

UNITED 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  
WELL ☐GAS  
WELL ☒OTHER ☐SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

Nearburg Producing Company

15742

DEC 23 '96

## 3. ADDRESS AND TELEPHONE NO.

P.O. Box 823085, Dallas, TX 75382-3085 214/739-1778

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface1,980' FSL and 990' FWL  
At proposed prod. zone

Unit L

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

15 miles SW of Artesia

15. DISTANCE FROM PROPOSED\*  
LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drg. unit line, if any)

990'

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

N/A

## 16. NO. OF ACRES IN LEASE

40

## 19. PROPOSED DEPTH

9,720'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

## 20. ROTARY OR CABLE TOOLS

Rotary

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

3,435' GR

## 22. APPROX. DATE WORK WILL START\*

12-10-96

## 23. 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" J-55	36#	1,100'	775 sacks
8-3/4"	7" and K-55	23# & 26#	0' - 8,200'	800 sacks
	5-1/2" N-80	17#	8,200' - 9,650'	400 sacks

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.

\*\*Surface was part of land exchange and arch done at the time.

IN ABOVE SPACE DESCRIBE PROPOSED 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

TITLE

Drilling Superintendent

DATE

11/15/96

(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.) TONY L. FERGUSON

TITLE

ADM. MINERALS

DATE

12-18-96

\*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.

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

**NEARBURG PRODUCING COMPANY  
FAIRCHILD 25 FEDERAL COM #1  
1,980' FSL AND 990' FWL, SECTION 25, T19S, R25E  
EDDY COUNTY, NEW MEXICO**

**LOCATED:**

15 miles SW of Artesia

**OIL & GAS LEASE:**

NM - 96819

**RECORD LESSEE:**

Doug J. Schutz

**BOND COVERAGE:**

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

**ACRES IN LEASE:**

40 acres

**GRAZING LEASE: (Surface Owner)**

Carl Ross  
P.O. Box 1705  
Artesia, NM 88210  
505-457-2248

**POOL:**

Boyd - Morrow

**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 9,720'.

**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:**

Access road will come from the South approximately 1,980' into the SW corner of the pad off of Rock Daisy Road, as shown on Exhibit B.

**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. 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.

**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 are no residence within a mile of the proposed well site.

**F. Archaeological, Historical, and Cultural Sites:**

None observed in this area.

**G. Land Use:**

Grazing.

**H. Surface Ownership:**

Carl Ross  
P. O. Box 1705  
Artesia, NM 88210  
505-457-2248

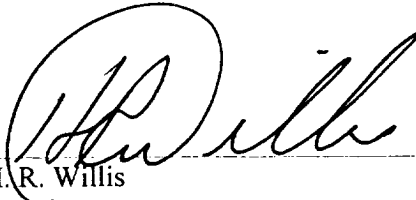
**11. OPERATOR'S REPRESENTATIVE:**

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.

11/15/96  
Date

  
H.R. Willis  
Drilling Superintendent

**SUPPLEMENTAL DRILLING DATA**  
**NEARBURG PRODUCING COMPANY**  
**FAIRCHILD 25 FEDERAL COM #1**

**1. SURFACE FORMATION:**

Dockum Group of Triassic Age.

**2. ESTIMATED TOPS OF GEOLOGIC MARKERS: (Get from Geo. dept.)**

Glorieta	2,410'	Morrow	9,200'
3rd BS Sd	6,180'	Barnett	9,570'
Wolfcamp	6,430'	Chester	9,660'
T/Canyon	7,600'	TD	9,720'
Strawn	8,480'		
Atoka	8,940'		

**3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:**

Glorietta	2,410'
Wolfcamp	6,430'
Canyon Dolomite	7,640'
Morrow	9,200'

**4. CASING AND CEMENTING PROGRAM:**

<u>Casing Size</u>	<u>Setting Depth</u>		<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
	<u>From</u>	<u>To</u>			
9-5/8"	0	1,100'	36#	J-55	STC
7"	0	5,000'	23#	K-55	STC & LTC
and	5,000'	8,200'	26#	K-55	
5-1/2"	8,200'	9,650'	17#	N-80	LTC

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" and 5-1/2" production casing will be cemented with approximately 1,200 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 9,720':

Spud and drill to 6,500' with fresh water mud, weight 8.3 to 8.4 ppg, viscosity 28 to 30.

