



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

20 July 2004

Nearburg Producing Company
3300 N. A St., Bldg 2, Suite 120
Midland, Texas 79705

RE: Pit closures;

McKittrick 11 Fed # 4	30-015-33168
McKittrick 11 Fed # 2	30-015-33270
Shelby 12 Fed # 5	30-015-33322

Dear Sir or Madam:

The Artesia District of the Oil Conservation Division on 20 July, 2004 received a form 3160-5 approved by the B.L.M. granting permission for the removal and storage of pit contents. After review of the information contained in the form, the Artesia OCD has determined that the process will not meet the requirements of New Mexico Oil Conservation Division Rule 19.15.2.50. Multiple infractions of the rule were noted. The removal to, and permanent disposal of cuttings at a site, which is not approved, is prohibited. Rule 50 also provides for all pits to be declared to the OCD. To date Nearburg Producing Company is still in violation of Rule 19.15.2.50.B.3.B. Please contact this office for assistance in proper closing of these and all other pits.

Van Barton
Field Rep. II

cc: Joe Lara - BLM

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

2. Name of Operator

Nearburg Producing Company

3a. Address

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

3b. Phone

432/686-8235

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

SHL: Unit B, 757 FNL and 1341 FEL, Sec 11, 22S, 24E

BHL: Unit B, 990 FNL and 2310 FEL, Sec 11, 22S, 24E

RECEIVED

JUL 20 2004

OCD - ARTESIA

5. Lease Serial No.

NMNM53219

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or N

8. Well Name and No.

McKittrick 11 Fed #2

9. API Well No.

30-015-33270

10. Field and Pool, or Exploratory Area

Indian Basin; Upper Penn. Associated

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 location

clean up

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.)

In follow-up to the meeting between Don Peterson, Paul Evans, Jim Amos, BLM reps and H W Willis, NPC rep, NPC requests the following:

Haul cuttings off of the McKittrick 11 Fed #4 (30-015-33168), McKittrick 11 Fed #2 (30-015-33270) and Shelby 12 Fed #5 (30-015-33322) to BLM caliche pit in Sec 12, 22S, 25E. Area will be lined w/ 12 ml cross weaved plastic w/ cuttings laid on and covered w/ 12 ml plastic and at least 3' of existing dirt contoured and fenced as per BLM specs.

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)

H R Willis

Title

Drilling Manager

Date

7/14/04

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Joe G. Lara

Title

Petroleum Engineer

Date

7/19/04

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

CFO