

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**

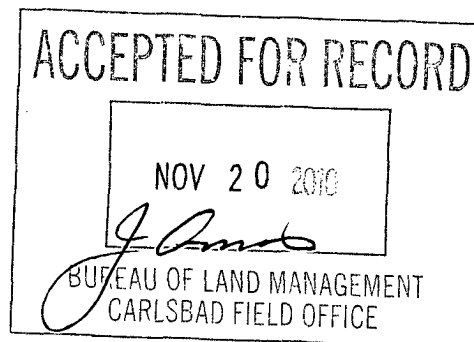
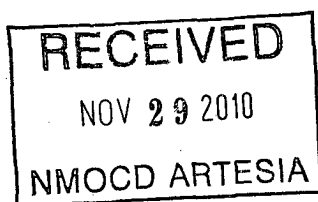
1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. <b>NM14758</b>
2. Name of Operator <b>Nearburg Producing Company</b>		6. If Indian, Allottee or Tribe Name
3a. Address <b>3300 N A St., Bldg 2, Ste 120, Midland, TX 79705</b>	3b. Phone No. (include area code) <b>432/818-2950</b>	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <b>330 FNL and 660 FEL, Sec 3, 20S, 25E</b>		8. Well Name and No. <b>Huber 3 Federal #3H</b>
		9. API Well No. <b>30-015-38163</b>
		10. Field and Pool, or Exploratory Area <b>Cemetery: Yeso</b>
		11. County or Parish, State <b>Eddy NM</b>

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Spud, Csg.</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Cmt &amp; Rig Release</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

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.)

Please see attached



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) <b>Sarah Jordan</b>	Title <b>Production/ Regulatory Analyst</b>
<i>Sarah Jordan</i>	Date <b>11.2.10</b>

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
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	

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*DB*

*Cost*

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

**Huber 3 Federal #3H**

SHL: 330 FNL and 660 FEL, Sec 3, 20S, 25E

BHL: 330 FSL and 660 FEL, Sec 3, 20S, 25E

Cemetery; Yeso

Eddy Co, NM

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

10/01/10 - 10/05/10 Lone Star Construction built location

10/06/10 - 10/10/10 MIRU United Drlg #40

10/09/10 Alert BLM of spud.

**SPUD WELL AT 0700 hrs on 10/10/10**

10/11/10 TD: 838' (783') Running csg; Surveys: .9 @ 852'; MW: 8.5; Visc: 32; pH: 10

Day 1 Mix spud mud and PU bit. Work on Kelly Spinner. Spud and drld to 408' Service rig. Drld to 838'. Circ and sweep. TOH and RU to run csg.

10/12/10 TD: 838' (0') Slip and cut drlg line; Surveys: None Today; MW: 8.5; Visc: 32; pH: 10

Day 2 Run 8 5/8 32# J-55 8rd STC casing to 837' Rig down casing crew Circulate Safety meeting, rig up BJ and cement surface casing w/ 180 sx class H Thixotropic, 14.6# 1.5 yield lead and 313sx "C" + 2% cacl, 14.8# 1.3 yield tail. Circulated 20 bbls good cement. Bumped plug at 12:00 noon, float held Rig down BJ WOC Cut off and weld on 11" X 8 5/8" 3000# SOW test wellhead 1000psi ok Nipple up BOPE Test BOPE 3000 psi ok Finish nipple up rotate head and flowline Slip and cut drlg line

10/13/10 TD: 1413' (575') Drlg; Surveys: .5 @ 1363; MW: 9.1 Visc: 34; pH: 10

Day 3 Slip and cut drlg line Pick up directional tools, surface test TIH w/ motor set @ 1.5, 7/8 lobe .35 revs/gal Drill cement, float and shoe track Drill 7 7/8 hole f/838-954 Run Scientific gyro Drill 7 7/8 hole f/954 - 1413'

10/14/10 TD: 2106' (693') W&R @1800'; Surveys: .7 @ 1935; MW: 9.0 Visc: 32; pH: 11.5

Day 4 Drill 7 7/8 hole f/1413 - 1605' Service rig, function test BOP's Drill 7 7/8 hole f/1605' - 2106' Circulate high vis sweep TOH to pick up PDC bit and dial up motor(2.12) for curve Handle dir tools, surface test MWD - OK TIH w/ 6.25 7/8 lobe 4.8 stg motor, 5 blade PDC bit

