

District I - (505) 393-6161
1625 W. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210-
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

Energy Minerals and Natural Resources Department

Oil Conservation Division

2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

RECEIVED

AUG 19 1999

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE

APPLICATION FOR NEW WELL STATUS CONSERVATION DIVISION

I. Operator and Well

Operator name & address Nearburg Producing Company 3300 North "A" Street, Bldg. 2, Suite 120 Midland, Texas 79705							OGRID Number 94230		
Contact Party Robert G. Shelton							Phone 915-686-8235		
Property Name Rancho Verde 10 State					Well Number I		API Number 30-025-34587		
UT	Section	Township	Range	Feet From The	North/South Line	Feet From The	East/West Line	County	
I	10	16S	32E	2,310	South	930	West	Lea	

II. Date/Time Information

Spud Date 4-28-99	Spud Time 2330 hours	Date Completed 7-1-99	Pool Undesignated Wolfcamp: Wildcat
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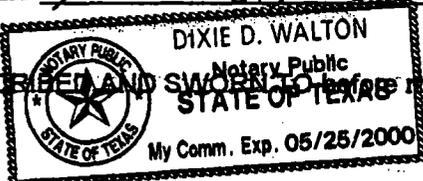
- III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.
- IV. Attach a list of all working interest owners with their percentage interests.
- V. AFFIDAVIT:

State of Texas)
County of Midland) ss..

Robert G. Shelton, being first duly sworn, upon oath states:

1. I am the Operator, or authorized representative of the Operator, of the above-referenced well.
2. To the best of my knowledge, this application is complete and correct.

Signature Robert G. Shelton Title Land Manager Date August 16, 1999

 SUBSCRIBED AND SWORN TO before me this 16th day of August 1999.

Dixie D. Walton
Notary Public

My Commission expires: 5-25-2000

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>Mark Perley</u>	Title <u>P.E. Speer</u>	Date <u>AUG 20 1999</u>
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VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: AUG 23 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006335196

RANCHO VERDE 10 STATE #1

<u>OWNER</u>	<u>WORKING INTEREST</u>
Roy G. Niederhoffer 145 West 57 th Street, 10 th Floor New York, NY 10019	.020000000
Menpart Associates 5 Mohawk Place Randolph, New Jersey 07869	.037500000
Holsum, Inc. P. O. Box 2527 Roswell, NM 88202	.030000000
AAR Limited Partnership 1320 West Fourth Street Roswell, NM 88201	.015000000
Gene Reischman P. O. Box 2527 Roswell, New Mexico 88202	.010000000
J. Kenneth Smith P. O. Box 2527 Roswell, NM 88202	.010000000
LJR Resources Ltd. Co. P. O. Box 2527 Roswell, NM 88202	.010000000
Wright Family Living Trust u/a/d 5/21/98 889 Los Lovatos Santa Fe, NM 87501	.010000000
Nearburg Exploration Company, L.L.C. 3300 North "A" Street, Bldg. 2, Suite 120 Midland, Texas 79705	.775000010
R-N Limited Partnership c/o Morgan Nelson 3755 East Grand Plains Road Roswell, NM 88201	.015000000
Madison Capital Partners II 5 Mohawk Place Randolph, New Jersey 07869	0.12500000

Distribution List
Page Two

OWNER

WORKING INTEREST

George S. Mennen Revocable Trust
U/A/D 2/28/97
P. O. Box 642
Peapack, New Jersey 07977

.010000000

Duane Davis
6973 Hillwood Lane
Dallas, Texas 75248

.002500000

Tim MacDonald
23 Graham Lane
Lucas, Texas 75002

.000833330

Dean A. Horning
4501 Westminster
Midland, Texas 79702

.000833330

Robert G. Shelton
2200 North "L"
Midland, Texas 79705

.000833330

Leesburg Investments, Ltd.,
By Manx Holdings, Inc., General Partner
3060 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201

.040000000

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

WELL API NO. 30 025 34587
Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name Rancho Verde 10 State Com
Well No. 1
Pool name or Wildcat Anderson Ranch; Morrow (Gas)

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

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.)

