SUBMIT IN TRIF -ATE* (Other instruct. on reverse side)

Form approved.

Rudget Burcau No. 42-R1425.

	DEIMINEN	. 0				5. LEASE DESIGNATION	AND SERIAL NO.
	GEOL	OGICAL SURV	EY			NM-12828	:
APPLICATION	N FOR PERMIT	TO DRILL,	DEEPE	N, OR PLUG E	BACK	6. IF INDIAN, ALLOTTE	E OR TRIBE NAME
1a. TYPE OF WORK	LL 🛛	DEEPEN		PLUG BA	СК []	7. UNIT AGREEMENT N	AME
b. TIPE OF WELL				GLE MULTIE			- - .
WELL W	ELL X OTHER		7.01		<u>'' </u>	S. FARM OR LEASE NA	~ .
2. NAME OF OPERATOR		(Ph. 9	15-684-RECEIVE)	SHELBY FEE	DERAL COM
URTAH	EXPLORATION,	NC.				J. WELL NO.	
3. ADDRESS OF OPERATOR				Hu .			
1604 W	V. Front St., N	lidland, Tex	as 79	701 JUL 20 196	2	10. FIELD AND POOL, C	
4. LOCATION OF WELL (Re	•		-	•	-	Morrow Wil	dcat
1980'	FNL & 990' FWL	of Sec. 13	-22S-	24E O. C. D.		11. SEC., T., R., M., OB AND SURVEY OR AN	BLK.
At proposed prod. zone Same	e			ARTESIA OFFICE		Sec. 13-22	!S-24E
14. DISTANCE IN MILES A	ND DIRECTION FROM NE	AREST TOWN OR POS	T OFFICE	•		12. COUNTY OR PARISH	13. STATE
13 air	miles west of	Carlsbad,	New Me	exico		Eddy	N.M.
15. DISTANCE FROM PROPO- LOCATION TO NEAREST			16. NO.	OF ACRES IN LEASE		P ACKES ASSIGNED	
PROPERTY OR LEASE L (Also to nearest drig		660'	1	1200		- 320	
18. DISTANCE FROM PROPORTO NEAREST WELL, DI	HILLYND COUNTRED			POSED DEPTH	20. ROTA	RT OR CABLE TOOLS	•
OR APPLIED FOR, ON THE		3300'	10,80	00' Morrow		Rotary	
21. ELEVATIONS (Show whe						22. APPROX. DATE WO	BK WILL START
3920'	G.L.					July 1	5, 1982
23.		PROPOSED CASI	NG AND	CEMENTING PROGRA	M =		
SIZE OF HOLE	RIZE OF CASING	WEIGHT PER FO	TOC	SETTING DEPTH		QUANTITY OF CEMEN	T.
20 ''	16 "	55#		50 1	Suf	ficient to cir	culate
124"	9 5/8 "	36#		i 750 '		ficient to cir	
8 3/4 & & 7/8"	4 1/2 "	11.6#		105001		O' above pay z	
		1	ı		1		

Pay zone will be perforated and stimulated as needed for production.

Attached are:

- 1. Well Location & Acreage Dedication Plat
- Supplemental Drilling Data
- Surface Use Plan

U.S. GEOLOGICAL SURVEY ROSWELL, NEW MEXICO

One-half of gas for W1 Section 13 is not dedicated.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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 blowent preventer program, if any,

BIGNED Sames A. Knaut	TITILE	Agent	- :	DATE	June 28, 1982
(This space for Federal or State office use) (Orig. Sgd.) GEORGE H. STEWAR?		APPROVAL DATE			7,9,7
APPROVED BY JUL 10 1982 CONDITIONS OF APPROVAL, IF ANY:	TITLE			DATE	Shy 1323 32 18 1

TONEY ANAYA

GOVERNOR

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE April 16, 1984

> P.O. DRAWER DO ARTESIA, NEW MEXICO 88210 (505) 748-1283

Bureau of Land Management Box 1397 Roswell, New Mexico 88201

> Re: Shelby Federal Com. #1-E-13-22-24 Wildcat Morrow

Gentlemen:

On July 20, 1982, we received Form 9-331 C, Application For Permit To Drill, on the above captioned well. Your office approved this Intent on July 16, 1982.