Below 6,500', add brine to bring chlorides up to at least 40,000 ppm and mud weight 8.6 to 9.1.

**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 December 10, 1996, with drilling and completion operations lasting about 35 days.

**HYDROGEN SULFIDE DRILLING OPERATIONS PLAN**  
**NEARBURG PRODUCING COMPANY**  
**FAIRCHILD 25 FEDERAL COM #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 (H<sub>2</sub>S).
  2. The proper use and maintenance of personal protective equipment and life support systems.
  3. The proper use of H<sub>2</sub>S 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 H<sub>2</sub>S 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 H<sub>2</sub>S Drilling Operations Plan.
- C.** There will be an initial training session just prior to encountering a known or probable H<sub>2</sub>S zone (within 3 days or 500 feet) and weekly H<sub>2</sub>S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H<sub>2</sub>S 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.
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 be utilized as needed.

### **F. Metallurgy:**

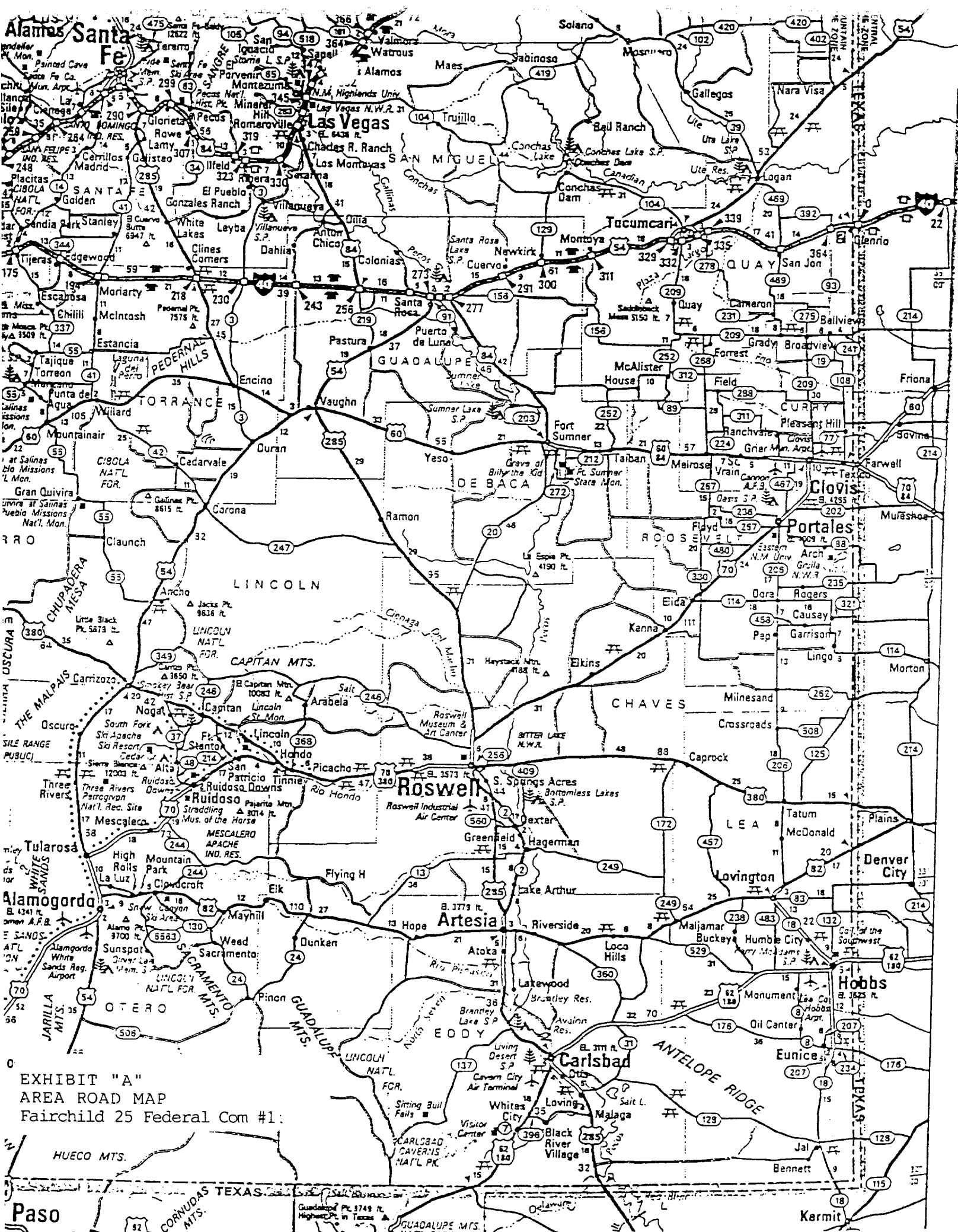
All drill strings, casing, tubing, wellhead, blowout preventers, drilling spool, kill lines, choke manifold and lines and valves shall be suitable for H2S service.

