

(July 1992)

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

Form approved.

OMB NO. 1004-0136

Expires: February 28, 1995

5. LEASE DESIGNATION AND SERIAL NO.  
**NMNM95630**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
**N/A**

7. UNIT AGREEMENT NAME  
**N/A**

8. FARM OR LEASE NAME, WELL NO.  
**24411**  
**Crow Flats 11 Fed Com #1**

9. API WELL NO.  
**30-015-30592**

10. FIELD AND POOL, OR WILDCAT  
**W. Morrow 76079**

11. SEC, T, R, M, OR BLK AND SURVEY OF AREA  
**Sec. 11-T16S-R28E**

12. COUNTY OR PARISH  
**Eddy**

13. STATE  
**NM**

1a. TYPE OF WORK

☒ DRILL☐ DEEPEN

1b. TYPE OF WELL

☐ OIL WELL☒ GAS WELL

OTHER

☒ SINGLE ZONE☐ MULTIPLE ZONE

2. NAME OF OPERATOR

**Nearburg Producing Company 15742**

3. ADDRESS OF OPERATOR

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

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

At surface

**1,980' FSL and 660' FWL**

At Proposed prod. zone

14. DISTANCE IN MILES FROM THE NEAREST TOWN OR POST OFFICE

**13 miles Northeast of Artesia, NM**

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE (Also to nearest drlg unit line, if any)

**660'**

16. NO. OF ACRES IN LEASE

**320 in unit**

17. NO OF ACRES IN LEASE ASSIGNED TO THIS WELL

**320**

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

**1,200' (Sec 10)**

19. PROPOSED DEPTH

**9,600'**

20. ROTARY OR CABLE TOOLS

**Rotary**

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

**3,584' GR**

22. APPROX. DATE WORK WILL START

**03/31/99**

## 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"	48#	350'	100 sacks
12-1/4"	8-5/8"	32#	2,000'	1,200 sacks
7-7/8"	5-1/2"	17#	0' - 5,000'	1,000 sacks
		20#	5,000' - 9,600'	

**WITNESS****CIRCULATE****Post ID-1****3-26-99****API & LOC**

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.

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

Acreage dedication is 320 acres <sup>W/2</sup> ~~3/2~~ of Section 11.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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

**Blair M. White**

TITLE

**Sr. Petro. Eng.**

DATE

**2/18/99**

(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:

**Acting****Assistant Field Office Manager,**

APPROVED BY

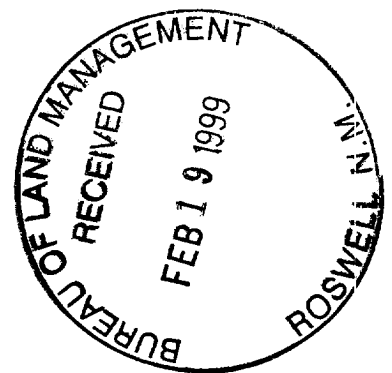
**/s/ Gary A. Stephens**

TITLE

**Lands and Minerals**

DATE

**MAR 15 1999**



DISTRICT I  
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III  
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised February 10, 1994  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name	Well Number
OGRID No.	Operator Name	Elevation
015742	CROW FLATS 11 FEDERAL COM NEARBURG PRODUCING COMPANY	Wildcat - Morrow 1 3584

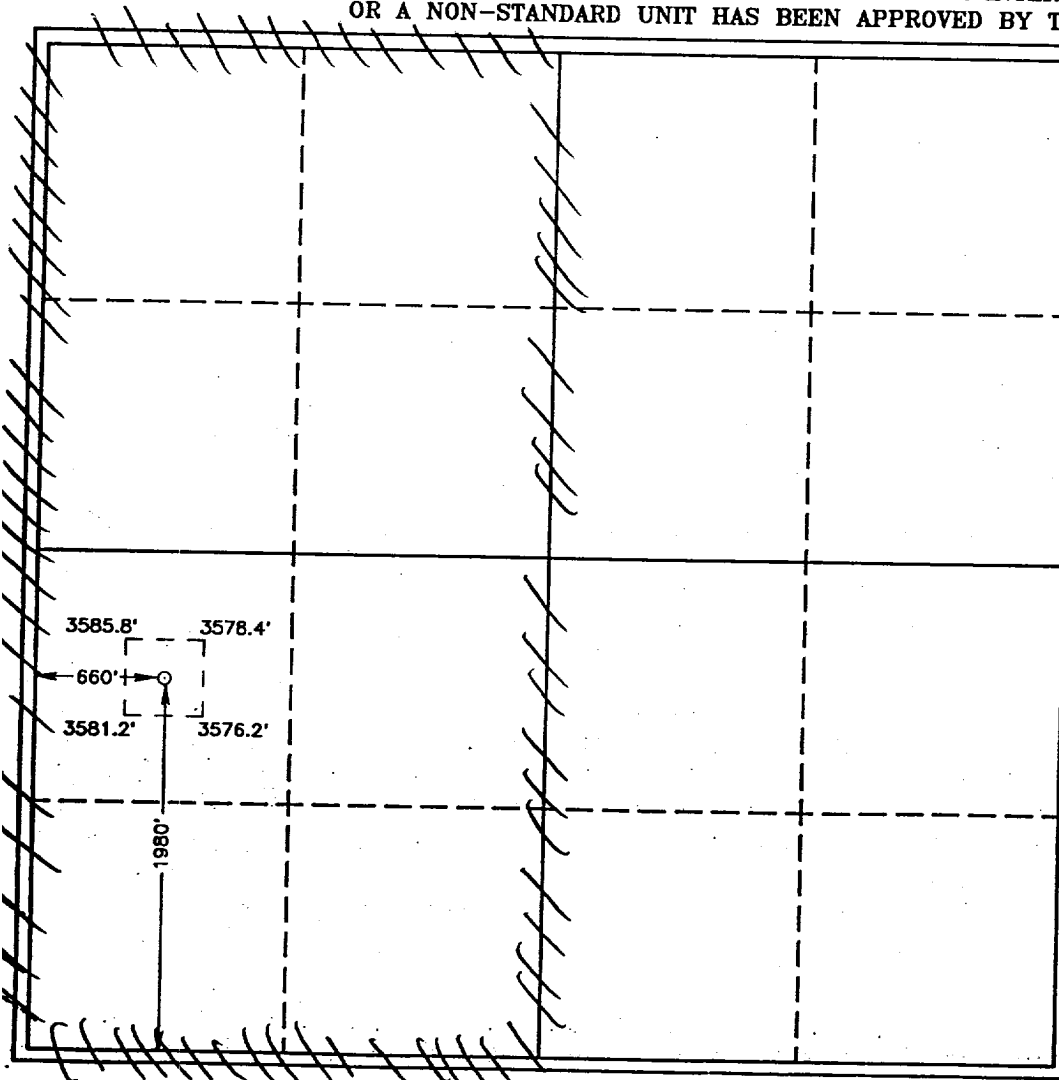
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	16 S	28 E		1980	SOUTH	660	WEST	EDDY

