

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells) <u>30-025-27715</u>
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-8382

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input type="checkbox"/> RE-ENTER <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>				7. Lease Name or Unit Agreement Name State 10C	
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. Well No. 1- 7	
2. Name of Operator Nearburg Producing Company				9. Pool name or Wildcat Wildcat	
3. Address of Operator P. O. Box 31405, Dallas, Texas 75231-0405					
4. Well Location Unit Letter <u>C</u> : <u>660</u> Feet From The <u>North</u> Line and <u>1,980</u> Feet From The <u>West</u> Line Section <u>10</u> Township <u>12S</u> Range <u>38E</u> NMPM Lea County					
10. Proposed Depth 12,400' MD		11. Formation Devonian		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 3,851' GR		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor Undetermined	
				16. Approx. Date Work will start 3/22/89	
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8" existing	54.5#	445'	475	circ.
11"	8-5/8" existing	32#	4,463'	1,500	circ.
7-7/8"	5-1/2"	17#, 20#, 23#	12,400'	500	

We plan to re-enter and drill out the surface plug and following four plugs (see attached original P&A report), and set a kickoff plug at +8,000'. We then plan to drill a directional hole to an estimated bottom hole location of 1,000 FNL and 1,100 FWL of Section 10, T12S, R38E. The measured total depth will be +12,400'. After running logs, if the analysis is positive we will run 5-1/2" casing and attempt a completion.

Blowout Preventor Diagram attached.

Directional well and unorthodox location hearings set for April 12, 1989.

We are aware that no allowable can be assigned until the conclusion of the hearings.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE T. R. MacDonald TITLE Engineering Manager DATE 3/17/89
(214)
TYPE OR PRINT NAME T. R. MacDonald TELEPHONE NO. 739-1778

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE MAR 24 1989

CONDITIONS OF APPROVAL, IF ANY:

Approved for re-entry work only -- No allowable will be authorized until order approving directional drilling and unorthodox location has been issued.

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.