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P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

| | |
|--------------------------------|---|
| 5A. Indicate Type of Lease | |
| STATE <input type="checkbox"/> | FEE <input checked="" type="checkbox"/> |
| 5. State Oil & Gas Lease No. | |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

OIL WELL ☒GAS WELL ☐

OTHER

SINGLE ZONE ☒MULTIPLE ZONE ☐

c. Name of Operator

Nearburg Producing Company

d. Address of Operator

P. O. Box 31405 - Dallas, TX 75231

e. Location of Well

UNIT LETTER

8-24

LOCATED

1665

FEET FROM THE

North

LINE

NO. 830

FEET FROM THE

East

LINE OF SEC. 12

TWP. 17S

RGE. 37E

NMPM

7. Unit Agreement Name

8. Farm or Lease Name

HOWENSTEIN

9. Well No.

1
South Humble
City Strawn

12. County

LEA

19. Proposed Depth

12,000'

19A. Formation

Strawn

20. Rotary or C.T.

Rotary

f. Elevations (show whether DT, KI, etc.)

21A. Kind & Status Plug Bond

Blanket

21B. Drilling Contractor

Not Determined

22. Approx. Date Work will start

12/07/86

3.

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" | 48# | 460' | 500 | Circ |
| 11" | 8-5/8" | 24 & 32# | 4,750' | 1600 | Circ |
| 7-7/8" | 5-1/2" | 17 & 20# | 12,000' | 830 | ±8000' |

Propose to drill the well to evaluate the Strawn formation. After reaching total depth, logs will be run and casing set if evaluation is favorable. If casing is run, we will perforate, test, and stimulate as necessary, to establish production.

The unorthodox location, while only approximately 200' non-standard, is scheduled for a hearing in Santa Fe on December 17, 1986. Waiver letters have been sent to offset operators. Nearburg Producing Company will not produce this well until an order approving the location has been issued and an allowable assigned by the New Mexico Oil Conservation Division.

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.

Signed Charles E. Nearburg Title President Date 11/26/86
(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON

APPROVED BY DISTRICT 1 SUPERVISOR TITLE DATE DEC 2 1986

CONDITIONS OF APPROVAL, IF ANY:

Unorthodox location approved for drilling only.
Well cannot be produced until order approving this location has been issued. (K-8375)

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

RECEIVED
DEC 1 - 1986
O.C.D.
MOBIS OFFICE