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.
NM-NM86891 and NM-NM95629

6. If Indian, Allottee or Tribe Name

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No. 19109
Willow Draw #1

2. Name of Operator
Nearburg Producing Company 15742

9. API Well No.
30-015-10605

3. Address and Telephone No.
P. O. Box 823085, Dallas, TX 75382-3085 214/739-1778

10. Field and Pool, or Exploratory Area
Wildcat Cisco/~~Canyon~~ Hills

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2,106' FNL and 1,830' FEL, Section 30, T20S, R26E G
96571

11. County or Parish, State
Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
[X] Notice of Intent	[ ] Abandonment; [ ] Recompletion; [ ] Plugging Back; [ ] Casing Repair; [ ] Altering Casing; [X] Other Re-entry
[ ] Subsequent Report	[ ] Change of Plans; [ ] New Construction; [ ] Non-Routine Fracturing; [ ] Water Shut-Off; [ ] Conversion to Injection; [ ] Dispose Water
[ ] Final Abandonment Notice	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

RECEIVED
APR 18 1996
OIL CON. DIV.
DIST. 2

Part FD-1
6-28-96
Re-entry

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

This well was previously operated by National Cooperative Refinery Association and known as the Willow Draw Unit #1 well.

Carlsbad Controlled Water Basin

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
*17-1/2"	13-3/8"	48#	350'	480 sx circ. cement to surface
*11"	8-5/8"	24# & 32#	2,388'	900 sx circ. cement to surface
7-7/8"	5-1/2"	17#	8,350'	400 sx of 50:50 Pozmix w/2% gel

NPC intends to re-enter the subject well by drilling out 6 cement plugs from surface to 8,350'. A 5-1/2" string of casing will be set at that depth and cemented back to 7,350'.

Formerly National Coop Ref. Assoc. Willow Draw #1 PxA 10-1-88

NPC requests that this information and all information pertaining to the re-entry, completion and production of this well be kept **CONFIDENTIAL** until such time as NPC releases the information to the public. Please do not even release the location to P.I. or the public.

*Previously installed casing. Values shown were reported on Sundry Notices as drilling of the original wellbore progressed.

14. I hereby certify that the foregoing is true and correct

Signed _____ Title Drilling Supt. Date 04/03/96

(This space for Federal or State office use)

Approved by /s/ TIMOTHY J. BURKE Title Acting/ Area Manager Date APR 15 1996

Conditions of approval, if any:

Subject to ~~requirements and~~ stipulations attached

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.

*See Instruction on Reverse Side

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

NEARBURG PRODUCING COMPANY
WILLOW DRAW #1
2,106' FNL and 1,830' FWL, SECTION 30, T20S, R26E
Eddy County, New Mexico

LOCATED:

10 air miles North of Carlsbad, New Mexico

OIL & GAS LEASE:

NM-NM 86891 and NM-NM 95629

RECORD LESSEE:

Nearburg Exploration Company

BOND COVERAGE:

$25,000 statewide bond of Nearburg Producing Company

ACRES IN LEASE:

86891 - 79.99 acres, 95629 - 559.85 acres

GRAZING LEASE:

(Surface Owner)
Henry Terpening
3162 Castleberry
Artesia, NM 88210
(505) 746-2226

POOL:

Cisco

EXHIBITS:

A. Area Road Map
B. Drilling Rig Layout
C. Vicinity Oil and Gas Map
D. Topographic and Location Verification Map
E. Well Location and Acreage Dedication Plat

This well will be re-entered to a depth of approximately 8,350'.

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:** Go 2 miles north of Sitting Bull Falls road on the Artesia Highway, turn west through cattle guard and follow 1-1/2 miles to location.

   A. **Length and Width:**

   The well pad will border the lease road and no access road will be needed as shown on exhibit "D".

   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 necessary.

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. Existing fluids will be allowed to evaporate in the working pits until the pits are dry.

B. Water produced during tests will be hauled to a disposal well.

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 re-entry 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, workover pit, trash pit, and the location of major rig components.

9. PLANS FOR RESTORATION OF THE SURFACE:

A. After completion of re-entry 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 west.

B. Soil:

Top soil at the well site is rocky soil.

C. Flora and Faunal:

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

D. Ponds and Streams:

There are no rivers, lakes, ponds or streams in the area.

