

Form 3160-5
(April 2004)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

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 No. (include area code)

432/686-8235 x 203

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

330 FSL and 1830 FEL, Sec 31-18S-34E

5. Lease Serial No.

NMNM107396

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Wapiti 31 Federal #2

9. API Well No.

30-025-37643

10. Field and Pool, or Exploratory Area

E-K; Bone Spring (21650)

11. County or Parish, State

Lea 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 Off LeaseStorage/Measuremenand commingling

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 recomplete 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 recompletion 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.)

NPC requests to off lease measure, store and commingle the oil and wtr from the subject well with the following wells:

Wapiti 31 Federal #1 - NMNM107681 - API #30-025-35841 - 1650 FSL & 660 FEL, Sec 31-18S-34E, Lea Co, NM, producing out of the EK-Bone Spring.

Mescalero 6 Federal #3Y - NMNM4314 - 30-025-20707 - 660 FNL & 1980 FEL, Sec 6-19S-34E, Lea Co, NM, producing out of the EK-Bone Spring.

These wells all produce out of the EK-Bone Spring formation. All wells are metered separately before they are commingled.

The central tank battery cuts down on costs for each well and will extend the economic life of the well.

All investors have been notified by Certified Mail of this commingling.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Sarah Jordan

Title

Production Analyst

Date 3/23/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

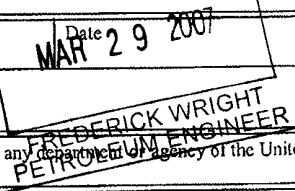
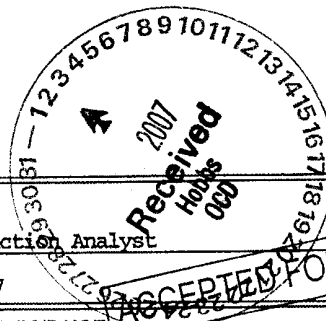
Title

Office

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.

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.

GWW



SUNDRY NOTICE SPECIAL STIPULATIONS

1. This sundry is accepted for record. Approval requires that the operator provide the following information:
2. Operator will provide as built current facility diagrams showing the locations of all facilities, lines and meters.
3. Operator will provide proposed facility diagrams showing the locations of all facilities, lines and meters to be used; including individual well, as well as combined stream measurements.
4. Operator will provide an explanation of any allocation scenario to be used, if anything other than separate measurements are to be used to determine production volumes.
5. All of this information should be provided in a sundry.

Engineering

can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 3/29/07