10/15/10 TD: 2544' (437') Drlg; Surveys: 22.9 @ 2410; MW: 8.5 Visc: 30; pH: 11

Day 5 Ream Hole fro 1920 to 2107 Drill and Slide 2107 to 2206 Rig Service Drill and Slide 2106 to 2245 Drill and Slide 2245 to 2343 Work on Pump No 1 Drill and Slide 2343 to 2396 Drill and Slide 2396 to 2544

10/16/10 TD: 2911' (376') Drlg; Surveys: 64.6 @ 2854; MW: 8.5 Visc: 30; pH: 11

Day 6 Drill and Slide from 2544 to 2618 Rig Service Drill and Slide From 2618 to 2690 Drill and Side From 2690 to 2800 Drill and Slide 2800 to 2863 Work on Pump No 1, Drill and Slide 2863 to 2911

10/17/10 TD: 3111' (200') PU 3-1/2 DP; Surveys: 90 @ 3111; MW: 8.5 Visc: 29; pH: 11.5

Day 7 Drill and Slide from 2911 - 2997 Rig Service Drill and Slide From 2997 - 3111 Circulate sweep and rig up Bull rogers laydown machine Lay down 4 1/2" drillpipe and 6" drill collars install 3 1/2" pipe rams in BOP's Pick up 3 1/2" drillpipe

10/18/10 TD: 3535' (424') Drlg; Surveys: 89.6 @ 3468; MW: 8.5 Visc: 29; pH: 11.5

Day 8 Pick up 3 1/2" drillpipe, rig down Bull Rogers Rig Service Drill and Slide 7 7/8 horizontal hole from 3111-3535' Note- rotates at 40-60 ft/hr, sliding at 6-10 ft per hour (current target 2770-2773) If target is increased= less sliding

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

**Huber 3 Federal #3H**

SHL: 330 FNL and 660 FEL, Sec 3, 20S, 25E

BHL: 330 FSL and 660 FEL, Sec 3, 20S, 25E

Cemetery; Yeso

Eddy Co, NM

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

10/19/10 TD: 4080' (545') Drlg; Surveys: 90.8 @ 4022; MW: 8.5 Visc: 31; pH: 11.5  
Day 9 Drill and Slide 7 7/8 horizontal hole from 3535'-3615' Rig Service and work on rotary lock  
Drill and Slide 7 7/8 horizontal hole from 3615 - 3643' Repair rotary lock Drill (rotate) 7 7/8  
horizontal hole from 3643' - 4080' (26.5 ft/hr rop) Note - pumping viscous sweeps ea 100',  
running 200psi diff on mud motor will increase to 300psi

10/20/10 TD: 4660' (580') Drlg; Surveys: 89 @ 4602; MW: 8.5 Visc: 34; pH: 12  
Day 10 Drill and Slide 7 7/8 horizontal hole from 4080 - 4284' Rig Service Drill and Slide 7 7/8  
horizontal hole from 4284' - 4465' Centrifuge had removed all gel from mud, not circulating  
cuttings out of hole. Raised viscosity to 34 over 2 circ. To clean hole Drill and Slide 7 7/8  
horizontal hole from 4465' - 4653' Repair rig, kelly spinner Drill and Slide 7 7/8 horizontal  
hole from 4653' - 4660'

10/21/10 TD: 5255' (595') Drlg; Surveys: 89.1 @ 5174; MW: 8.5 Visc: 34; pH: 12  
Day 11 Drill and Slide 7 7/8 horizontal hole from 4660 - 4873' Rig Service Drill and Slide 7 7/8  
horizontal hole from 4873' - 5240' Rig repair, mud pump Drill and Slide 7 7/8 horizontal hole  
from 5240 - 5255

10/22/10 TD: 5698' (443') Drlg; Surveys: 91.2 @ 5616; MW: 9 Visc: 36; pH: 10.5  
Day 12 Drill and Slide 7 7/8 horizontal hole from 5255 - 5445' Rig Service Drill and Slide 7 7/8  
horizontal hole from 5445' - 5603' Circulate sweep, TOH to change Gamma tool and  
batteries Change out mwd and surface test TIH w/ RR bit #4 and swap pipe Drill and Slide 7  
7/8 horizontal hole from 5603 - 5698

10/23/10 TD: 6111' (413') Drlg; Surveys: 89.7 @ 6030; MW: 8.5; Visc: 36; pH: 9  
Day 13 Drld and slide to 6111'. NDA.

