

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		² OGRID Number 015742
		³ API Number 30- 25-32538
⁴ Property Code 36383	⁵ Property Name La Rica 32 State	⁶ Well No. X 1
⁹ Proposed Pool 1 EK; Bone Spring		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
K	32	18S	34E		1980	South	1980	West	Lea

⁸ Proposed 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

Additional Well Location

¹¹ Work Type Code Re-entry	¹² Well Type Code O	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3886
¹⁶ Multiple	¹⁷ Proposed Depth 10000	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date 4/1/07
Depth to ground water ~ 95'		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48	407	400	Surface
12-1/4	9-5/8	40	3386	900	Surface
8-3/4	5-1/2	17	9992	1640	+2300
*all csg is existing					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

NPC proposes to re-enter the subject well down to 10,000'. Perf test and stimulate as needed to establish production.

Acreage dedication is 80 acres.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

Re-Entry

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Signature: <i>Sarah Jordan</i>		OIL CONSERVATION DIVISION	
Printed name: Sarah Jordan		Approved by: <i>Chris Williams</i>	
Title: Production Analyst		Title: QC DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: sjordan@nearburg.com		Approval Date: MAR 14 2007 Expiration Date:	
Date: 3/8/07	Phone: 432/686-8235 x 203	Conditions of Approval: must submit a C146 if a pit is used.	

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.

Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 3025-32538		Pool Code 2165D	Pool Name CK; Box Spring
Property Code 36383	Property Name LA RICA 32 STATE		Well Number 1
OGRID No. 015742	Operator Name NEARBURG PRODUCING COMPANY		Elevation 3886'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	32	18-S	34-E		1986	SOUTH	1981	WEST	LEA

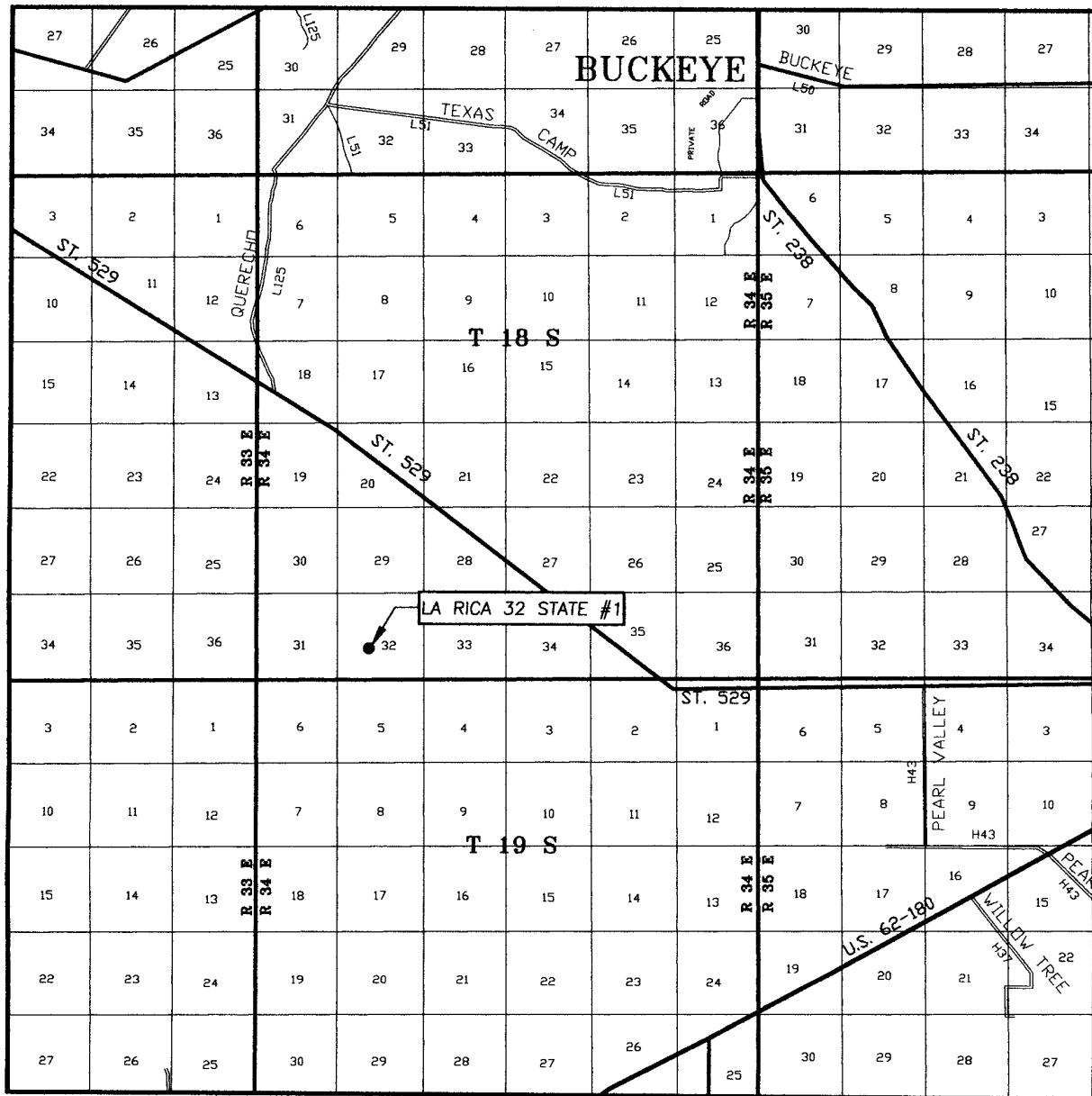
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 180		Joint or Infill	Consolidation Code		Order No.				