Since that time we have not received any notices regarding any work being done on this well.

Could you please give us an update on the status of this well, and copies of any Sundry Notices and Completion Reports if this well has been drilled and completed.

Very truly yours,

L'eslie A. Clements Supervisor District II

LAC/pw

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN NEARBURG PRODUCING COMPANY US 13 FEDERAL #1-Y

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.
 - 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.

STATEMENT ACCEPTING RESPONSIBILITY FOR CAPERATIONS

Nearburg Producing Company 3300 North "A" Street, Bldg 2, Ste 120 Midland, Texas 79705

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-12828

Legal Description of Land: SHL: 1,977' FNL and 998' FWL, Section 13, T22S, R24E

BHL: 850' FNL and 1,650' FWL, Section 13, T22S, R24E

Formation(s) (if applicable): Cisco/Canyon

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

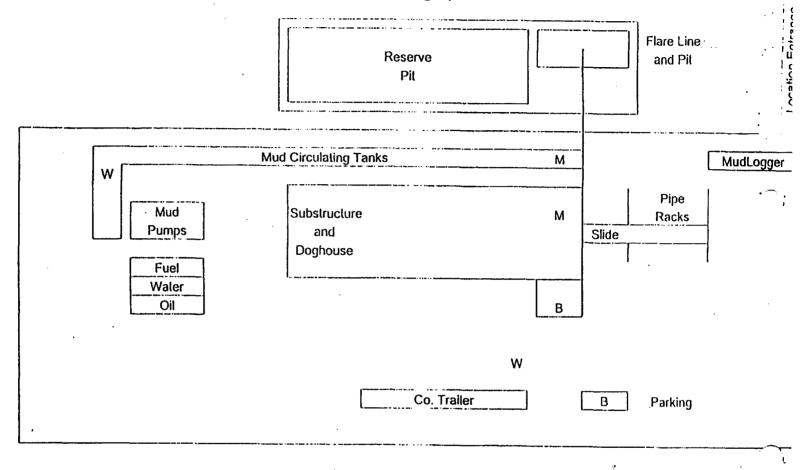
BLM Bond File No: NM1307

E. Scott Kimbrough

Manager of Drilling and Production

07/14/97

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

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.

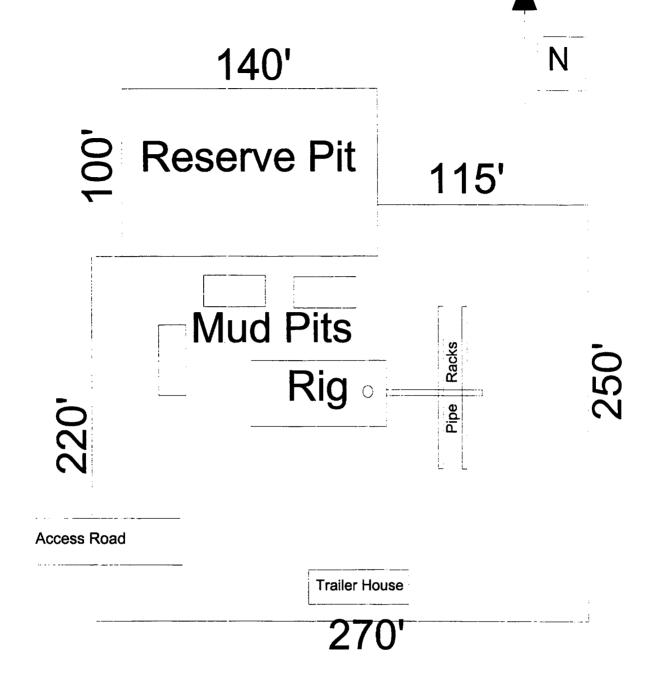
Nearburg Producing Company 1 - 505 - 397 - 4186

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 H2S environment will be conducted during the daylight hours.



DRILLING RIG LAYOUT
NEARBURG PRODUCING COMPANY
U.S. 13 FEDERAL #1-Y
SCALE 1" = 50'

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.

