30-015-26740

Form 3160-3
(November 1983)
(formerly 9-331C)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NMNM 84701

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER SINGLE ZONE [ ] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME: Dagger Draw 31 Federal

2. NAME OF OPERATOR: Nearburg Producing Company

9. WELL NO.: 4

3. ADDRESS OF OPERATOR: P.O. Box 823085, Dallas, Texas 75382-3085

10. FIELD AND POOL, OR WILDCAT: Dagger Draw North-Upper Pennsylvan

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2,086' FNL & 766' FWL
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 31-T19S-R25E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 22 miles northwest of Carlsbad, NM

12. COUNTY OR PARISH | 13. STATE

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
554'	242.6	160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
1,426'	8,500'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3,563.4' GR

22. APPROX. DATE WORK WILL START*: 4-9-91

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8	48#	450	475 sx Circulate
12-1/4	9-5/8	36#	1300	775 sx Circulate
8-3/4	7	23# & 26#	8500	950 sx (tie back 600' above Wolfcamp)

Propose to drill the well to sufficient depth to evaluate the Cisco/Canyon 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.

Surface Use Plan and Supplemental Drilling Data attached.

Post ID-1
5-10-91
New Loc & API

RECEIVED
MAY - 7 1991
O. C. D.
ARTESIA, OFFICE

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 _____ TITLE Drilling Manager DATE 4-5-91

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 5-6-91

CONDITIONS OF APPROVAL, IF ANY:
APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

*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.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
Nearburg Producing Company	Dagger Draw 31 Federal	4

Unit Letter	Section	Township	Range	County
E	31	19 South	25 East NMPM	Eddy

Actual Footage Location of Well:
2086 feet from the North line and 766 feet from the West line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
3563.4'	Cisco Canyon	Dagger Draw Upper Penn, North	160.00 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

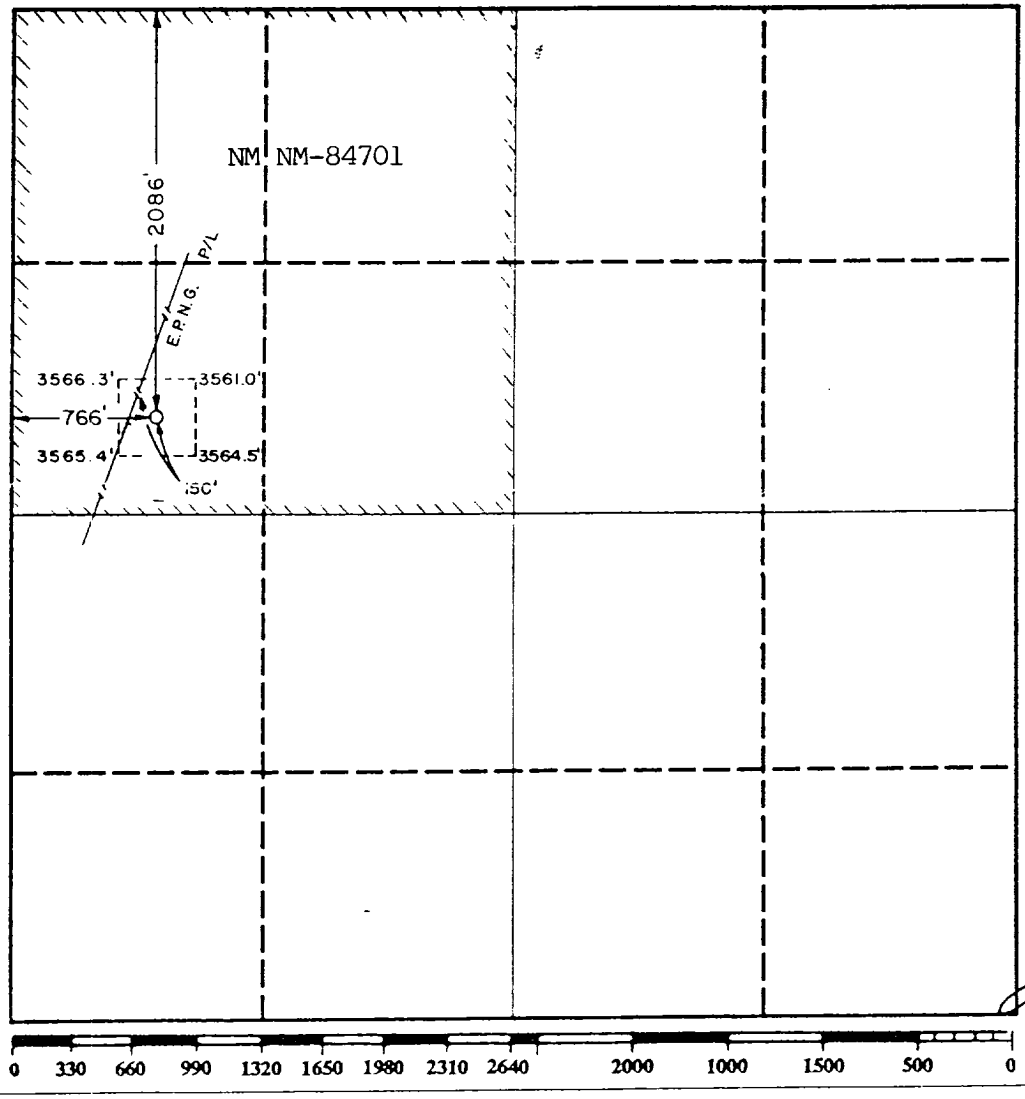
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