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

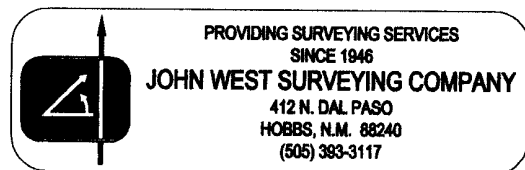
	OPERATOR CERTIFICATION <i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.</i> Signature: <u>Jordan</u> Date: <u>3/8/07</u> Printed Name: <u>Jordan</u>
	SURVEYOR CERTIFICATION <i>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.</i> FEBRUARY 13, 2007 Date Surveyed: <u>LA</u> Signature & Seal of Professional Surveyor: <u>GARY EIDSON</u> Certificate No. <u>07.11.0196</u> 12641

VICINITY MAP

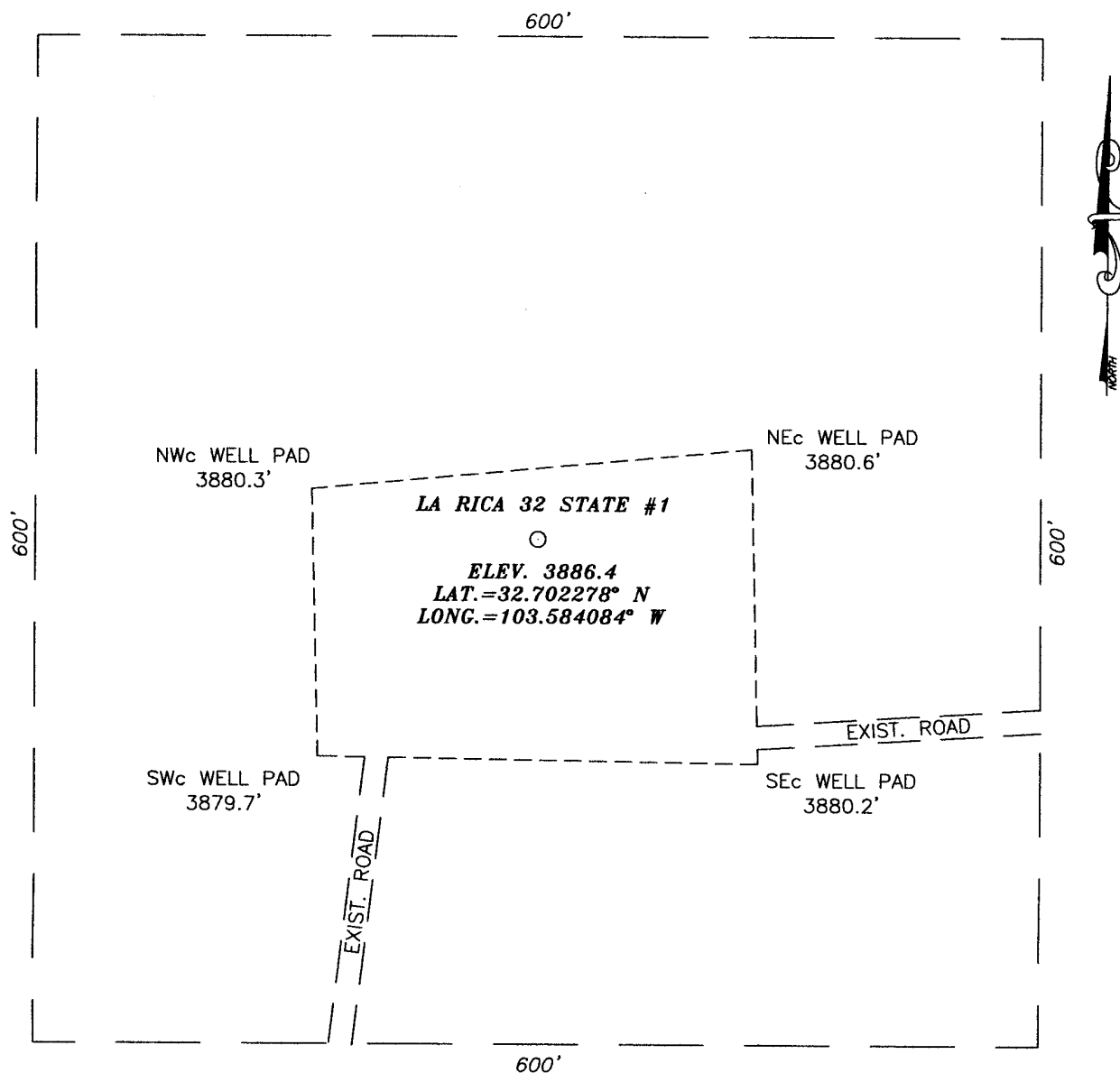


SCALE: 1" = 2 MILES

SEC. 32 TWP. 18-S RGE. 34-E
 SURVEY N.M.P.M.
 COUNTY LEA STATE NEW MEXICO
 DESCRIPTION 1986' FSL & 1981' FWL
 ELEVATION 3886'
 OPERATOR NEARBURG
 PRODUCING COMPANY
 LEASE LA RICA 32 STATE

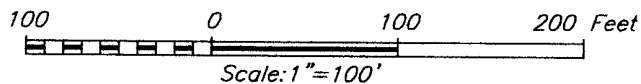


SECTION 32, TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF ST. HWY. #529 AND
 HECULES ROAD, GO SOUTH ON HECULES ROAD
 FOR APPROX. 1.2 MILES. TURN RIGHT AND GO
 WEST APPROX. 1.4 MILES TO THE SOUTHEAST
 CORNER OF AN EXISTING WELL PAD AND THIS
 LOCATION.