Type of Well:
 OIL WELL GAS WELL OTHER

Name of Operator
Nearburg Producing Company

Address of Operator
3300 North "A" Street, Building 2, Suite 120, Midland, TX 79705 (915) 686-8235

Well Location
 Unit Letter L : 2310 Feet From The South Line and 930 Feet From The West Line
 Section 10 Township 16S Range 32E NMPM Lea County

Elevation (Show whether DF, RKB, RT, GR, etc.)
4,319' GR

11 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"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ANBANDONMENT <input type="checkbox"/>
NULL OR ALTER CASING <input type="checkbox"/>		CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: <u>Surface Casing and Cement</u> <input checked="" type="checkbox"/>	

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.

Spud well at 2330 hrs on 4/28/99. Drilled to 426'. C&C hole. RU and run 10 jts 13-3/8" 54.5# J55 STC casing to 426'. Cement casing using 300 sx cement plus additives. Circ 5 sx to surface. WOC 12 hrs. Cut casing off and weld on wellhead. NU BOPE and test.

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

SIGNATURE Blaik M. Wisenbaker TITLE Senior Petroleum Engineer DATE 05-05-99

TYPE OR PRINT NAME Blaik Wisenbaker TELEPHONE NO. (915)686-8235

(This space for State Use)

ORIGINAL SIGNED BY CHRIS WILLIAMS
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE JUN 17 1999

CONDITIONS OF APPROVAL, IF ANY:

District I
PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-101
Revised October 18, 1994

District I
811 South First, Artesia, NM 88210

Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

District IV
2040 South Pacheco, Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Suite 120 Midland, TX 79705		GRID Number 015742
		API Number .30 - 025-34587
Property Code 24352	Property Name Rancho Verde 10 State Com	Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
L	10	16S	32 5 E		2310	South	930	West	Lea

Proposed 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
Proposed Pool 1 Anderson Ranch; Morrow (Gas)					Proposed Pool 2				

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 4319
Multiple No	Proposed Depth 12750	Formation Morrow	Contractor Patterson	Spud Date 04-01-99

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14-3/4"	11-3/4"	42#	400'	300 sxs	Circ to surface
11"	8-5/8"	32#	4,300'	1,300 sxs	Circ to surface
7-7/8"	5-1/2"	17#	12,750'	750 sxs	TOC @8,500'

Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill from 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.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

Acreage dedication is 320 acres; W/2 of Section 10.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Blaik Wisenbaker</i>		OIL CONSERVATION DIVISION	
Printed name: Blaik Wisenbaker		Approved By: ORIGINAL SIGNED BY CHRIS WILLIAMS Title: DISTRICT I SUPERVISOR	
Title: Senior Petroleum Engineer		Approval Date: MAR 15 1999	Expiration Date:
Date: 3/10/99	Phone: 915/686-8235	Conditions of Approval: Attached: <input type="checkbox"/>	

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 70240	Pool Name Anderson Ranch; Morrow (Gas)
Property Code	Property Name RANCHO VERDE 10 STATE COM	Well Number 1
OGRM No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 4319'

