

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NMNM-0559175
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. Dagger Draw 31 Federal Com #6
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FNL and 660' FEL At proposed prod. zone Unit D		9. API WELL NO. 30-025-28072
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 15 air miles Southwest of Artesia, NM		10. FIELD AND POOL, OR WILDCAT UNDES. CEMETARY MORROW
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drilg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE 322.60	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 31, T19S, R25E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,320'	19. PROPOSED DEPTH 9,500'	12. COUNTY OR PARISH Eddy
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3529' GR		13. STATE New Mexico
22. APPROX. DATE WORK WILL START* 09/15/99		

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
*14-3/4"	9-5/8"	36#	1,118'	Circulated to surface
*8-3/4"	7"	23# & 26#	8,062'	Circulated to surface
OK 6-1/8"	LNR 4-1/2" N-80	11.60#	7,862'- 9,500'	200 SX

* Existing

Squeeze Cisco perfs and deepen 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. We will use existing pad and no additional land or area will be disturbed.

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 [Signature] TITLE Drilling Superintendent DATE 08/17/99

(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:

APPROVED BY ORIG SGD JES BABYAK TITLE PETROLEUM ENGINEER DATE AUG 20 1999

*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.

