

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED  
OMB NO. 1004-0137  
Expires March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

**Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.**

**SUBMIT IN TRIPLICATE - Other instructions on reverse side**

## 1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

MAR 25 2008

## 2. Name of Operator

Nearburg Producing Company

OCD-ARTESIA

## 3a. Address

3300 N A St., Bldg 2, Ste 120, Midland, TX 79705

## 3b. Phone No. (include area code)

432/686-8235

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

660 FSL and 1980 FWL, Sec 31-19S-25E

## 5. Lease Serial No.

NMNM25488

## 6. If Indian, Allottee or Tribe Name

## 7. If Unit or CA/Agreement, Name and/or No.

## 8. Well Name and No.

Foster 31 Federal  
#1

## 9. API Well No.

30-015-21851

## 10. Field and Pool, or Exploratory Area

Dagger Draw; Upper Penn,  
North

## 11. County or Parish, State

Eddy NM

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

## TYPE OF SUBMISSION

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice

## TYPE OF ACTION

☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☒ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☐ Other \_\_\_\_\_

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

NPC request to P&amp;A the subject well per the attached procedure.

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

ACCEPTED FOR RECORD

MAR 28 2008

Gerry Guye, Deputy Field Inspector  
NMOCD-District II ARTESIA

APPROVED

MAR 21 2008

JAMES A. AMOS  
SUPERVISOR-EPS14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

Sarah Jordan

Title

Production/ Regulatory Analyst

Date 3/11/08

## THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.



March 7, 2008

**FAX #:** (432) 687-4130

Nearburg Producing Company  
3300 North "A" Street  
Building 2, Suite 120  
Midland, TX 79705

Attn: **TIM SPEER**

**RE: FOSTER 31 FEDERAL #1**  
**Eddy, NM**

Dear Tim:

- (1) M.I. R.U.
- (2) N.D. W.H. N.U. B.O.P.
- (3) R.I.H. tbg. Tab B.P. Mix & circulate M.L.F.
- (4) Cap B.P. - 20 sx. cmt. P.O.O.H. tbg.
- (5) N.D. W.H. B.O.P. Weld on P.N. - 5 1/2"
- (6) Cut & P.O.O.H. csg. - 5 1/2" - 6,000' or deeper.
- (7) R.I.H. tbg. to stub - 6,000' or deeper. Spot 40 sx. cmt. W.O.C. & tag.
- (8) P.U.H. - 2,600' - Spot 30 sx. cmt.
- (9) P.U.H. - 3,600' - Spot 30 sx. cmt.
- (10) P.U.H. to 4,667'. Spot 50 sx. cmt. W.O.C. & tag.
- (11) P.U.H. to 4,50'. Spot 80 sx. cmt. W.O.C. & tag - 200'.
- (12) 20 sx. surface

Estimate: **\$35,268.00**

Estimate will expire 90 days from March 7, 2008.

Nearburg will furnish steel pit.

Basic Energy Services will furnish the workstring.

All fluids "hauled off" will be charged to Nearburg Producing. Fluid Disposal will be furnished by Nearburg Producing.

Nearburg Producing Company  
NMNM25488; Foster 31 Federal #1  
660' FSL & 1980' FWL  
Section 31, T. 19 S., R. 25 E.  
Eddy County, New Mexico

RE: Plugging and Abandonment, Conditions of Approval

Step 1-3 is OK as is

Step 4 Cap BP with 25 sks cmt

Step 5-6 OK as is

Step 7 Spot stub plug, 50' inside the 5.5" casing, extending to 5880' (covers the stub and top of Wolfcamp formation). WOC and tag no lower than 5880'.

Step 8 is covered with step 7

Step 9 spot balanced plug from 3748'-3618' (covers top of Bone Spring formation at 3698'). WOC and tag no lower than 3618'.

Step 10 PUH to 1367', spot 100' plug (50' in/out of shoe at 1317'). WOC and tag no lower than 1267'.

Step 11 PUH to 446', spot 100' plug (50' in/out of shoe at 396'). Tag not required.

Step 12 Surface plug 60'-surf.

If you have any questions, please contact Jim Amos at 505-234-5909.

J. Amos, 3/21/08

Note: All plugs are to be a minimum of 100' plus 10% per 1000' of depth, and a minimum of 25 sacks.

**BUREAU OF LAND MANAGEMENT**  
**Carlsbad Field Office**  
**620 East Greene Street**  
**Carlsbad, New Mexico 88220**  
**575-234-5972**

**Permanent Abandonment of Federal Wells**  
**Conditions of Approval**

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

**If you are unable to plug the well by the 90<sup>th</sup> day provide this office, prior to the 90<sup>th</sup> day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.**

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. **Blowout Preventers:** A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. **Mud Requirement:** Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of water. Minimum nine (9) pounds per gallon.

5. **Cement Requirement:** Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C" for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. **Dry Hole Marker:** All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. **Subsequent Plugging Reporting:** Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. **Trash:** All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.