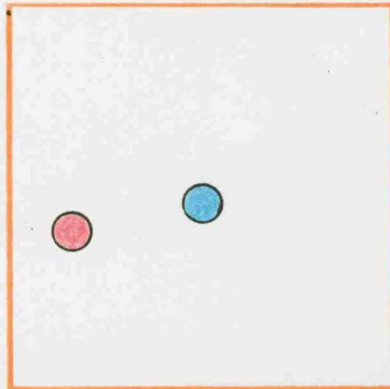


AMETHYST PROSPECT SECTION 32, T-24-S, R-29-E

Nearburg Producing Company
Operator



Right to participate in the
Emerald 32 Federal #1 Well

Nearburg Exploration Company	68.375%
Exxon Corporation	26.25%
UTI Energy Corp.	4.4375%
Richard K. Barr	.46875%
Scott E. Wilson	.46875%

OWNERSHIP
Same as SE/4

Surface to 13,128 ft.	40%
Exxon Corporation	44%
Nearburg Exploration Company	10.66666%
UTI Energy Corp.	2.66667%
Richard K. Barr	2.66667%
Scott E. Wilson	

Bettis Brothers, Inc.	50%
Enron Oil and Gas Company	50%

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

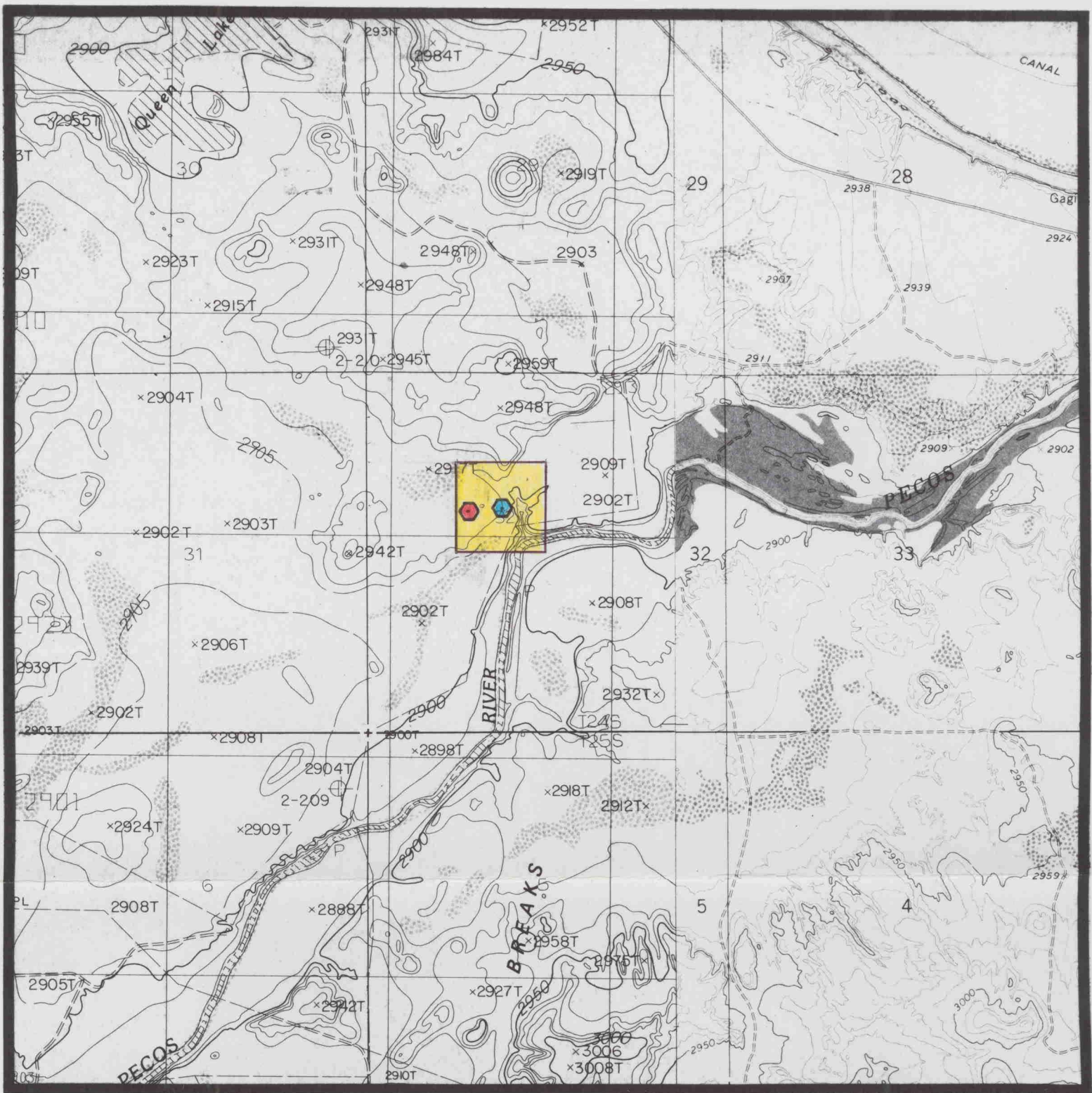
NEARBURG EXHIBIT NO. 1

CASE NO. 10469

— Spacing Unit
(40 Acres)

● Legal Well Location
(1980' FNL, 1980' FWL)

● Unorthodox Well Location
(2007' FNL, 470' FWL)



LEGEND

UNORTHODOX
LOCATION



LEGAL
LOCATION



BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

NEARBURG EXHIBIT NO. 2

CASE NO. 10469

Nearburg Producing Company
Exploration and Production
Dallas, Texas

AMETHYST PROSPECT

EDDY COUNTY, NEW MEXICO

U.S.G.S. TOPO MAP

SCALE : 1" = 2000'

GEOLOGY BY	DATE	DRAWN BY	FILE NO.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Carlsbad Resource Area Headquarters
P.O. Box 1778
Carlsbad, New Mexico 88321-1778



MAR 31 1992

APR - 8 1992

3162
NM-067

Nearburg Producing Company, Inc.
P. O. Box 823085
Dallas, TX 75382-3085

Re: Relocation of the Emerald 32 Fed. #1

Dear Sirs:

In response to your request of March 27, 1992, for a letter explaining the reasons of relocating the Emerald 32 Fed #1 well location to an unorthodox location, the following information is provided.