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.						
320	N								

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



OPERATOR CERTIFICATION

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

*Bob Shelton*  
Signature

Bob Shelton  
Printed Name

Land Manager  
Title

Date

2/12/99

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.

FEBRUARY 2, 1999

Date Surveyed

Signature of Surveyor  
Professional Surveyor

NEW MEXICO

2-05-99

P.W.O. Num. 99-12-0059

Contract No. RONALD EIDSON, 3239  
CARL EIDSON, 12841  
DONALD McDONALD, 12185

## STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Nearburg Producing Company  
3300 N "A" St., Bldg. 2, Suite 120  
Midland, TX  
79705

The undersigned accepts all applicable terms, conditions, stipulations and restrictions covering operations conducted on the leased land or portion thereof, as described below:

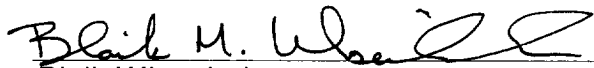
Lease No: NMNM95630

Legal Description of Land: 1,980' FSL and 660' FWL  
Section 11, T16S, R28E

Formation(s) (if applicable): Morrow

Bond Coverage: \$25,000 statewide bond of Nearburg Producing Company

BLM Bond File No: NM1307



Blaik Wisenbaker  
Senior Petroleum Engineer  
02/17/99

**SUPPLEMENTAL DRILLING DATA**  
**NEARBURG PRODUCING COMPANY**  
**CROW FLATS 11 FEDERAL COM #1**

**1. SURFACE FORMATION:**

Alluvium

**2. ESTIMATED TOPS OF GEOLOGIC MARKERS: (Get from Geo. dept.)**

Yates	370'	Wolfcamp	6,770'
Queen	1,130'	Strawn	8,580'
San Andres	1,870'	Morrow	9,160'
Glorieta	3,300'	Miss Barnett Sh	9,490'
Tubb	4,580'	TD	9,600'
Abo	5,340'		

**3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:**

Morrow Gas

**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 - 350'	48#	J-55	ST&C
8-5/8"	0 - 2,000'	32 23#	J-55	ST&C & BT&C
5-1/2"	0' - 5,000'	17#	N-80	LT&C
5-1/2"	5,000' - 9,600'	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 350'. 13-3/8" casing will be cemented with 400 sacks or volume to cement to surface.

12-1/4" hole will be drilled to 2,000' and 8-5/8" casing will be cemented with 1,200 sacks or volume necessary to bring cement back to surface.

7-7/8" hole will be drilled and 5-1/2" production casing will be cemented with approximately 1,000 sacks of Class "H" 50/50 POZ.

**5. PRESSURE CONTROL EQUIPMENT:**

The BOP stack will consist of a 3,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

**6. CIRCULATING MEDIUM:**

Surface to 9,600':

Spud and drill to 350' with fresh water mud for surface string. The intermediate section will be drilled with 10 ppg brine to 2,000'. intermediate casing will be run at this depth. The production section from 2,000' to 9,600' with 9.2 to 9.6 ppg cut 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:**

None anticipated.

**10. ANTICIPATED STARTING DATE:**

It is planned that operations will commence on March 30, 1999, with drilling and completion operations lasting about 30 days.

**SURFACE USE AND OPERATIONS PLAN FOR  
DRILLING, COMPLETION, AND PRODUCING**

**NEARBURG PRODUCING COMPANY  
CROW FLATS 11 FEDERAL COM #1  
1,980' FSL AND 660' FWL  
SEC. 11 - T16S - R28E  
EDDY COUNTY, NEW MEXICO**

**LOCATED:**

13 miles Northeast of Artesia, New Mexico

**OIL & GAS LEASE:**

NMNM 95630

**RECORD LESSEE:**

Nearburg Exploration Company, L.L.C.

**BOND COVERAGE:**

\$25,000 statewide bond of Nearburg Producing Company.

**ACRES IN LEASE:**

Lease acres in this unit are 120, BLM Leases 95630, 97128 and State Lease V-4932 will be communitized if the well is productive to form a 320 acre unit.