Surface Location

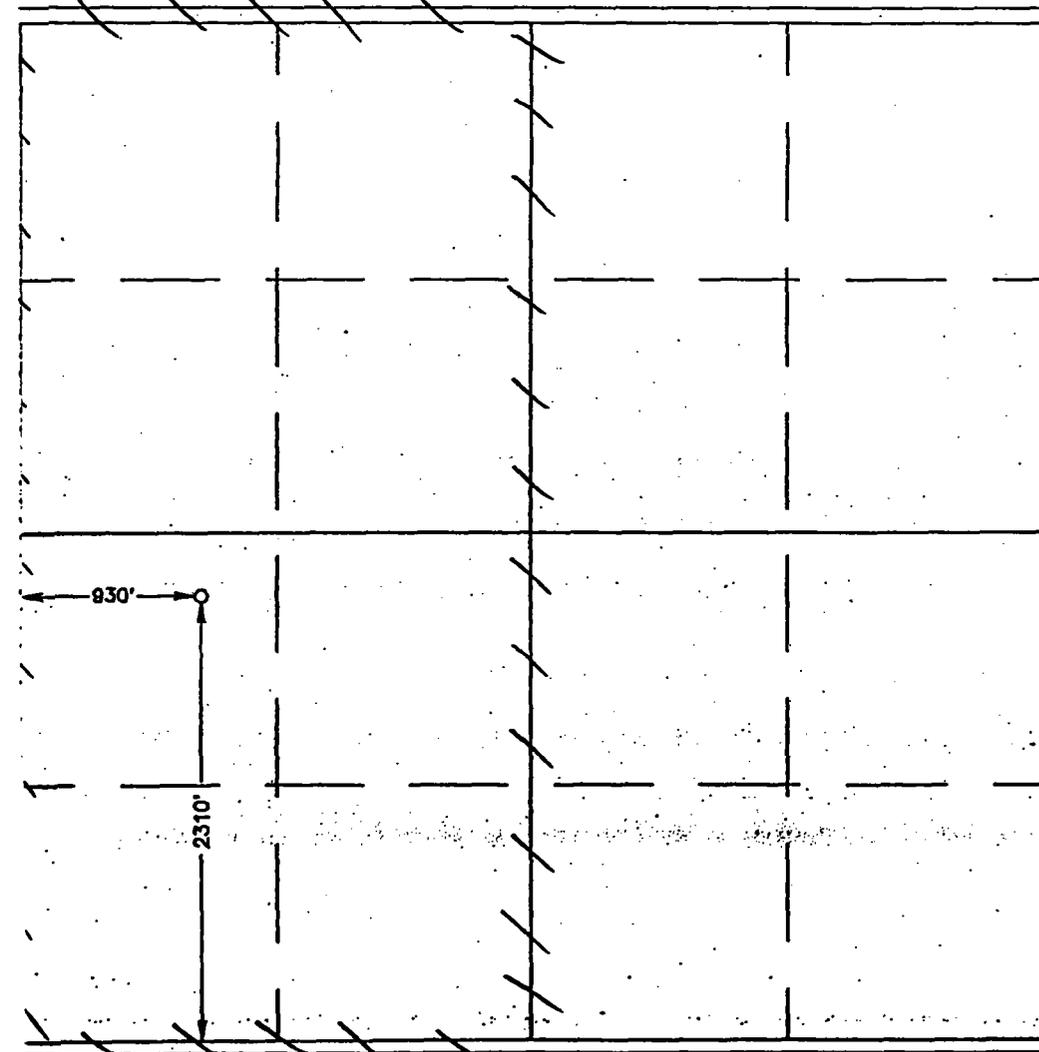
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	10	16 S	32 E		2310	SOUTH	930	WEST	LEA

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

Dedicated Acres 320	Joint or Infill N	Consolidation Code	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



OPERATOR CERTIFICATION

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

Blaik Wisenbaker
 Signature

Blaik Wisenbaker
 Printed Name

SR. Petroleum Engineer
 Title

March 10, 1999
 Date

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.