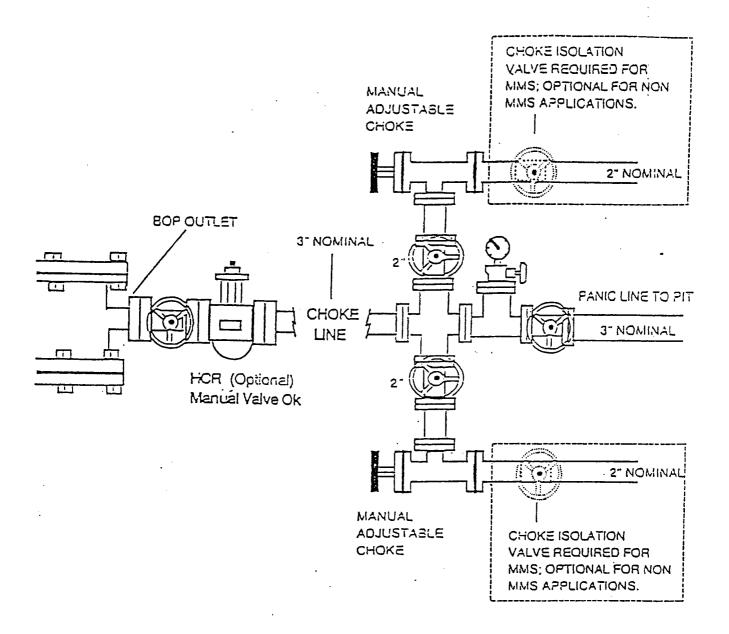
E. Mud Program:

- 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 line and valves shall be suitable for H2S service.

CHOKE MANIFULD 2M AND 3M SERVICE



U.S. 13 Federal #1-Y 1,977' FNL & 998' FWL . Eddy County, New Mexico

LOCATION VERIFICATION MAP



SCALE: 1'' = 2000'

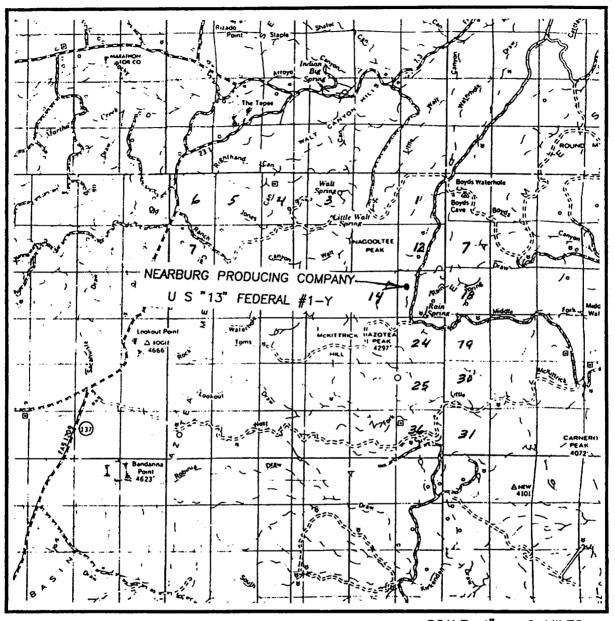
CONTOUR INTERVAL - 20'

SEC. <u>13</u> TWP. 2	22-S_RGE. <u>24-E</u>
SURVEY	N.M.P.M.
COUNTY	EDDY
DESCRIPTION 197	7' FNL & 998' FWL
ELEVATION	3927'
OPERATOR NEARB	BURG PRODUCING COMPANY
LEASE	U S "13" FEDERAL
U.S.G.S. TOPOGR AZOTEA PEAK, N	

