

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 May 27, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-025-34184
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Wapiti 32 State
8. Well Number 1
9. OGRID Number 015742
10. Pool name or Wildcat Undesignated; Bone Spring
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3909
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/>
Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____
Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

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 _____

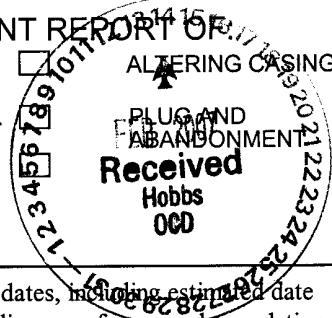
2. Name of Operator
Nearburg Producing Company

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

4. Well Location
 Unit Letter **F** : **1980** feet from the **North** line and **1980** feet from the **West** line
 Section **32** Township **18S** Range **34E** NMPM County **Lea**

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

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: Plugback Permit Extension <input checked="" type="checkbox"/>	OTHER: <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
MULTIPLE COMPLETION <input type="checkbox"/>	



13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Due to the production in the Morrow starting to drop and the remedial work performed on the subject well, see attached, NPC requests to extend the permit to plugback to the Bone Spring.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE Sarah Jordan TITLE Production Analyst DATE 2/12/07
 Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com Telephone No. 432/686-8235

For State Use Only
 APPROVED BY Chris Williams DISTRICT SUPERVISOR/GENERAL MANAGER DATE FEB 20 2007
 Conditions of Approval, if any:

TIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELL

Wapiti "32" State Com #1

1,980' FNL and 1,980' FWL, Section 32, T18S, R34E

Morrow

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

06/12/06 Road rig & crew to location from Gazelle 31 Fed #3. MIRU Mesa Well Service pulling unit & Lucky reverse unit. MIRU JSI slick line truck to RIH w/ 1.875" X plug & set @ 13,401' in profile. Bled off tbg pressure of 500# before RIH w/ plug. Also bled dn csg pressure (approx 500#). JSI tagged FL @ 11,780' when RIH w/ plug. RDMO JSI slick line truck. Had TRM truck haul 120 Bbls 7% KCL wtr w/ 1 gpt ClayMaster & put in reverse unit pit. Had Lucky reverse pump load tbg w/ 50 Bbls 7% KCL wtr then pressured to 300# before losing pressure when slowing to catch a lower gear. Pumped another 10 Bbls 7% KCL wtr dn tbg before stopping. Tbg was on a vacuum. Waited for JSI slick line truck to get back to location. MIRU JSI again to RIH & check to see if plug was still in profile. Tagged the plug in profile. Tagged FL @ 7540'. POOH w/ WL. RU to make swab run dn tbg. Tagged FL @ 7546' w/ swab line. Brought back 4 Bbls wtr. Have communication between tbg & csg (hole in tbg). When making swab run the csg went on a strong vacuum. SI well overnight. SDFN. Will check gas on tbg in the AM before releasing O/O tool & swabbing FL dn.
Current Operation This AM: Release O/O tool.

06/13/06 Well did not have any gas on tbg or csg this morning. ND WH & NU BOP. Release O/O tool & POOH & LD 1 jt- 2 3/8" N-80 tbg. RU to swab tbg to frac tank. IFL found @ 7550'. The following is a break dn of the swab runs made pulling 1300' of fluid below FL, but only getting back w/ approx 800'.

# Run	FL found
1	7550'
2	7800'
3	7850'
4	7800'
5	8000'
6	8100'
7	8150'
8	8100'
9	8400'
10	8600'
11	8900'
12	9100'
13	9300'

Had the sand line get a kink in line. Cut off bad part of sand line & poured a new rope socket. Made 1 more swab run before shutting well in.

14	9400'
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9400'. Did not get back w/ any fluid on last run. The swab cup was split. SDFN. Swabbed back a total of 44 Bbls wtr to frac tank. SI well. Will swab again in the AM.

Current Operation This AM: Swab.