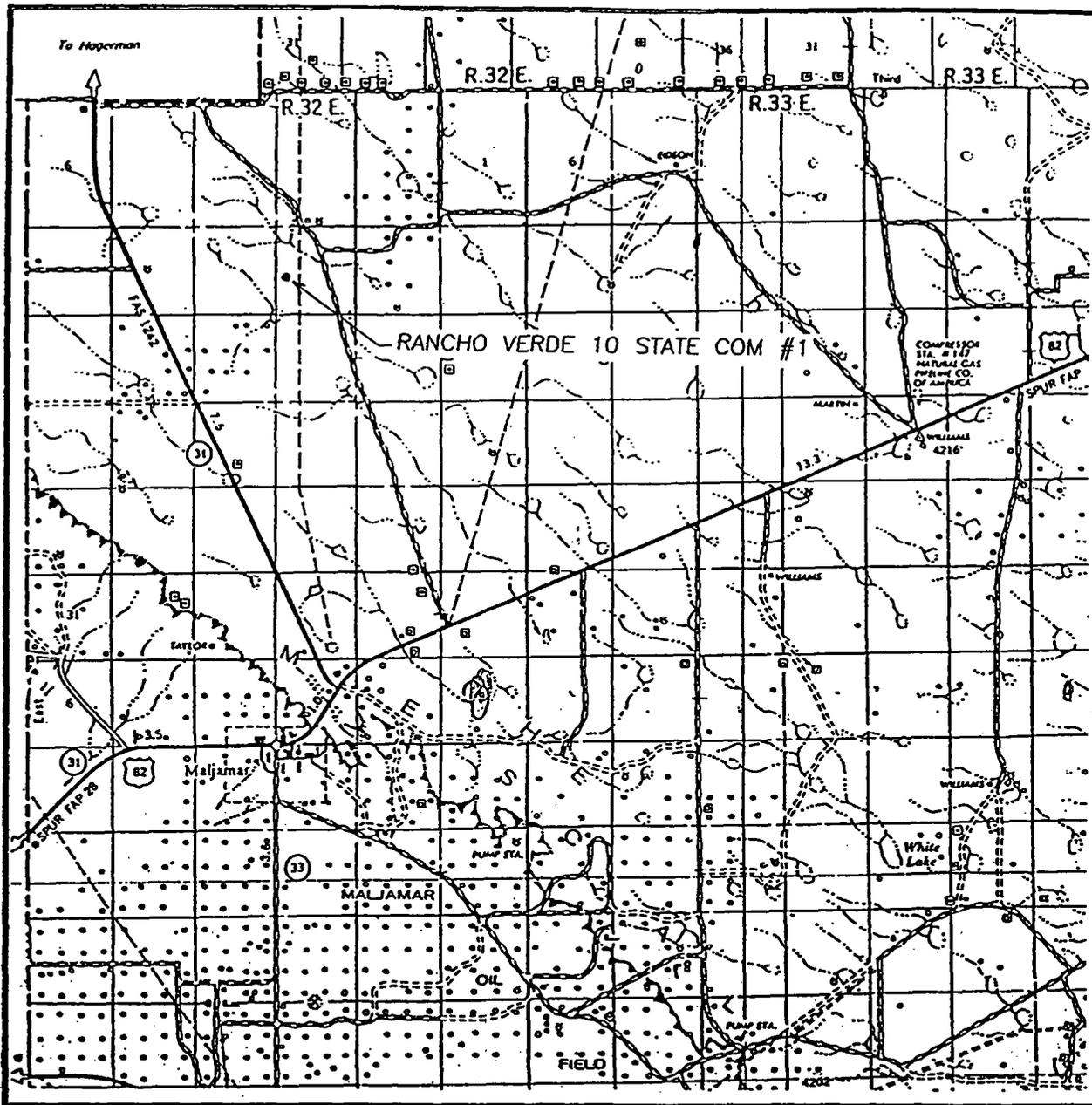
MARCH 8, 1999
 Date Surveyed

[Signature]
 Signature of the Professional Surveyor

RONALD G. EDISON
 PROFESSIONAL SURVEYOR
 STATE OF NEW MEXICO
 3-09-99
 89-11-0168

Contract No. RONALD G. EDISON 3239
GARY EDISON 12641

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 10 TWP. 16-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2310' FSL & 930' FWL

ELEVATION 4319'

OPERATOR NEARBURG PRODUCING COMPANY

LEASE RANCHO VERDE 10 STATE COM

JOHN WEST SURVEYING CO.