☐ Yes ☐ No If answer is "yes" type of consolidation N/A

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if neccessary. _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature: Kathie Craft

Printed Name: Kathie Craft

Position: Land Administrator

Company: Nearburg Producing Co.

Date: April 5, 1991

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: September 6, 1990

Signature & Seal of Professional Surveyor

REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR NO. 676 NEW MEXICO JOHN W. WEST

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

SURFACE USE AND OPERATIONS PLAN FOR

DRILLING, COMPLETING, AND PRODUCING

NEARBURG PRODUCING COMPANY
DAGGER DRAW 31 FEDERAL WELL NO. 4
2086' FNL & 766' FWL SECTION 31-T19S-R25E
EDDY COUNTY, NEW MEXICO

LOCATED:

15 air miles southwest of Artesia, New Mexico.

OIL & GAS LEASE:

NMNM-84701 was issued for a primary term of 5 years.

RECORD LESSEE:

Nearburg Exploration Company

BOND COVERAGE:

$25,000 statewide bond of Nearburg Producing Company.

ACRES IN LEASE:

242.60

GRAZING LEASE:

Carl Foster
P. O. Box 193
Artesia, New Mexico 88210
(505)746-2371

POOL:

Dagger Draw, North-Upper Pennsylvanian

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 8,100'.

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 ROAD:

A. Length and Width:

The access road will be approximately 12' wide and about 1100' long, and is shown on Exhibit "D".

B. Surfacing 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:

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

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

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

5. LOCATION AND TYPE OF WATER SUPPLY:

A. 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".

6. METHODS OF HANDLING WASTE DISPOSAL:

A. Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry.

B. Water produced during tests will be disposed of in the drilling pits.

C. Oil produced during tests will be stored in test tanks.

D. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind. Location of the trash pit is shown on Exhibit "B".

E. All trash and debris will be buried or removed from the well site within 30 days after finishing drilling and/or completion operations.

7. ANCILLARY FACILITIES:

A. None required.

8. WELL SITE LAYOUT:

A. Exhibit "B" shows the relative location and dimensions of the well pad, mud pits, reserve pit, and trash pit, and the location of major rig components.

9. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. The well site will be cleaned of all trash and junk to leave the site in an as aesthetically pleasing condition as possible.

B. After abandonment, all equipment, trash, and junk will be removed and the well site will be cleaned.

10. OTHER INFORMATION:

A. Topography:

The land surface at the well site is rolling native grass with a regional slope being to the east.

B. Soil:

Top soil at the well site is sandy soil.

C. Flora and Fauna:

The location is in an area sparcely covered with mesquite and range grasses.

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 occupied dwellings or other structures within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites:

None observed in the area.

G. Land Use:

Grazing.

