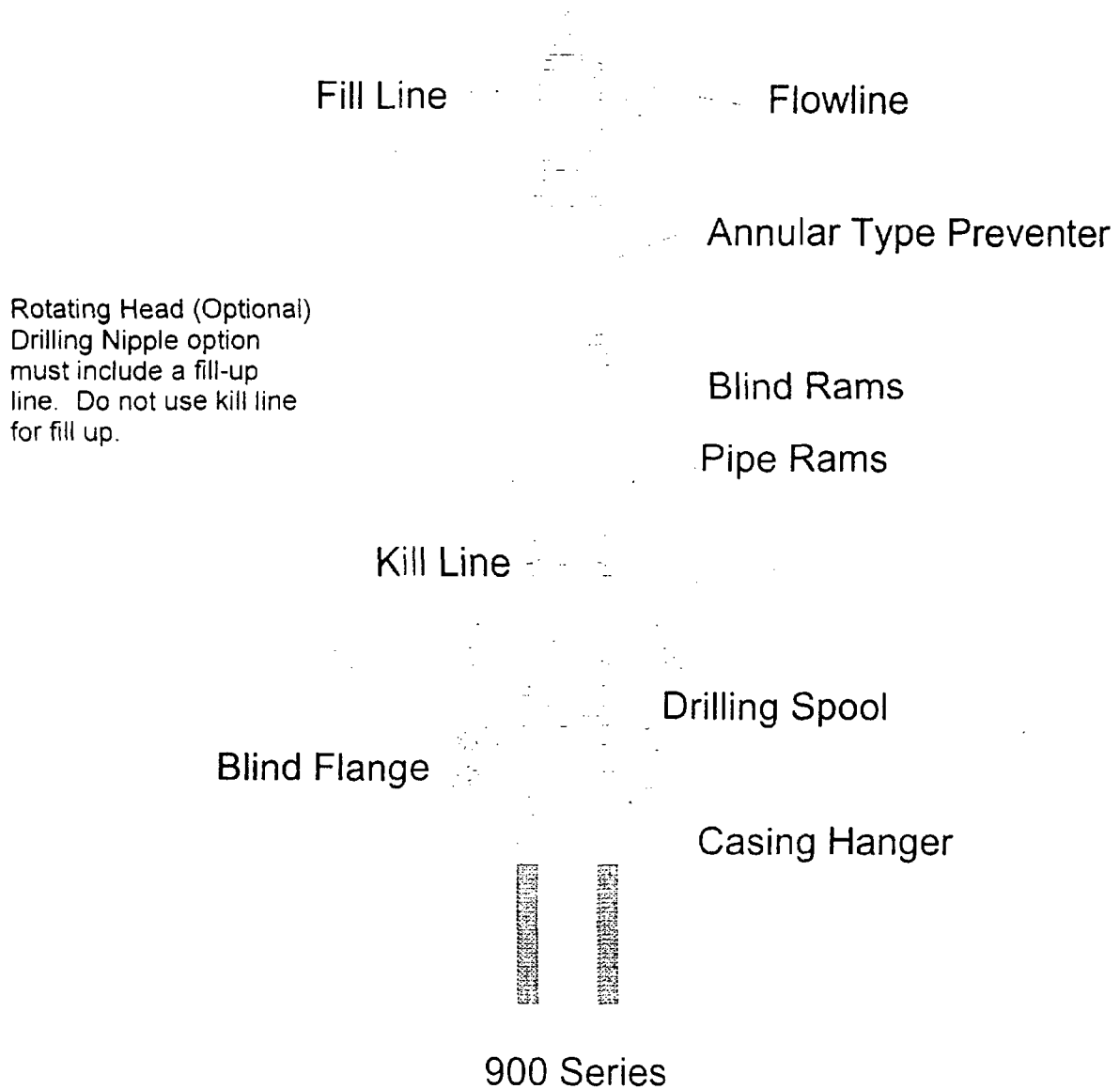
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

Anticipated bottom hole pressure: 4,000 psi.
No abnormalities anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on June 9, 1996, with drilling and completion operations lasting about 45 days.

Minis 1 Federal Com #3
1,310' FWL and 3,330' FSL
Section 1, T21S, R32E
Lea County, New Mexico



Page Amended 11/1

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 11535
Order No. R-10607**

**APPLICATION OF NEARBURG EXPLORATION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND NON-STANDARD GAS PRORA-
TION UNIT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 16, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of June, 1996, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Nearburg Exploration Company, seeks approval to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line (Unit M) of Irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, to test the Undesignated Hat Mesa-Morrow Gas Pool. Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Irregular Section 1 are to be dedicated to the subject well forming a non-standard 317.66-acre gas spacing and proration unit for the aforesaid pool.
- (3) At the time of the hearing the applicant requested that the portion of its application requesting approval of a non-standard 317.66-acre gas spacing and proration unit be dismissed inasmuch as the proposed unit qualifies, under the Division's General Rules and Regulations, for District Office approval.