HOBBS, NEW MEXICO

(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL - 5'

SEC. 10 TWP. 16-S RGE. 32-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 2310' FSL & 930' FWL

ELEVATION 4319'

OPERATOR NEARBURG PRODUCING COMPANY

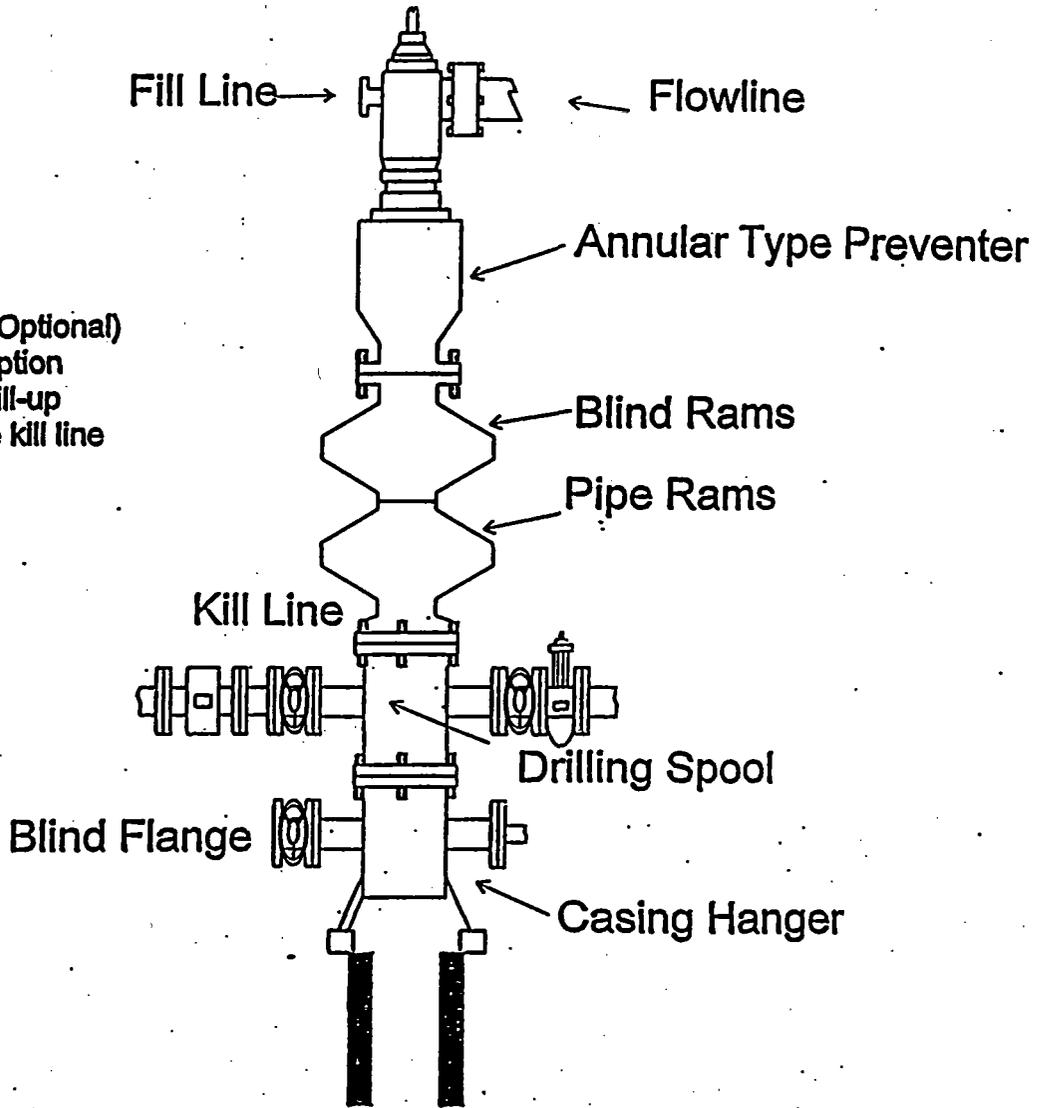
LEASE RANCHO VERDE 10 STATE COM

U.S.G.S. TOPOGRAPHIC MAP

MALJAMAR NE, BUCKEYE NW, NM

JOHN WEST SURVEYING CO.
HOBBS, NEW MEXICO
(505) 393-3117

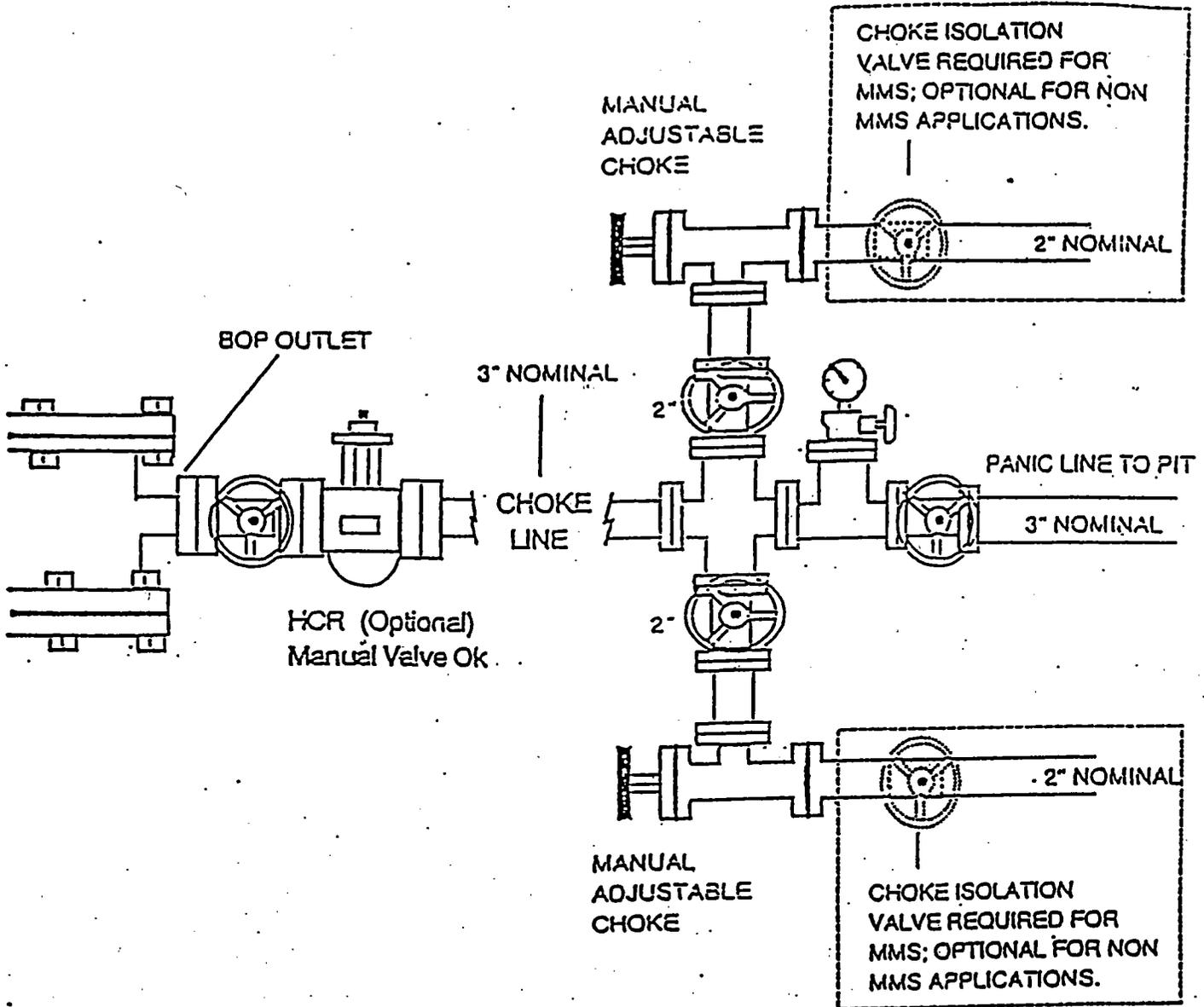
NEARBURG PRODUCING COMPANY
BOPE SCHEMATIC



