Na. AL CONS COMMISSION

Drawer DD

SUBMIT IN TR. CATE.

Form 3160-3 (July 1992)

UNITED STATES NN 8824 Oher instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

DEPARTMENT OF THE INTERIOR

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*See Instructions On Reverse Side

and millioned willfully to make to any department or agency of the

Form 3160-5 (June 1990)

U. ED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993

5. Lease Designation and Serial No.

NMNM-12833

SUNDRY NOTICES		
Oo not use this form for proposals to c Use "APPLICATION FO	6. If Indian, Allonee or Tribe Name	
SUBMI	7. If Unit or CA, Agreement Designation	
Type of Well Oil Well Well Other		8. Well Name and No.
Name of Operator		Osage Boyd Federal Com 15
Nearburg Producing Company Address and Telephone No.	·	9. API Well No.
P. O. Box 823085, Dallas, 7	TX 75382-3085 214/739-1778	10. Field and Pool, or Exploratory Area
Location of Well (Footage, Sec., T., R., M., or Survey	Description)	Dagger Draw; Upper Penn, 11. County or Parish, State North
Surface location: Unit E, 1,930' FNL and 660'	FWL, Section 15, T19S, R25E	Eddy County, New Mexico
CHECK APPROPRIATE BOX	((s) TO INDICATE NATURE OF NOTICE, REPO	RT, OR OTHER DATA
TYPE OF SUBMISSION	TYPE OF ACTION	
Notice of Intent	Abandonment Recompletion	Change of Plans New Construction
Subsequent Report	Plugging Back	Non-Routine Fracturing Water Shut-Off
Final Abandonment Notice	Casing Repair Altering Casing	Conversion to Injection
CD Final Abandonment Notice	Other Surface location ch	
Location change to position and 660' FWL, Section 15,	all pertinent details, and give pertinent dates, including estimated date of startin tical depths for all markers and zones pertinent to this work.)* n surface location on Osage Boyd Com #1 T19S, R25E, Eddy County) existing pad s	g any proposed work. If well is directionally drilled. . (Unit E, 1,980' FNL
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District. I PO Bez 1988, Hobin, NM SEZE-1988 District II PO Drawer DD. Artesia, NM SEEL-0719 District III 1000 Rio Brams Rd., Azzer, PM \$7410 District IV

State of New Mexico

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

Submit to Appropriate District Office GEP 2 8 1995 Lease - 4 Copies Fee Lease - 3 Copies

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> C.102 Instructions Mexico Oil Conservation Division

District I PO Bex 1988, Hobbs, NM 2028-1988 District II PO Drawer DD, Artesia, NM 2021-0719 District III 1000 Rio Brazza Rd., Azioc. 202 27410 District IV

PO Box 2001, Sama Fe, NM \$2504-2005

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State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102
Revised February 10, 1994
Instructions on back
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¹ Pool Name

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

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District I PO Box 1980, Hobbs, NM MC28-1980 District II

PO Drawer DD. Artesia, NM 2011-0719

District III

1000 Rio Brazza Rd., Azzer, NM \$7410

District IV

PO Box 2082, Santa Fe. NM 2504-2083

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102 Revised February 10, 1994 Instructions on back

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AMENDED REPORT

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→→→ NPC HOBBS

Nearburg Producing Company

Exploration and Production 3300 North "A" Street Building 2, Suite 120 Midland, Texas 79705 915/686-8235 Fax 915/686-7806

08:06

AMENDED TO SHOW CORRECT WELL NAME

FAX 915 686 7806

September 19, 1995

September 18, 1995

Mr. Shannon Shaw Bureau of Land Management P. O. Box 1778 Carlsbad, New Mexico 88221-1778

VIA FAX 505/885-9264

Re:

Osage Boyd Fed. Com.15 #3 Well;

Eddy County, New Mexico Osage N.W. Prospect

Dear Shannon:

Please allow this letter to serve as evidence that Nearburg Producing Company has settled surface damages with the surface owner in connection with the captioned well.