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117



VICINITY MAP

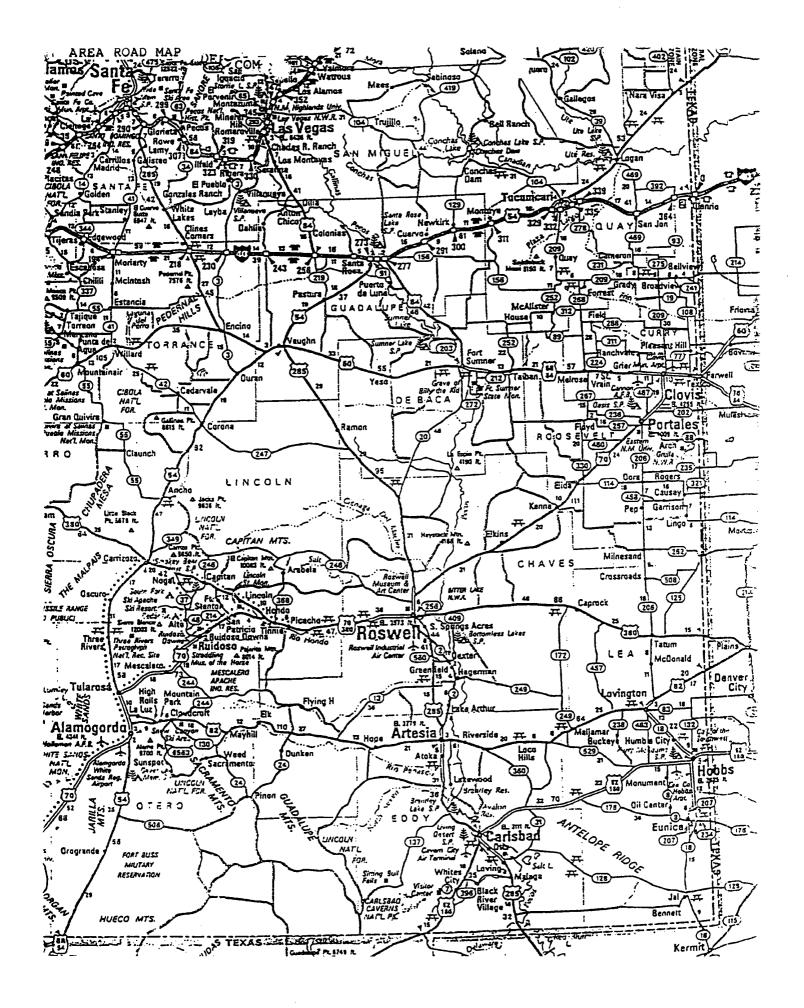


SCALE: 1" = 2 MILES

SEC. 13	TWP. <u>22-S</u> RGE. <u>24-E</u>
SURVEY	N.M.P.M.
COUNTY	EDDY
DESCRIPTIO	N 1977' FNL & 998' FWL
ELEVATION	3927'
OPERATOR .	NEARBURG PRODUCING COMPANY
LEASE	U S "13" FEDERAL

JOHN WEST ENGINEERING HOBBS, NEW MEXICO (505) 393-3117





6. <u>CIRCULATING MEDIUM:</u>

Surface to 8,100':

Re-enter and drill out plugs to 3,400' and kick off to new BHL with fresh water mud, weight 8.4 to 9.0 ppg, viscosity 28 to 30. Below 6,500', add brine to bring chlorides up to at least 60,000 ppm, wt. 8.7 to 9.1 ppg.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

DLL/LDT/CNL/GR/CAL log is planned, drill stem tests, cores and sidewall cores possible.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

None anticipated. Maximum bottom hole psi is estimated to be 2,000 psi.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on September 15, 1997, with drilling and completion operations lasting about 20 days.

SUPPLEMENTAL DRILLING DATA NEARBURG PRODUCING COMPANY US 13 FEDERAL #1-Y

1. SURFACE FORMATION:

Seven Rivers Limestone

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

Delaware	1,529'
T/Bone Spring	3,222'
T/Wolfcamp	7,445'
T/Cisco	7,888'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Cisco/Canyon formation.

4. CASING AND CEMENTING PROGRAM:

	Setting Depth			
Casing Size	From To	<u>Weight</u>	Grade	<u>Joint</u>
9-5/8" *	0 - 1,570'	36#	K-55	ST&C
5-1/2"	0 - 7,000' (TVD)	1 7 #	K-55	LT&C
	7,000' - 8,100' (TVD)	1 7 #	N-80	LT&C

^{*} Existing.

5-1/2" production casing will be cemented to surface with approximately 1000 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.

^{9-5/8&}quot; casing was previously cemented to surface.

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:

United States of America c/o Bureau of Land Management 620 W Greene St Carlsbad, NM 88220

11. **OPERATOR'S REPRESENTATIVE:**

H. R. Willis 3300 N. "A" Street, Bldg 2, Suite 120 Midland, Texas, 79705 Office: (915) 682-8235

Home: (915) 697-2484

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.

7/14/97 Date

H.R. Willis

Drilling Superintendent

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 caliche.