10. OTHER INFORMATION: **(CONTINUED)**

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:

N/A, using existing well pad and road.

G. Land Use:

Grazing.

H. Surface Ownership: - (BLM minerals)

Henry Terpening
3162 Castleberry
Artesia, NM 88210

I have met with Mr Terpening and we have agreed to pay surface use & damages. Van Rodgers - Nearburg Prod. Co.
Van Rodgers

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 approved.

Date 4/3/96

H. R. Willis
Drilling Superintendent

SUPPLEMENTAL DRILLING DATA
NEARBURG PRODUCING COMPANY
WILLOW DRAW #1

1. SURFACE FORMATION:

Dockum Group of Triassic Age.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

San Andres	1,466'	TD	8,350'
Bone Springs	5,642'		
Wolfcamp	7,208'		
Cisco	7,997'		
Canyon	8,392'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Wolfcamp	7,208'
Cisco	7,997'

4. CASING AND CEMENTING PROGRAM:

	Casing Size	Setting Depth From To	Weight	Grade	Joint
*	13-3/8"	0 - 350'	48#	J-55	ST&C
*	8-5/8"	0 - 2,388'	24 & 32#	K-55	ST&C and LT&C
	5-1/2"	0 - 8,350'	17#	K-55	

* Existing casing and has been cemented to surface.

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

We plan to re-enter this well bore and drill out cement plugs to a depth of 8,350'.

5-1/2" production casing will be cemented with approximately 400 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. The BOP stack will be a work over type stack.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 8,350':

Re-enter and drill out cement plugs to 8,350' with fresh water mud, weight 8.4 to 9.0 ppg, viscosity 29 to 34.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