**G. Communication:**

1. 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 H<sub>2</sub>S environment will be conducted during the daylight hours.



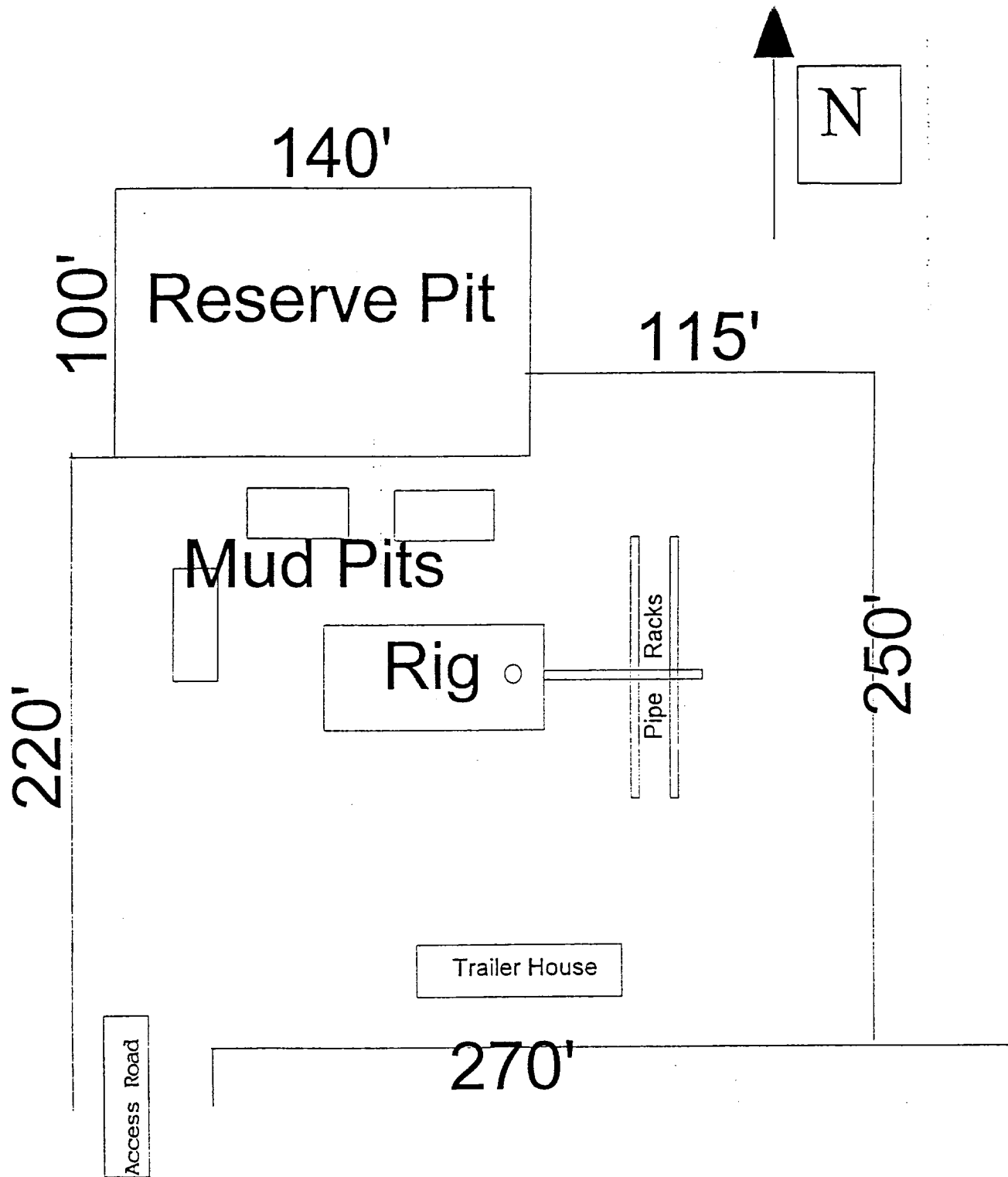


Exhibit B  
DRILLING RIG LAYOUT  
NEARBURG PRODUCING COMPANY  
Fairchild 25 Federal Com #1  
SCALE 1" = 50'

New access road approximately 1980' off  
Rock Daisy, North into pad.

