

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESLA

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

RECEIVED

1. Type of Well

JAN 26 2006

☒ 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)

660 FNL and 1930 FEL, Sec 31-19S-25E

5. Lease Serial No.

NMNM84701

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Dagger Draw 31 Fed #2

9. API Well No.

30-015-26431

10. Field and Pool, or Exploratory Area

Dagger Draw; Upper Penn. North

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 TA

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.)

Due to NPC's current success in the Glorietta-Yeso and Wolfcamp, we would like to TA the subject well for uphole potential.

Please see attached procedure.

Accepted for record - NMOC

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

Sarah Jordan

Title

Production Analyst

Date 1/9/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DAVID R. CLARK

PETROLEUM ENGINEER

Date

JAN 25 2006

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

SEE ATTACHED FOR

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.

CURRENT EQUIPMENT DESCRIPTION:

RECOMMENDED PROCEDURE:

- 1) Test deadmen.
- 2) Notify OCD of intention to TA wellbore.
- 3) MIRU PU. Kill well if necessary.
- 4) ND WH & NU BOP.
- 5) Release TAC & POH w/245 jts 2-7/8" tbg, TAC, 8 jts 2-7/8", SN, 1 jt 2-7/8" open ended laying down.
- 6) Set CIBP @ 7600' as per attached PROPOSED wellbore diagram.
- 7) Cap CIBP w/35'cmt. Perform MIT test as per OCD requirements.
- 8) Clean location and notify OCD of new wellbore status.

This wellbore has been SI since October 1999 and has produced marginal amounts of gas since that time.

This well had numerous mud-log shows from San Andres/Glorieta and Wolfcamp. Recent success in the shallower San Andres/Glorieta zones opens these reservoirs up to exploitation.

The Wolfcamp, Bone Springs, and Yeso will be evaluated and tested shortly.