If you require any additional information, please so advise.

Yours very truly,

Bob Shelton

Consulting Landman

BS:kg



STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

Nearburg Producing Company P. O Box 823085 Dailas, Texas 75382-3085

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

Lease No.:

NM12833

Legal Description:

NW1/4, Section 15, T19S, R25E, Eddy County, NM

Formation:

Cisco / Canyon

Bond Coverage:

\$25,000 Statewide Bond

BLM Bond File No.:

57 84 00

Authorized Signature:

Title: Manager of Drilling & Production

Date: 9/28/95

District I P3 Box 1980, Hobbs, NM 88241-1980 District [] PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico Theory, Minerals & Natural Resources Department

Form C-101 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

PO Box 2088, Sag	nu Fe, NM	87504-2088	š]amen	NDED REPORT
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Printed name:	H. R.	Willis	<u> </u>	·		Tide:					
Title:						Approval Date: Expiration Date:					
Drilling Supt. Date: 08/29/95 Phone: 505/397-4186					-4186	Conditions of Approval: Attached					

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

OSAGE BOYD FED COM 15 # 3

SHL: 1,450' FNL & 660' FWL, SECTION 15-T19S-R25E BHL: 660' FNL & 660' FWL, SECTION 15-T19S-R25E EDDY COUNTY, NEW MEXICO

LOCATED:

15 Air miles Southwest of Artesia, New Mexico

OIL & GAS LEASE:

NMNM - 12833

RECORD LESSEE:

Nearburg Producing Company

BOND COVERAGE:

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

ACRES IN LEASE:

40

GRAZING LEASE:

Jerome Hugh Jones 10611 Railroad Court Fairfax, Va 22030 Myra Jones Partridge 6727 East 32nd Place Tulsa, Oklahoma 74145

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 8,200'.

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:

Existing lease road from Rockin 'R' Red Road. No new access needed.

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 needed

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".

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 will be contained in a trash trailer and removed from well site.
- E. All trash and debris will be removed from the well site within 30 days after finishing drilling and/or completion operations.

7. ANCILLARY FACILITIES:

None required.

8. WELL SITE LAYOUT:

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 site will be clean.

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 Faunal:

The location is in an area sparsely 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 is not a residence within a mile of the proposed well site.

F. Archaeological, Historical, and Cultural Sites:

The sites observed in area will be fenced off from the well site.

G. Land Use:

Grazing.

H. Surface Ownership:

Lincoln Valley Land Company Box 1417 Los Lunas, New Mexico 87301

11. OPERATOR'S REPRESENTATIVE:

H. R. Willis 419 W. Cain Hobbs, New Mexico 88240

Office: (505) 397-4186 Home: (505) 392-8735

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.

E. S. Kimbrough

Manager of Drilling and Production

SUPPLEMENTAL DRILLING DATA

NEARBURG PRODUCING COMPANY OSAGE BOYD FED COM 15 # 3

SHL: 1,880' FNL & 660' FWL, SECTION 15-T19S-R25E BHL: 660' FNL & 660' FWL, SECTION 15-T19S-R25E EDDY COUNTY, NEW MEXICO

1. SURFACE FORMATION:

Dockum Group of Triassic Age.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Glorieta	2,348'	TD	8,200'
3rd Bone Spring	5,843'		
Wolfcamp Carbonate	5,991'		
Base Shale Marker	7,614'		
Cisco/Canyon	7,615'		
Top Dolomite	7,635'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Wolfcamp Cisco/Canyon

4. CASING AND CEMENTING PROGRAM:

	Setting Depth			
Casing Size	From To	Weight	<u>Grade</u>	<u>Joint</u>
9-5/8"	0 - 1,100'	36#	J-55	ST&C
7"	0 - 5,000'	23# & 26#	K-55	LT&C
	5,000' - 8,200'			

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

We plan to drill a 14-3/4" hole to equal 1,100'.