C. Flora and Faunal:

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

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:

The existing road will be repacked and used.

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".

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

NEARBURG PRODUCING COMPANY US 13 FEDERAL #1-Y

SHL: 1,977' FNL AND 998' FWL, SECTION 13, T22S, R24E BHL: 850' FNL AND 1,650' FWL, SECTION 13, T22S, R24E EDDY COUNTY, NEW MEXICO

LOCATED:

13-1/2 miles west of Carlsbad.

OIL & GAS LEASE:

NM 12828

RECORD LESSEE:

Jeanne Fields Shelby

BOND COVERAGE:

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

ACRES IN LEASE:

1,200

GRAZING LEASE:

Gregory Ranch c/o Larry Gregory 617 Queen Hwy Carlsbad, NM 88220

POOL:

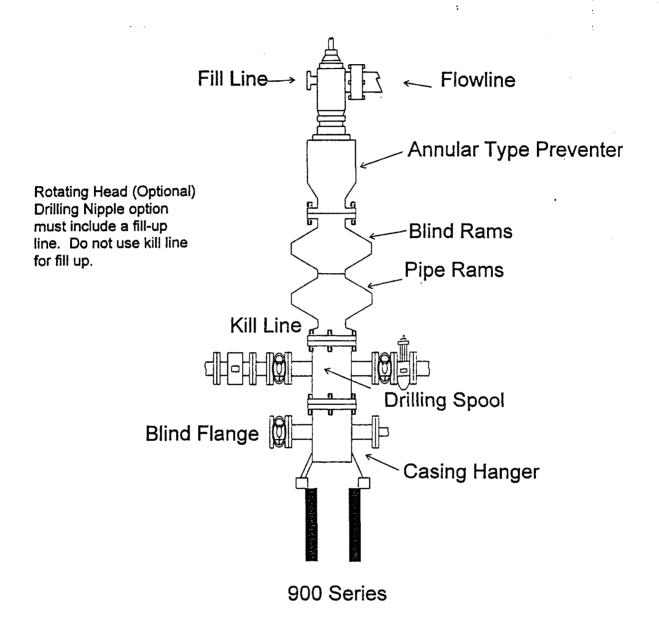
Undesignated - Cisco/Canyon

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 re-entered to a true vertical depth of approximately 8,100'.

BOPE SCHEMATIC NEARBURG PRODUCING COMPANY



U.S. 13 FEDERAL #1-Y 1,977' FNL & 998' FWL Eddy County, New Mexico DISTRICT I P.O. Box 1060, Hobbs, NM 86241-1960

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102 Revised February 10, 1994 Submit to Appropriate District Office State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II F.O. Drawer BD, Artesia, NM 88211-0719

DISTRICT III 1000 Rio Brezoe Rd., Axtec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

DISTRICT IV P.O. Box 2068, Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

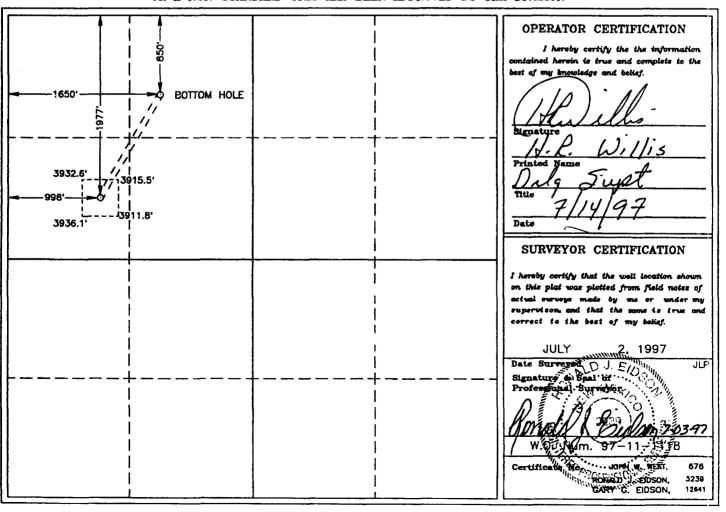
API Number	Pool Code	Pool Name		
Property Code	Prop	crty Name	Well Number	
	US 13	FEDERAL	1-Y	
OCKID No.	Oper	ator Name	Elevation	
	NEARBURG PRO	DDUCING COMPANY	3927	
	Surfa	ce Location		

UL oc	lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	Ε	13	22 S	24 E		1977	NORTH	998	WEST	EDDY

Bottom Hole Location If Different From Surface

ſ	UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
l	С	13	22 S	24 E		850	NORTH	1650	WEST	EDDY
Dedicated Acres Joint or Infill Consolidation Code Order No.					· · · · · · · · · · · · · · · · · · ·					
l		Į.								