The original location of 1980' FNL and 1980 FWL of section 32, T. 24S., R. 29E. fell inside the Pecos River Corridor Special Management Area as described in the approved Carlsbad Resource Management Plan (RMP). As proposed, this location would be within 150 feet of large breaks to the Pecos River. To avoid the potential for contamination of the Pecos River and to minimize the impacts to the designated special management area, the location was moved to the west to the unorthodox spacing.

Should you require any more information, Please contact Barry Hunt of my staff. We are happy to be of assistance on this matter.

Sincerely,

Richard L. Manus
Area Manager

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	<u>3</u>
CASE NO.	<u>10469</u>

TRANSMITTED FROM 505 885 9264

04.28.92 08:39 P.01 *Carlsbad RA

Form 3160-3
(December 1990)SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

RECEIVED
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

A. TYPE OF WORK

DRILL ☒ CABLE
AREADEEPEN ☐

B. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

C. NAME OF OPERATOR

Nearburg Producing Company

D. ADDRESS AND TELEPHONE NO.

P. O. Box 823085, Dallas, TX 75382-3085, (214) 739-1778

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

At surface 2007' FNL and 1538' FWL of Section 32-T24S-R29E

At proposed prod. zone

1470

F-SE NW

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

7 miles SE of Malaga, NM

G. DISTANCE FROM PROPOSED*

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

218'

H. NO. OF ACRES IN LEASE

40

I. NO. OF ACRES ASSIGNED
TO THIS WELL

40

J. DISTANCE FROM PROPOSED LOCATION*

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

560'

K. PROPOSED DEPTH

6800'

L. ROTARY OR CABLE TOOL

Rotary

M. ELEVATIONS (Show whether DT, RT, GR, etc.)

2929' GR

N. APPROX. DATE WORK WILL START*

March 30, 1992

O.

PROPOSED CASING AND CEMENTING PROGRAM

Carlsbad Controlled Water Basin

SIZE OF HOLE	CASING SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	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.

