



IN REPLY REFER TO

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Box 1397, Roswell, New Mexico - 88201

3162.41 (065)

APR 04 1986

Nearburg Producing Company
P. O. Box 31405
Dallas, Texas 75231

Dear Sir:

Your Application for Permit to Drill the Kettster Federal No. 1 well in the NE $\frac{1}{4}$ NE $\frac{1}{4}$, sec. 26, T. 20 S., R. 34 E., Lea County, New Mexico, lease LC-066126, to a depth of 11,500 feet to test the Wolfcamp formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the Bureau of Land Management Office checked on the attached special stipulation, in sufficient time for a representative to witness all cementing operations.

Sincerely,

Orig. Sgd. David L. Mari

FOR Francis R. Cherry, Jr.
District Manager

Enclosure

cc:
NMOCD Hobbs (2)

RECEIVED
APR 7 1986
HOBBS OFFICE
BUREAU OF LAND MANAGEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

5. LEASE DESIGNATION AND SERIAL NO.

LC-066126

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Rettster Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat (Wolfcamp)

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 26, 20S, 34E

12. COUNTY OR PARISH 13. STATE

Lea New Mexico

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Nearburg Producing Company

3. ADDRESS OF OPERATOR

P.O. Box 31405 Dallas, Texas 75231

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

660' FNL & 660' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

25 miles West-Southwest of Hobbs, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

800

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

11,500'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3694.6' GR

22. APPROX. DATE WORK WILL START*

upon approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	700'	sufficient to circ.
12-1/4"	8-5/8"	24# & 32#	5,500'	sufficient to circ.
7-7/8"	5-1/2"	17# & 20#	11,500'	900 sxs.

After setting production casing, pay zone will be perforated
and stimulated as necessary.

See Attached for: Supplemental Drilling Data
BOP Sketch
Surface Use and Operations Plan
Original P&A Report

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. 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

TR Mac Donnell

TITLE Engineering Manager

DATE 3/11/86

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-85

All distances must be from the outer boundaries of the Section.

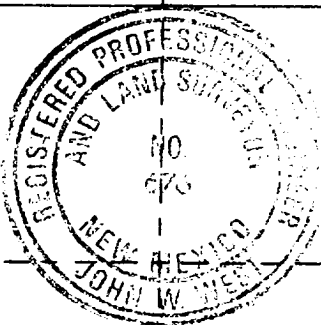
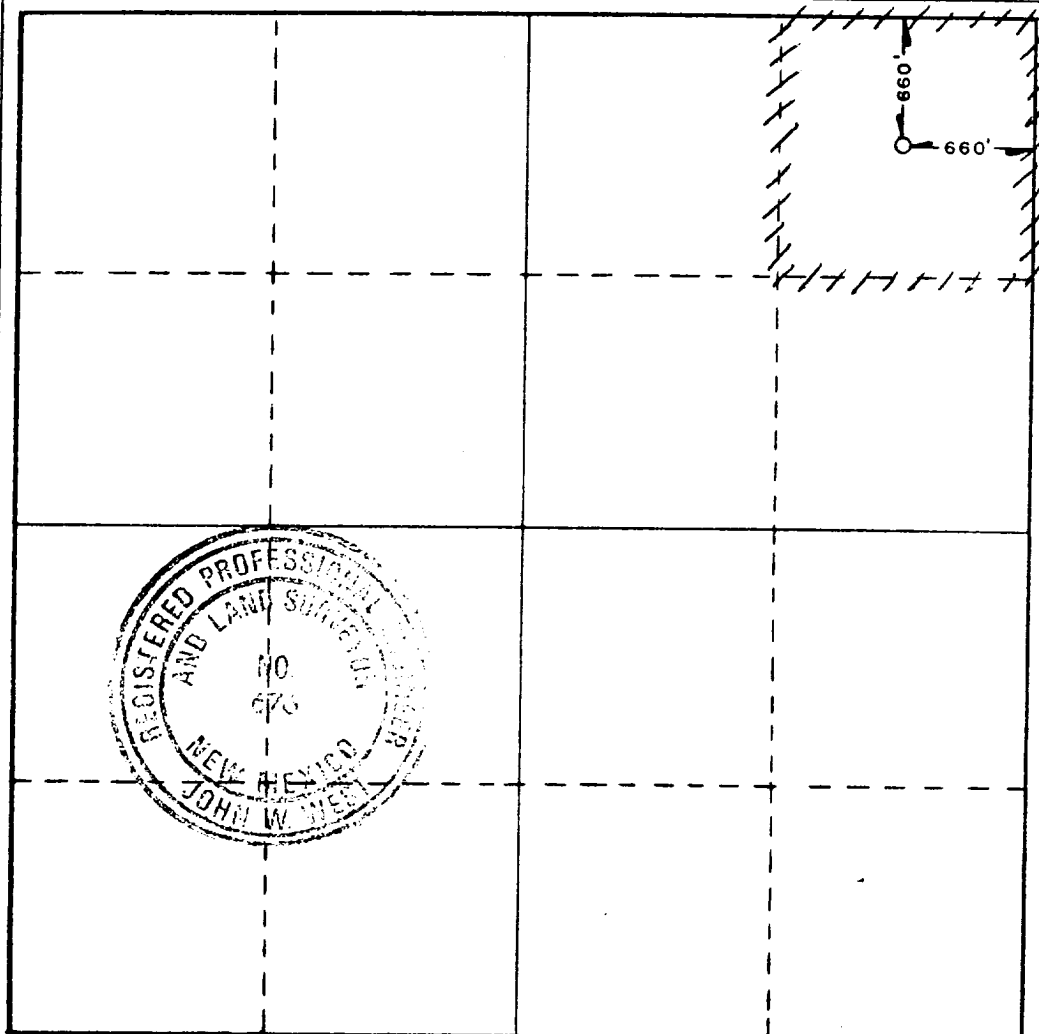
Operator NEARBURG PRODUCING COMPANY			Lease RETTSTER FEDERAL		Well No. 1
Unit Letter A	Section 26	Township 20 SOUTH	Range 34 EAST	County LEA	
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the EAST line					
Ground Level Elev. 3694.6'	Producing Formation Wolfcamp		Pool Wildcat		Dedicated Acreage: 40.0 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Name
Mark K. Nearburg
Position
Land Manager
Company
Nearburg Producing Co.
Date
1-23-86