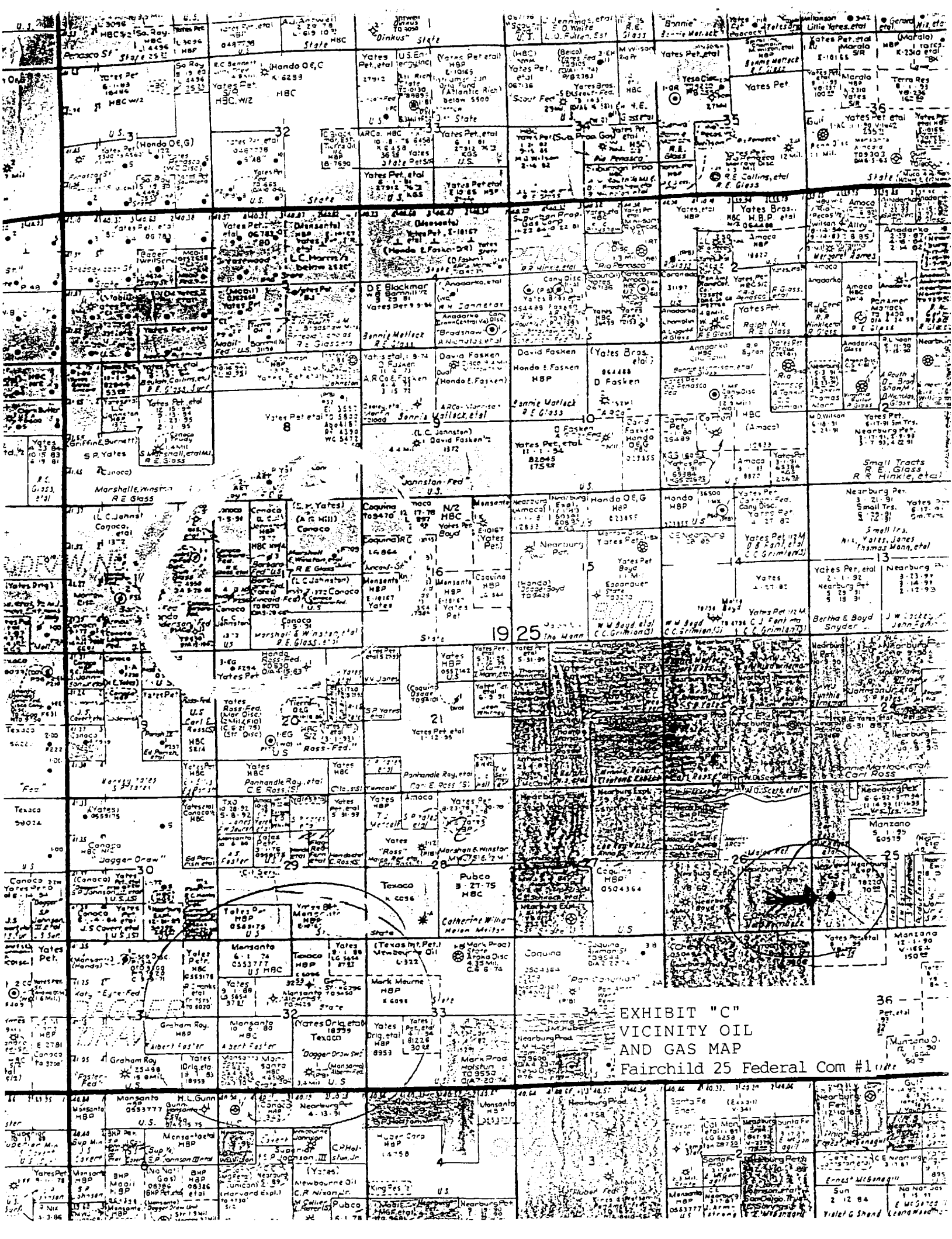