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** ALL COSTS ARE FIELD ESTIMATES **

- 06/14/06 RU to swab 2 3/8" tbg to frac tank. IFL @ 9100' FS. Made 8 swab runs bringing back 14 Bbls wtr w/ FFL @ 9750'. RD swab line. PU & RIH w/ 1 jt- 2 3/8" N-80 tbg to latch back up to O/O tool. Release pkr & POOH w/ 2 jts- 2 3/8" tbg (making sure pkr was free). RIH w/ 2 jts- 2 3/8" tbg & tag TOF (TCP guns). PU & RIH w/ 4 jts- 2 3/8" N-80 tbg to push TCP guns to btm. POOH & LD 4 jts- 2 3/8" N-80 tbg. Continue to POOH w/ 1 jt- 2 3/8" N-80 tbg, 2 3/8" x 4' N-80 tbg sub, 431 jts- 2 3/8" N-80 4.7# EUE 8rd tbg, 2 3/8" x 4' tbg sub w/ RA marker in top cplg, 1 jt- 2 3/8" N-80 tbg, Otis On/Off tool w/ 1.875" x profile nipple, 2 3/8" x 5 1/2" 20-23# PLS 10k pkr w/ 50k shear, 1 jt- 2 3/8" N-80 tbg, 2 3/8" Max. Diff vent assembly, 2 3/8" Mechanical tbg release w/ 1.875" latch, 1 jt- 2 3/8" N-80 tbg (this jt was almost cut into by chemical cutters), 2 3/8" x 4' tbg sub, 35' shot gun TCP section. The guns came out with pkr instead of previously thought of being pushed to btm. Close BOP blinds. SI well. SDFN. Will RIH w/ JB & gauge ring in the AM before RIH w/ pkr hydrotesting tbg.
Current Operation This AM: RIH w/ PLS pkr.
- 06/15/06 MIRU JSI electric line truck to RIH w/ JB/CCL & 4.61" GR dn 5 1/2" csg to 13,620'. POOH w/ GR. RDMO JSI electric line truck. Had Banta roustabout truck bring 30 jts- new 2 3/8" N-80 4.7# EUE 8rd tbg from Toolpushers Supply to location for replacement pipe in well & LD by PU. Have total of 36 jts- new 2 3/8" N-80 tbg on location (these 30 & 6 jts from yard). MIRU Hydrostatic Tubing testers to test 2 3/8" N-80 tbg to 10,000# above slips while RIH w/ pkr. PU & RIH w/ 2 3/8" x 4' N-80 tbg sub w/ WLEG, redressed 2 3/8" x 5 1/2" 17-20# PLS 10k pkr w/ 50k shear, 1 jt- 2 3/8" N-80 tbg, 2 3/8" x 4' N-80 tbg sub w/ RA marker in top collar, 322 jts- 2 3/8" N-80 tbg. Found 4 jts- 2 3/8" tbg that had holes in them. Could not get the pkr to go through the DV tool in csg. The pkr POH was a 20-23# PLS (which has a smaller OD). The pkr RIH was 17-20# (which is a larger OD). Did not notice difference until getting to DV tool. Only have 17-20# csg in well (DV tool must have a smaller ID). POOH w/ 322 jts- 2 3/8" N-80 tbg, 2 3/8" x 4' tbg sub, 1 jt- 2 3/8" N-80 tbg, 2 3/8" x 5 1/2" 17-20# PLS pkr w/ Baker O/O tool & 1.81" F profile, 2 3/8" tbg sub & WLEG. Close BOP blind. SDFN. Will RIH w/ 5 1/2" 20-23# PLS pkr & tbg in the AM.
Current Operation This AM: RIG w/ pkr and tbg.
- 06/16/06 Wait for pkr to get to location. Had a little trouble finding the correct elements from Halliburton to put on the 20-23# PLS pkr that came out of the hole. You Must run a 20-23# pkr in well due to DV tool having a smaller ID than 17-20# specs. 2 3/8" x 5 1/2" 20-23# PLS 10k pkr w/ 50k shear, 2 3/8" Baker On/Off tool w/ 1.81" F profile nipple (run plug in place), 1 jt- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" x 4' N-80 tbg sub w/ RA marker in top collar, 322 jts- 2 3/8" N-80 tbg. The pkr went through DV tool OK. MIRU Hydrostatic Tubing testers to finish testing 2 3/8" tbg to 10,000# above slips. RIH w/ 109 jts- 2 3/8" N-80 tbg. Had a total of 27 jts- 2 3/8" N-80 tbg that was LD due to having been bent by tongs or having holes in them. PU 24 jts- new 2 3/8" N-80 4.7# EUE 8rd tbg to replace bad jts with. Tested all tbg (even new jts). Set pkr @ 13,401'. Release from On/Off tool. RU Lucky reverse pump to reverse circulate 320 Bbls 7% KCL wtr w/ double inhibited pkr fluid dn csg & out tbg to frac tank. Latch back up to On/Off tool. Tested csg & pkr to 500#. Held good pressure. Bleed off csg pressure. ND BOP & NU tree. Left well SI over the weekend. Will swab tbg FL dn on Monday AM before pulling plug. SDFW.
Current Operation This AM: Swab.