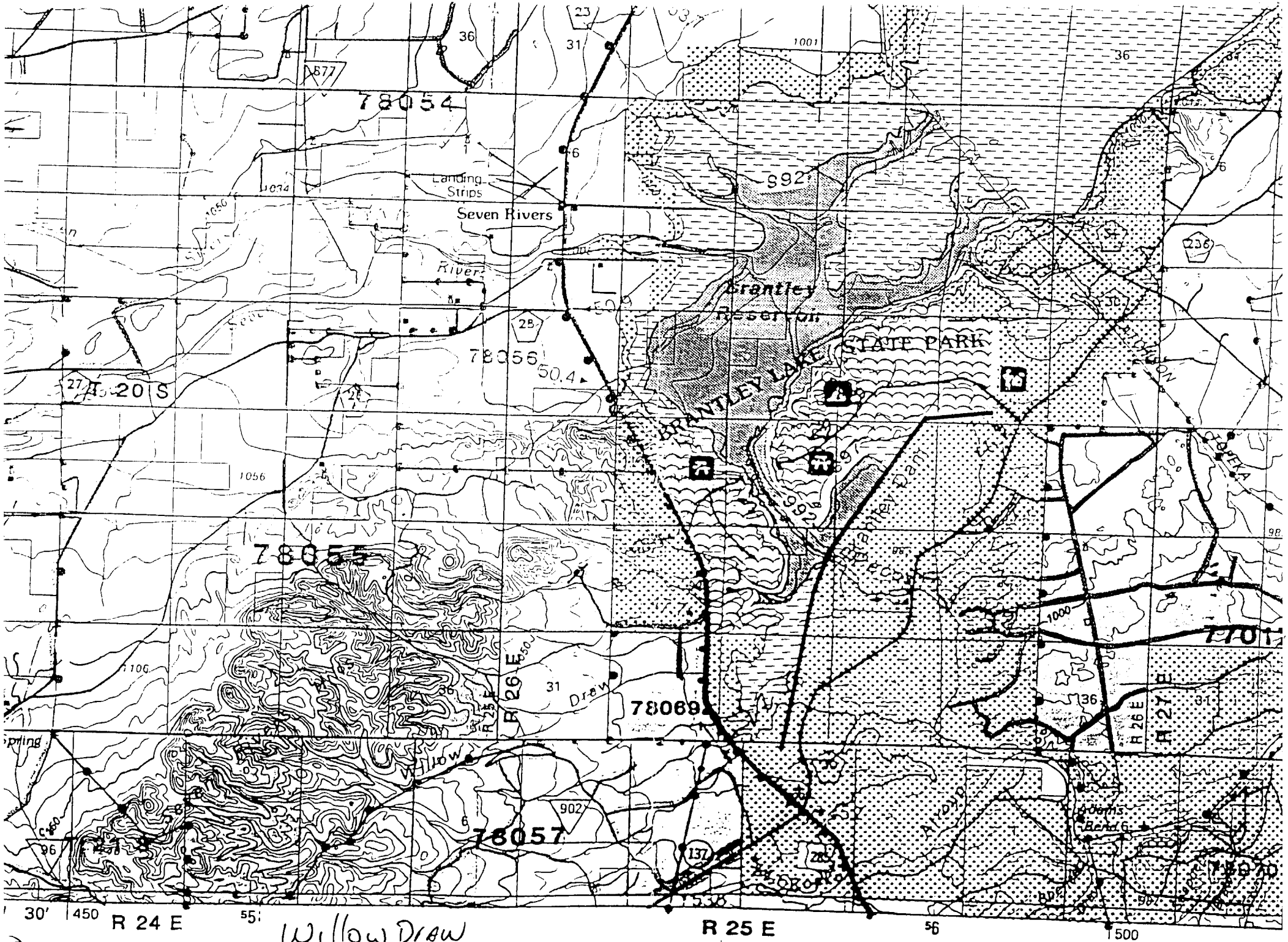
N/A

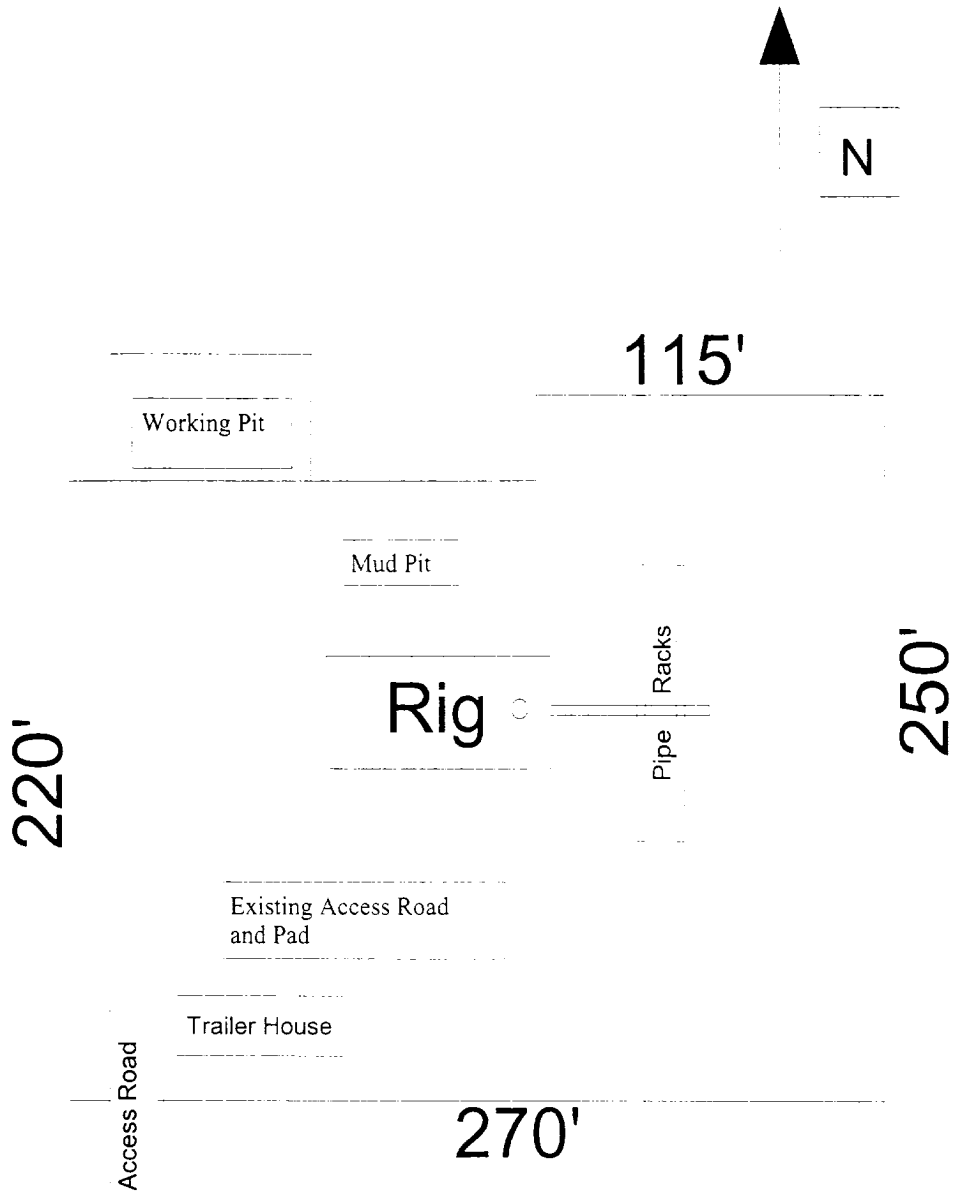
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

