

N. M. OIL CONS. COMMISSION
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTP.O. BOX 1980
HOBBS, NEW MEXICO 88240SUBMIT IN TRIPPLICATE*
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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 97896	
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, Midland, Texas 79705 (915) 686-8235			8. FARM OR LEASE NAME, WELL NO. Jade 34 Federal Com #2	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FNL and 2,310' FWL At proposed prod. zone			9. API WELL NO. 30-025-34648	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 30 miles South Southwest of Hobbs, New Mexico			10. FIELD AND POOL, OR WILDCAT Gem. Wildcat, Morrow, East	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'			11. SEC./T., R., M., OR BLK. AND SURVEY OR AREA Section 34, T19S, R33E	
16. NO. OF ACRES IN LEASE 640			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. 990'			20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3,565 GR			22. APPROX. DATE WORK WILL START* 06/15/99	

23. SECRETARY'S POTASH R-111-P POTASH AND CEMENT CAPTAN CONTROLLED WATER BASIN				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
18-1/2"	16" H-40 J-55	85.875#	1250	500 SX. CIRCULATE
14-3/4"	11-3/4" J-55	65#	3600	1500 SX. CIRCULATE
10-5/8"	8-5/8" J-55	32#	5250	500 SX.
7-1/8"	5-1/2" N-80	17#	13700	1700 SX.

* See Attached Sheet for Casing Program

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 is 320; N/2 of Section 34.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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

TITLE Drilling Superintendent

DATE

5/18/99

(This space for Federal or State office use)

PERMIT NO.

ORIGINAL SIGNATURE OF WILLIAM
DISTRICT SUPERVISOR

APPROVAL DATE

JUL 03 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:

APPROVED BY (ORIG. SGD.) M. J. CHÁVEZ

TITLE

STATE DIRECTOR

DATE

6-21-99

*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

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ELM
HOWELL, NM