APPROVAL SUBJECT TO
BUREAU REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. 4

CASE NO. 10469

4. 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 open directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED

TITLE Operations Coordinator

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

NO. 3/2/92

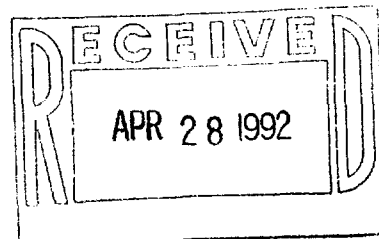
Nearburg Exploration Company

Exploration and Production
1 Petroleum Center, Bldg. 8, Suite 100
3300 North "A" Street
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

April 2, 1992

RETURN RECEIPT REQUESTED

EXXON CORPORATION
P. O. Box 1600
Midland, Texas 79702



Re: Unorthodox Location Waiver
Emerald 32 Federal #1 Well
SE/4 NW/4 Section 32,
Township-24-South, Range-29-East
Eddy County, New Mexico


Gentlemen:

Nearburg Producing Company (NPC) plans to commence, within the next 45, days the drilling of the captioned well. The well is to be drilled to the Delaware formation to approximately 6700' and located 2007' FNL & 1470' FWL of Section 32, T-24-S, R-29-E, Eddy County, New Mexico. The well is in an undesignated field. The 40 acre proration unit for the well is the SE/4 of the NW/4 of said Section 32. This is a non-standard location for which a hearing will be held April 30, 1992 before the New Mexico Oil Conservation Division seeking approval of same.

Our records indicate EXXON CORPORATION has a working interest in one or more of the offsetting tracts to our proration unit in addition to either a working interest or overriding royalty interest in the drillsite tract. Therefore, Nearburg Producing Company respectfully requests a waiver of the unorthodox location described above and asks that one (1) copy of this letter be signed by the appropriate party having authority to grant such a waiver and thereafter returned to the undersigned. The waiver shall be used in the hearing with the New Mexico Oil Conservation Division showing you have no objection.

Should you have any questions or need further information, please advise.

Very truly yours,


Joe Fitzgerald
Senior Landman

AGREED TO THIS 24th DAY OF April, 1992.
EXXON CORPORATION


BY: M. W. Andrews

its: Environmental and Regulatory Compliance Coordinator

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

NEARBURG EXHIBIT NO. 5

CASE NO. 10469

Nearburg Exploration Company

Exploration and Production

1 Petroleum Center, Bldg. 8, Suite 100

3300 North "A" Street

Midland, Texas 79705

915/686 8235

Fax 915/686-7806

April 2, 1992

RETURN RECEIPT REQUESTED

RICHARD K. BARR
500 North Loraine, Suite 1070
Midland, Texas 79701

Re: Unorthodox Location Waiver
Emerald 32 Federal #1 Well
SE/4 NW/4 Section 32,
Township-24-South, Range-29-East
Eddy County, New Mexico


Gentlemen:

Nearburg Producing Company (NPC) plans to commence, within the next 45, days the drilling of the captioned well. The well is to be drilled to the Delaware formation to approximately 6700' and located 2007' FNL & 1470' FWL of Section 32, T-24-S, R-29-E, Eddy County, New Mexico. The well is in an undesignated field. The 40 acre proration unit for the well is the SE/4 of the NW/4 of said Section 32. This is a non-standard location for which a hearing will be held April 30, 1992 before the New Mexico Oil Conservation Division seeking approval of same.

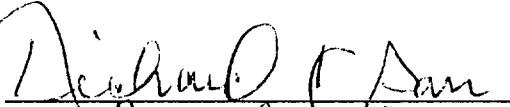
Our records indicate RICHARD K. BARR has a working interest in one or more of the offsetting tracts to our proration unit in addition to either a working interest or overriding royalty interest in the drillsite tract. Therefore, Nearburg Producing Company respectfully requests a waiver of the unorthodox location described above and asks that one (1) copy of this letter be signed by the appropriate party having authority to grant such a waiver and thereafter returned to the undersigned. The waiver shall be used in the hearing with the New Mexico Oil Conservation Division showing you have no objection.

Should you have any questions or need further information, please advise.