**GRAZING LEASE:**

Bogle Limited Company  
PO Box 460  
Dexter, New Mexico 88230

**POOL:**

Wildcat - Morrow

**EXHIBITS:**

- A. Area Road Map
- B. Drilling Rig Layout
- C. Vicinity Oil & Gas Map
- D. Topographic & Location Verification Map
- E. Well Location & Acreage Dedication Plat

This well will be drilled to a depth of approximately 9,600'.

**1. EXISTING ROADS:**

- A. Exhibit "A" is a portion of a section map showing the location of the proposed well as staked.
- B. Exhibit "C" is a plat showing existing roads in the vicinity of the proposed well site.

**2. ACCESS ROADS:**

**A. Length and Width:**

Access road is 12' wide and approximately 800' long Northwest off of Dog Canyon Road.

**B. Surface Material:**

Existing.

**C. Maximum Grade:**

Less than two percent.

**D. Turnouts:**

None necessary.

**E. Drainage Design:**

Existing.

**F. Culverts:**

None necessary.

**G. Gates and Cattle Guards:**

None necessary.

**3. LOCATION OF EXISTING WELLS:**

Existing wells in the immediate area are shown on Exhibit "C".

**4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

Necessary production facilities for this well will be located on the well pad.

**5. LOCATION AND TYPE OF WATER SUPPLY:**

It is not contemplated that a water well will be drilled. Water necessary for drilling will be purchased and hauled to the site over existing roads shown on Exhibit "D".



10. OTHER INFORMATION: (CONTINUED)

D. Ponds and Streams:

There are no rivers, lakes, ponds, or streams in the area.

E. Residences and Other Structures:

There are no residence within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites:

None observed in this area.

G. Land Use:

Grazing.

H. Surface Ownership:

Bogle Limited Company  
PO Box 460  
Dexter, New Mexico 88230

11. OPERATOR'S REPRESENTATIVE:

H. R. Willis  
3300 N A St., Bldg 2, Suite 120  
Midland, TX 79705  
Office: (915) 686-8235  
Home: (915) 697-2484

12. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Nearburg Producing Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approve.