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 knowledge and belief.

Date Surveyed
JANUARY 16, 1986

Registered Professional Engineer and/or Land Surveyor

John W. West
Certificate No. **JOHN W. WEST, 676**

RONALD J. EIDSON, 3239

SUPPLEMENTAL DRILLING DATA

NEARBURG PRODUCING COMPANY

WELL NO. 1 REITSTER FEDERAL

1. SURFACE FORMATION: Quaternary.

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Anhydrite.....1,641'
Yates.....3,600'
Queen.....4,620'
Bone Springs Lm.....8,445'
1st Bone Springs Sand....9,533'
Wolfcamp.....11,180'

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Bone Springs Sand
Wolfcamp

4. CASING AND CEMENTING PROGRAM:

CASING SIZE	SETTING DEPTH		WEIGHT	GRADE	JOINT
	FROM	TO			
13-3/8"	0	850'	48#	H-40	ST&C
8-5/8"	0	850'	32#	J-55	ST&C
8-5/8"	850'	2,020'	24#	J-55	ST&C
8-5/8"	2,020'	4,120'	32#	J-55	ST&C
8-5/8"	4,120'	5,500'	32#	KO-80	ST&C
5-1/2"	0	11,500'	17#	N-80	LT&C

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

13-3/8" casing will be cemented with approximately 500 sacks of Class "C" cement. Cement to circulate.

8-5/8" casing will be cemented with sufficient Light cement, tailed-in with 200 sacks of Class "C" cement, to circulate.

5-1/2" production casing will be cemented with approximately 800 sacks of Class "H" 50/50 POZ.

5. PRESSURE CONTROL EQUIPMENT:

The BOP stack, while drilling below the surface casing will consist of a 3000 psi working pressure, dual ram type preventer, and, while drilling below the intermediate casing, will consist of a 5000 psi working pressure dual ram type preventer and choke manifold and a 3000 psi working pressure annular type preventer.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 850 feet:

Fresh water with lime or gel as needed for viscosity control.

850 feet to 5,500 feet:

Brine conditioned as necessary for viscosity control.

5,500 feet to total depth:

Water base drilling fluid conditioned as necessary for control of viscosity, pH, and water-loss. Weighted as necessary for well control.

7. AUXILLARY EQUIPMENT:

A mud logging trailer will be on location while drilling lower part of hole.

8. TESTING, LOGGING, AND CORING PROGRAM:

Drill stem tests will be made if drilling time, samples, and other data indicate a test is warranted.

It is planned that electric logs will include GR-CNL-FDC and DDL logs.