Anticipated bottom hole pressure: 3,109 psi off previous DST.
None anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on April 9, 1996, with re-entry and completion operations lasting about 15 days.


78054
Landing Strips
Seven Rivers
Brantley Reservoir
BRANTLEY LAKE STATE PARK
78056
50.4
T 20 S
78055
78069
78057
Willow Draw
R 26 E
R 25 E
R 24 E
R 27 E
30'
450
500



DRILLING RIG LAYOUT
NEARBURG PRODUCING COMPANY
WILLOW DRAW #1
SCALE 1" = 50'

Exhibit B

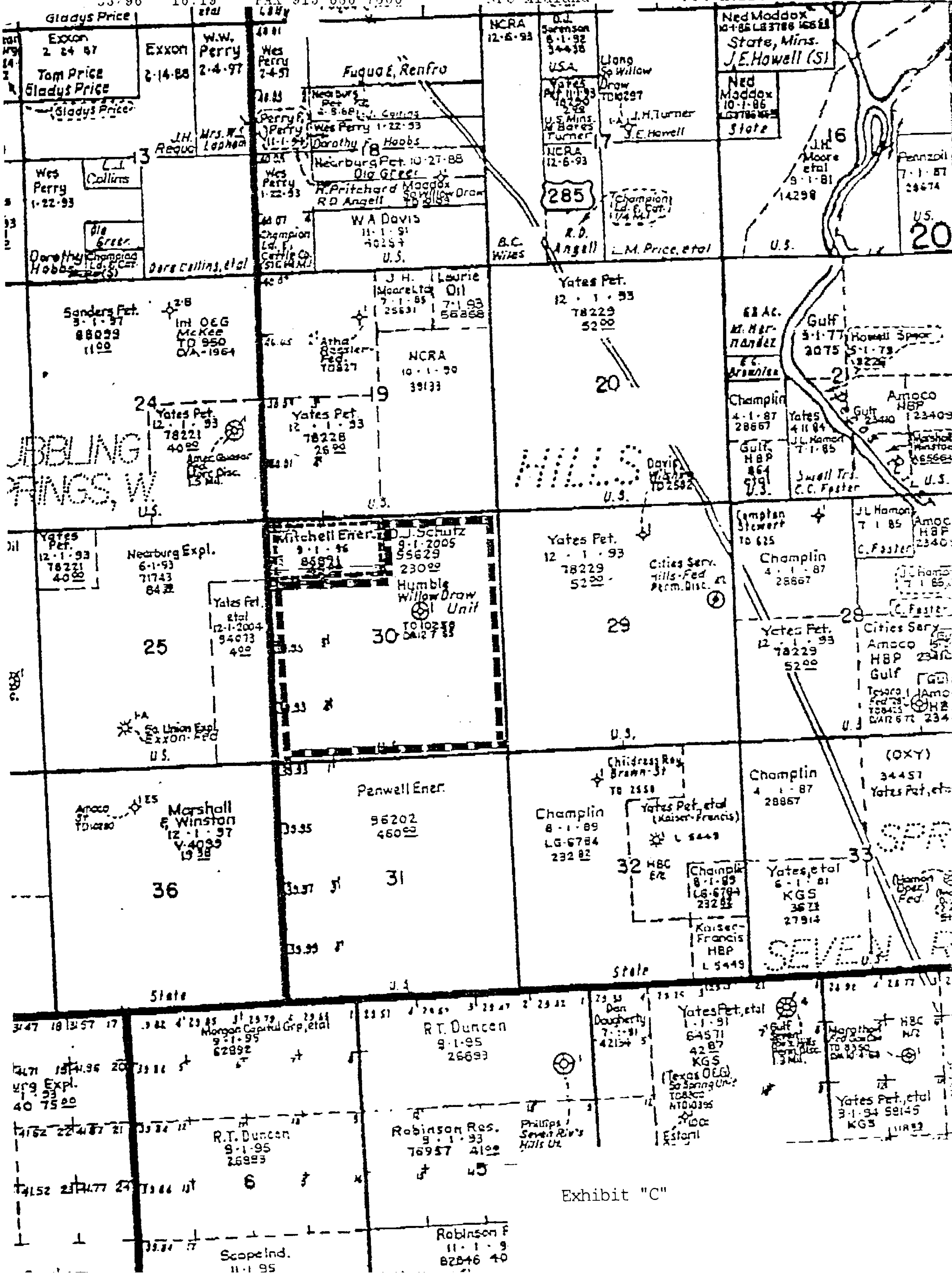
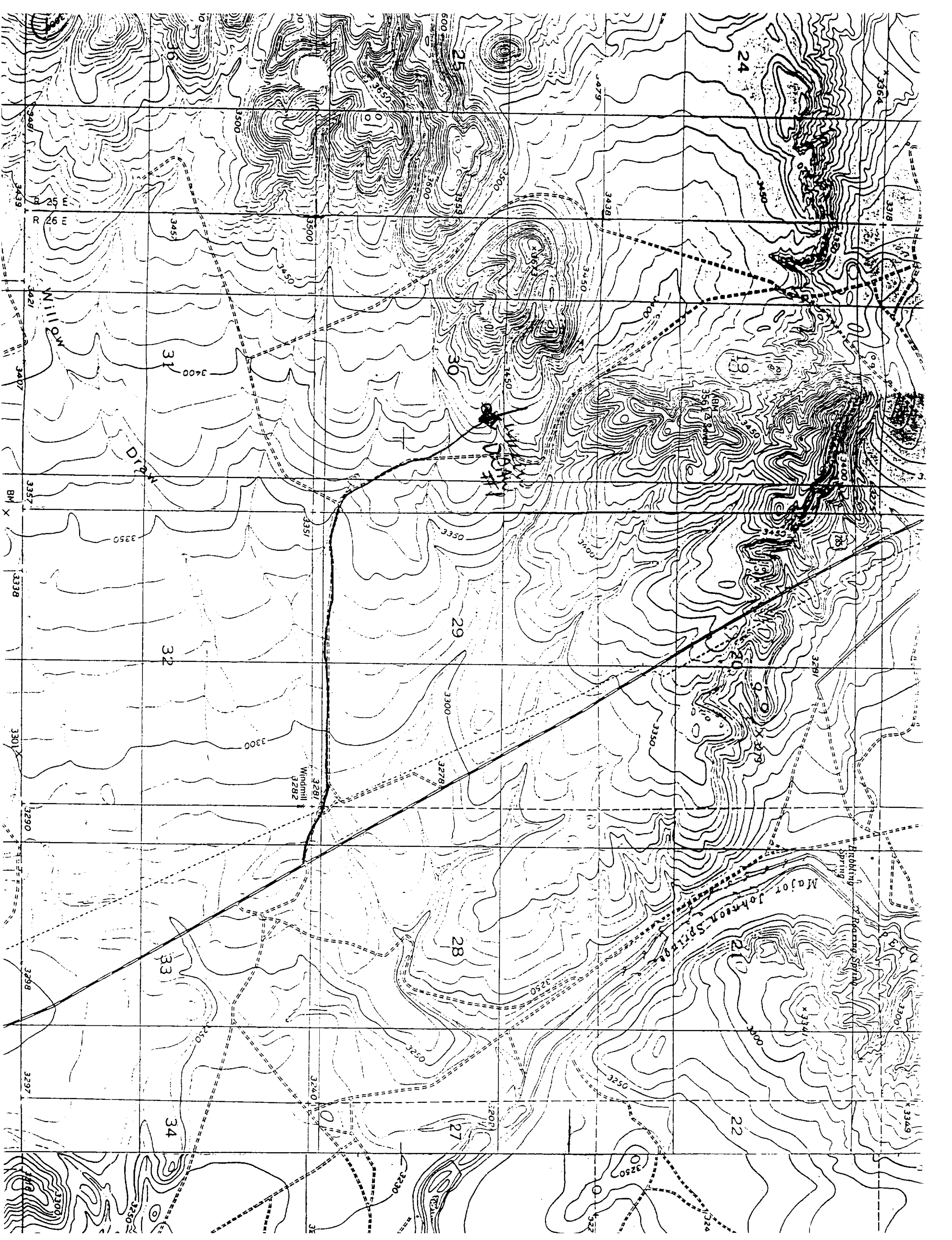

