

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPL. COPIES
(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 **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.
 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 1980' FSL and 2510' FWL, Unit K
 At proposed prod. zone 1700' FNL and 2250' FWL, Unit F

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 5 miles NE of Halfway, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any) 1700'

16. NO. OF ACRES IN LEASE 640

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 9,700'

19. PROPOSED DEPTH 9,700'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3572' GR

22. APPROX. DATE WORK WILL START* 02/15/01

5. LEASE DESIGNATION AND SERIAL NO
 NM 17238

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Python 3 Federal #6

9. API WELL NO.
 30-025-35647

10. FIELD AND POOL, OR WILDCAT
 Teas; Bone Spring

11. SEC., T., R., M., OR BLK AND SURVEY OR AREA
 Section 3, T20S, R33E

12. COUNTY OR PARISH Lea

13. STATE New Mexico

POTASH
R-111-P Potash

SUBJECT TO LIKE APPROVAL BY STATE

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" J55	48#	1300'	1000 sx cmt, circ to surface
11"	8-5/8" J55	24 & 32#	3300'	1000 sx cmt, circ to surface
7-7/8"	5-1/2" N80	17#	9700'	1500 sx cmt, circ to surface

WITNESS
WITNESS

Captain Controlled Water Basin

Propose to drill well to sufficient depth to evaluate the Bone Spring 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.

Acreege dedication 40; NE of SW of Section 3.

OPER. OGRID NO. 15742
 PROPERTY NO. 25261
 POOL CODE 58960
 EFF. DATE 7-27-01
 API NO. 30-025-35647

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

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 Kim Stewart TITLE Regulatory Analyst DATE 06/13/01

(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 15/MARSTEN F. GOFF ACTING TITLE STATE DIRECTOR DATE JUL 10 2001

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

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.

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