Very truly yours,


Joe Fitzgerald
Senior Landman

AGREED TO THIS 6th DAY OF April
RICHARD K. BARR


BY: Richard K. Barr
its: Individual

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

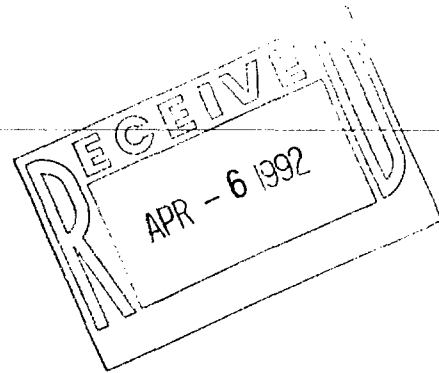
EXHIBIT NO. _____

CASE NO. 1992

Nearburg Exploration Company

Exploration and Production
1 Petroleum Center, Bldg. 8, Suite 100
3300 North "A" Street
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

April 2, 1992



RETURN RECEIPT REQUESTED

BETTIS BROTHERS, INC.
500 W. Texas, Suite 830
Midland, Texas 79701

Re: Unorthodox Location Waiver
Emerald 32 Federal #1 Well
SE/4 NW/4 Section 32,
Township-24-South, Range-29-East
Eddy County, New Mexico

Gentlemen:

Nearburg Producing Company (NPC) plans to commence, within the next 45, days the drilling of the captioned well. The well is to be drilled to the Delaware formation to approximately 6700' and located 2007' FNL & 1470' FWL of Section 32, T-24-S, R-29-E, Eddy County, New Mexico. The well is in an undesignated field. The 40 acre proration unit for the well is the SE/4 of the NW/4 of said Section 32. This is a non-standard location for which a hearing will be held April 30, 1992 before the New Mexico Oil Conservation Division seeking approval of same.

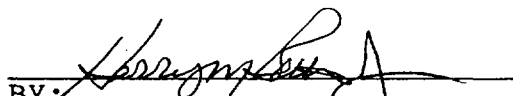
Our records indicate BETTIS BROTHERS, INC. has a working interest in one or more of the offsetting tracts to our proration unit in addition to either a working interest or overriding royalty interest in the drillsite tract. Therefore, Nearburg Producing Company respectfully requests a waiver of the unorthodox location described above and asks that one (1) copy of this letter be signed by the appropriate party having authority to grant such a waiver and thereafter returned to the undersigned. The waiver shall be used in the hearing with the New Mexico Oil Conservation Division showing you have no objection.

Should you have any questions or need further information, please advise.

Very truly yours,


Joe Fitzgerald
Senior Landman

AGREED TO THIS 3 DAY OF APRIL, 1992.
BETTIS BROTHERS, INC.

BY: 
its: President

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
_____	EXHIBIT NO. _____
CASE NO. _____	

Nearburg Exploration Company

Exploration and Production
1 Petroleum Center, Bldg. 8, Suite 100
3300 North "A" Street
Midland, Texas 79705
915/686 8235
Fax 915/686-7806

April 2, 1992

RETURN RECEIPT REQUESTED

ENRON OIL & GAS COMPANY
P. O. Box 2267
Midland, Texas 79702

Re: Unorthodox Location Waiver
Emerald 32 Federal #1 Well
SE/4 NW/4 Section 32,
Township-24-South, Range-29-East
Eddy County, New Mexico


Gentlemen:

Nearburg Producing Company (NPC) plans to commence, within the next 45, days the drilling of the captioned well. The well is to be drilled to the Delaware formation to approximately 6700' and located 2007' FNL & 1470' FWL of Section 32, T-24-S, R-29-E, Eddy County, New Mexico. The well is in an undesignated field. The 40 acre proration unit for the well is the SE/4 of the NW/4 of said Section 32. This is a non-standard location for which a hearing will be held April 30, 1992 before the New Mexico Oil Conservation Division seeking approval of same.

Our records indicate ENRON OIL & GAS COMPANY has a working interest in one or more of the offsetting tracts to our proration unit in addition to either a working interest or overriding royalty interest in the drillsite tract. Therefore, Nearburg Producing Company respectfully requests a waiver of the unorthodox location described above and asks that one (1) copy of this letter be signed by the appropriate party having authority to grant such a waiver and thereafter returned to the undersigned. The waiver shall be used in the hearing with the New Mexico Oil Conservation Division showing you have no objection.

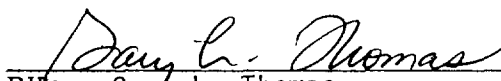
Should you have any questions or need further information, please advise.