Gladys Price
Exxon
Tom Price
Gladys Price
W.W. Perry
Wes Perry
Fuqua & Renfro
NCRA
12-6-93
D.J. Sorenson
U.S.A.
Ned Maddox
State, Mins.
J.E.Howell (S)
Nearburg Pet.
Wes Perry
Dorothy Hobbs
Nearburg Pet. 10-27-88
Ola Greer
R.Pritchard Maddox
R.D. Angell
W.A. Davis
Champion Ld. & Cattle Co.
285
B.C. Wiles
L.M. Price, etal
Yates Pet.
12-1-93
78229
Sanders Pet.
Intl O&G McKee
NCRA
10-1-90
Gulf
Champlin
Amoco
HBP
HILLS
Mitchell Ener.
D.J. Schutz
Humble Willow Draw Unit
Nearburg Expl.
Yates Pet.
Cities Serv.
Penwell Ener.
Marshall & Winston
Champlin
Yates Pet, etal
Kaiser-Francis
Yates, etal
KGS
R.T. Duncan
9-1-95
Yates Pet, etal
Texas O&G
Morgan Capital Grp, etal
Robinson Res.
Phillips
Scope Ind.
State
U.S.

Exhibit "C"



R 25 E
R 26 E
Willow
Draw
Windmill
3282
Major Johnson Springs
Bubbling Spring
Roaring Spring
24
25
30
31
32
29
28
33
34
27
22
21
20
19

State Lse. No. _____ WELL LOCATION AND ACREAGE DEDICATION PLAT

Supersedes C-128
Effective 1-1-65

Federal Lse. No. NM-0468129

All distances must be from the outer boundaries of the Section.

OCT 1 1965

O. C. C.
ARTESIA, OFFICE

Operator	Lease	Well No.
Humble Oil & Refining Co.	WILLOW DRAW ~~UNIT~~	1

Unit Letter	Section	Township	Range	County
G	30	20 South	26 East	Eddy

Actual Footage Location of Well:
2106 feet from the North line and 1830 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage
Later	Pennsylvanian	Seven Rivers Hills Area Wildcat	320 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).