H. Surface Ownership: - BLM

(Grazing Lease)
Carl Foster
P. O. Box 193
Artesia, New Mexico 88210
Phone: (505) 746-2371

11. OPERATOR'S REPRESENTATIVE:

Donny Davis
401 East Illinois, Suite 300
Midland, Texas 79701
Office: (915) 686-7806
Home: (915) 683-9777

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 approved.

4-5-91
Date

Eddie J. Gelwick
Operations Coordinator

SUPPLEMENTAL DRILLING DATA

NEARBURG PRODUCING COMPANY

DAGGER DRAW 31 FEDERAL WELL NO. 4

1. SURFACE FORMATION:

Dockum Group of Triassic Age.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

San Andres	600'	Bottom Dolomite	7,920'
Glorieta	2,175'	TD	8,100'
Bone Springs	3,165'		
Wolfcamp Limestone	5,270'		
Canyon Limestone	7,570'		
Top Dolomite	7,650'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Wolfcamp Carbonate	5,950'
Canyon Dolomite	7,650'

4. CASING AND CEMENTING PROGRAM:

Casing Size	Setting Depth From	To	Weight	Grade	Joint
13-3/8"	0'	450'	48#	J-55	ST&C
9-5/8"	0'	1,300'	36#	J-55	ST&C
7"	0'	8,100'	23# & 26	J-55 & N-80	ST&C & LT&C

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

13-3/8" casing will be cemented with 475 sx or volume necessary to circulate.

✱ NOTE: We plan to drill a 12-1/4" hole to equal 450'. If hole conditions permit we will then continue drilling a 12-1/4" hole from 450' - 1350' and run 9-5/8" casing and circulate cement. If hole conditions do not allow us to drill on from 450', we will open the surface hole to 17-1/2", run 13-3/8" to 450' and cement to surface, and drill a 12-1/4" hole to 1300' and run and cement 9-5/8" casing.

9-5/8" casing will be cemented with 775 sx or volume necessary to tie back into 13-3/8".

7" production casing will be cemented with approximately 950 sx 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.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 8,100':

Spud and drill to 4,500' with fresh water mud, weight 8.9 to 9.1 ppg, viscosity 32 to 38. Below 4,500', add brine to bring chlorides up to at least 60,000 ppm. Use starch for water loss of 8-10 cc, viscosity 35-38, mud weight 9.2 to 9.7 ppg.

7. AUXILLARY EQUIPMENT:

None required.

8. TESTING, LOGGING, AND CORING PROGRAM:

Electric logging is planned, drill stem tests possible.

9. ABNORMAL PRESSURES, TEMPERATURES, OR HYDROGEN SULFIDE GAS:

None anticipated.

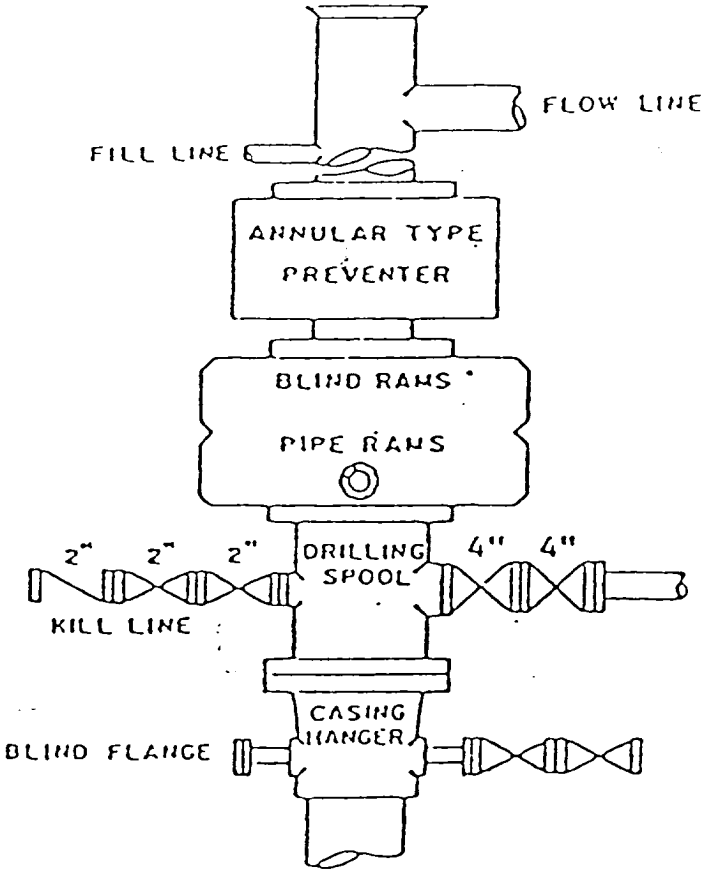
10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on April 18, 1990, with drilling and completion operations lasting about 45 days.