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



STATE OF NEW MEXICO ENERGY, MIN_RALS AND NATURAL RESC JRCES DEPARTMENT

OIL CONSERVATION DIVISION ARTESIA DISTRICT OFFICE

GARY E. JOHNSON

JENNIFER SALISBURY
CABINET SECRETARY

August 8, 1997

Mr. W.Thomas Kellahin Kellahin and Kellahin Attorneys At Law P.O. Box 2265 Santa Fe, New Mexico 83213

Re: Directional Drill U.S. Federal Well No. 1-Y

SHL: 1977' FNL& 998' fwl BHL: 850' FNL & 1650' FWL

SEC. 13, T-22S, R-2E Eddy County, New Mexico

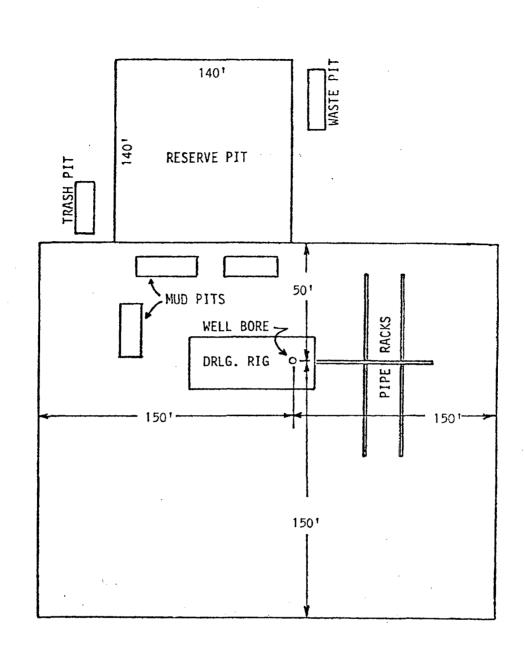
Dear Mr. Kellahin:

Nearburg Producing Company is hereby authorized to directional drill the U.S. Federal Well No. 1-Y (formally the Uriah Exploration's Shelby Federal Well No. 1). Additional approval is not required as long as the BHL location is as stated above.