2/18/99  
Date

Blaik M. Wisenbaker  
Blaik Wisenbaker  
Senior Petroleum Engineer

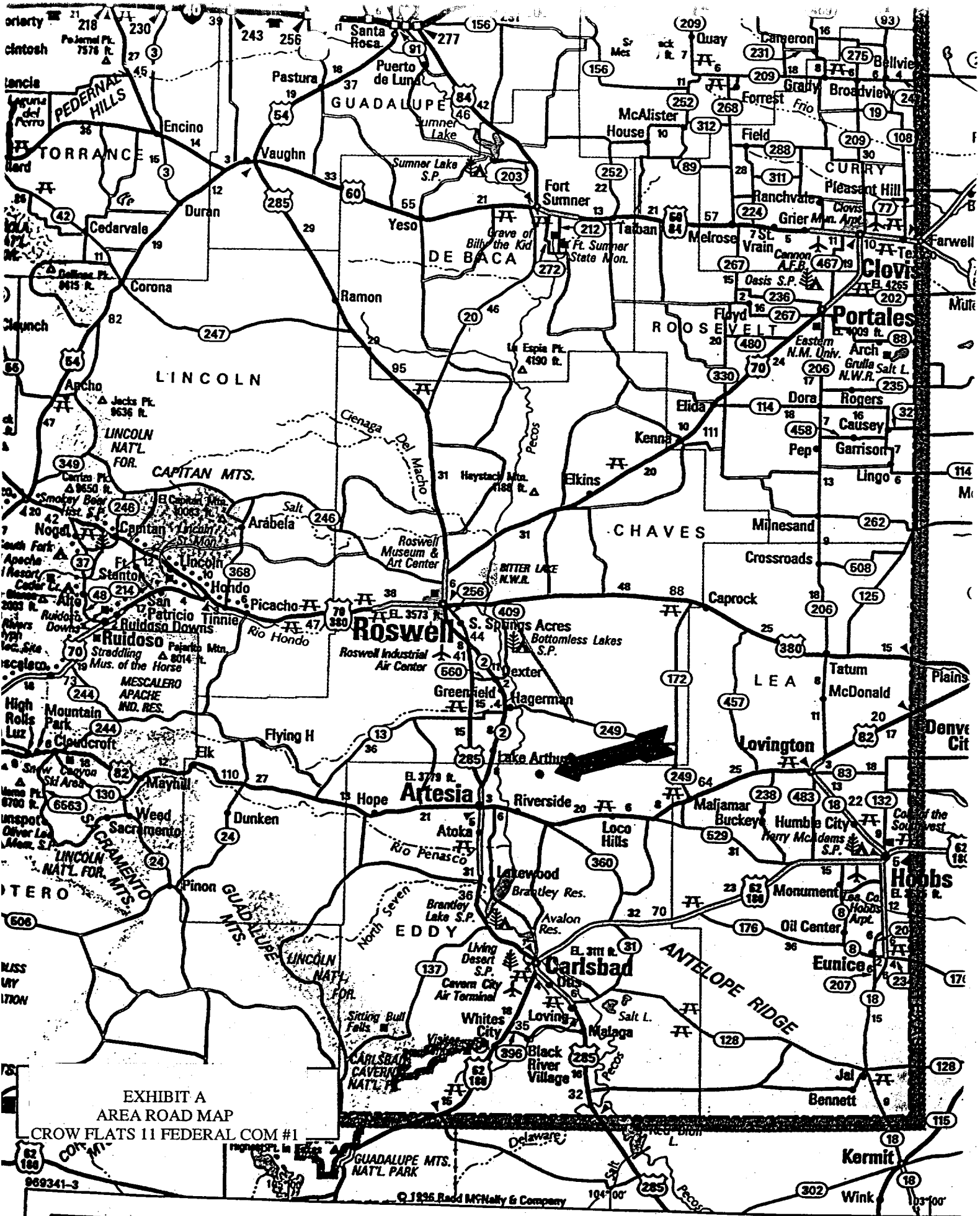
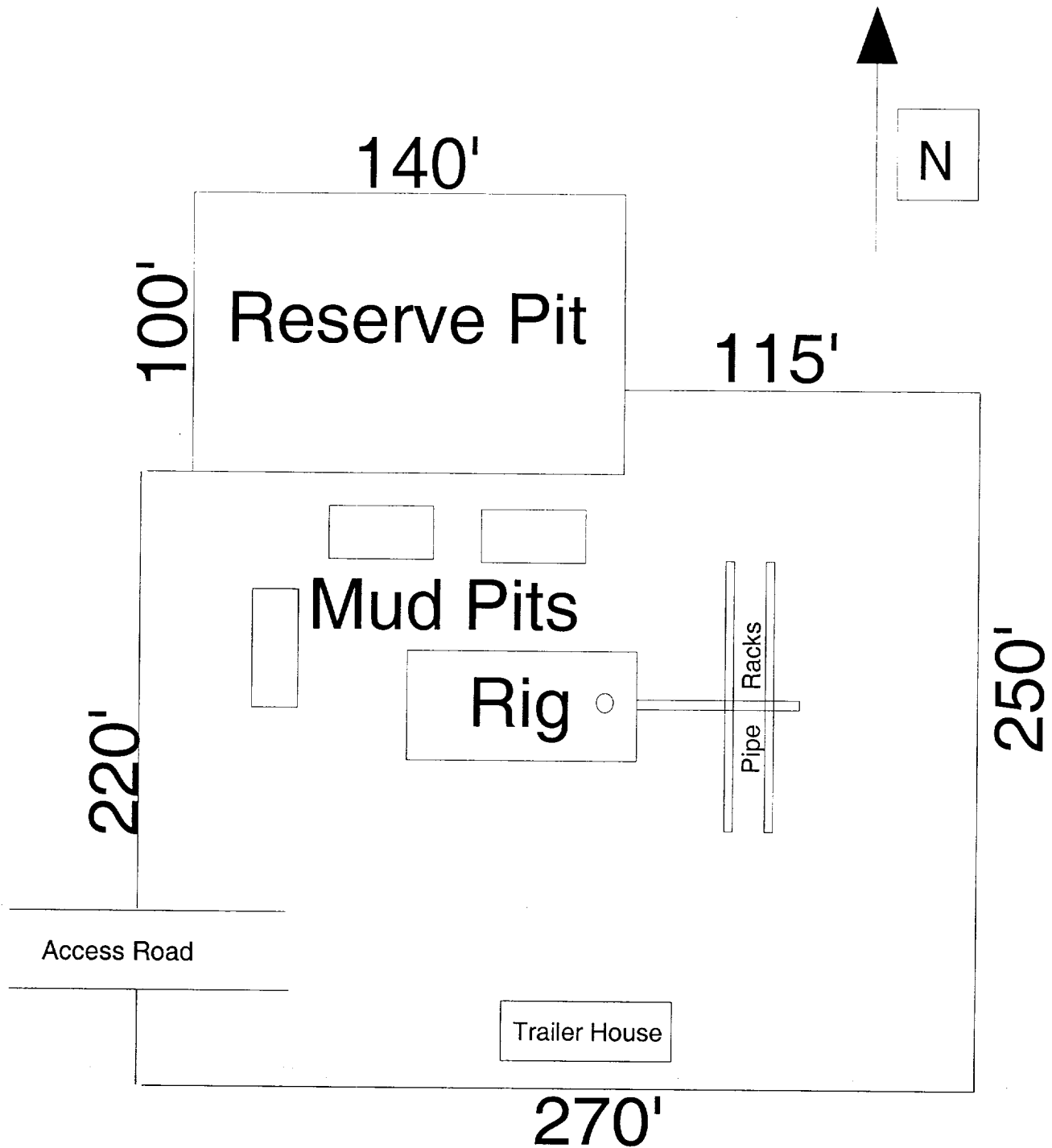