BLOWOUT PREVENTER SKETCH

Nearburg Producing Company

Dagger Draw Federal Well No. 4



900 SERIES

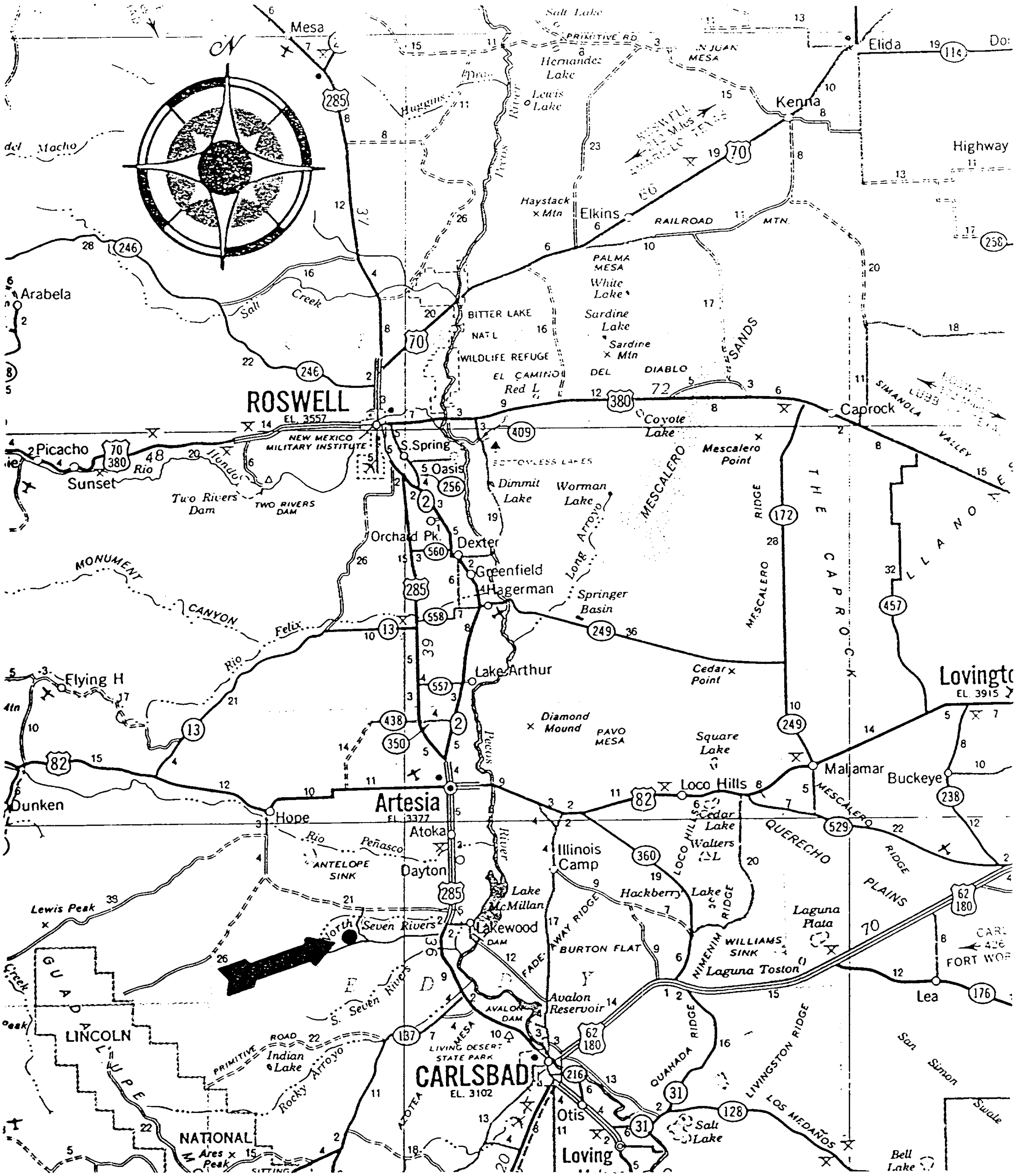


EXHIBIT A

AREA ROAD MAP

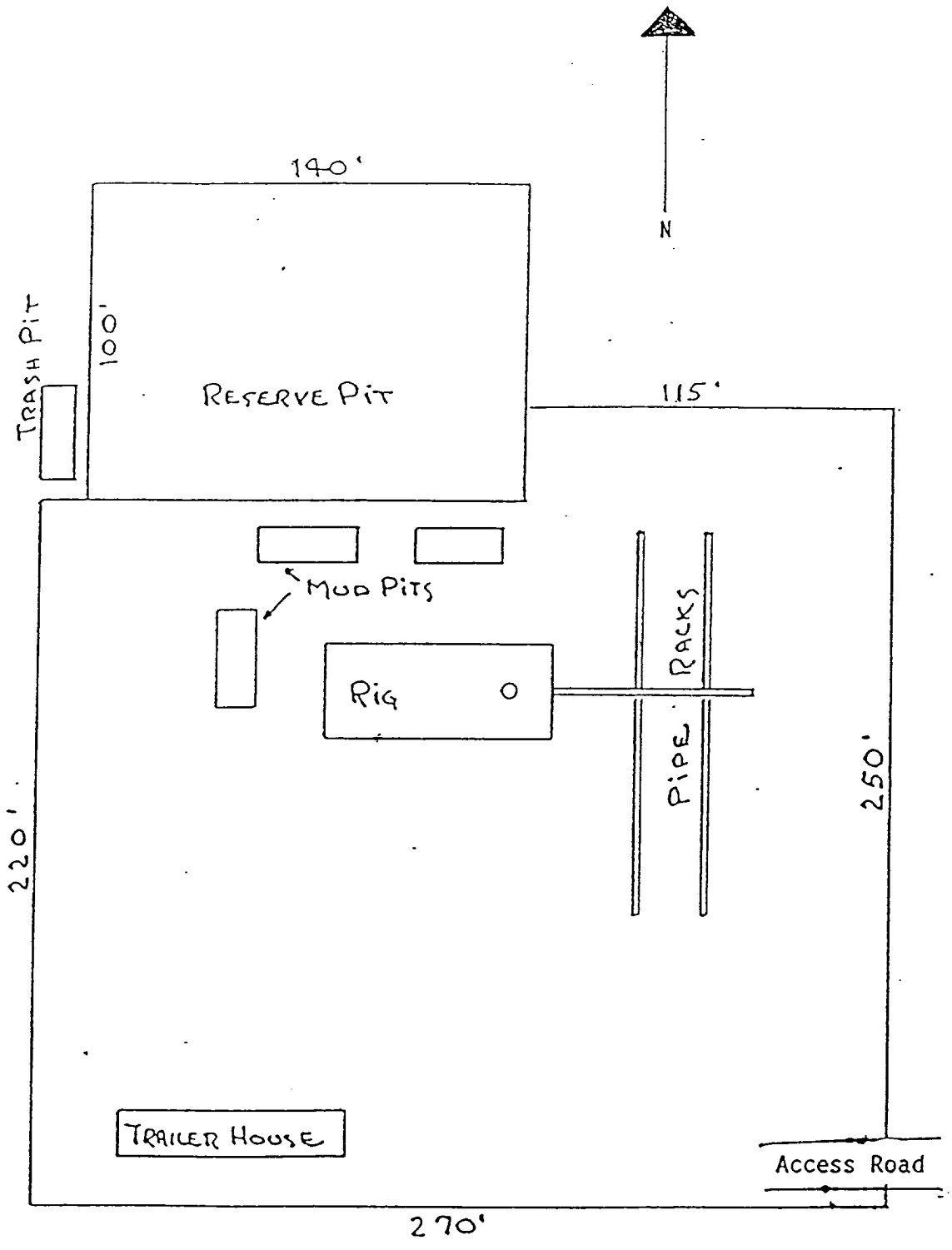
