

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

P.O. BOX 100
HOBBS, NEW MEXICO 88240

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐

b. TYPE OF WELL
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Nearburg Producing Company

3. ADDRESS AND TELEPHONE NO.
P. O. Box 823085, Dallas, TX 75382-3085 214/739-1778

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 1,310' FWL and 3,300' FSL
At proposed prod. zone: UNORTHODOX LOCATION: Unit M Lot 13

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
26 miles Northwest of Eunice, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
660'

16. NO. OF ACRES IN LEASE
440

17. NO. OF ACRES ASSIGNED TO THIS WELL
317.66

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1,470'

19. PROPOSED DEPTH
14,500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3,745' GR

22. APPROX. DATE WORK WILL START*
June 9, 1996

23. PROPOSED CASING AND CEMENTING PROGRAM
R-10607

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" J-55	48#	500'	500 sx
12-1/4"	9-5/8" J-55	36# 140#	4,500'	2,500 sx
7-7/8"	5-1/2" N, K & S	17#, 20# & 23#	14,500'	500 sx SEE STRIPS.

Propose to drill the 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.

OPER. GRID NO. 15742
PROPERTY NO. 15230
POOL CODE 78240
EFF DATE 7/10/96
API NO. 30-025-33506

R-10607 NISL

IN ABOVE SPACE DESCRIBE PROPOSED 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 A. DeLoach TITLE Mgr of Drlg and Prod DATE 05/13/96
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

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 G. Gilbert J. Lucero TITLE Permy State Director DATE 6/26/96

*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.

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to re-drill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in an present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management, Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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 <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-NM92187
2. Name of Operator Nearburg Producing Company	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. P.O. Box 823085, Dallas, TX 75382-3085 214/739-1778	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1,310' FWL and 3,300' FSL, Section 1, T21S, R32E, NMPM	8. Well Name and No. Minis "1" Fed Com #3
	9. API Well No.
	10. Field and Pool, or Exploratory Area Hat Mesa Morrow
	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	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other See below	<input type="checkbox"/> Dispose Water

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.)

Per conversation with Adam Salameh on 6/5/96, below are clearer specifications to the subject well APD.

- The 5-1/2" casing grade and weights are as follows (Note: BLM approval will be obtained prior to changes made to this design):
0' - 300' 5-1/2" 23# N-80 LTC csg
300' - 4,600' 5-1/2" 20# N-80 LTC csg
4600' - 14,500' 5-1/2" 23# N-80 LTC csg
- The 5-1/2" csg will be cemented to surface in two stages using 1,700 sacks cement plus additives on the 1st stage and 900 sacks cement plus additives on the 2nd stage. The stage collar will be set at +/- 12,700'.
- Estimated bottom hole pressure of the well is 4,822 psi.
- From 12,500' to TD the mud program should show a minimum mud weight of 10.0 ppg to 10.5 ppg.

SEE ATTACHED

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

Signed: [Signature] Title: Mgr Drilling and Production Date: 6/10/96

(This space for Federal or State office use)

Approved by: _____ Title: _____ Date: _____
Conditions of approval, if any: _____

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.

*See Instruction on Reverse Side

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SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

Nearburg Producing Company

3. Address and Telephone No.

P.O. Box 823085, Dallas, TX 75382-3085 214/739-1778

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL and 3,300' FSL, Section 1, T21S, R32E, NMPM

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

Note: Report results of multiple completion on the 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.)

5. The 13-3/8" csg will all be 48# J55 STC.

6. The 9-5/8" csg will be as follows:

0' - 80' 9-5/8" 40# K55 STC
80' - 3,000' 9-5/8" 36# K55 STC
3,000' - 5,000' 9-5/8" 40# K55 STC

Note: 9-5/8" csg setting depth will be 5,000' rather than 4,500' as originally planned.