10/24/10 TD: 6370' (259') Drlg; Surveys: 91.3 @ 6284; MW: 8.6; Visc: 36; pH: 10  
Day 14 Drill and Slide 7 7/8 horizontal hole from 6111 - 6235 Rig Service Drill and Slide 7 7/8  
horizontal hole from 6235 - 6239 Clean screens on mud pumps Drill and Slide 7 7/8  
horizontal hole from 6239 - 6245 Short trip, circulate high vis sweep, move HWDP Drill and  
Slide 7 7/8 horizontal hole from 6245 - 6370

10/25/10 TD: 6532' (162') TFNB; Surveys: 90.9 @ 6475; MW: 8.7; Visc: 38; pH: 10  
Day 15 Drill and Slide 7 7/8 horizontal hole from 6370 - 6461 Rig Service Drill and Slide 7 7/8  
horizontal hole from 6461 - 6532 TOH w/ bit #4, to p/u stab behind motor and swap HWDP  
Change out Bit, motor, MWD, test-ok, TIH

10/26/10 TD: 6865' (333') Drlg; Surveys: 89.7 @ 6793; MW: 9; Visc: 40; pH: 10  
Day 16 Finish TIH to 6532' Rig Service Drill and Slide 7 7/8 horizontal hole from 6532 - 6657'  
Work on kelly spinner Drill and Slide 7 7/8 horizontal hole from 6657' - 6773' Work on kelly  
spinner Drill and Slide 7 7/8 horizontal hole from 6773' - 6844' Repair rig - mud pumps Drill  
and Slide 7 7/8 horizontal hole from 6844' - 6865'

10/27/10 TD: 7070' (205') Reaming @ 2821; Surveys: 79.3 @ 7070; MW: 9; Visc: 40; pH: 10  
Day 17 Drill and Slide 7 7/8 horizontal hole from 6865' - 7070' TD Circulate sweep, and 6 samples  
up at TD RU lay down machine, lay down 5000' 3 1/2 DP, directional tools and RD laydown  
machine Make up reaming assembly, TIH to KOP, ream 2050 - 2821

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

**Huber 3 Federal #3H**

SHL: 330 FNL and 660 FEL, Sec 3, 20S, 25E

BHL: 330 FSL and 660 FEL, Sec 3, 20S, 25E

Cemetery; Yeso

Eddy Co, NM

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

10/28/10 TD: 7070' (0') ST thru curve with reamers; MW: 8.9; Visc: 39; pH: 9  
Day 18 Ream hole from 2821-5485. Rig Service. Ream hole from 5485-7070. Circ high vis sweep. ST thru curve.

10/29/10 TD: 7070' (0') Run 4-1/2 csg  
Day 19 Short trip thru curve, TIH to 7,070'. No Problems Circulate High Vis sweep RU LD machine and LD 3-1/2" HW & DP, break kelly. PU Peak Pkrs, RU csg crew and run 4-1/2" csg w/Peak Packer systems

10/30/10 TD: 7070' (0') Set Csg Slips  
Day 20 Run 117 jts 4 1/2 11.6# N-80, 16 Peak Systems sliding sleeves and pkrs, 65 jts 5 1/2 17# N-80 set @ 7067' Circulate, RD lay down machine, displace hole w/ 300bbl 2% KCL RU Rising Star Cementers, drop 1.25" ball to set packers. Pump 75 bbls KCL to seat ball, pressure up 2000, 2200, 2375 3000, 3500 and hold for 5 mins ok RU Black Warrior wireline, RIH w/ 4.625 gauge ring and CCL, RIH w/ Weatherford RBP (Baker 20 type) and set at 2131' RIH w/ 50' dump baler and dump sand 2131-2105 Nipple down BOP's, lift stack and set csg slips w/ 65K string wt. in tension. Notified BLM of intent to cmt long string.

10/31/10 TD: 7070' (0') Cleaning Pits  
Day 21 Nipple down BOP, cut off 5 1/2" csg, nipple up Tbg head and Tbg BOP RU csg crew and lay down machine. PU 67 jts 2 7/8 EUE tbg w/ port collar key and RBP retrieving tool. open port collar, circulate, cement 5 1/2" w/ 540 sx class C + .25% R38 14.80# 1.32 yield Close port collar, reverse out cmt and sand to top of RBP. Release tool Lay down 2 7/8 tbg Nipple down tbg BOP's, install blank, clean pits. \*\*\*\*\*Release rig at 0700 10/31/10