

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr.
Hobbs, NM 88240

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993
Designation and Serial No
NM 17238

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Nearburg Producing Company

3. Address and Telephone No.
3300 North A Street, Building 2, Suite 120, Midland, Texas 79705

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Unit H, 2310' FNL & 330' FEL, Section 3, T20S, R33E

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Python 3 Federal # 5

9. API Well No.
30-025-35475

10. Field and Pool, or Exploratory Area
Teaser Bone Spring

11. County or Parish, State

Lea County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other

- ☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*
Drill with air assist / mud fluid to decrease hydrostatic psi and regain circulation while drilling through the Capital Reef to TD(Bone Spring - 9,700').

1. We will install and maintain a properly functioning rotating head.
2. Air compressor will be 100' from the well bore in the opposite direction from the blooie line as indicated on well plat.
3. Air compressor will have spark arresters or water cooled exhaust systems.
4. Ask for a variance on 100' blooie / flow line from well bore to 60' blooie / flow line from well bore approved by Les Babyak (BLM).
5. Automatic spark igniter mounted at end of blooie/flow line and functional.
6. Surface casing will be set at 1300' per requirments of the NMOCD.

14. I hereby certify that the foregoing is true and correct

Signed Kim Stewart

Title Regulatory Analyst

Date 03/29/01

(This space for Federal or State office use)

(ORIG. SGD.) LES BABYAK

Approved by
Conditions of approval, if any:

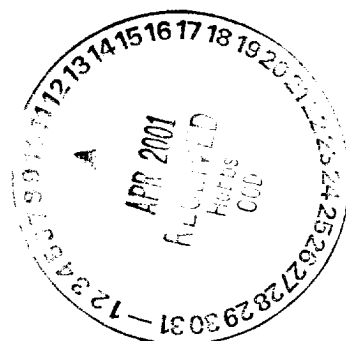
Title

Date 3/30/01

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and wilfully 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.

*See Instruction on Reverse Side

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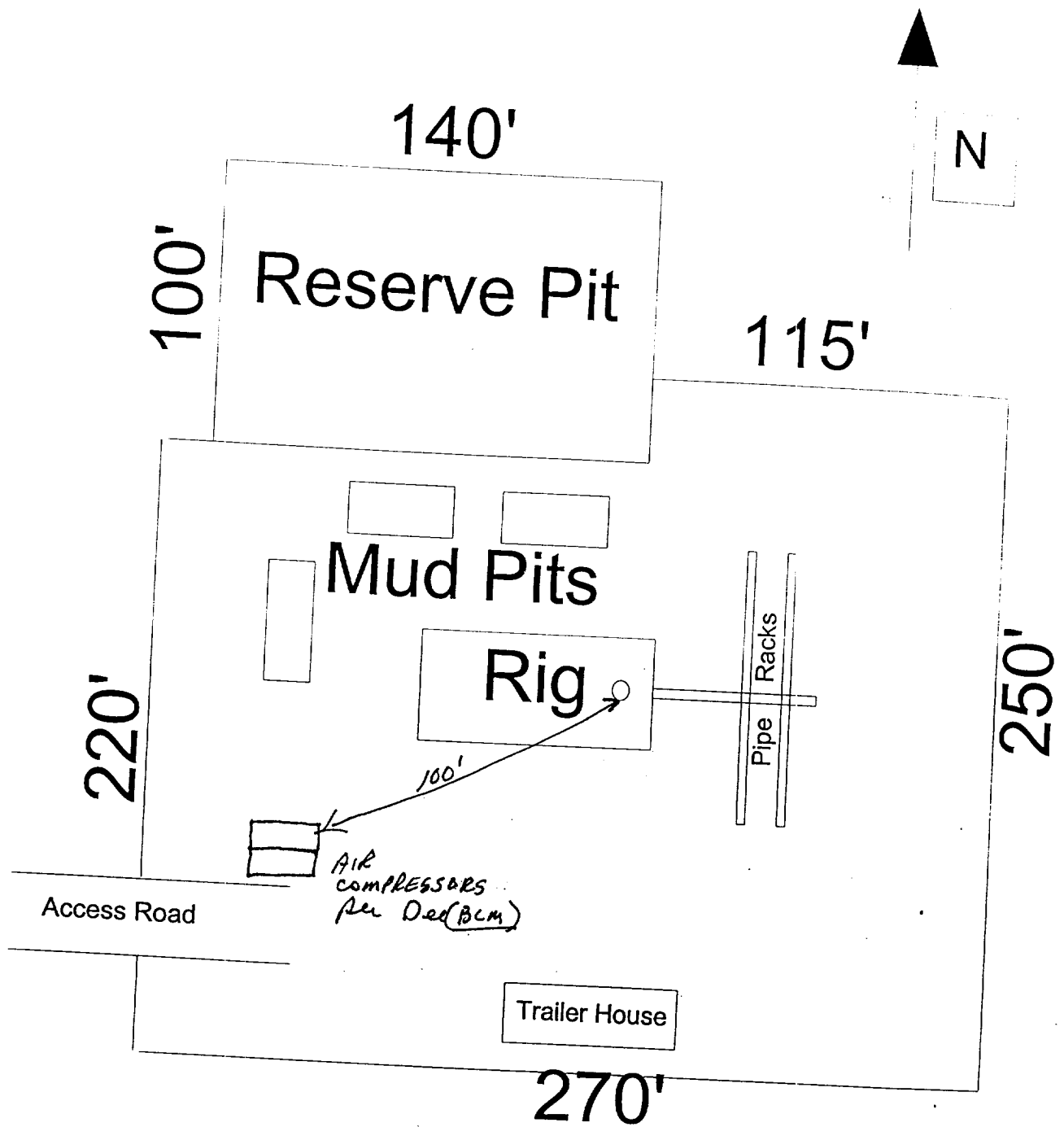


EXHIBIT B
DRILLING RIG LAYOUT
NEARBURG PRODUCING COMPANY
Python 3 Federal # 5
SCALE 1" = 50'

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