

N.M. Oil Cons. Dr. Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELLGAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE

2. NAME OF OPERATOR

Nearburg Producing Company

3. ADDRESS AND TELEPHONE NO.

3300 North "A" Street, Bldg 2, Ste 120, Midland, TX 79705 (915) 686-8235

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

At surface

Unit M, 810' FSL and 660' FWL

At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.

NM 105217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
Red Cloud 4 Federal #1

9. API WELL NO.

30-015-32191

10. FIELD AND POOL, OR WILDCAT

Lusk Morrow, West (Gas)

11. SEC., T., R., M., OR BLK
AND SURVEY OR AREA

Section 4-19S-31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

9 miles northeast of Halfway, New Mexico

12. COUNTY OR PARISH

Eddy

13. STATE

NM

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

80'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320'

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

19. PROPOSED DEPTH

12,700'

20. ROTARY OR CABLE TOOLS

Rotary

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

3554' GR

22. APPROX. DATE WORK WILL START*

02/01/2002

23.

PROPOSED CASING AND CEMENTING PROGRAM

Custodian Controlled Water Basin

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" H40	48#	650'	800 sx cmt, circ to surface
12-1/4"	9-5/8" J55	32#	3200'	1200 sx cmt, circ to surface
8-3/4"	5-1/2" J55, N80	17#	12,700'	1000 sx cmt

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.

Acreage dedication 320; S/2 of Section 4

**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 prevention program, if any.

24.

SIGNED

Kim Stewart

TITLE Regulatory Analyst

DATE 01/02/2002

(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

/S/ JOE G. L.

TITLE

FIELD MANAGER

DATE

FEB 01 2002

*See Instructions On Reverse Side

APPROVAL FOR 1 YEAR

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.