(4) The evidence and testimony presented indicates that Irregular Section 1 contains sufficient acreage so as to allow the formation of three "standard" 320-acre gas spacing and proration units.

(5) The proposed well is located within the proration unit situated within the northwest portion of Section 1.

(6) The Hat Mesa-Morrow Gas Pool is currently governed by Rule No. 104.B. of the Division Rules and Regulations which requires wells to be located no closer than 1650 feet from the end boundary nor closer than 660 feet from the side boundary of the proration unit nor closer than 330 feet from any quarter-quarter section line or subdivision inner boundary.

(7) The subject well is located 660 feet from the end boundary of the proposed proration unit, and as such, encroaches towards the proration unit situated in the southern portion of Section 1.

(8) The geologic evidence and testimony presented by the applicant indicates that:

- a) the Minis "1" Federal Com Well No. 3 will be drilled to test two sands within the Middle Morrow interval ("Early" and "Late"), and one sand within the Upper Morrow interval (1st Sand);
- b) all three sand intervals traverse the proposed proration unit in a northeast to southwest direction;
- c) maximizing sand thickness is the primary consideration in determining the best geologic well location within the proposed proration unit; and,
- d) a well drilled at the proposed unorthodox gas well location should encounter a greater amount of net sand within the "Early" and "Late" Middle Morrow sand intervals than a well drilled at a standard location within the proposed proration unit, thereby increasing the likelihood of obtaining commercial gas production in these intervals.

(9) Nearburg Producing Company currently operates the remaining two gas proration units within Section 1. Both of these gas proration units are currently dedicated to gas wells producing from the Hat Mesa-Morrow Gas Pool.

(10) Although both operated by the applicant, the interest ownership within the proposed proration unit and the affected offset proration unit is not common.

(11) According to applicant's testimony, there is a single interest owner who does not have an interest in both the proposed proration unit and the affected offset proration unit. The applicant provided notice of its application to this affected interest owner, and, such owner did not appear at the hearing in opposition to the application.

(12) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Nearburg Exploration Company, is hereby authorized to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line (Unit M) of Irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, to test the Undesignated Hat Mesa-Morrow Gas Pool.

(2) Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Irregular Section 1 shall be dedicated to the subject well forming a 317.66-acre gas spacing and proration unit for the aforesaid pool.

(3) The portion of the application requesting approval of a non-standard 317.66-acre gas spacing and proration unit comprising Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Irregular Section 1, Township 21 South, Range 32 East, NMPM, is hereby dismissed.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 10535
Order No. R-10607
Page -4-