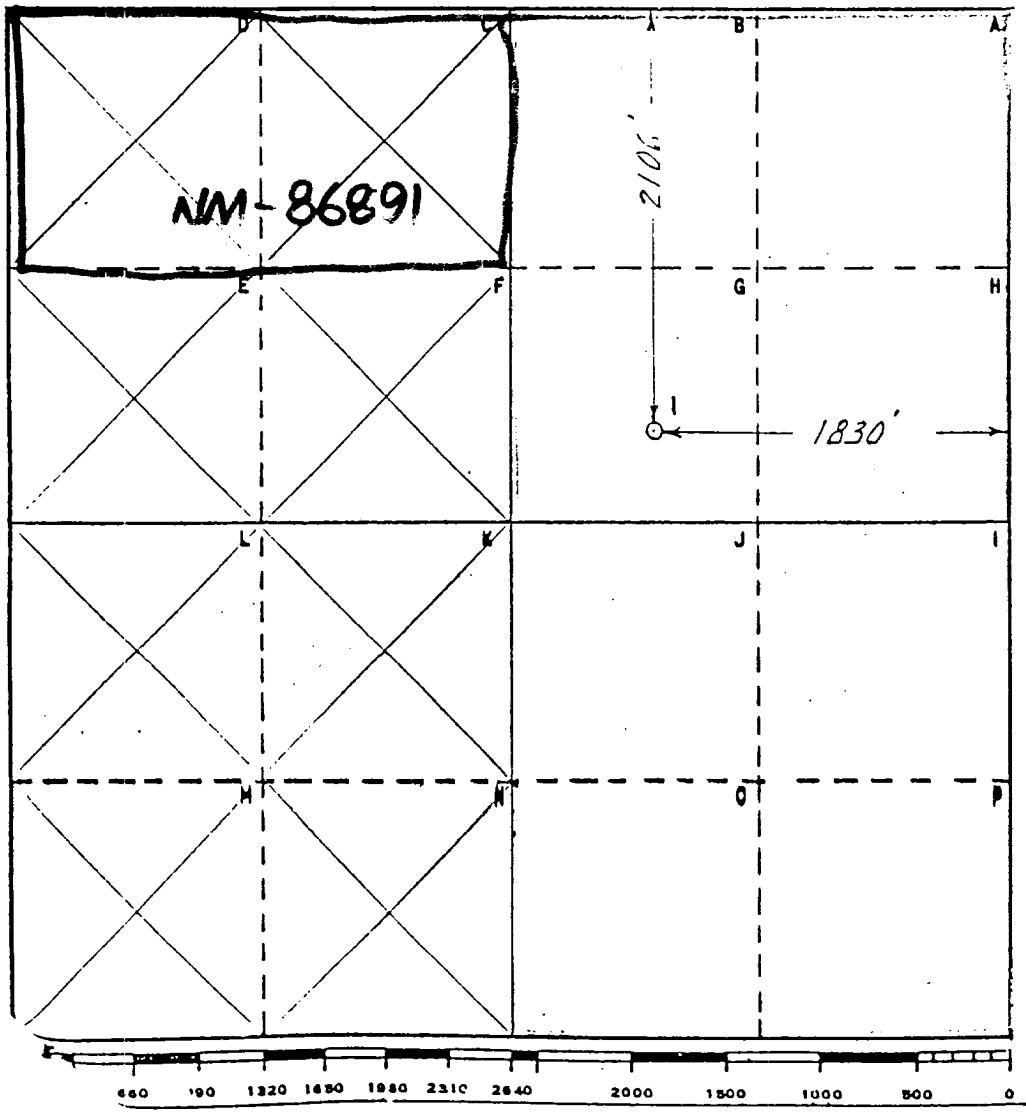
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

SJS

☒ Yes ☐ No If answer is "yes," type of consolidation communitization ~~"UNITIZATION"~~

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

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 interests, has been approved by the Commission.



CERTIFICATION

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

Name J E Pinkerton

Position Adm. Specialist

Company Humble Oil & Refining Co.

Box 1600 Midland, Texas

Date Sept. 24, 1965

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

Date Surveyed August 19, 1965

Registered Professional Engineer and/or Land Surveyor

W. S. Westerfield

Certificate No. 1382

Sec NW of Carlsbad, New Mexico

C.E. Sec. File No. WA - 3709

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

NEARBURG PRODUCING COMPANY

WILLOW DRAW #1

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.

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.

2. 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:

1. 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 not be utilized.