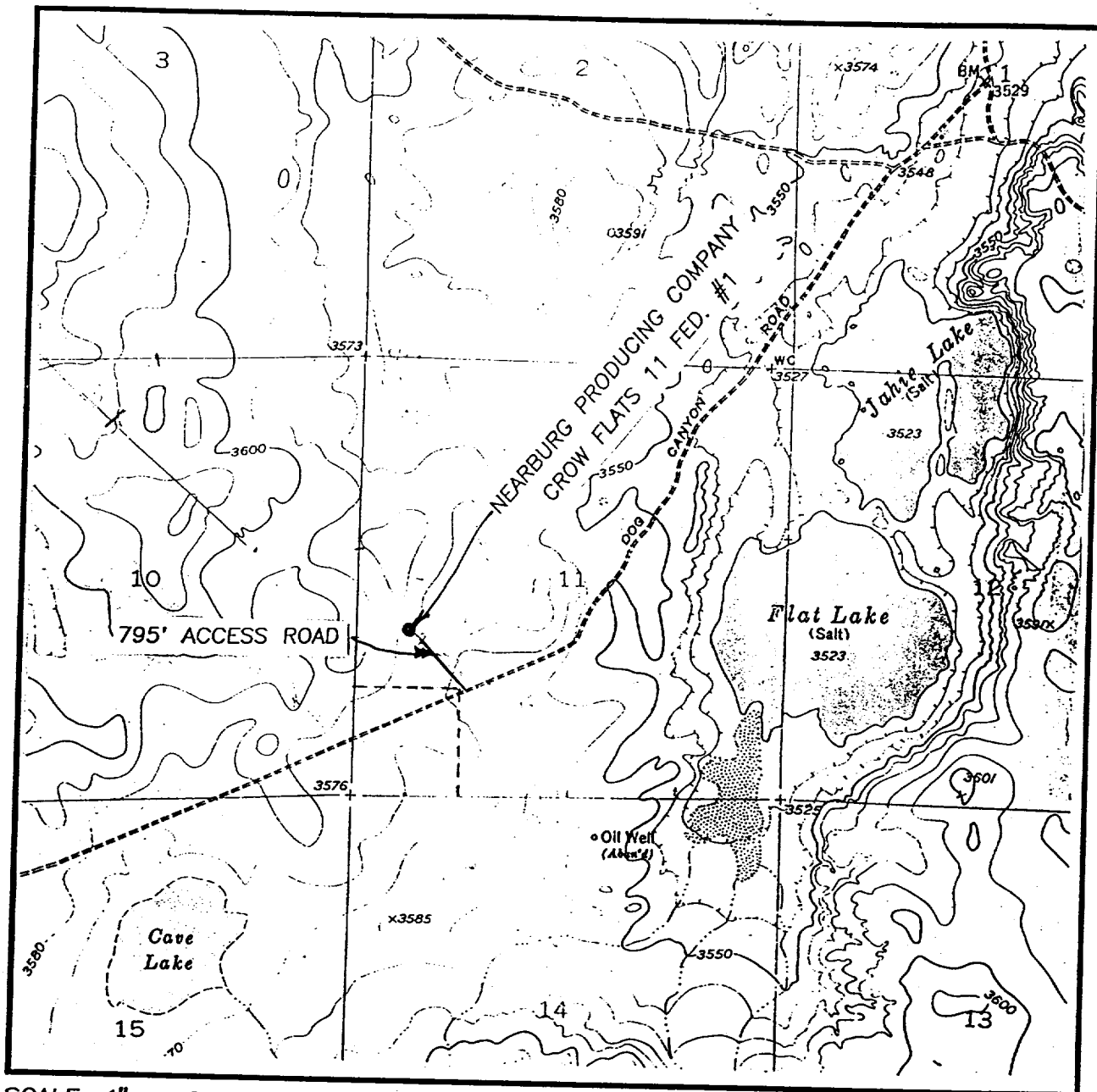
EXHIBIT A  
AREA ROAD MAP

CROW FLATS 11 FEDERAL COM #1



**DRILLING RIG LAYOUT  
NEARBURG PRODUCING COMPANY  
Crow Flats 11 Federal Com #1  
SCALE 1" = 50'**

# LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 10'

SEC. 11 TWP. 16-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FSL & 660' FWL

ELEVATION 3584'