7. Both the 13-3/8" and 9-5/8" csg strings will be cemented to surface.

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

Signed [Signature] Title Mgr Drilling and Production Date 6/10/96

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____

**SUPPLEMENTAL DRILLING DATA
NEARBURG PRODUCING COMPANY
MINIS 1 FEDERAL COM #3**

1. SURFACE FORMATION:

Quaternary

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware	5,530'	Morrow	13,440'
Bone Spring	8,740'	TD	14,500'
Wolfcamp	11,600'		
Penn Shale	12,200'		
Strawn	12,800'		
Atoka	13,100'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Isolated Delaware Sands	5,530' - 8,740'
Atoka	13,100'
Morrow	13,440'

4. CASING AND CEMENTING PROGRAM:

Casing Size	Setting Depth		Weight	Grade	Joint
	From	To			
13-3/8"	0	500'	48#	J-55	ST&C
9-5/8"	0	4,500	36#	J-55	LT&C
5-1/2"	4,500'	14,500'	17, 20 & 23#	N, K & S	LT&C

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

* REFER TO STIPULATIONS ATTACHED.

We plan to drill a 17-1/2" hole to equal 500'. 13-3/8" casing will be cemented with 500 sx or volume necessary to tie back to surface.

12-1/4" hole will be drilled to 4,500' and 9-5/8" casing will be cemented with 2,500 sx or volume necessary to tie back to surface.

7-7/8" hole will be drilled and 5-1/2" production casing will be cemented with 500 sx of class "H" 50/50 Poz.

5. PRESSURE CONTROL EQUIPMENT:

The BOP stack will consist of a 5,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 14,500':

Spud and drill to 500' with fresh water mud for surface string. The intermediate section will be drilled with 10# Brine to 4,500'. The production section from 4,500' to 10,800' will be fresh water, from 10,800' to 12,400' with 9# cut Brine, from 12,400' to 14,500' with a Brine/Poly Pac/XCD system with mud weight sufficient to control formation pressures.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

Electric logging is planned, drill stem tests, cores and sidewall cores possible.

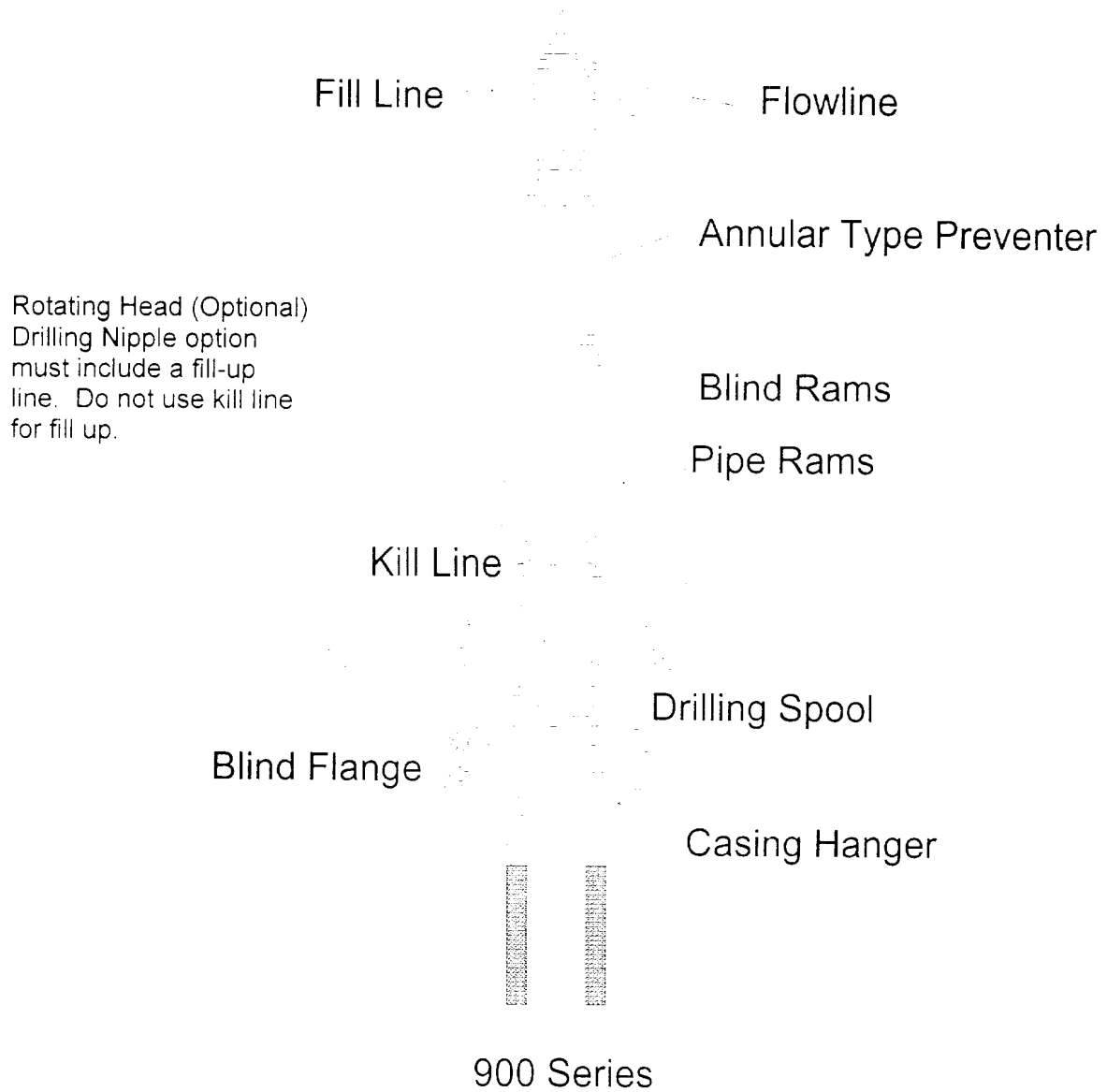
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