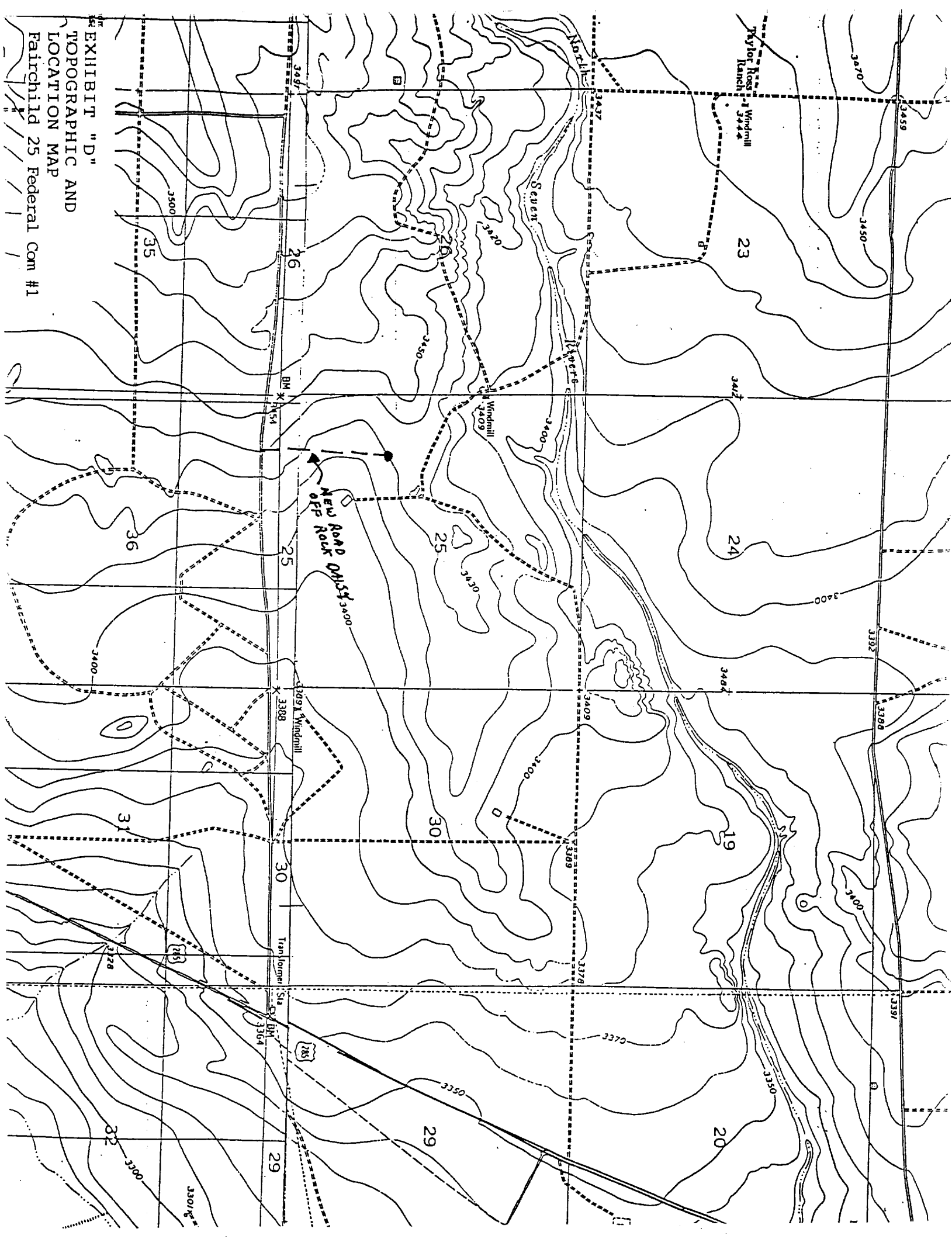