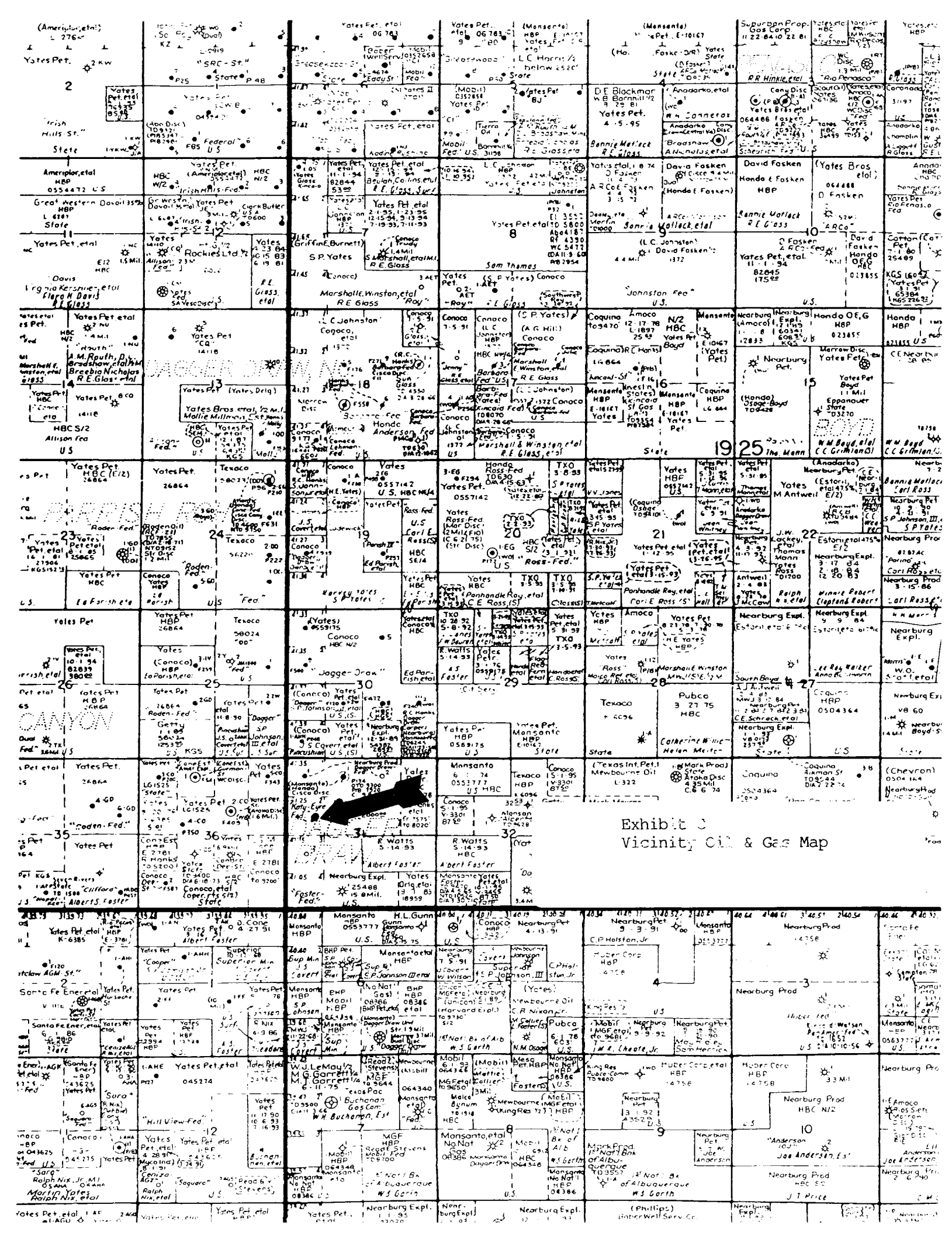


EXHIBIT B
NEARBURG PRODUCING COMPANY
DAGGER DRAW 31 FEDERAL WELL NO. 4

SCALE 1" = 50'