OPERATOR NEARBURG PRODUCING COMPANY

LEASE CROW FLATS 11 FED. COM

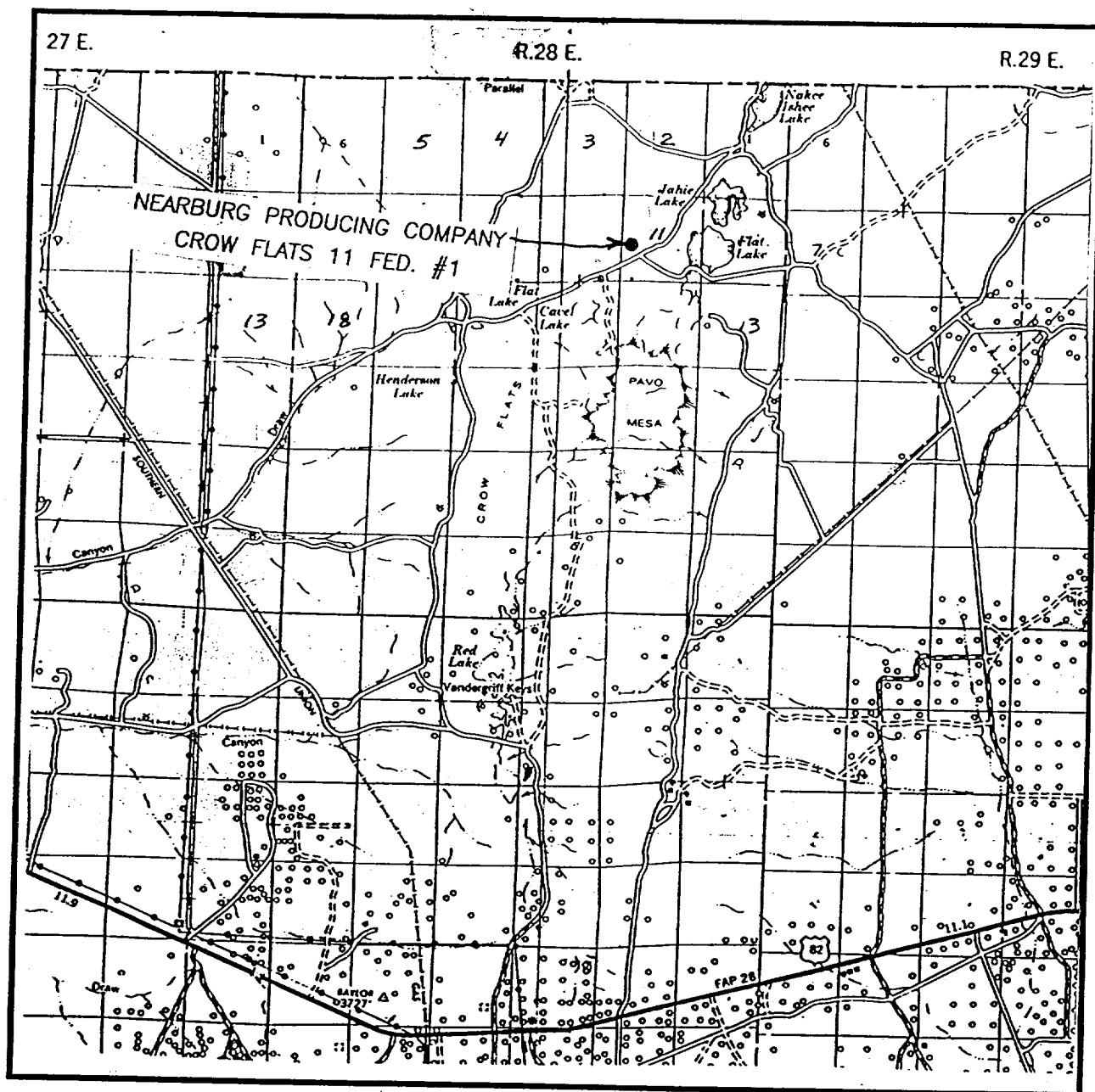
U.S.G.S. TOPOGRAPHIC MAP

DIAMOND MOUND, N.M.

**JOHN WEST ENGINEERING  
HOBBS, NEW MEXICO**

**(505) 393-3117**

# VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 11 TWP. 16-S RGE. 28-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1980' FSL & 660' FWL

ELEVATION 3584'