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

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 and annular.

A BOP sketch is attached.

6. **CIRCULATING MEDIUM:**

Surface to 8,200':

Spud and drill to 1,100' with fresh water mud, weight 8.9 to 9.1 ppg, viscosity 28 to 30. Below 1,100', add brine to bring chlorides up to at least 60,000 ppm.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

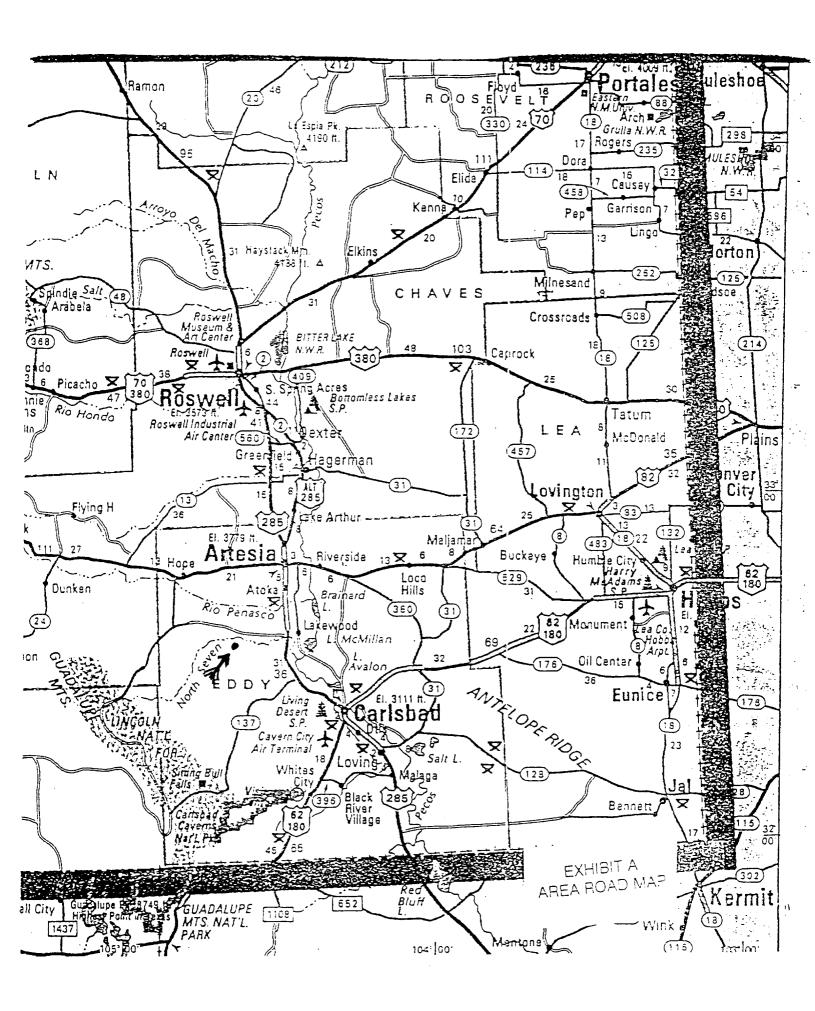
Electric logging is planned, drill stem tests, cores and sidewall cores possible.