OIL CONSERVATION DIVISION

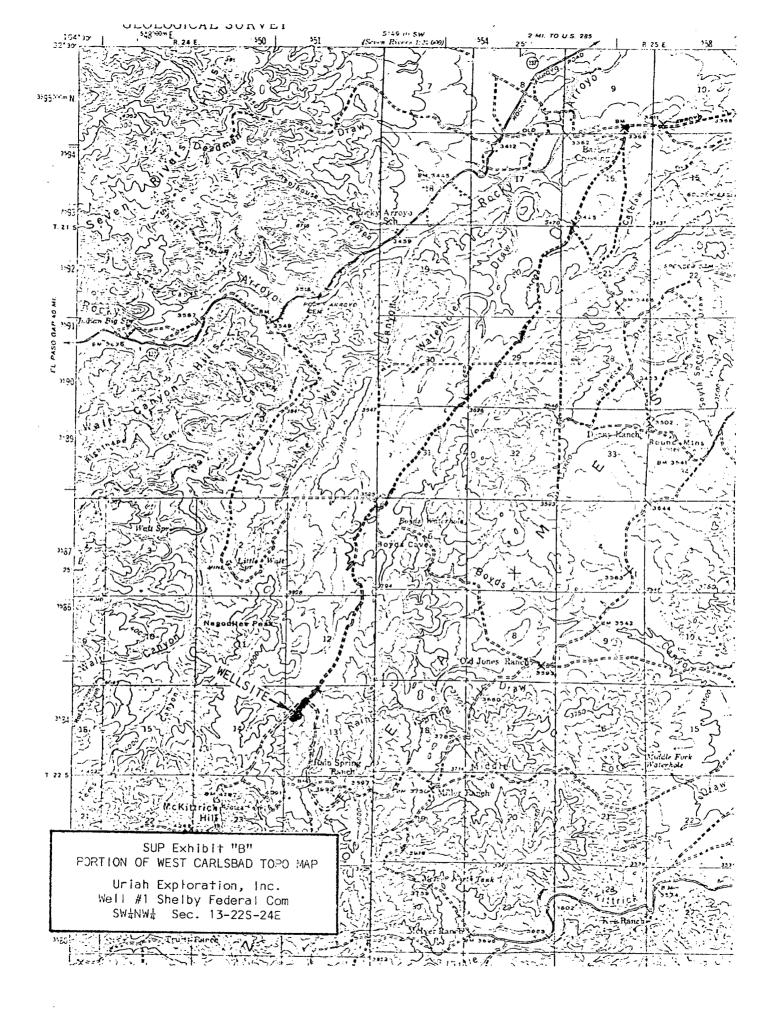
TIM W. GUM

DISTRICT II SUPERVISOR



SUP Exhibit "D" SKETCH OF WELL PAD

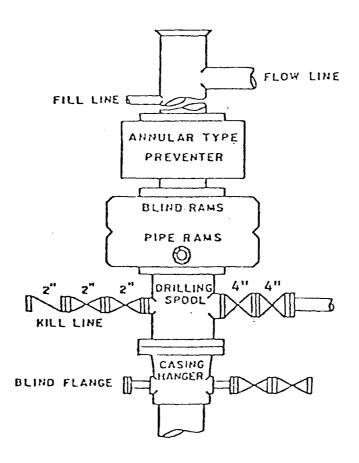
Uriah Exploration, Inc. Well #1 Shelby Federal Com SW4NW4 Sec. 13-22S-24E



BLOWOUT PREVENTER SKETCH

Uriah Exploration, Inc. Well #1 Shelby Federal Com SW4NW4 Sec. 13-22S-24E

900 SERIES



SUPPLEMENTAL DRILLING DATA

URIAH EXPLORATION, INC. WELL #1 SHELBY FEDERAL COM 1980' FNL & 990' FWL SEC. 13-22S-24E EDDY COUNTY, NEW MEXICO

1. SURFACE FORMATION: Yates formation of Permian Age.

2. ESTIMATED GEOLOGIC TOPS:

Seven Rivers	50 '	Wolfcamp	72001
Queen	700 '	Cisco	78001
Capitan	750 '	Atoka	93001
Cherry Canyon	1650 '	Morrow	9700 '
Bone Spring	3700 '	Barnett	106001

3. POSSIBLE WATER AND HYDROCARBON BEARING ZONES:

Water: Seven Rivers & Upper Capitan

Oil: Cherry Canyon

Gas: Cisco, Canyon, Strawn, Atoka, Morrow

4. PROPOSED CASING PROGRAM:

Size	Interval	Weight	<u>Grade</u>	Joint	Condition
16 "	0 - 50'	55#	H-40	STC	New
9 5/8"	0 - 1750'	36#	K-55	STC	New
4 1/2"	0 - 2500' 2500 - 8400' 8400 - 10600'	11.6# 11.6# 11.6#	K-55 K-55 N-80	BUTT STC LTC	New New New

5. PRESSURE CONTROL EQUIPMENT: Blowout preventer stack will consist of an annular-type preventer and two ram-type preventers with 3000 psi working pressure. A sketch of BOP is attached.

MEXICO OIL CONSERVATION COMMIT NO WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section perator West No. SHELBY FEDERAL COM HALRU EXPLORATION NO.1 in and hit Letter Trawe into County 22 SOUTH 24 EAST EDDY 990 WEST 1980 leet from the Ground Laver Fley. Producing Formation Described Activoger Cisco, Canyon, Morrow Undesignated 3920 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? If answer is "yes," type of consolidation Forced-Pooling. Formal Communitization Agreement will be prepared if well is productive. If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of 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 Commis-CERTIFICATION Supron James Agent 990 URIAH EXPLORATION, INC. <u>June 28, 1982</u> USA (NM-12828) Uriah Uriah L'ata Gurvey est Registered Emtessional Engineer USA IM-36609

2000

1500

1000