

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1 S. Street
Artesia, NM 872

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. NM-56426
2. Name of Operator Nearburg Producing Company	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 3300 North A Street, Building 2, Suite 120, Midland, Texas 79705 (915) 686-8235	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1,650' FSL and 767' FWL, Section 31, T18S, R29E	8. Well Name and No. Neptune 31 Federal #1
	9. API Well No. 30-015-30340
	10. Field and Pool, or Exploratory Area Turkey Track; Morrow, North (Gas)
	11. County or Parish, State Eddy County, New Mexico

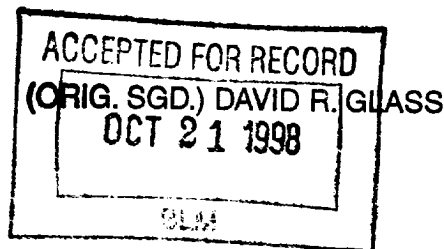
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>Spud & surface casing</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Spud well 2401 hrs 9/21/98. Drilled to 347'. C&C hole. RU and run 8 jts 13-3/8" 48# H40 STC casing. Set csg at 347'. C&C hole. Cement csg using 400 sx cmt + additives. Circ 150 sx cmt to surface. WOC 18 hrs. Cut-off csg & weld on wellhead. NU BOPE & test.



14. I hereby certify that the foregoing is true and correct

Signed [Signature] Title Manager of Drilling and Production Date 9/23/98
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, 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.

*See Instruction on Reverse Side