

Submit 3 Copies To Appropriate District Office
 District I
 1625 N. French Dr., Hobbs, NM 87240
 District II
 1301 W. Grand Ave., Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources

Form C-103
 March 4, 2004

OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

WELL API NO. 30-015-33442
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Big Walt 2 State
8. Well Number 10
9. OGRID Number 015742
10. Pool name or Wildcat Indian Basin; Upper Penn. Ass.

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.)

1. Type of Well:
 Oil Well Gas Well Other

2. Name of Operator
 Nearburg Producing Company

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

4. Well Location
 Unit Letter H : 2006 feet from the North line and 703 feet from the East line
 Section 2 Township 22S Range 24E NMPM County Eddy

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
 3866

RECEIVED
 AUG 19 2004
 OGD-ARTESIA

Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)

Pit location: UL H Sect 2 Twp 22S Rng 24E Pit type D Depth to Groundwater _____ Distance from nearest fresh water well _____
 Distance from nearest surface water _____ Below-grade Tank Location UL _____ Sect _____ Twp _____ Rng _____ ;
 _____ feet from the _____ line and _____ feet from the _____ line

12. 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 ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>	
OTHER: <input type="checkbox"/>		OTHER: Production Csg and cmt <input checked="" type="checkbox"/>	

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

TD well @ 8456'. RU csg crew and ran 209 jts 7" 23& 26# N80 and J55 LTC and BTC csg. Set csg at 8456'. Cmt csg as follows: Stage 1 - 400 sxs 15:61:11+6% FL 25+.6% FL 52+.4% 5# LCM 100% excess. Did not get returns. WOC 8.5 hrs. Stage 2 - Lead slurry: 950 sxs 35:60 POZ + additives. Tail w/ 100 sxs Class c + additives. No returns. WOC. Ran temp survey (2500'). Cut off csg, jet pits and release rig @ 0200 hrs 07/28/04.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit or an (attached) alternative OCD-approved plan

SIGNATURE Sarah Jordan TITLE Production Analyst DATE 8/18/04
 Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com
 Telephone No. 432/686-8235

(This space for State use)
 APPROVED BY [Signature] FOR RECORDS ONLY TITLE _____ DATE AUG 20 2005

Conditions of approval, if any:

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

Big Walt 2 State #10

SHL: 2006 FNL and 703 FEL, Sec 2, 22S, 24E

BHL: 660 FNL and 1980 FEL, Sec 2, 22S, 24E

Cisco Canyon

Eddy County, NM

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

- 08/11/04 MIRU Lucky Services pulling unit. ND WH & NU BOP. Had Two-State haul 276 jts- 2 7/8" J-55 6.5# EUE 8rd tbg to location & put on pipe racks. Had Key reverse pump load casing / fresh wtr & test to 2000# for 30 mins. Held O.K. MIRU JSI to RIH w/ casing gun & shoot 6 squeeze holes @ 2450'. POOH w/ gun. Close BOP blind. Had Key reverse pump break circulation w/fresh wtr. Pump rate was 4 bpm @ 100#. Pumped 70 Bbls wtr. PU & RIH w/ Baker cmt retainer, 72 jts- 2 7/8" J-55 6.5# EUE 8rd tbg. MIRU BJ Services. Pumped 14 Bbls wtr through retainer. Set retainer @2350'. Get off retainer. Sting back into retainer, establish circulation rate & start pumping cement. Lost circulation before cement surfaced. Stopped pumping cement & flush w/ fresh wtr to retainer. Unsting from retainer & reverse the tbg clean. Pumped 140 Bbls 14.8# cement downhole. Capacity to surface @ 65 Bbls. POOH w/ tbg & retainer setting tool. Close BOP blind. SDFN. Will run temperature survey in the AM to find TOC. Used 600 sacks cement Class C Neat total.
- 08/12/04 MIRU JSI electric line truck to run temperature survey to find top of cement from squeeze job. Open BOP blind & RIH w/ JSI tool. Log RIH & found no definite temperature change. Logged again while POOH. Had Key reverse unit pump fresh wtr from frac tank dn 9 5/8" csg while RIH & caught another temperature survey. Found the (TOC) @ 2300'. Had JSI RIH w/ casing gun & shoot (6) squeeze holes @ 2250'. POOH w/ gun. Close BOP blind. Had Key reverse pump break circulation w/ fresh wtr. Pump rate @ 5 bpm @ 150#. PU & RIH w/ Baker cement retainer, 66 jts- 2 7/8" J-55 6.5# EUE 8rd tbg. MIRU BJ Services. Pumped 18 Bbls wtr through retainer. Set retainer @ 2157'. Get off retainer. Sting back into retainer, establish circulation rate & start pumping C Neat cement w/ LCM slurry. Pumped 101 Bbls 14.8#ppg (450 sx) followed by 12.5 Bbls fresh wtr flush to retainer. Unsting from retainer & reverse tbg clean to pit w/ fresh wtr. POOH w/ tbg & retainer setting tool. Close BOP blind. SDFN. SI well. Will leave well SI for 24 hrs before starting to drill out.
- 08/14/04 Open BOP blind. PU & RIH w/ (new) 6 1/8" bit, (6) 4 3/4" drill collars, 60 jts- 2 7/8" J-55 6.5# EUE 8rd tbg. Tag TOC @ 2147'. Drill cement and found retainer @ 2157'. Drilled out retainer & 80' cement. Test csg to 500# for 30 mins. Held O.K. RIH w/ 6 jts- 2 7/8" J-55 6.5# EUE 8rd tbg. Tag retainer @.2350'. Drilled out retainer & found no cement until 2420'. Drilled out cement to 2457'. Test csg to 500# for 30 mins. Held O.K. RIH w/ 147 jts- 2 7/8" J-55 6.5#EUE 8rd tbg. Tag DV tool @ 7023'. RD swivel. Close Torus hydraulic BOP & SI well. SDFN. Will drill out DV tool in The AM.