

Form 3160-3  
(July 1992)

N. M. OIL CONS. COMMISSION  
P. O. BOX 1980  
HOBBS, NEW MEXICO  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

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 (214) 739-1778

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

At surface

1,980' FNL & 2,180' FWL

At proposed prod. zone

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

7 miles SE from Halfway, New Mexico

15. DISTANCE FROM PROPOSED\*

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

1,650'

16. NO. OF ACRES IN LEASE

240

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

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

N/A

19. PROPOSED DEPTH

14,500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3,885' GR

22. APPROX. DATE WORK WILL START\*

9/15/97

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	500'	500 sacks
12-1/4"	9-5/8"	40#	4,500'	2,500 sacks
7-7/8"	5-1/2"	17# & 20#	14,500'	500 sacks

Propose to drill the well to sufficient depth to evaluate the Morrow formation.  
After reacing TD, logs will be run and casing set if the evaluation is positive.  
Perforate, test and stimulate as necessary to establish production.

OPER. OGRID NO. 15742  
PROPERTY NO. 20900  
POOL CODE 78240  
EFF. DATE 6/4/97  
API NO. 30-025-33999

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

*Clyde P. Friday II*

TITLE Senior Engineer

DATE March 11, 1997

(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

*B. L. ...*

TITLE

*...*

DATE

2.23.97

\*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.