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**** ALL COSTS ARE FIELD ESTIMATES ****

- 06/19/06 RU to swab 2 3/8" tbg to frac tank. IFL @ surface. Made 11 swab runs pulling FL dn to 11,300' FS. MIRU JSI slick line truck to RIH & pull equalizing prong on plug. Had a light blow on tbg after pulling equalizer prong. RIH to pull 1.81" FSG plug (WL depth 11,394'). FL found between 8500'- 9000' when POH w/ plug. RDMO JSI slick line truck. RU to swab 2 3/8" tbg. IFL @ 11,200'. Made 2 swab runs before pulling from pkr. Tbg had a light blow on it. Made 3 more swab runs w/ FFL @ 12,750' bringing back 12 Bbls wtr to frac tank. Left well open to frac tank overnight. SDFN. Will make swab run in the AM & pull FL dn before RDMO PU.
Current Operation This AM: Swab well.
- 06/20/06 RU to swab 2 3/8" tbg to frac tank. IFL @ 5800' (scattered). Made 3 swab runs pulling from 13,300'. Left well open to production tank. RDMO Mesa Well Service pulling unit & Lucky reverse pump. Had Banta haul junk & new pipe to Artesia yard. Will move in swab unit to finish swabbing well in. FINAL REPORT.
Current Operation This AM: Swab well.
- 06/21/06 MIRU swabbing unit, hit fluid level @ 10600'. Made 6 swab runs recovered 18 bbls. Swabbed dry, left well open to tank.
Current Operation This AM: Swabbing Well.
- 06/22/06 Arrived on location, RIH w/ swab and hit fluid level @ 8900' gas cut fluid. Made 6 runs recovered 8bbls. On last hourly run had 150' gas cut fluid. Left well blowing to tank. RDMO. Final Report.
Current Operation This AM: Blowing to tank.
- 08/02/06 Arrived on location RU BJ to pump Isosol C02 Treatment. Held safety meeting, tested all lines to 14,768#. Started C02 pad @ 3bpm, STP 3540# annulus 1000#. Shutdown to fix chicksan on C02. Started Co2/isosol w/ balls, STP 5480# and annulus 1000#. Started C02 flush, STP 6807# w/ 1500# on casing. Shut down. ISDP 4256#. Pumped total liquid co2 2814 gals for pad. Pumped 3500 gals isosol/co2 treatment fluid. RD BJ, Stinger tree saver, and Luckys kill truck. Started flowback well Had 500# on tubing. Started flowing 1mil rate @ 500#. Well died by 6:00 PM. Put well on 26/64 choke, left well blowing to tank w/ slight blow. Released testers.
AIR = 2bpm
Pmax = 8653#
Pmin = 6511#
Pavg = 7200#
ISIP = 4256#
5 min = 307#
10 min = 201#
15 min = 274#
BLTR = 42bbl
BLWR = 0
- 08/03/06 MIRU Reeco Swabbing unit. Hit fluid level @ 11,000'fs. Made 6 runs and recovered 10 bbls. Hit last fluid level @ 9000'fs. Left well blowing to tank w/ slight blow.
Current Operation This AM: Swab.

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- 08/04/06 Arrived on location, well was dead. Made 7 swab runs, recovered 6bbls of fluid. Hit first fluid level @ 10,000fs gas fluid. Swab down to 13,000fs. Left well open to tank with slight blow. Left swab rig up. SDFN.
Current Operation This AM: Swabbing well.
- 08/07/06 Arrived on location, well was dead. RIH w/ swab and hit fluid level @ 8500'fs. Made 3 swab runs , recovered 6bbls of fluid. Left well blowing to tank.
Current Operation This AM: Swabbing well.
- 08/08/06 Well was still blowing to tank . Made 6 swab runs recovered 6bbls. Could not fill fluid level. Left well blowing to tank.
Current Operation This AM: Swabbing well.
- 08/09/06 Well was blowing to tank, Made 6 runs recovered 4 bbls. Could not fill fluid level. Left well blowing to tank. RDMO. Final Report.
Current Operation This AM: Blowing well to tank.