

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NMNM 17238
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Nearburg Producing Company			7. UNIT AGREEMENT NAME
3. ADDRESS AND TELEPHONE NO. 3300 North A Street, Building 2, Suite 120, Midland, Texas 79705 (915) 686-8235			8. FARM OR LEASE NAME, WELL NO. Viper 3 Federal #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2,200' FSL and 1,600' FEL At proposed prod. zone 1,650' FNL and 1,650' FEL			9. API WELL NO.
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 6 miles NE from Halfway			10. FIELD AND POOL, OR WILDCAT Wildcat, Morrow
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drip unit line, if any) 1,650' FNL & 1,650' FEL	16. NO. OF ACRES IN LEASE 639.87	17. NO. OF ACRES ASSIGNED TO THIS WELL 320	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 3, T20S-R33E
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 500' NE of 3,460' Dry hole	19. PROPOSED DEPTH 13,700'	20. ROTARY OR CABLE TOOLS Rotary	12. COUNTY OR PARISH Lea
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,589 GR		13. STATE New Mexico	
			22. APPROX. DATE WORK WILL START* 12/01/98

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
*				

* See Attached Sheet for Casing Program

Propose to directionally drill from 2,200' FSL & 1,600' FEL, Section 3-T20S-R33E to 1,650' FNL & 1,650' FEL, Section 3-T20S-R33E, Lea County, New Mexico 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.

IN ABOVE SPACE DESCRIBE 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 *T. J. [Signature]* TITLE Manager of Drilling and Production DATE 10/28/98

(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 under the lease. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE _____ DATE _____

***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.

