

154

UNIT 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**

3. ADDRESS AND TELEPHONE NO.
 3300 North A Street, Building 2, Suite 120, Midland, Texas 79705 (915) 686-8235

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface **1450' FSL and 990' FEL**
 At proposed prod. zone **Unit I**

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drig. unit line, if any) **990'**

16. NO. OF ACRES IN LEASE **480**

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. **990'**

19. PROPOSED DEPTH **11,700'**

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3,710 GR

22. APPROX. DATE WORK WILL START*
10/15/99

5. LEASE DESIGNATION AND SERIAL NO.
LC-064528-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
25075

8. FARM OR LEASE NAME, WELL NO.
 White Tip 7 Federal Com #1

9. API WELL NO.
30-015-30827

10. FIELD AND POOL, OR WILDCAT
 Happy Valley; Morrow (Gas) **78060**

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 7, T22S, R26E

12. COUNTY OR PARISH
 Eddy

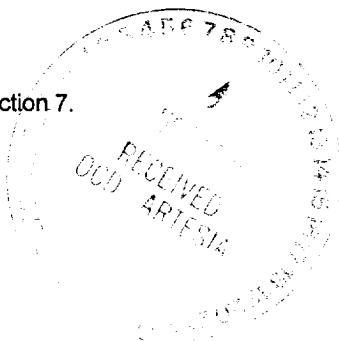
13. STATE
 New Mexico

23. PROPOSED CASING AND CEMENT **CARLSBAD 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#	1500' 300'	500 sx WELLS surface
12-1/4"	9-5/8" J55	36#	2600' 2,990'	1,200 sx WELLS surface
7-7/8"	5-1/2" J55,N80	17# & 20#	11,700'	500 sx cmt

Propose to drill 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; E/2 of Section 7.



APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED

Post IP-1
11-17-99
APE + LCC

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 [Signature] TITLE Drilling Superintendent DATE 9/7/99

(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 [Signature] TITLE Acting Assistant Field Office Manager, Lands and Minerals DATE NOV 06 1999

*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.

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33 NORTHWOOD

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SEP 09 1998

RUSSELL, NM