

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30-015-28186
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Big Walt 2 State
Well No. 3
Pool name or Wildcat McKittrick Hills; Morrow

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1 Type of Well:
OIL WELL GAS WELL OTHER

2 Name of Operator
Nearburg Producing Company

3 Address of Operator
3300 N A St., Bldg 2, Suite 120, Midland, TX 79705

4 Well Location
Unit Letter **K** : **1980** Feet From The **South** Line and **1980** Feet From The **West** Line
Section **2** Township **22S** Range **24E** NMPM **Eddy** County

5 Elevation (Show whether DF, RKB, RT, GR, etc.)
3902' GR

11

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK PLUG AND ABANDON

TEMPORARILY ABANDON CHANGE PLANS

PULL OR ALTER CASING

OTHER: Off Lease Gas Measurement and Surface Gas Commingling

SUBSEQUENT REPORT OF:

REMEDIAL WORK ALTERING CASING

COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT

CASING TEST AND CEMENT JOB

OTHER: _____

12 Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Nearburg Producing Company is requesting approval for Off Lease Gas Measurement and Surface Gas Commingling for the above referenced well.

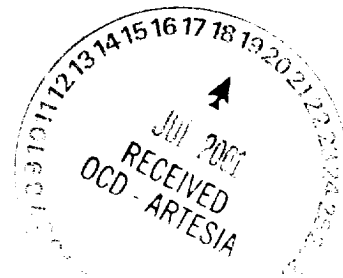
The Big Walt 2 State #3 will be commingled with gas from the following wells:

McKittrick Federal Com 11 1-Y
2319 FSL and 960 FEL
Section 11, T22S, R24E
Eddy County, New Mexico

Shelby Federal #3
1900 FSL and 2150 FWL
Section 12, T22S, R24E
Eddy County, New Mexico

The gas from each well is individually metered on each location.

The Off Lease Measurement meter is located 1980' FSL and 100' FWL in Section 13, T21S, R25E, Eddy County, New Mexico.
(Attachment II attached)



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

SIGNATURE Kim Stewart TITLE Regulatory Analyst DATE 07-18-01

TYPE OR PRINT NAME Kim Stewart

TELEPHONE NO. 915/686-8235

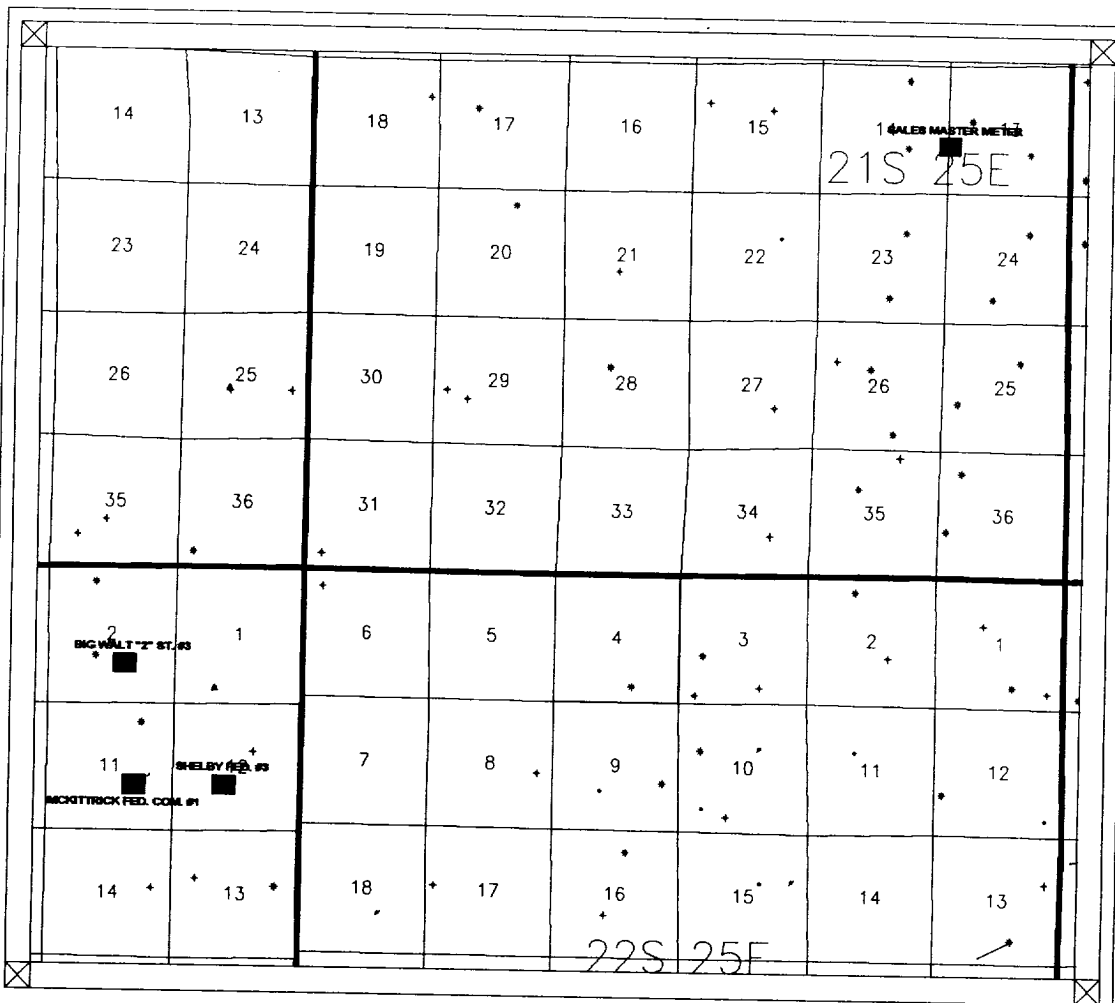
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APPROVED BY _____ TITLE _____ DATE **JUL 23 2001**

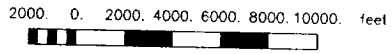
CONDITIONS OF APPROVAL, IF ANY Administrative Approval Required

SECTION 13, T-21-S, R-25-E, EDDY COUNTY, NM

ATTACHMENT II



Scale 1:96000.



ENG-MASMET