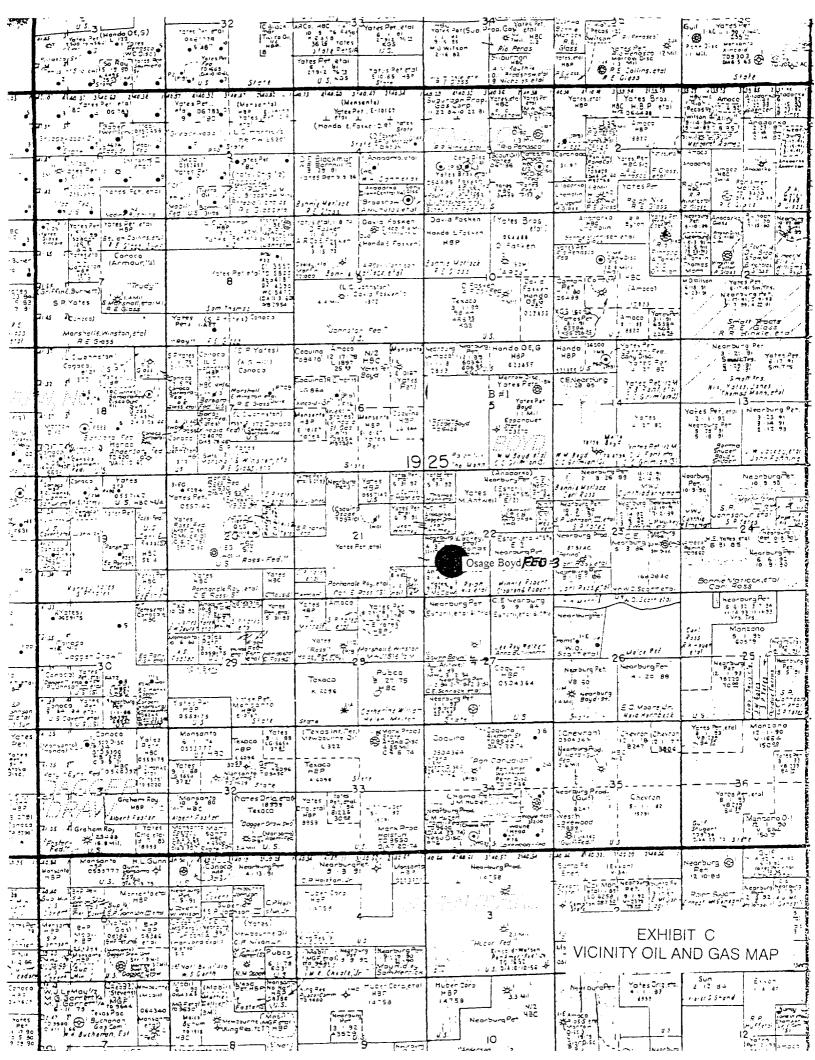
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

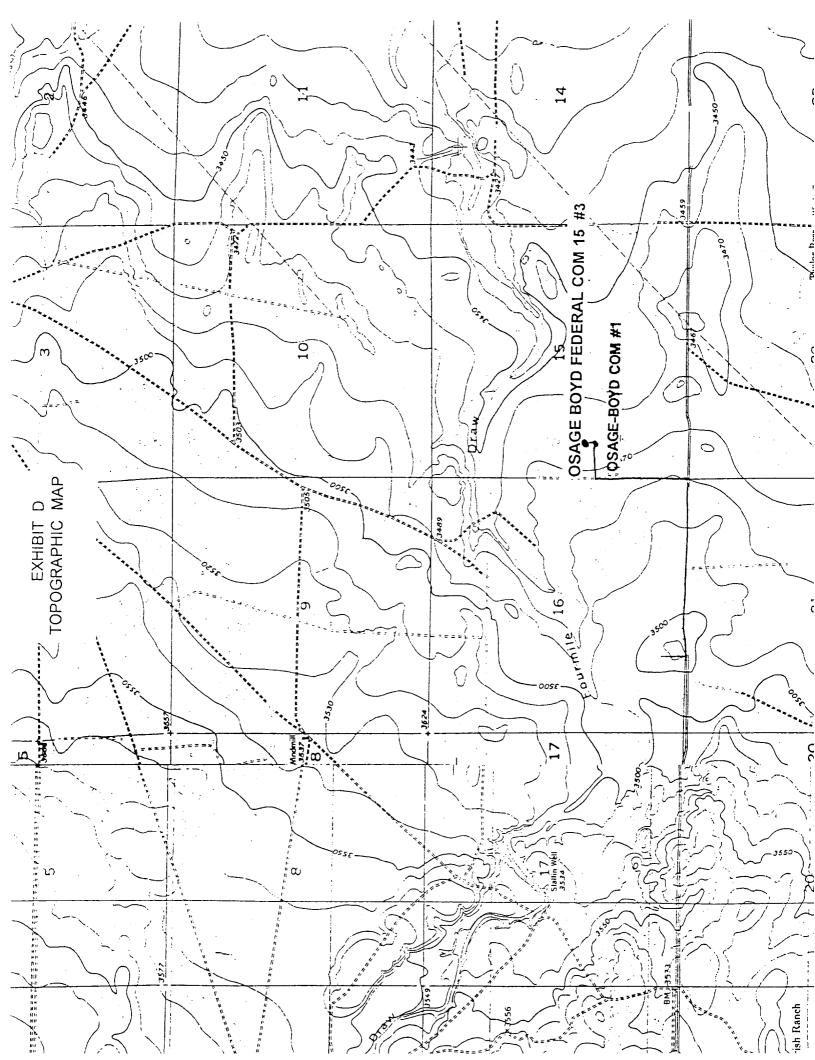
None anticipated.