Rotating Head (Optional)
Drilling Nipple option
must include a fill-up
line. Do not use kill line
for fill up.

1500 Series

NEARBURG PRODUCING COMPANY
CHOKE MANIFOLD
5M SERVICE



Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
DISTRICT I
 P.O. Box 1980, Hobbs, NM 88240

**State of New Mexico
 Energy, Minerals and Natural Resources Department**

Form C-105
 Revised 1-1-89

OIL CONSERVATION DIVISION

2040 Pacheco St.
 Santa Fe, NM 87505

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

DISTRICT III
 1000 Rio Brazos Rd, Aztec, NM 87410

WELL API NO.
 30-025-34587

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well:
 OIL WELL GAS WELL DRY OTHER _____

b. Type of Completion:
 NEW WELL WORK OVER DEEPEN PLUG BACK DIFF RESVR OTHER _____

7. Lease Name or Unit Agreement Name
 Rancho Verde 10 State Com

2. Name of Operator
 Nearburg Producing Company

8. Well No.
 1

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

9. Pool name or Wildcat
 Undesignated Wolfcamp; Wildcat

4. Well Location
 Unit Letter L : 2310 Feet From The South Line and 930 Feet From The West Line
 Section 10 Township 16S Range 32E NMPM Lea County

10. Date Spudded 04/28/99	11. Date T.D. Reached 05/27/99	12. Date Compl. (Ready to Prod.) 07/01/99	13. Elevations (DF & RKB, RT, GR, etc.) 4,319' GR 4,337' KB	14. Elev. Casinghead
15. Total Depth 10,368'	16. Plug Back T.D. 9,890'	17. If Multiple Compl. How Many Zones?	18. Intervals Drilled By Rotary Tools <input checked="" type="checkbox"/>	Cable Tools
19. Producing Interval(s), of this completion - Top, Bottom, Name 9,806' - 9,848' Wolfcamp				20. Was Directional Survey Made No
21. Type Electric and Other Logs Run GR/CBL/VDL/CCL/PEX/HALS/FMI				22. Was Well Cored No

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	54.5#	426'	17-1/2"	300 sx	Circ.
8-5/8"	24# & 32#	4,230'	11"	1,050 sx	Circ.
5-1/2"	17# & 20#	10,368'	7-7/8"	375 sx	TOC 9,318'

24. LINER RECORD					25. TUBING RECORD		
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8"	9,752'	N/A

26. Perforation record (interval, size, and number)
 9,910' - 9,930' - .48" - 40 holes CISP @9,900' w/10' cmt on top
 9,806' - 9,848' - .48" - 84 holes

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
9,910' - 9,930'	
9,806' - 9,848'	1,000 gals 15% HCL

28. PRODUCTION

Date First Production 07/01/99	Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing					Well Status (Prod. or Shut-in) Producing	
Date of Test 07/01/99	Hours Tested 12	Choke Size 17/64	Prod'n For Test Period	Oil - BbL 336	Gas - MCF 301	Water - BbL 0	Gas - Oil Ratio 896:1
Flow Tubing Press. 330	Casing Pressure NA	Calculated 24-Hour Rate	Oil - BbL 672	Gas - MCF 602	Water - BbL 0	Oil Gravity - API - (Corr.) 43	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)
 Sold

