

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPlicate*
(Other instructions on reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN			5. LEASE DESIGNATION AND SERIAL NO. NM 17238
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME
2. NAME OF OPERATOR Nearburg Producing Company			8. FARM OR LEASE NAME, WELL NO. Anaconda 11 Federal #2
3. ADDRESS AND TELEPHONE NO. 3300 North A Street, Building 2, Suite 120, Midland, Texas 79705 (915) 686-8235			9. API WELL NO. 30-025-34934
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1,650' FNL and 1,650' FWL At proposed prod. zone F			10. FIELD AND POOL, OR WILDCAT Teas Bone Spring
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 2 miles NE of Halfway, New Mexico			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 11, T20S, R33E
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drng. unit line, if any) 1,650'	16. NO. OF ACRES IN LEASE 40	17. NO. OF ACRES ASSIGNED TO THIS WELL 40	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1,650'	19. PROPOSED DEPTH 9,600'	20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,585 GR			22. APPROX. DATE WORK WILL START* 02/01/00

**SECRETARY'S POTASH
R-111-P POTASH**

CAPITAN CONTROLLED WATER BASIN

23. PROPOSED CASING AND CEMENTING PROGRAM					
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
1 3/4" 47-412"	3/4" 43-3/8" 440 J55	59.5 48# 65#	1,300'	500 sx cmt, circ to surface	WITNESS 1000
10 5/8" 41"	8-5/8" K55 J55	24# & 32#	3300'-5,000'	1,200 sx cmt, circ to surface	WITNESS
7-7/8"	5-1/2" N80	17#	9700' 9,600'	1,500 sx cmt, tie back to 8 5/8" csg	

Propose to drill well to sufficient depth to evaluate the Bone Spring 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.

Acreeage dedication 40; NW of Section 11.

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

OFFICE NO. **15742**
24868
58960
2-17-00
30-025-34934

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 **H.R. Williams/KS** TITLE **Drilling Superintendent** DATE **12/30/99**

(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 **1/3/00 Carson F. Goff** TITLE **Acting** STATE DIRECTOR DATE **2-10-00**

*See Instructions On Reverse Side

APPROVED 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.

Handwritten initials: MP

BOHAC TEMSON
BUREAU OF LAND MANAGEMENT
ROSWELL OFFICE

2000 JAN -3 A 9 19

RECEIVED