10. ANTICIPATED STARTING DATE:

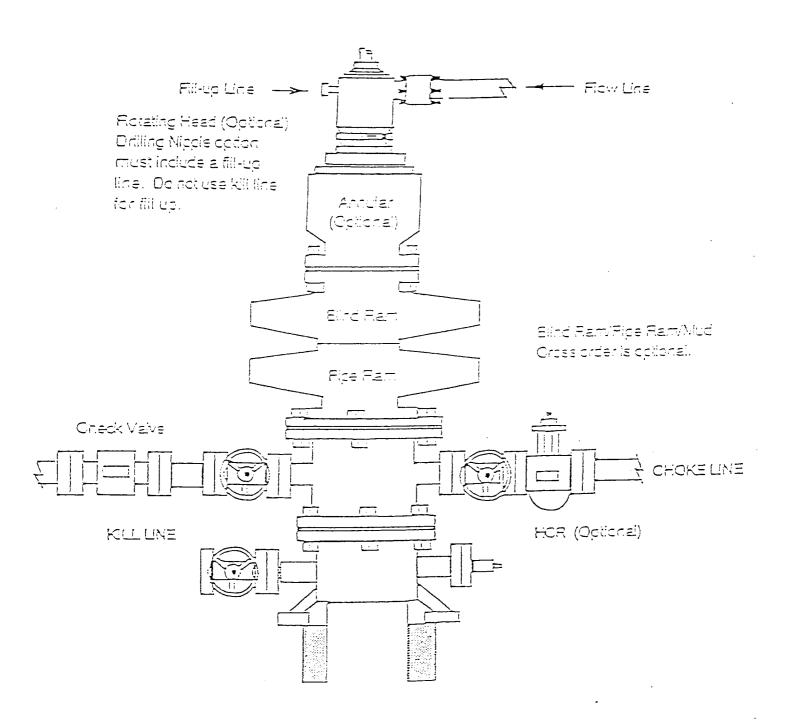
It is planned that operations will commence on September 4, 1995, with drilling and completion operations lasting about 30 days.