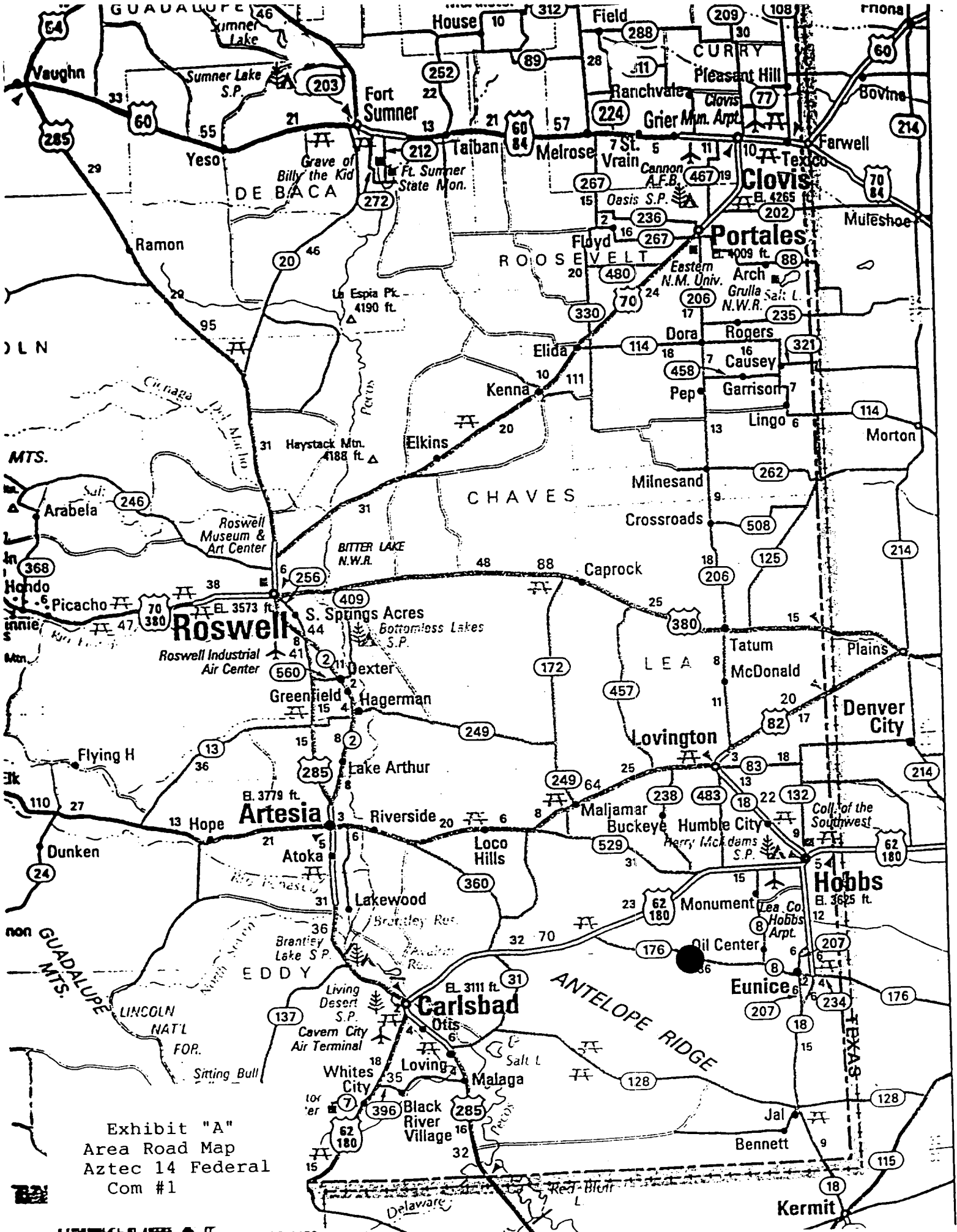


Exhibit "A"  
Area Road Map  
Aztec 14 Federal  
Com #1

**SUPPLEMENTAL DRILLING DATA**  
**NEARBURG PRODUCING COMPANY**  
**AZTEC 14 FEDERAL COM #1**

**1. SURFACE FORMATION:**

Quaternary

**2. ESTIMATED TOPS OF GEOLOGIC MARKERS:**

Yates	3,360'	Atoka	13,200'
Capitan	3,660'	Morrow	13,610'
Delaware	5,600'	TD	14,600'
Bone Spring	8,920'		
Wolfcamp	11,800'		
Strawn	13,050'		

**3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:**

Delaware Sand	5,600'	Atoka Sand	13,200'
3rd Bone Spring Sand	11,300'	Morrow Sand	13,610'

**4. CASING AND CEMENTING PROGRAM:**

<u>Casing Size</u>	<u>Setting Depth</u>		<u>Weight</u>	<u>Grade</u>	<u>Joint</u>
	<u>From</u>	<u>To</u>			
13-3/8"	0	500'	48#	J-55	ST&C
9-5/8"	0	4,500'	36#	J-55	STC & LTC
5-1/2"	0	4,200'	20#	N-80	LT&C
5-1/2"	4,200'	8,400'	17#	N-80	LT&C
5-1/2"	8,400'	14,600'	20#	N-80	LT&C

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

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" 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 14,600'

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' - 10,800' will be fresh water, from 10,800' - 12,400' with 9# cut brine, from 12,400' - 14,600' 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:**