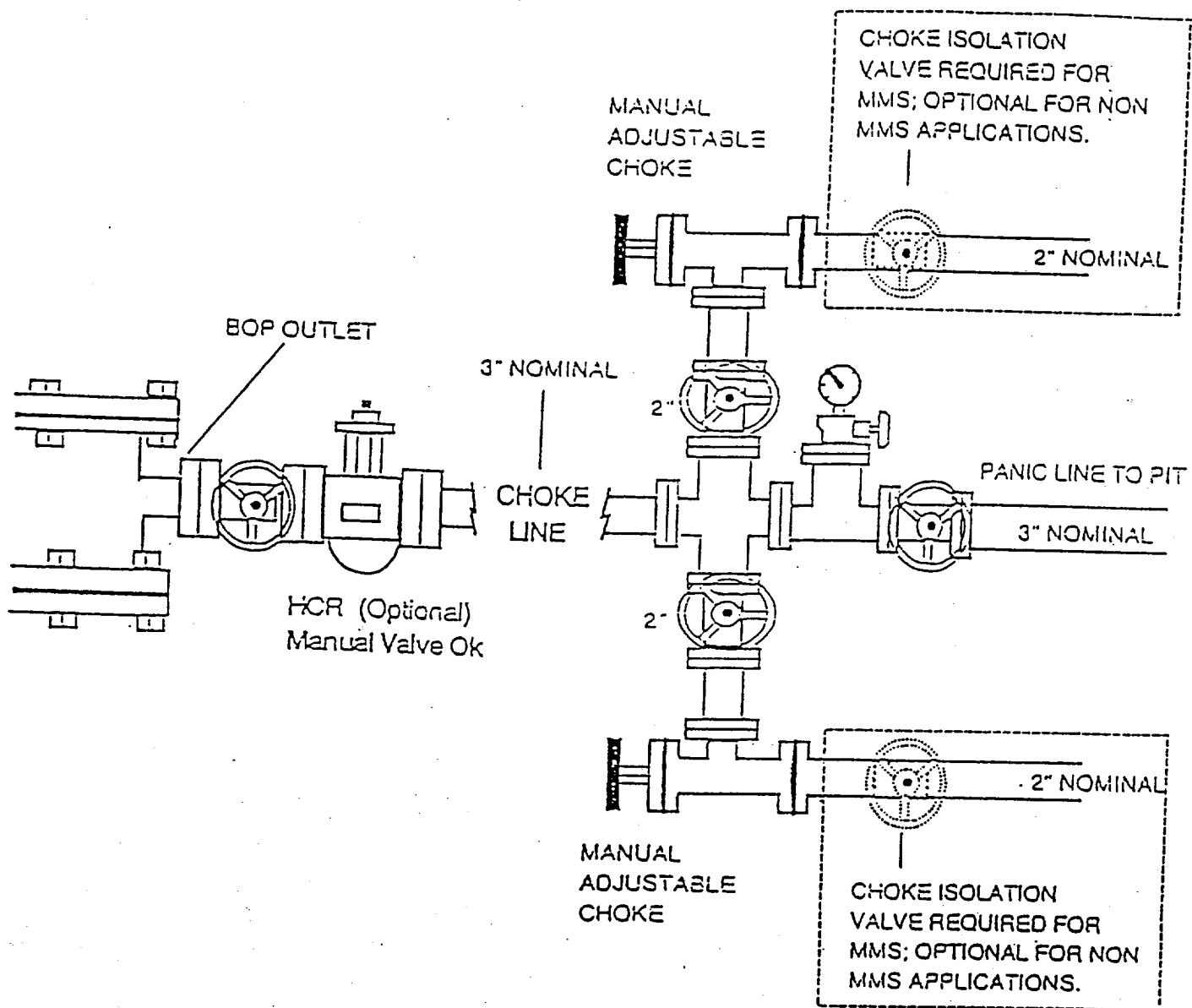
OPERATOR NEARBURG PRODUCING COMPANY

LEASE CROW FLATS 11 FED. COM

**JOHN WEST ENGINEERING**  
**HOBBS, NEW MEXICO**

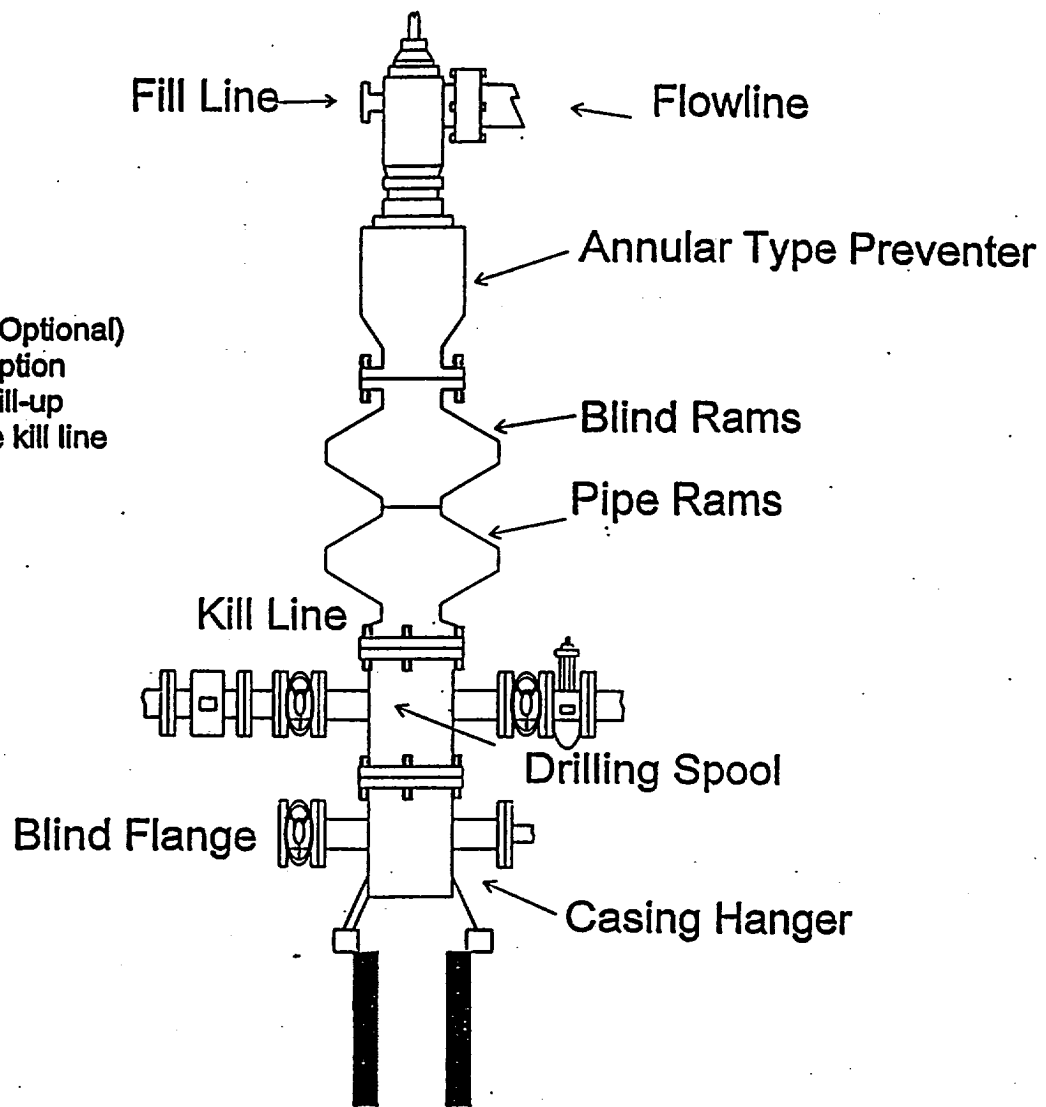
**(505) 393-3117**

NEARBURG PRODUCING COMPANY  
CHOKE MANIFOLD  
2M AND 3M SERVICE



HEARBURG PRODUCING COMPANY  
BOPE SCHEMATIC

Rotating Head (Optional)  
Drilling Nipple option  
must include a fill-up  
line. Do not use kill line  
for fill up.



1500 Series

**HYDROGEN SULFIDE DRILLING OPERATIONS PLAN**  
**NEARBURG PRODUCING COMPANY**  
**CROW FLATS 11 FEDERAL COM #1**

**I. HYDROGEN SULFIDE TRAINING**

- A. All regularly assigned personnel, contracted or employed by Nearburg Producing Company, will receive training from a qualified instructor in the following areas prior to commencing drilling potential hydrogen sulfide bearing formations in this well:
1. The hazards and characteristics of hydrogen sulfide (H<sub>2</sub>S).
  2. The proper use and maintenance of personal protective equipment and life support systems.
  3. The proper use of H<sub>2</sub>S detectors, alarms, warning systems, briefing areas, evacuation procedures and prevailing winds.
  4. The proper techniques for first aid and rescue procedures.
- B. In addition, supervisory personnel will be trained in the following areas:
1. The effects of H<sub>2</sub>S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
  2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
  3. The contents and requirements of the H<sub>2</sub>S Drilling Operations Plan.
- C. There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S Drilling Operations Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.



## II. H2S SAFETY EQUIPMENT AND SYSTEMS

Note: All H2S safety equipment and systems will be installed, tested and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S.

### A. Well Control Equipment:

1. Flare line with continuous pilot.
2. Choke manifold with a minimum of one remote choke.
3. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
4. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head and flare gun with flares as needed.

### B. Protective Equipment for Essential Personnel:

Mark II Surviveair 30-minute units located in the dog house and at briefing areas, as indicated on well site diagram.

### C. H2S Detection and Monitoring Equipment:

1. Two portable H2S monitors positioned and location for best coverage and response. These units have warning lights and audible sirens when H2S levels of 20 ppm are reached.
2. One portable SO2 monitor positioned near flare line.

