

**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

APR 19 2006

OCD-ARTESIA

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

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

**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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	
	<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.)

NPC TA'd the subject well. Please see attached break down of work and chart.

Accepted for record - NMOCD

APPROVED FOR...  
MAR 15 2007

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) Sarah Jordan  
Title Production/ Regulatory Analyst  
Date 4/10/06

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by ORTG SGT DAVID E. GEASE  
Title PRODUCTION ENGINEER  
Date APR 17 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.

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

**Dagger Draw 31 Federal #2**

Dagger Draw North Upper Penn

Eddy County, New Mexico

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

03/14/06 Well Repair Purpose: TA well.

MIRU unit, released TAC. Installed BOPE, and POOH w/ (245) joints of tubing, TAC, (8) joints of tubing, SN, and (1) joint of tubing as mud joint. Stood back first (245) joints, layed down rest. RU JSI and RIH and set CIBP @ 7600' and dumped 35' of cement on top of CIBP. RD JSI. RIH w/ 124 joints of tubing and SI & SDFN

Current Operation This AM: RIH w/ tbg.

DC Intangible:	\$15,122	AFE Intangible:	\$0
DC Tangible:	\$0	AFE Tangible:	\$0
TC Intangible:	\$15,122	BAL Intangible:	(\$15,122)
TC Tangible:	\$0	BAL Tangible:	\$0

Daily Costs Intangible:

\$4,494 Pulling/ Swabbing Unit  
 \$1,200 Pump/ Vacuum Truck  
 \$800 BOPE  
 \$500 Frac Tank  
 \$40 Phone  
 \$7,638 Wireline Services  
 \$450 Supervision

03/15/06 Well Repair Purpose: TA well.

Arrived on location opened BOPE. RIH w/ 120 joints of tubing, tagged bottom for BLM. POOH w/ one joint and circulated 315 bbls of fresh water and double inhibited packer fluid. Pressured test plug to 500# for 30 min, held fine. POOH w/ 243 joints laying down on pipe rack. Removed BOPE, NU wellhead. Could not rig down due to high wind SI & SDFN. Jerry Blakely w/ BLM on Location .

Current Operation This AM: RDMO.

DC Intangible:	\$7,408	AFE Intangible:	\$0
DC Tangible:	\$400	AFE Tangible:	\$0
TC Intangible:	\$22,530	BAL Intangible:	(\$22,530)
TC Tangible:	\$400	BAL Tangible:	(\$400)

Daily Costs Intangible:

\$4,218 Pulling/ Swabbing Unit  
 \$2,500 Pump/ Vacuum Truck  
 \$200 Supplies - Misc  
 \$40 Phone  
 \$450 Supervision

Daily Costs Tangible:

\$400 TAC repair

03/16/06 Well Repair Purpose: TA well.

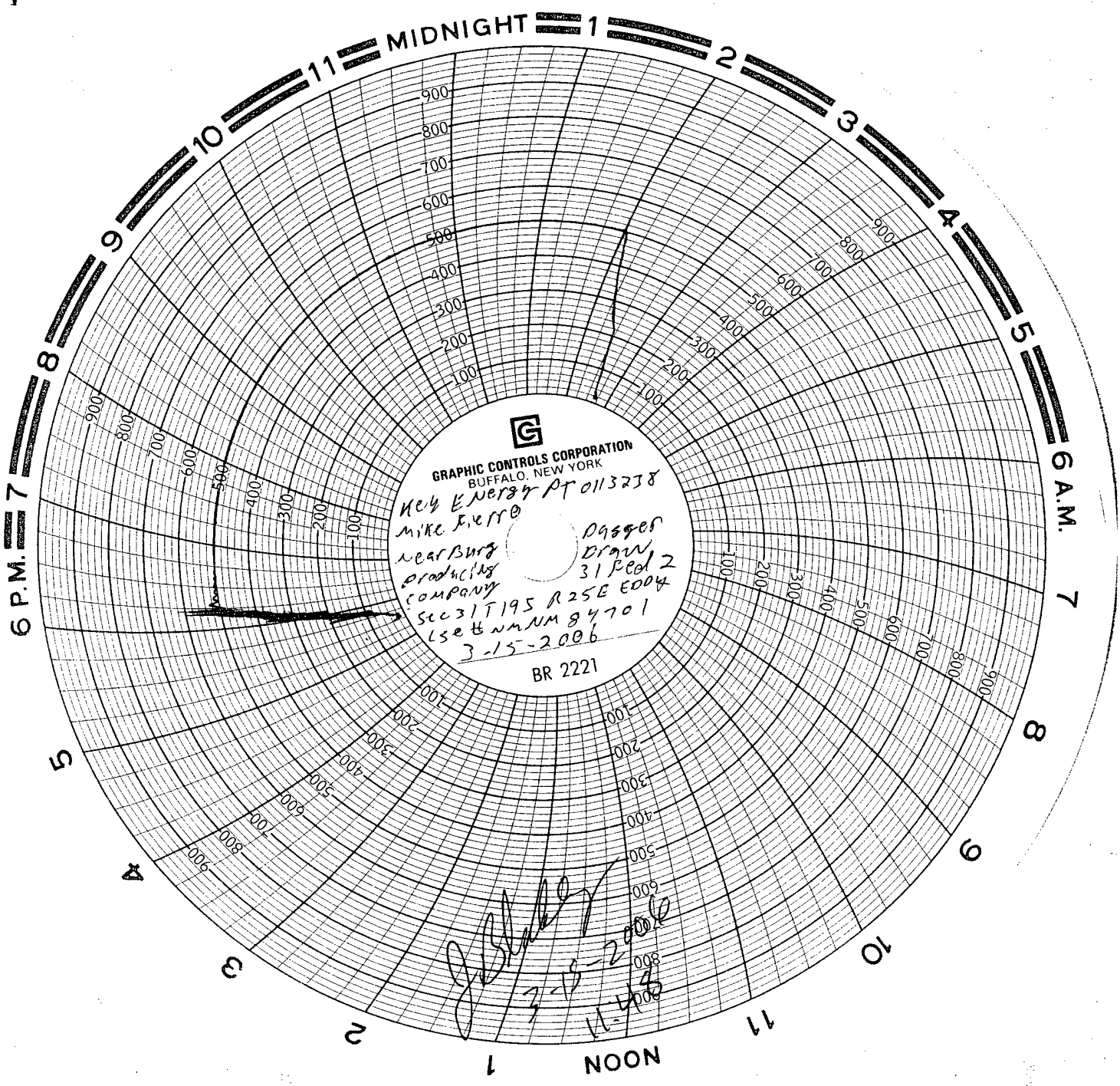
RDMO. Final report

Current Operation This AM: Well TA'd.

DC Intangible:	\$1,640	AFE Intangible:	\$0
DC Tangible:	\$0	AFE Tangible:	\$0
TC Intangible:	\$24,170	BAL Intangible:	(\$24,170)
TC Tangible:	\$400	BAL Tangible:	(\$400)

Daily Costs Intangible:

\$1,150 Pulling/ Swabbing Unit  
 \$40 Phone  
 \$450 Supervision



GRAPHIC CONTROLS CORPORATION  
BUFFALO, NEW YORK

Key Energy Pt 0113218  
Mike Ferro  
near Burg  
Producing  
Company  
Sec 31 T195 R25E E004  
LSE # NMNM 84701  
3-15-2006

D9998  
Draw  
31 Fed 2

BR 2221

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3-15-2006  
11:40