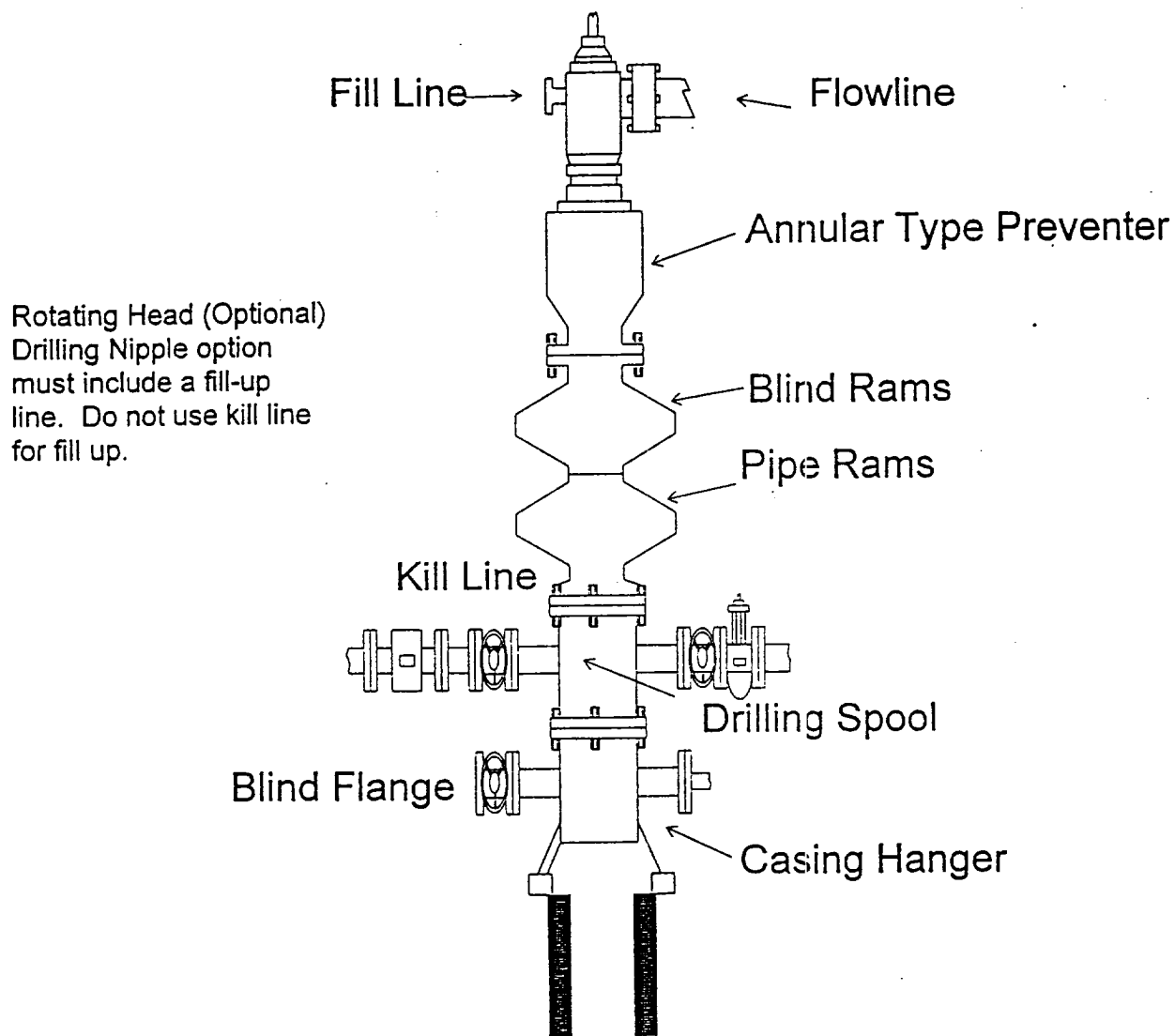
Anticipated bottom hole pressure: 4,000 - 5,000 psi.  
No abnormalities anticipated.

**10. ANTICIPATED STARTING DATE:**

It is planned that operations will commence on June 15, 1997, with drilling and completion operations lasting about 45 days.

# BOPE SCHEMATIC

## NEARBURG PRODUCING COMPANY



900 Series

AZTEC 14 FEDERAL #1

1,980' FNL & 2,180' FWL, SECTION 14, T21S, R32E  
LEA COUNTY, NEW MEXICO

## DISTRICT I

P.O. Box 1880, Hobbs, NM 88241-1880

## DISTRICT II

P.O. Drawer DD, Artesia, NM 88211-0719

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

P.O. BOX 2088, SANTA FE, N.M. 87504-2088

## State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised February 10, 1994

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33999	Pool Code 28240	Pool Name Hat Mesa Morrow
Property Code 20900	Property Name AZTEC 14 FEDERAL	Well Number 1
OGRID No. 15742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3869'