### D. Visual Warning Systems:

1. Wind direction indicators as shown on well site diagram.
2. Caution/ Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used when appropriate. See example attached.

### E. Mud Program:

1. The Mud Program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weights, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.
2. A mud-gas separator will be utilized as needed.

### F. Metallurgy:

All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and line and valves shall be suitable for H2S service.

**G. Communication:**

1. Cellular telephone communications in company vehicles and mud logging trailer.
2. Land line (telephone) communications at area office.

**H. Well Testing:**

Drill stem testing will be performed with a minimum number of personnel in the immediate vicinity which are necessary to safely and adequately conduct the test. The drill stem testing is an H2S environment will be conducted during the daylight hours.

## **WARNING**

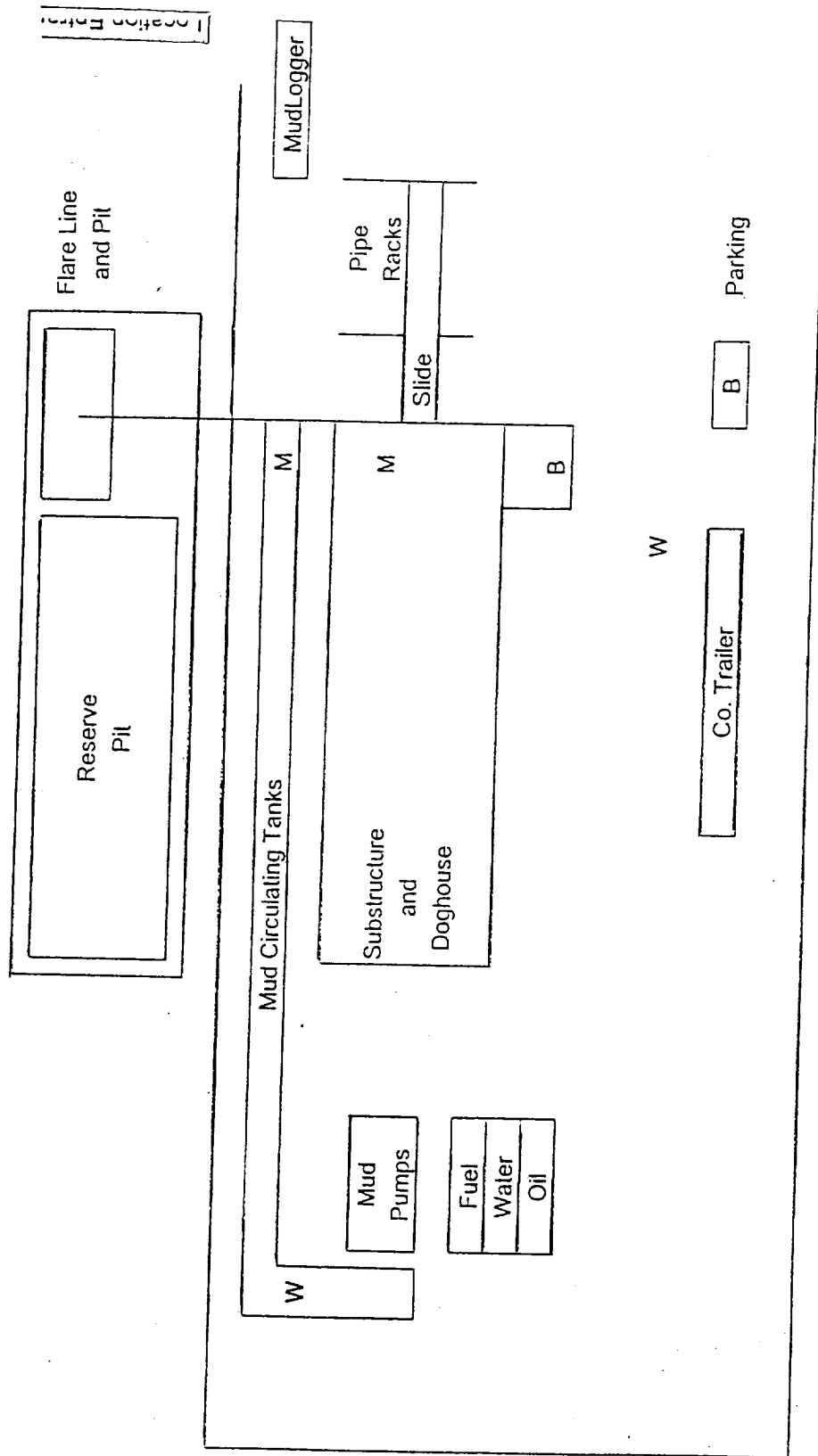
**YOU ARE ENTERING A H2S AREA  
AUTHORIZED PERSONNEL ONLY**

1. BEARDS OR CONTACT LENSES NOT ALLOWED
2. HARD HATS REQUIRED
3. SMOKING IN DESIGNATED AREAS ONLY
4. BE WIND CONSCIOUS AT ALL TIMES
5. CHECK WITH NEARBURG SUPERINTENDENT AT MAIN OFFICE

**NEARBURG PRODUCING COMPANY**

**(915) 686-8235**

# NEARBURG PRODUCING COMPANY HYDROGEN SULFIDE DRILLING OPERATIONS LOCATION PLAN



M - H2S Monitors with alarms at bell nipple and shale shaker

W - Wind Direction Indicators

B - Safe Briefing areas with caution signs and protective breathing equipment.  
Minimum 150' from wellhead.

Prevailing Wind Directions: Summer - South/Southwest  
Winter - North/Northwest