

UNITED STATES
DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM 12413	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Nearburg Producing Company			7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 3300 North A Street, Building 2, Suite 120, Mesquite Park, NM 88406 (915) 686-8235			8. FARM OR LEASE NAME, WELL NO. Diamondback 25 Federal Com #1	
4. LOCATION OF WELL (Report location clearly and in accordance with instructions on reverse side) At surface 990' FSL and 660' FEL At proposed prod. zone <i>P</i>			9. API WELL NO. 30-025-34679	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*			10. FIELD AND POOL, OR WILDCAT Gem; Morrow	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 25, T19S-R32E	
16. NO. OF ACRES IN LEASE 480			12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE New Mexico	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'			19. PROPOSED DEPTH 13,700'	
20. ROTARY OR CABLE TOOLS Rotary			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,580 GR	
22. APPROX. DATE WORK WILL START* 08/20/99			23. SECRETARY'S POTASH	

PROPOSED CASING AND CEMENT

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" H40	48#	575' 350'	400
11"	8-5/8" K55	24# & 32#	5,200'	2,300
7-7/8"	5-1/2" N80	17# & 20#	13,700'	1,500 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 25.

OPER. OGRID NO. 15742

PROPERTY NO. 24829

POOL CODE 77370

EFF. DATE 8-23-99

API NO. 30-025-34679

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

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 Blair W. Winkler TITLE Senior Petroleum Engineer DATE 07/09/99

(This space for Federal or State office use)

PERMIT NO. Chris Williams

APPROVAL DATE

AUG 26 1999

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:

(ORIG. SGD.) M. J. CHÁVEZ

STATE DIRECTOR

APPROVED BY _____ TITLE _____

DATE

8-18-99

*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.

RECEIVED

JUL 14 '99

BLM
ROSWELL, NM