EXHIBIT "C"  
VICINITY OIL  
AND GAS MAP  
Fairchild 25 Federal Com #1

EXHIBIT "D"  
TOPOGRAPHIC AND  
LOCATION MAP  
Fairchild 25 Federal Com #1



District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-015-29315	2 Pool Code 74640	3 Pool Name Cemetery • Morrow Gas
4 Property Code	5 Property Name FAIRCHILD "25" FEDERAL COM	6 Well Number 1
7 OGRID No. 15742	8 Operator Name NEARBURG PRODUCING COMPANY	9 Elevation 3435.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	25	19-S	25-E		1980	SOUTH	990	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

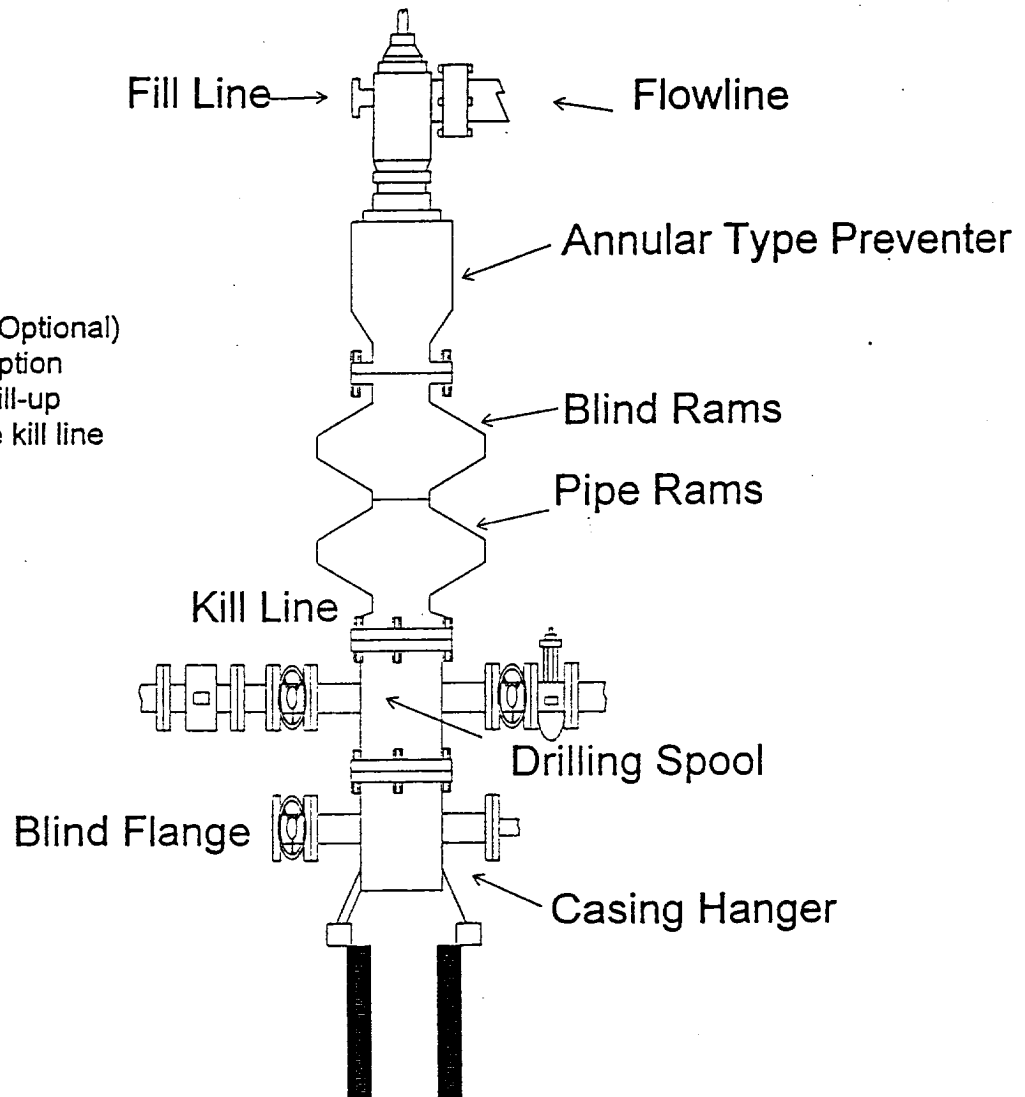
12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature H. R. Willis Printed Name Drilling Superintendent Title 11/15/96 Date
	<b>18 SURVEYOR CERTIFICATION</b> 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 belief. NOVEMBER 7, 1996 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number NM PE&PS NO. 5412

