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BP

Submit 3 Copies
to Appropriate
District Office

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.
30-015-22466

Indicate Type of Lease
STATE FEE

State Oil & Gas Lease No.

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.)

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
Nearburg Producing Company

Address of Operator
3300 North A Street, Building 2, Suite 120, Midland, Texas 79705

Lease Name or Unit Agreement Name
B & B

Well No.
1

Pool name or Wildcat
Undesignated Cisco/Canyon

Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line

Section 22 Township 19S Range 25E NMPM Eddy County

Elevation (Show whether DF, RKB, RT, GR, etc.)
3,456' GR

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK
TEMPORARILY ABANDON
PULL OR ALTER CASING
OTHER:

SUBSEQUENT REPORT OF:
PLUG AND ABANDON
REMEDIAL WORK
COMMENCE DRILLING OPNS.
CASING TEST AND CEMENT JOB
OTHER: TA
ALTERING CASING
PLUG AND ANBANDONMENT

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.

Nearburg requests approval to temporarily abandon the well by the procedure listed below.

- Made WL gauge ring/GR run to 18,050' - 6,900'.
- Set CIBP at 7,630'. New PBTD @ 7,630'.
- RIH, tested casing and CIBP to 500 psi.
- RDMO well service unit. Final report. TA'd well.

Approval of Temporary
Abandonment Expires 2003

RECEIVED
ARTESIA

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE E. Scott Kimbrough TITLE Manager of Drilling and Production DATE 7/13/98
TYPE OR PRINT NAME E. Scott Kimbrough TELEPHONE NO. (915) 686-8235

(This space for State Use)

APPROVED BY SUPERVISOR, DISTRICT II TITLE _____ DATE 11-12-98
CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. 30-015-22466
Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
State Oil & Gas Lease No.
Lease Name or Unit Agreement Name B & B
Well No. 1
Pool name or Wildcat Undesignated Cisco/Canyon
Well Location Unit Letter <u>G</u> : <u>1980</u> Feet From The <u>North</u> Line and <u>1980</u> Feet From The <u>East</u> Line Section <u>22</u> Township <u>19S</u> Range <u>25E</u> NMPM <u>Eddy</u> County
Elevation (Show whether DF, RKB, RT, GR, etc.) 3,456' GR

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.)

Type of Well:
OIL WELL GAS WELL OTHER

Name of Operator
Nearburg Producing Company

Address of Operator
3300 North A Street, Building 2, Suite 120, Midland, Texas 79705

Well Location
Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line
Section 22 Township 19S Range 25E NMPM Eddy County
Elevation (Show whether DF, RKB, RT, GR, etc.)
3,456' GR

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK

TEMPORARILY ABANDON

PULL OR ALTER CASING

OTHER: _____

PLUG AND ABANDON

CHANGE PLANS

SUBSEQUENT REPORT OF:

REMEDIAL WORK

COMMENCE DRILLING OPNS.

CASING TEST AND CEMENT JOB

OTHER: _____

ALTERING CASING

PLUG AND ANBANDONMENT

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.

Nearburg requests approval to temporarily abandon the well by the procedure listed below.

- 1) POOH w/production casing.
- 2) Set CIBP at 7,690'. Current perforations at 7,724' - 7,821'.
- 3) RIH w/wireline dump bailer and dump 35' cement on top of CIBP.
- 4) RIH w/tubing, tag TOC, and circulate clean fresh water loaded within packer fluid. Test casing to 500 psi for 30 minutes w/ a pressure drop of not greater than 10%.
- 5) RDMO well service unit.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE E. Scott Kimbrough TITLE Manager of Drilling and Production DATE 11/21/97

TYPE OR PRINT NAME E. Scott Kimbrough TELEPHONE NO. (915) 686-8235

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE JAN 12 1998

CONDITIONS OF APPROVAL, IF ANY:

ORIGINAL PROCESSED BY TIM W. GUM

OCTOBER 3, 1997

NEARBURG PRODUCING COMPANY
419 W. CAIN
HOBBS, NM 88240

RE: Shut In Wells

The State of New Mexico is in the process at this time of reviewing leases and determining the number of shut in wells.

Rule 201 A. states "The operator of any well drilled for oil, gas or injection, for seismic, core or other exploration, or for a service well, whether cased or uncased, will be responsible for the plugging thereof."

Rule 201 B. states "A well will be either properly plugged and abandoned or temporarily abandoned in accordance with these rules within 90 days after: (1) a 60-day period following suspension of drilling. (2) A determination that the well is no longer usable for beneficial purposes. (3) A period of one year in which a well has been continuously inactive."

House Bill 65 has been passed by the Legislature and provides a 3.75% tax incentive for wells put back in production. However, if there are no plans to put this well back in service then it needs to either be plugged or properly temporarily abandoned.

Please use Form C-103 and Form C-139 for the 3.75% tax incentive to indicate your intentions for the following well(s):

300-015-22466 G-22-19-25 B&B #1
300-015-21084 H-5-19-26 IVEY 5 H #1
300-015-22420 J-6-19-26 LIGGETT ET AL COM. #1
300-015-27458 E-22-19-25 ROSS RANCH 22 #2

Please advise this office within 30 days of the date shown above as to your intentions or any change of status for the above listed well(s). If you have any questions or if you need any help - feel free to stop by the office and visit with us.

Sincerely,

Tim W. Gum