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:**

1. Cellular telephone communications in company vehicles and mud logging trailer.

2. Land line (telephone) communications at area office.

H. **Well Testing:**

N/A

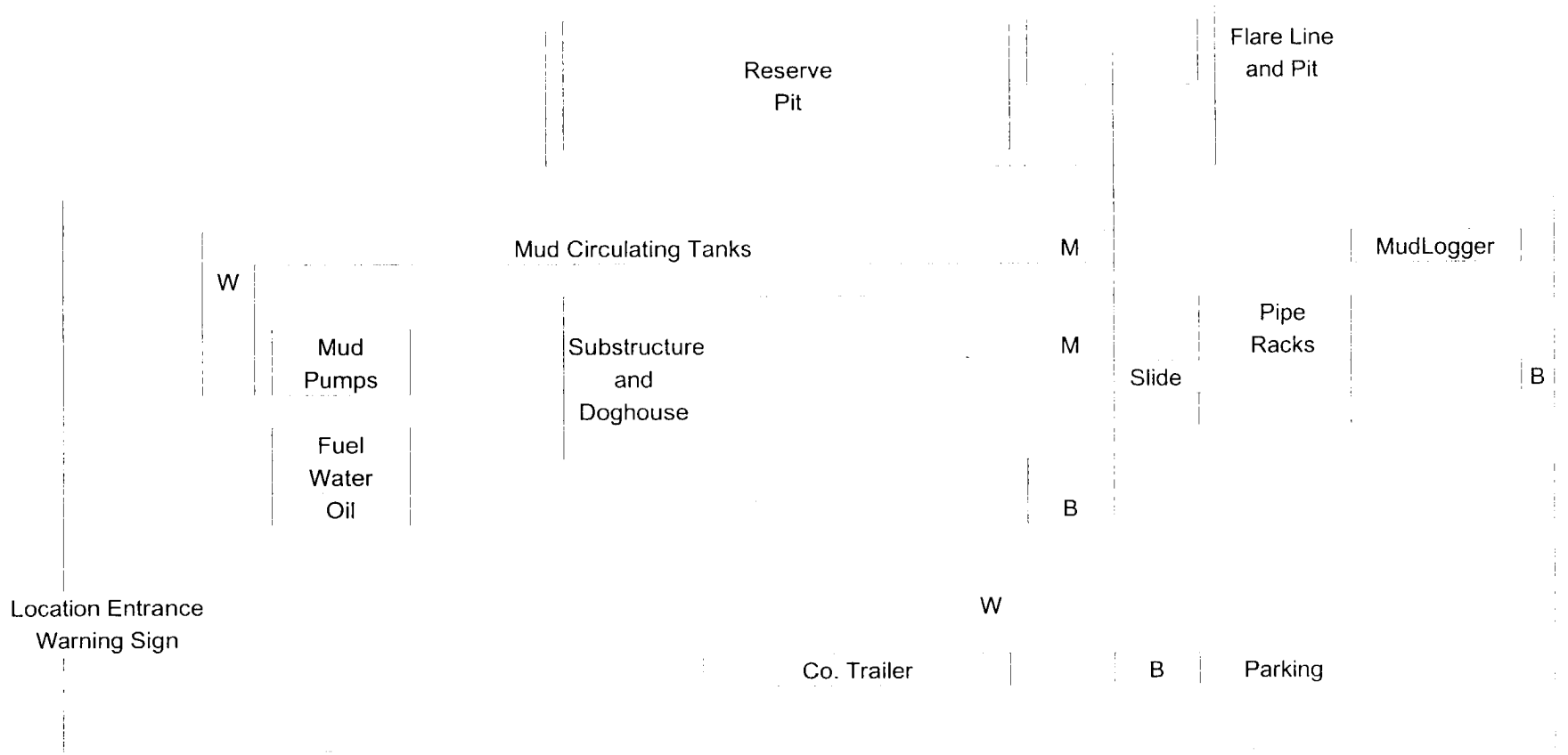
WARNING

YOU ARE ENTERING AN H2S
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 NEARBURG SUPERINTENDENT AT MAIN OFFICE*

NEARBURG PRODUCING COMPANY
1-505-397-4186

Nearburg Producing Company
Hydrogen Sulfide Drilling Operations Location Plan



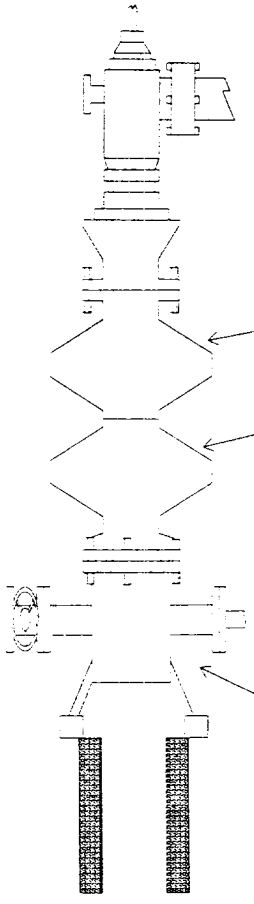
M - H2S Monitors with alarms at bell nipple and shale shaker

W - Wind Direction Indicators

B - Safe Briefing areas with caution signs and protective breathing equipment. Minimum 150' from wellhead.

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

Willow Draw #1
2,106' FNL and 1,830' FEL
Section 30, T20S, R26E
Eddy County, New Mexico



900 Series