Very truly yours,



Joe Fitzgerald
Senior Landman

AGREED TO THIS 24th DAY OF April, 1992.
ENRON OIL & GAS COMPANY


BY: Gary L. Thomas
its: Vice President & General Manager

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. _____

CASE NO. _____

Nearburg Exploration Company

Exploration and Production

1 Petroleum Center, Bldg. 8, Suite 100

3300 North "A" Street

Midland, Texas 79705

915/686-8235

Fax 915/686-7806

April 2, 1992

RETURN RECEIPT REQUESTED

UTI ENERGY CORPORATION
500 North Loraine, Suite 1070
Midland, Texas 79701

Re: Unorthodox Location Waiver
Emerald 32 Federal #1 Well
SE/4 NW/4 Section 32,
Township-24-South, Range-29-East
Eddy County, New Mexico


Gentlemen:

Nearburg Producing Company (NPC) plans to commence, within the next 45, days the drilling of the captioned well. The well is to be drilled to the Delaware formation to approximately 6700' and located 2007' FNL & 1470' FWL of Section 32, T-24-S, R-29-E, Eddy County, New Mexico. The well is in an undesignated field. The 40 acre proration unit for the well is the SE/4 of the NW/4 of said Section 32. This is a non-standard location for which a hearing will be held April 30, 1992 before the New Mexico Oil Conservation Division seeking approval of same.


Our records indicate UTI ENERGY CORPORATION has a working interest in one or more of the offsetting tracts to our proration unit in addition to either a working interest or overriding royalty interest in the drillsite tract. Therefore, Nearburg Producing Company respectfully requests a waiver of the unorthodox location described above and asks that one (1) copy of this letter be signed by the appropriate party having authority to grant such a waiver and thereafter returned to the undersigned. The waiver shall be used in the hearing with the New Mexico Oil Conservation Division showing you have no objection.

Should you have any questions or need further information, please advise.

Very truly yours,


Joe Fitzgerald
Senior Landman

AGREED TO THIS 6th DAY OF April, 1992.
UTI ENERGY CORPORATION


BY: Scott E. Wilson
its: Land Manager

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. _____

CASE NO. _____

Nearburg Exploration Company

Exploration and Production

1 Petroleum Center, Bldg. 8, Suite 100

3300 North "A" Street

Midland, Texas 79705

915/686-8235

Fax 915/686-7806

April 2, 1992

RETURN RECEIPT REQUESTED

SCOTT E. WILSON

500 North Loraine, Suite 1070

Midland, Texas 79701

Re: Unorthodox Location Waiver
Emerald 32 Federal #1 Well
SE/4 NW/4 Section 32,
Township-24-South, Range-29-East
Eddy County, New Mexico

Gentlemen:

Nearburg Producing Company (NPC) plans to commence, within the next 45, days the drilling of the captioned well. The well is to be drilled to the Delaware formation to approximately 6700' and located 2007' FNL & 1470' FWL of Section 32, T-24-S, R-29-E, Eddy County, New Mexico. The well is in an undesignated field. The 40 acre proration unit for the well is the SE/4 of the NW/4 of said Section 32. This is a non-standard location for which a hearing will be held April 30, 1992 before the New Mexico Oil Conservation Division seeking approval of same.

Our records indicate SCOTT E. WILSON has a working interest in one or more of the offsetting tracts to our proration unit in addition to either a working interest or overriding royalty interest in the drillsite tract. Therefore, Nearburg Producing Company respectfully requests a waiver of the unorthodox location described above and asks that one (1) copy of this letter be signed by the appropriate party having authority to grant such a waiver and thereafter returned to the undersigned. The waiver shall be used in the hearing with the New Mexico Oil Conservation Division showing you have no objection.

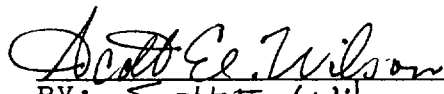
Should you have any questions or need further information, please advise.

Very truly yours,



Joe Fitzgerald
Senior Landman

AGREED TO THIS 6th DAY OF April, 1992.
SCOTT E. WILSON



BY: Scott E. Wilson
its: _____

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION

EXHIBIT NO. _____

CASE NO. _____