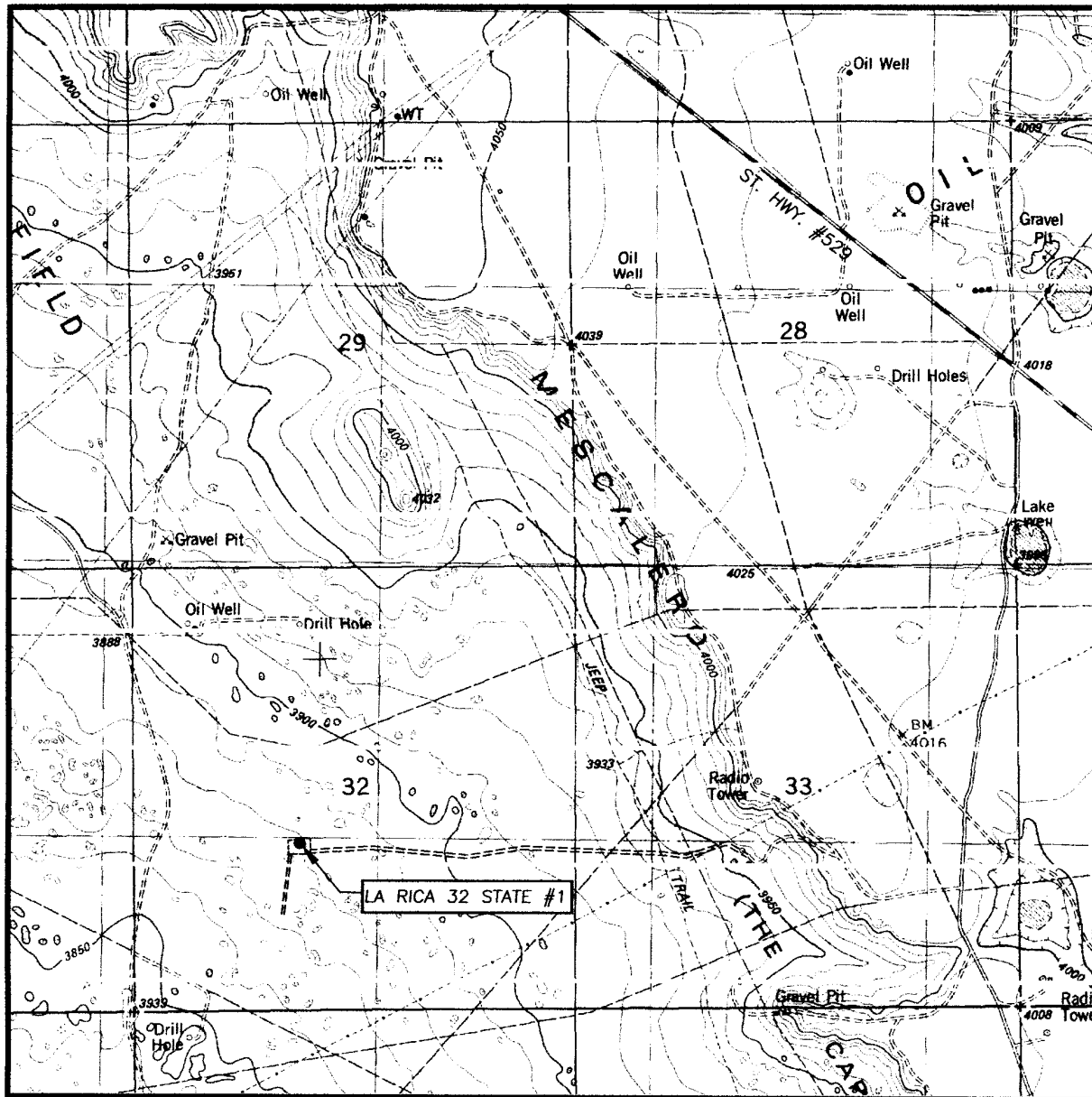
NEARBURG PRODUCING COMPANY

LA RICA 32 STATE #1 WELL
 LOCATED 1986 FEET FROM THE SOUTH LINE
 AND 1981 FEET FROM THE WEST LINE OF SECTION 32,
 TOWNSHIP 18 SOUTH, RANGE 34 EAST, N.M.P.M.,
 LEA COUNTY, NEW MEXICO.

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

Survey Date: 2/13/07	Sheet 1 of 1 Sheets
W.O. Number: 07.11.0196	Dr By: LA
Date: 2/16/07	Disk: CD#6
07110196	Scale: 1"=100'

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
IRONHOUSE WELL, N.M. - 10'

SEC. 32 TWP. 18-S RGE. 34-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

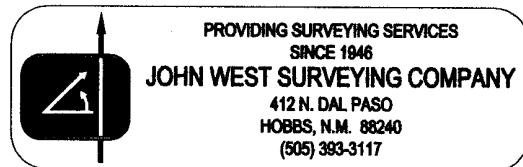
DESCRIPTION 1986' FSL & 1981' FWL

ELEVATION 3886'

OPERATOR NEARBURG
PRODUCING COMPANY

LEASE LA RICA 32 STATE

U.S.G.S. TOPOGRAPHIC MAP
IRONHOUSE WELL, N.M.



Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX: 432/686-7806

March 6, 2007

NM Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

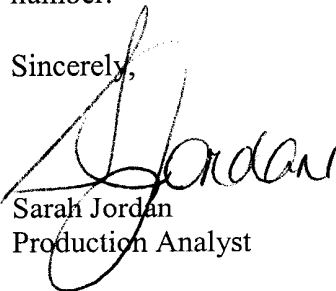
Ref: La Rica 32 State #1R
1986 FSL and 1981 FWL
Sec 32, 18S, 34E
Lea County, NM

Sirs:

This is a Re-entry of a P&A'd well to the Bone Springs formation. We do not anticipate encountering H2S and fill no contingency plan is needed. Nearburg will have proper equipment on location in case H2S is encountered.

If you have any questions or need further information, please call me at the letterhead number.

Sincerely,



Sarah Jordan
Production Analyst

/sj