## Surface Location

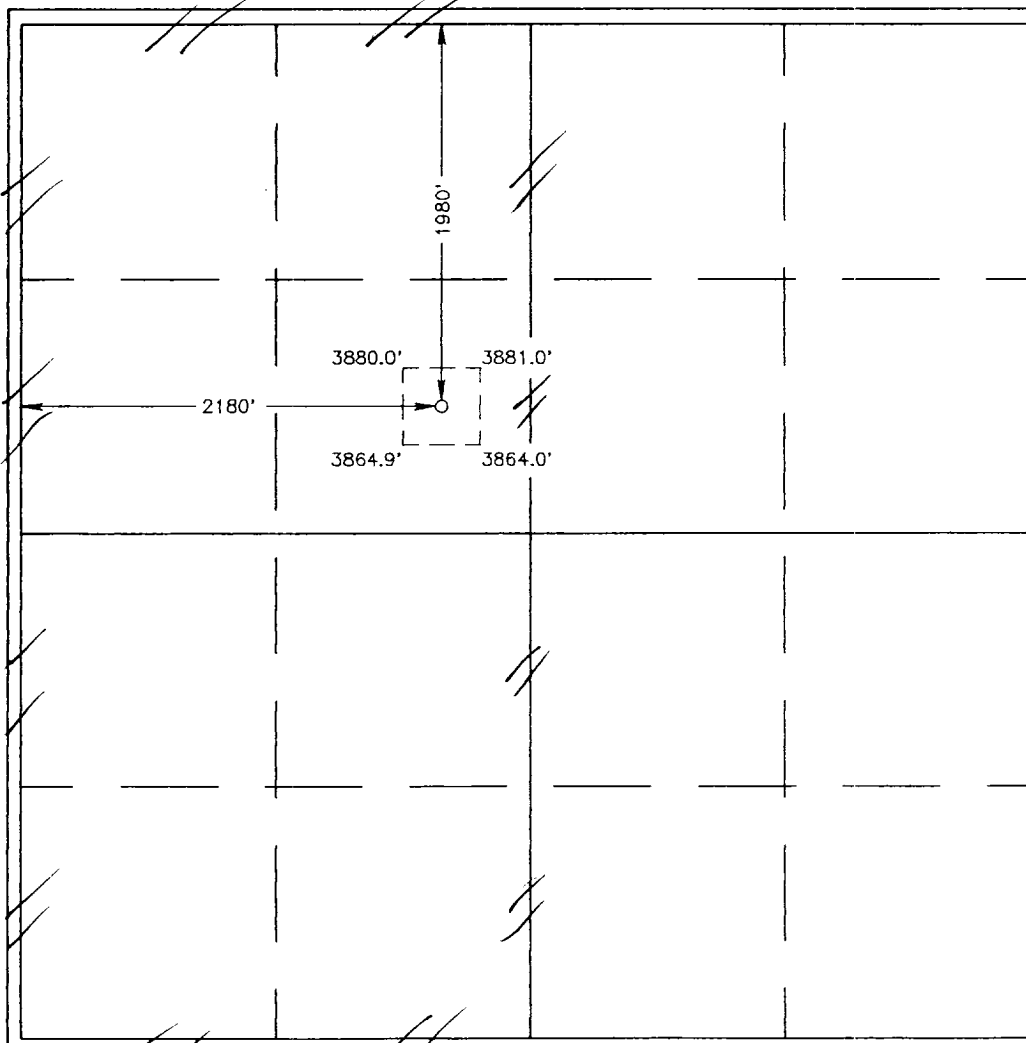
UL or lot No. F	Section 14	Township 21 S	Range 32 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 2180	East/West line WEST	County LEA
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## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres w/2=320ac	Joint or Infill	Consolidation Code	Order No. R-10785
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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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <u>Clyde P. Findlay II</u> Printed Name: <u>Clyde P. Findlay II</u> Title: <u>Senior Engineer</u> Date: <u>3.11.97</u>
	<b>SURVEYOR CERTIFICATION</b>  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.  FEBRUARY 8, 1997 Date Surveyed: _____ Signature: <u>Ronald J. Edson</u> Professional Surveyor CDG NEW MEXICO 3239 2-10-97 Certificate No. JOHN W. WEST RONALD J. EDSON PROFESSIONAL SURVEYOR 676 3239 12641