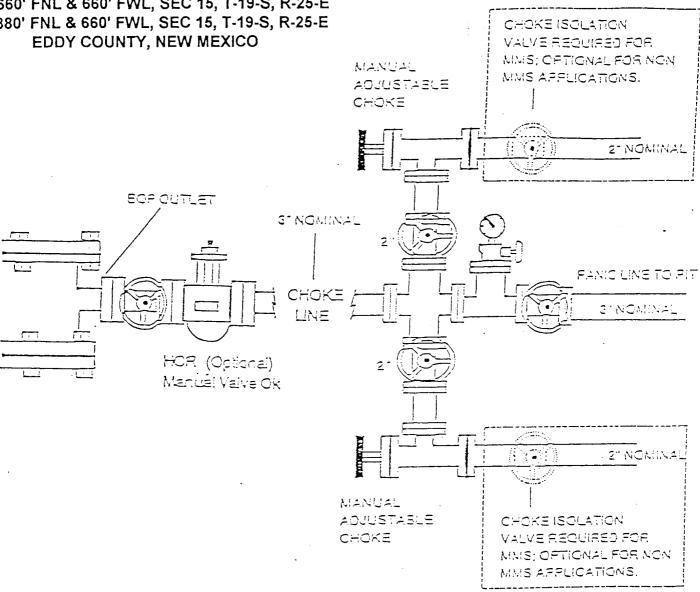




NEARBURG PRODUCING COMPANY OSAGE BOYD FEDERAL COM 15 #3 BHL 660' FNL & 660' FWL, SEC 15, T-19-S, R-25-E SHL 1880' FNL & 660' FWL, SEC 15, T-19-S, R-25-E EDDY COUNTY, NEW MEXICO



NEARBURG PRODUCING COMPANY
OSAGE BOYD FEDERAL COM 15 #3
BHL 660' FNL & 660' FWL, SEC 15, T-19-S, R-25-E
SHL 1880' FNL & 660' FWL, SEC 15, T-19-S, R-25-E
EDDY COUNTY, NEW MEXICO



NEARBURG PRODUCING COMPANY OSAGE BOYD FED COM 15 #3

SHL: 1,880' FNL & 660' FWL, SECTION 15-T19S-R25E BHL: 660' FNL & 660' FWL, SECTION 15-T19S-R25E EDDY COUNTY, NEW MEXICO

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 (H2S).
 - 2. The proper use and maintenance of personal protective equipment and life support systems.
 - 3. The proper use of H2S 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 H2S 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 H2S Drilling Operations Plan.
- C. There will be an initial training session just prior to encountering a known or probable H2S zone (within 3 days or 500 feet) and weekly H2S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H2S 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.
- 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:

- 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 lines, and valves shall be suitable for H2S service.

G. Communication:

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.

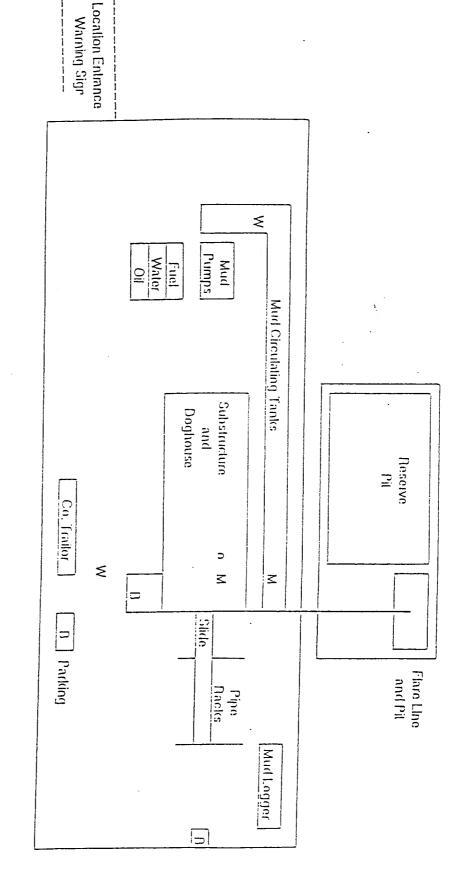
WARNING

YOU ARE ENTERING AN H S 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 NPC SUPT AT MAIN OFFICE.

Nearburg Producing Company 1 - 505 - 397 - 4186

Nearburg Producing Company Hydrogen Sullide Drilling Operations Location Plan



M — H2S Monitors with alarms at hell nippte and shale shaker

W - Wind Direction Indicators

B — Safe Diefing areas with caution signs and protective breathing equipment. Minimum 190' from wellhead.

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