

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. 30-025-34725	
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	
Well No. 2	
Pool name or Wildcat Anderson Ranch-Wolfcamp, Southwest	

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>	
Name of Operator Nearburg Producing Company	
Address of Operator 3300 N A St., Bldg 2, Suite 120, Midland, TX 79705	
Well Location Unit Letter <u>E</u> : <u>2230</u> Feet From The <u>North</u> Line and <u>930</u> Feet From The <u>West</u> Line 10 Section <u>16S</u> Township <u>32E</u> Range <u>NMPM</u> Lea County	
Elevation (Show whether DF, RKB, RT, GR, etc.) 4317 GR	

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

NOTICE OF INTENTION TO:

- PERFORM REMEDIAL WORK
- TEMPORARILY ABANDON
- PULL OR ALTER CASING
- OTHER: _____
- PLUG AND ABANDON
- CHANGE PLANS

SUBSEQUENT REPORT OF:

- REMEDIAL WORK
- COMMENCE DRILLING OPNS.
- CASING TEST AND CEMENT JOB
- OTHER: Surface Casing and Cement Job
- ALTERING CASING
- PLUG AND ANBANDONMENT

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

MIRU FWA Peterson Rig #306. Spud well 1800 hrs 10/22/99. Drid and surveyed to 464'. RU and ran 13 jts 13-3/8" H40 48# ST&C and BT&C and set at 464'. Cmt csg using 410 cmt + additives. Circ to pit. WOC. Cut off csg and weld on wellhead. Test casing to 1,000 psi - OK. Drig ahead.

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

SIGNATURE Sarah Jordan TITLE Production Analyst DATE 10-25-99
 TYPE OR PRINT NAME Sarah Jordan TELEPHONE NO. 915/686-823

(This space for State Use) ORIGINAL SIGNED BY GARY WINK FIELD REP. II
 APPROVED BY _____ TITLE _____ DATE NOV - 4 1999

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 5 copies
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

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

WELL API NO.
 30-025-34725

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

2. Name of Operator
 Nearburg Producing Company

8. Well No.
 2

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

9. Pool name or Wildcat
 Anderson Ranch; Wolfcamp, Southwest

4. Well Location
 Unit Letter E : 2230 Feet From The North Line and 930 Feet From The West Line

Section 10 Township 16S Range 32E NMPM Lea County

10. Date Spudded 10/22/99
 11. Date T.D. Reached 11/18/99
 12. Date Compl. (Ready to Prod.) 12/10/99
 13. Elevations (DF & RKB, RT, GR, etc.) 4317 GR
 14. Elev. Casinghead 4317

15. Total Depth 9816
 16. Plug Back T.D. 9815
 17. If Multiple Compl. How Many Zones?
 18. Intervals Drilled By Rotary Tools Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name
 9796 - 9814 (OA)

20. Was Directional Survey Made
 No

21. Type Electric and Other Logs Run
 CNL/ CAL

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	48#	464	17-1/2	410	NA
8-5/8	24# & 32#	4235	11	1000	NA
5-1/2	17#	9816	7-7/8	250	NA

24. LINER RECORD **25. TUBING RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					2-3/8	9112	9112

26. Perforation record (interval, size, and number)
 9796 - 9814 (OA)

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

DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
9796 - 9814	1,000 gals 15% HCL acid

28. PRODUCTION

Date First Production 12/10/99 Production Method (Flowing, gas lift, pumping - Size and type pump) Flowing Well Status (Prod. or Shut-in) Producing

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - BbL.	Gas - MCF	Water - BbL.	Gas - Oil Ratio
12/11/99	24	NA		167	47	0	281:1

Flow-Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - BbL.	Gas - MCF	Water - BbL.	Oil Gravity - API - (Corr.)
400	NA		167	47	0	

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

Test Witnessed By
 Matt Lee

30. List Attachments
 C-104, Deviations and 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 Sarah Jordan Printed Name Sarah Jordan Title Production Analyst Date 12/15/99

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 _____ 1268.0	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 _____ 2485.0	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____ 2782.0	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____ 4175.0	T. Simpson _____	T. Gallup _____	T. Ignacio Otzte _____
T. Glorieta _____ 5656.0	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____ 6858.0	T. Delaware Sand _____	T. Todilto _____	T. _____
T. Drinkard _____ 7103.0	T. Bone Springs _____	T. Entrada _____	T. _____
T. Abo _____ 7606.0	T. _____	T. Wingate _____	T. _____
T. Wolfcamp _____ 8901.0	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 9678-816 to _____ 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 _____

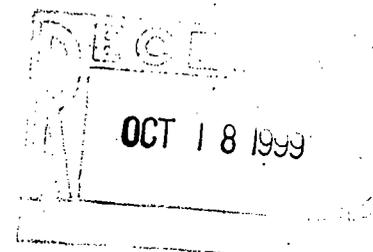
LITHOLOGY RECORD (Attach additional sheet if necessary)

From	To	Thickness in Feet	Lithology	From	To	Thickness in Feet	Lithology
1268.0	2485.0	1217.0	Anhydrite/Dolo				
2485.0	4175.0	1690.0	Dolo/ Sand				
4175.0	5656.0	1481.0	Dolo/ Anhydrite				
5656.0	6250.0	594.0	Sand/ Dolo				
6250.0	8901.0	2651.0	Dolo				
8901.0	9816.0	915.0	Limestone				

Property W 554026 RANCHO VERDE 10 ST COM #2
 DOI# 00
 Effective Date 0/00/00
 Status ACTIVE

Owner	Sec	Name	Int Type	Owrr Type	Susp Code	JIB Susp	Sev Exmt	Indp Flag	Working Decimal	Revenue Decimal	-WI ICT- Co	-RI ICT- Co	ICT- Co	ICT- Co	Actv
54330		ROY G NIEDERHOFFER	0	W			N	Y	.020000000	.000000000					
1319		MENPART ASSOCIATES (1/1/94)	0	W			N	Y	.037500000	.000000000					
31450		HOLSUM, INCORPORATED	0	W			N	Y	.030000000	.000000000					
68300		AAR LIMITED PARTNERSHIP,	0	W			N	Y	.015000000	.000000000					
68310		GENE REISCHMAN, AS HIS	0	W			N	Y	.010000000	.000000000					
74550		J. KENNETH SMITH	0	W			N	Y	.010000000	.000000000					
1489		LJR RESOURCES LTD. CO.	0	W			N	Y	.010000000	.000000000					
91100		WRIGHT FAMILY LIVING TRUST	0	W			N	Y	.010000000	.000000000					
54300		NEARBURG EXPLORATION CO,L.L.C.	0	W			N		.775000010	.000000000					4
2077		R-N LIMITED PARTNERSHIP	0	W			N	Y	.015000000	.000000000					
1851		MADISON CAPITAL PARTNERS II	0	W			N	Y	.012500000	.000000000					
2245		GEORGE S. MENNEN REVOCABLE	0	W			N	Y	.010000000	.000000000					
13492		DUANE A. DAVIS	0	W			N	Y	.002500000	.000000000					
48000		TIMOTHY R. MACDONALD	0	W			N		.000833330	.000000000					
2468		DEAN A. HORNING	0	W			N		.000833330	.000000000					
73375		ROBERT G. SHELTON	0	W			N	Y	.000833330	.000000000					
2469		LEESBURG INVESTMENTS, LTD.	0	W			N	Y	.040000000	.000000000					
***** Total *****										1.000000000	.000000000				

*** End of Report ***



*cc: Jim
 Bob
 Sarah
 Kim*