Test Witnessed By
 Matt Lee

30. List Attachments
 C-104, Deviation Survey, Logs

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Kim Stewart Printed Name Kim Stewart Title Regulatory Analyst Date 07/01/99

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Division not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all specific tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 25 through 29 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico

Northwestern New Mexico

T. Anhy _____ 1265.0	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____ 2520.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 2792.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____ 3380.0	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 4187.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____ 5660.0	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____ 6860.0	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____ 7110.0	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____ 7610.0	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____ 8910.0	T. _____	T. Chinle _____	T. _____
T. Penn _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

OIL OR GAS SANDS OR ZONES

No. 1, from 9806 to 9848 No. 3, from to

No. 2, from to No. 4, from to

IMPORTANT WATER SANDS

Include data on rate of water inflow and elevation to which water rose in hole.

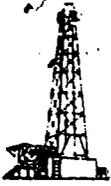
No. 1, from to feet

No. 2, from to feet

No. 3, from to feet

LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
1265.0	2520.0	1255.0	anhydrite, dolo				
2520.0	4187.0	1667.0	dolomite, sand				
4187.0	5660.0	1473.0	dolomite, anhydrite				
5660.0	6250.0	590.0	sand, dolomite				
6250.0	8910.0	2660.0	dolomite				
8910.0	10368.0	1458.0	limestone				



Patterson Drilling Company

410 N. Loraine Street — (915) 682-9401
Midland, Texas 79701

June 7, 1999

Nearburg Producing Company
Drilling Department
3300 N "A" St, Bldg 2, Ste 120
Midland, TX 79705

RE: Inclination Report
Rancho Verde 10 State #1
Sec 10; T-16-S; R-32-E

Gentlemen:

The following is an inclination survey on the above referenced well located in Lea County, New Mexico:

235' - 0.50	4230' - 0.75	8473' - 1.00
400' - 0.75	4644' - 0.75	8726' - 1.25
900' - 1.00	5147' - 0.50	8883' - 2.00
1402' - 1.00	5749' - 0.25	9041' - 1.50
1877' - 0.75	6248' - 1.00	9168' - 1.75
2357' - 0.50	6734' - 0.25	9322' - 1.75
2893' - 0.25	7181' - 1.00	9542' - 1.75
3299' - 0.75	7678' - 0.25	9837' - 2.25
3799' - 0.75	8066' - 0.25	9985' - 2.00

Sincerely,

Rebecca Edwards

Rebecca A. Edwards
Administrative Assistant

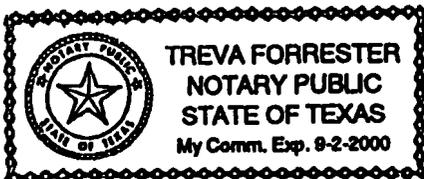
STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing was acknowledged before me this 7th day of June, 1999 by Rebecca A. Edwards.

MY COMMISSION EXPIRES:

Treva Forrester

NOTARY PUBLIC



Nearburg Exploration Company, L.L.C.

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
915/686-8235
Fax 915/686-7806

August 16, 1999

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

New Mexico Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

ATTN: Mr. Mark Ashley

Re: Form C-142
Rancho Verde "10" State Com. #1 Well
T-16-S, R-32-E, Section 10: W/2
Lea County, New Mexico
Anderson Ranch West (10) 98 Prospect

Gentlemen:

Enclosed is an original and two copies C-142 application for the captioned well along with a list of working interest owners and percentages, form C-103 and form C-105 for the well.

If you have any questions or need any additional information with this document, please contact me at the letterhead address and phone number.

Yours truly,


Michael M. Gray
Senior Landman

MMG/dw
encl.