Anticipated bottom hole pressure: 4,000 psi.
No abnormalities anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on June 9, 1996, with drilling and completion operations lasting about 45 days.

Minis 1 Federal Com #3
1,310' FWL and 3,330' FSL
Section 1, T21S, R32E
Lea County, New Mexico



District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-33506		1 Pool Code 78240		1 Pool Name Hat Mesa Morrow	
1 Property Code 15230		1 Property Name MINIS FEDERAL COM			1 Well Number 3
1 OGRID No. 15742		1 Operator Name NEARBURG PRODUCING COMPANY			1 Elevation 3745.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 13	1	21-S	32-E		3300	SOUTH	1310	WEST	LEA

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 317.66	13 Joint or Infill N	14 Consolidation Code C	15 Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION	
4 NM-60777		3 NM-62924		2 1	
5 NM-60777		6 NM-60777		7 8	
12 NMNM-92187		11 NMNM-84727		10 9	
1310'		14		15	
13 NMNM-92187		14 NMNM-92187		16	
17 3300'					
18					
				18 SURVEYOR CERTIFICATION	
				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 belief.	
				MAY 8, 1996 Date of Survey	
				Signature and Seal of Professional Surveyor: DAN R. REDDY NEW MEXICO 5412 REGISTERED PROFESSIONAL ENGINEER Certification No. 5412 NM REG PS NO. 2412	

See Amended 11A

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.)

New Mexico Oil Conservation Division
C-102 Instructions

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Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage. If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

- 1. The OCD assigned API number for this well
- 2. The pool code for this (proposed) completion
- 3. The pool name for this (proposed) completion
- 4. The property code for this (proposed) completion
- 5. The property name (well name) for this (proposed) completion
- 6. The well number for this (proposed) completion
- 7. Operator's OGRID number
- 8. The operator's name
- 9. The ground level elevation of this well
- 10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.
- 11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
- 12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
- 13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
- 14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:
 - C Communitization
 - U Unitization
 - F Forced pooling
 - O Other
 - P Consolidation pending

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.

18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION!

- 15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling