Form 3160-3 (July 1992) UNITED DEPARTMENT OF	ATES A	1. OR COLL. PH 811 S. 1ST ST RTESIA, NM 2021 PH reverse C	RIPI E*	FORM APP OMB NO. 10 Expires: Februa	04-0136 V ry 28, 1995
BUREAU OF LAND	5. LEASE DESIGNATION AND SERIAL NO. NM - 56426				
APPLICATION FOR PERM	AIT TO DRILL (OR DEEPEN		6. IF INDIAN, ALLOTTEE OF	R TRIBE NAME
1a. TYPE OF WORK DRILL D. TYPE OF WELL OIL OIL WELL GAS WELL OTHER	DEEPEN			7. UNIT AGREEMENT NAM 2. 8. FARM OR LEASE NAME,	3535
2. NAME OF OPERATOR				Neptune 31 Federal #1	
Nearburg Producing Company 15742				9. API WELL NO. 30-015-30340 10. FIELD AND POOL, OR WILDCAT	
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.*)				Turkey Track; Morrow, North (Gas) 86500	
At surface 1,650' FSL and 660' FWL At proposed prod. zone 767' Unit L				11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 31, T18S, R29E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN	N OR POST OFFICE*		THE ST	12. COUNTY OR PARISH	13. STATE
8 miles Southwest of Loco Hills, New Mexico				Eddy	New Mexico
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig. unit line, if any) 66	16. NO. OF ACRES IN LEASE 60' 275.94 1046		17. NO. OF ACRES ASSIGNED TO THIS WELL 288.56		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'		OPOSED DEPTH 11,900'			
21. ELEVATIONS (Show whether DF, RT, GR, etc.)		· · · · · · · · · · · · · · · · · · ·		22. APPROX. DATE WORK	WILL START
3,495' GR				03/01/98	
23.	PROPOSED CASING AN	D CEMENTCAPTTAN	CONTR	OLLED WATER	BASIN
SIZE OF HOLE GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT		
17-1/2 13-3/8 J-55	48# 325' 350'		500 sacks ARCHLATE		
12-1/4" 8-5/8 J-55	32#	3000' 1500 sacks Checkling			
7-7/8 5-1/2 N-80	17# & 20#	11,900'	1000 sacks		

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.

Post ID-1 7-17-98 API & Loc

Acreage dedication is 276-94 acres; W/2 of Section 30-

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.

SIGNED - Or Det Vembay	TITLE Manager of Drilling and Production DATE 5/28/93
(This space for Federal or State office use)	
PERMIT NO	APPROVAL DATE
Application approval does not warrant or certify that the applicant holds I CONDITIONS OF APPROVAL, IF ANY:	legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. Acting
APPROVED BY	Assistant Field Office Manager, Lands and Minerals DATE JUL 1 4 1998
*See	e 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.