FAIRCHILD 25 FEDERAL COM #1  
BOPE SCHEMATIC  
NEARBURG PRODUCING COMPANY

Rotating Head (Optional)  
Drilling Nipple option  
must include a fill-up  
line. Do not use kill line  
for fill up.

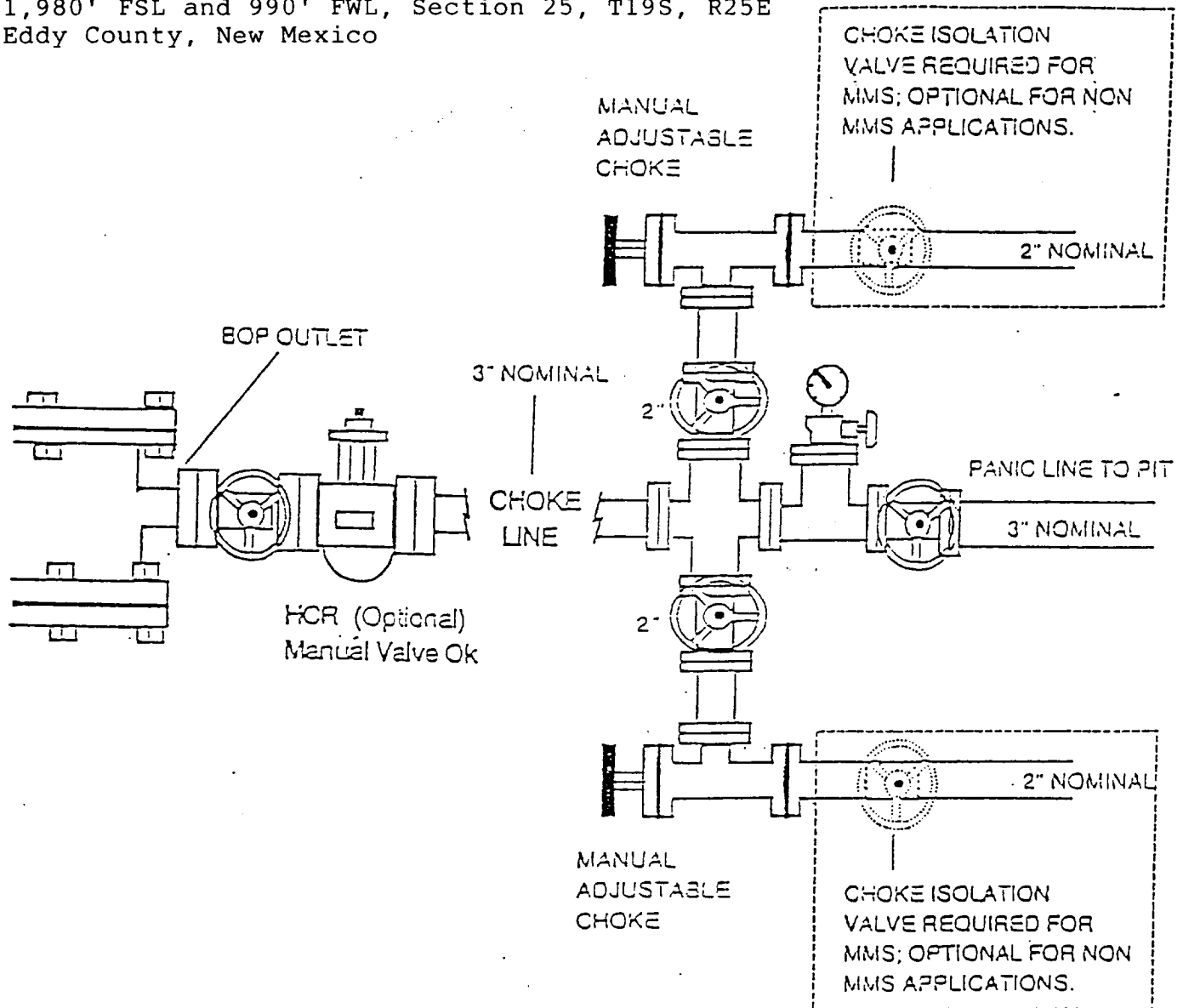


900 Series



CHOKE MANIFOLD  
2M AND 3M SERVICE

FAIRCHILD 25 FEDERAL COM #1  
1,980' FSL and 990' FWL, Section 25, T19S, R25E  
Eddy County, New Mexico



**Nearburg Producing Company**

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Exploration and Production  
419 W. Cain  
Hobbs, New Mexico 88240  
505-397-4186  
FAX 505-397-3998

December 4, 1996

Bureau of Land Management  
Attn: Tony L. Ferguson  
2909 West Second Street  
Roswell, NM 88202

RE: Fairchild 25 Federal Com #1  
1,980' FSL and 990' FWL, Section 25, T19S, R25E  
Eddy County, New Mexico

Dear Mr. Ferguson:

Please be advised that all matters concerning surface use in connection with the captioned well have been agreed upon between Nearburg Producing Company and the surface owner, Mr. Carl Ross.

Attached hereto please find six (6) additional copies of this letter as requested.

If I can be of any further assistance, please feel free to call me at 915/686-8235.

Sincerely,

A handwritten signature in cursive script that reads "Van Rodgers".

Van Rodgers  
Production Landman

VR:sj

**STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS**

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

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

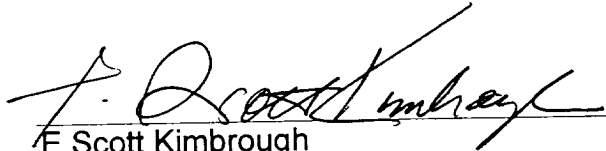
Lease No: NM - 96819

Legal Description of Land: 1,980' FSL and 990' FWL, Section 25, T19S, R25E

Formation(s) (if applicable): Morrow

Bond Coverage: \$25,000 statewide bond of Nearburg Producing Company

BLM Bond File No: NM1307

  
E Scott Kimbrough  
Manager of Drilling and Production  
12/04/96