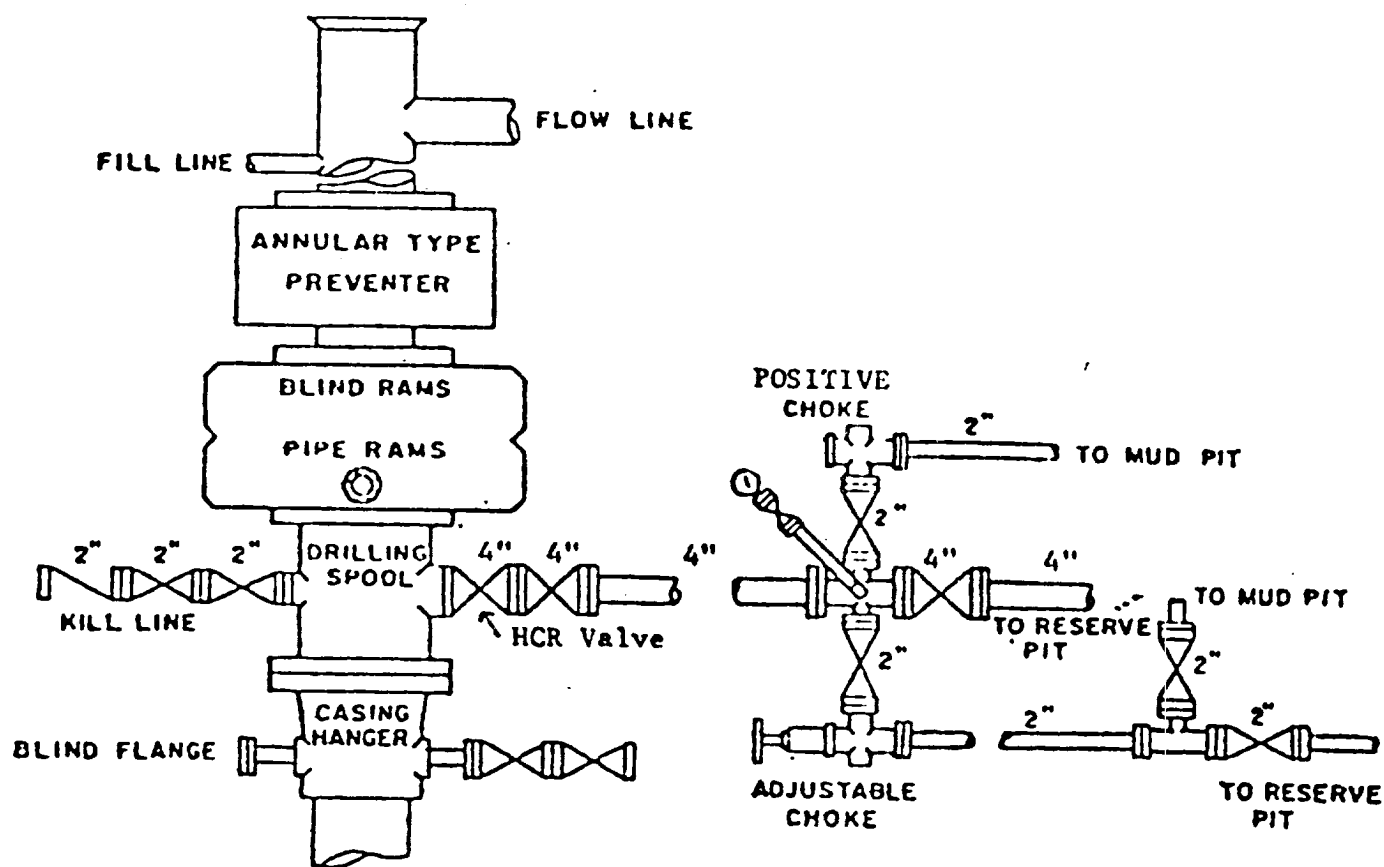
No coring is planned.

9. ABNORMAL PRESSURES, TEMPERATURES, OR HYDROGEN SULFIDE GAS:

None anticipated.

10. ANTICIPATED STARING DATE:

It is planned that operations will commence upon approval of this application, with drilling and completion operations lasting about 90 days.



BOP STACK

RAM TYPE PREVENTERS
5000 PSI WORKING PRESSURE

ANNULAR TYPE PREVENTER
3000 PSI WORKING PRESSURE

DEPTH INTERVAL

BELOW 8-5/8" CASING SEAT

BOP ARRANGEMENT