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

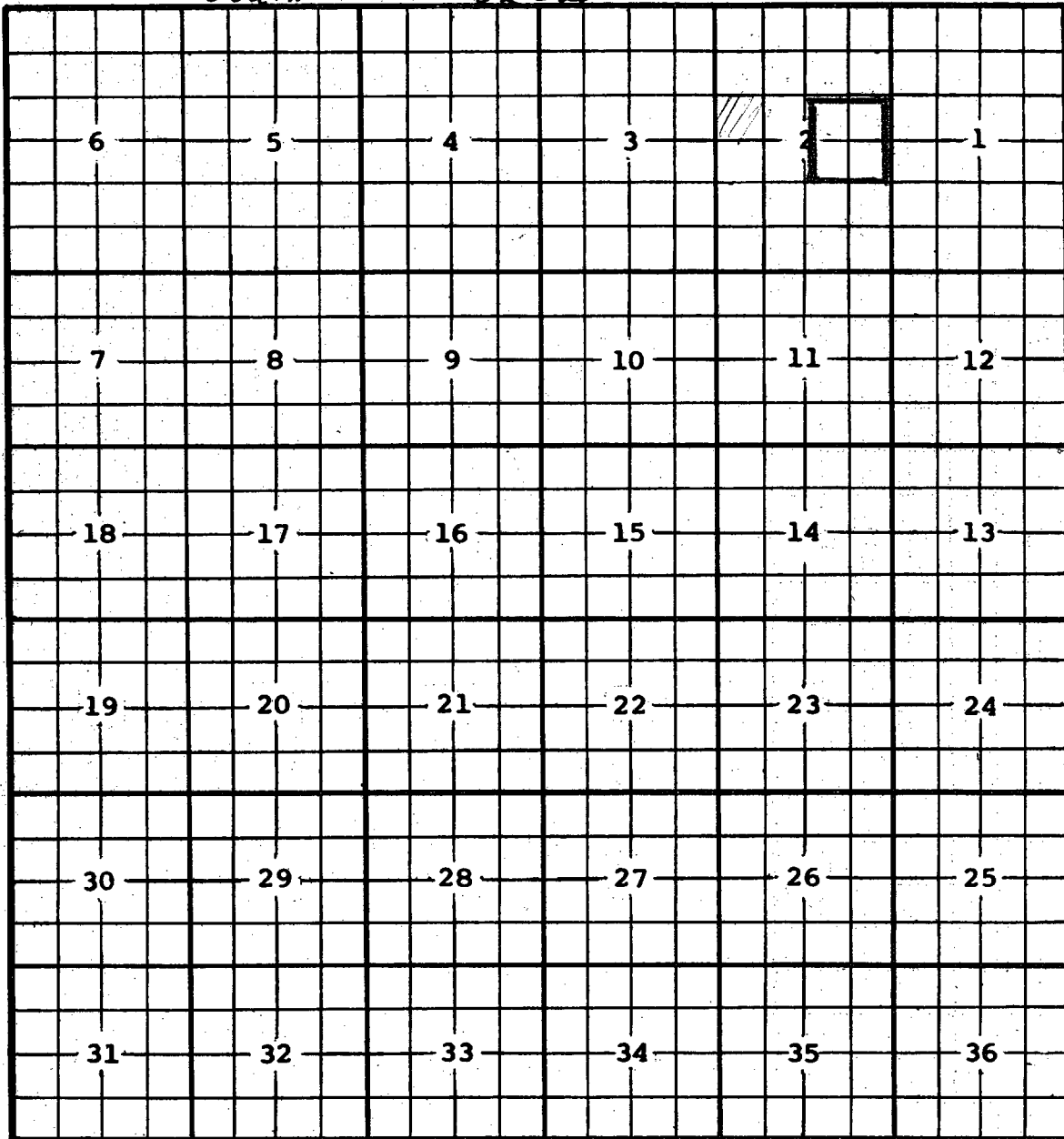
STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM F. LEMAY
Director

S E A L

COUNTY Lea POOL Southeast Hat Mesa - Delaware

TOWNSHIP 21 South RANGE 32 East NMPM



Description: Lots 9, 10, 15 and 16 Sec. 2 (R-11886, 1-12-03)

Sec : 01 Twp : 21S Rng : 32E Section Type : NORMAL

12 40.00	4 38.85	5 40.00	11 40.00	3 38.81	6 40.00	10 40.00	2 38.79	7 40.00	1 38.75	8 40.00	9 40.00
Federal owned R A			Federal owned R			Federal owned R A A A			Federal owned R		
13 40.00			14 40.00			15 40.00			16 40.00		
Federal owned R			Federal owned R			Federal owned R			Federal owned R A		
L 40.00			K 40.00			J 40.00			I 40.00		
Federal owned R A			Federal owned R			Federal owned R			Federal owned R		
M 40.00			N 40.00			O 40.00			P 40.00		
Federal owned R			Federal owned R A A			Federal owned R			Federal owned R		

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

01/15/04 15:57:35
OGOMES -TQDO

API Well No : 30 25 33506 Eff Date : 08-19-1997 WC Status : A
Pool Idn : 78240 HAT MESA;MORROW (GAS)
OGRID Idn : 15742 NEARBURG PRODUCING CO
Prop Idn : 22946 MINIS 1 FEDERAL COM

Well No : 003
GL Elevation: 3745

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: 12	1	21S	32E	FTG 4300 F S	FTG 1310 F W	A

Lot Identifier:
Dedicated Acre: 317.66
Lease Type : F
Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 01/15/04 15:57:42
 OG6ACRE C102-DEDICATE ACREAGE OGOMES -TQDO
 Page No : 1

API Well No : 30 25 33506 Eff Date : 08-19-1997
 Pool Idn : 78240 HAT MESA;MORROW (GAS)
 Prop Idn : 22946 MINIS 1 FEDERAL COM Well No : 003
 Spacing Unit : 50737 OCD Order : Simultaneous Dedication:
 Sect/Twp/Rng : 1 21S 32E Acreage : 317.66 Revised C102? (Y/N) :
 Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
C	11	1	21S	32E	40.00	N	FD			
D	12	1	21S	32E	40.00	N	FD			
E	13	1	21S	32E	40.00	N	FD			
F	14	1	21S	32E	40.00	N	FD			
C	3	1	21S	32E	38.81	N	FD			
D	4	1	21S	32E	38.85	N	FD			
D	5	1	21S	32E	40.00	N	FD			
C	6	1	21S	32E	40.00	N	FD			