DAGGER DRAW
CANYON
Yates Pet.
Texaco
Conoco
Marshall, Winston, etal
R E Glass
Nearburg Expl.
Nearburg Prod
Monsanto
Mobil
Pubco
Exhibit C
Vicinity Oil & Gas Map

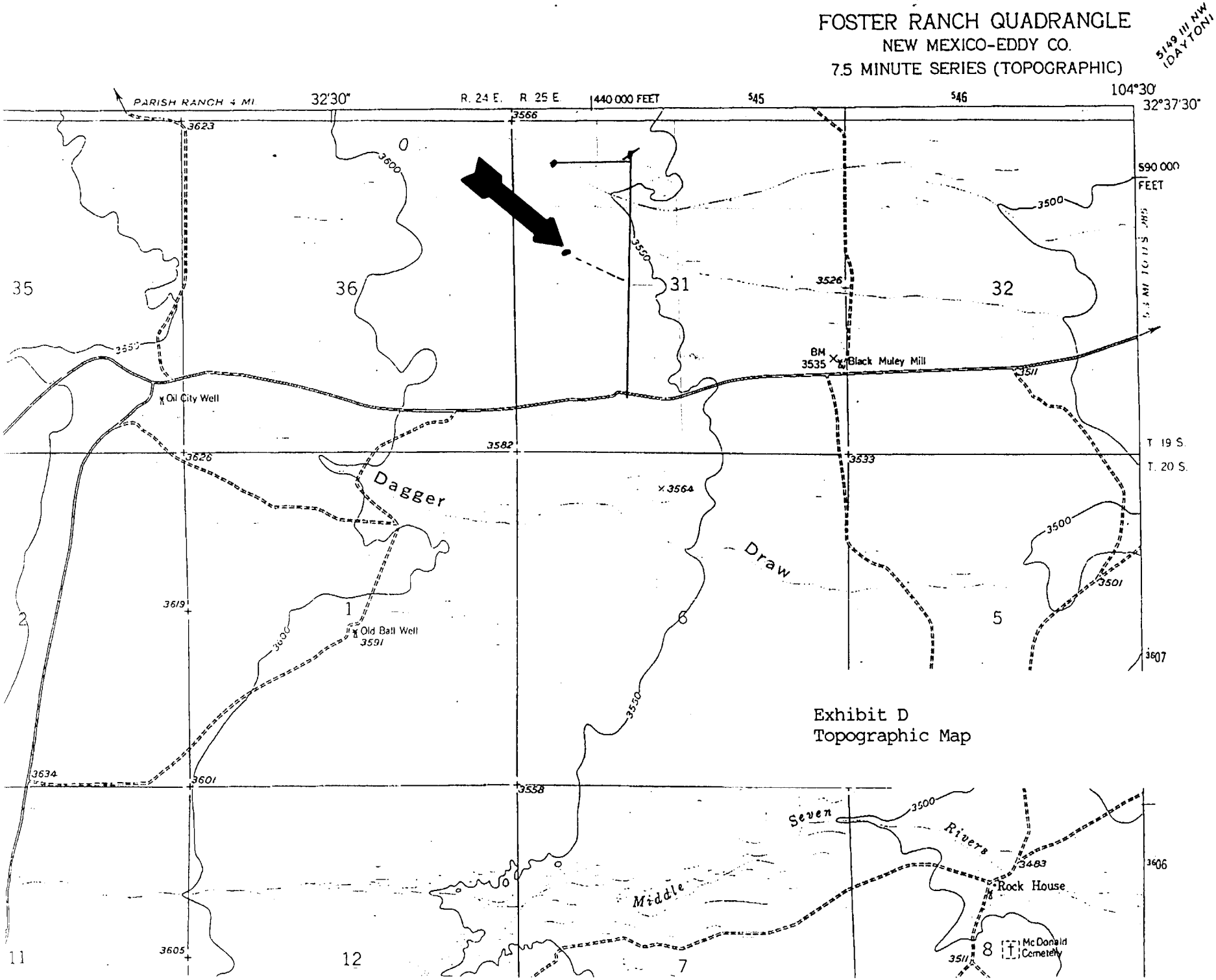


Exhibit D
Topographic Map