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD : ONGARD 01/15/04 15:58:05
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 1

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 33506	MINIS 1 FEDERAL COM	01 00 29	2349 37 18	F
30 25 33506	MINIS 1 FEDERAL COM	02 00 29	2249 11 10	F
30 25 33506	MINIS 1 FEDERAL COM	03 00 13	2409 14 12	F
30 25 33506	MINIS 1 FEDERAL COM	04 00 30	2012 2 36	F
30 25 33506	MINIS 1 FEDERAL COM	05 00 28	1796 11	F
30 25 33506	MINIS 1 FEDERAL COM	06 00 30	2284 1	F
30 25 33506	MINIS 1 FEDERAL COM	07 00 31	2220 48	F

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:08
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 2

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 33506	MINIS 1 FEDERAL COM	08 00 26	2060 14 8	F
30 25 33506	MINIS 1 FEDERAL COM	09 00 26	2362	F
30 25 33506	MINIS 1 FEDERAL COM	10 00 30	1717	F
30 25 33506	MINIS 1 FEDERAL COM	11 00 30	2083 59 28	F
30 25 33506	MINIS 1 FEDERAL COM	12 00 29	1438 2	F
30 25 33506	MINIS 1 FEDERAL COM	01 01 31	1234 28 19	F
30 25 33506	MINIS 1 FEDERAL COM	02 01 27	1871 17 12	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:09
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 3

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 33506	MINIS 1 FEDERAL COM	03 01 31	1686 17	F
30 25 33506	MINIS 1 FEDERAL COM	04 01 30	1667 28 12	F
30 25 33506	MINIS 1 FEDERAL COM	05 01 31	2434 28 6	F
30 25 33506	MINIS 1 FEDERAL COM	06 01 28	1255 8	F
30 25 33506	MINIS 1 FEDERAL COM	07 01 31	1026	F
30 25 33506	MINIS 1 FEDERAL COM	08 01 28	1046 22 8	F
30 25 33506	MINIS 1 FEDERAL COM	09 01 30	932 9 3	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:10
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 4

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 33506	MINIS 1 FEDERAL COM	10 01 31	2092 28 9	F
30 25 33506	MINIS 1 FEDERAL COM	11 01 30	1839 36 15	F
30 25 33506	MINIS 1 FEDERAL COM	12 01 27	1751 33 8	F
30 25 33506	MINIS 1 FEDERAL COM	01 02 29	1304 3 3	F
30 25 33506	MINIS 1 FEDERAL COM	02 02 24	1539 19 19	F
30 25 33506	MINIS 1 FEDERAL COM	03 02 31	1402 14 3	F
30 25 33506	MINIS 1 FEDERAL COM	04 02 29	1607 14 8	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:11
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 5

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 33506	MINIS 1 FEDERAL COM	05 02 31	1863 34 8	F
30 25 33506	MINIS 1 FEDERAL COM	06 02 29	1554 8 6	F
30 25 33506	MINIS 1 FEDERAL COM	07 02 29	1497 14 11	F
30 25 33506	MINIS 1 FEDERAL COM	08 02 27	1500 3 16	F
30 25 33506	MINIS 1 FEDERAL COM	09 02 28	1472 14 5	F
30 25 33506	MINIS 1 FEDERAL COM	10 02 31	1583 14 5	F
30 25 33506	MINIS 1 FEDERAL COM	11 02 30	1603	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:11
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 6

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prod. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 33506	MINIS 1 FEDERAL COM	12 02 28	1608 19 17	F
30 25 33506	MINIS 1 FEDERAL COM	01 03 30	1495 9 6	F
30 25 33506	MINIS 1 FEDERAL COM	02 03 28	1240 14 6	F
30 25 33506	MINIS 1 FEDERAL COM	03 03 31	1533 28 6	F
30 25 33506	MINIS 1 FEDERAL COM	04 03 30	1284 16 14	F
30 25 33506	MINIS 1 FEDERAL COM	05 03 27	1099 6 3	F
30 25 33506	MINIS 1 FEDERAL COM	06 03 24	780 6 3	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:12
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 7

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	Well Stat
30 25 33506	MINIS 1 FEDERAL COM	07 03 31	1540 8 9	F
30 25 33506	MINIS 1 FEDERAL COM	08 03 31	1419 14 8	F
30 25 33506	MINIS 1 FEDERAL COM	09 03 28	1270 23 12	F
30 25 33506	MINIS 1 FEDERAL COM	10 03 31	879 22 4	F

Reporting Period Total (Gas, Oil) : 74883 734 385

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12