

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

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. NMNM 100860
2. Name of Operator Nearburg Producing Company		6. If Indian, Allottee or Tribe Name N/A
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) 660' FNL and 990' FEL, Section 24, T19S, R33E		8. Well Name and No. Sagebrush 24 Federal Com #1
		9. API Well No. 30 025 34676
		10. Field and Pool, or Exploratory Area Quail Ridge, Morrow
		11. County or Parish, State Lea County, New Mexico

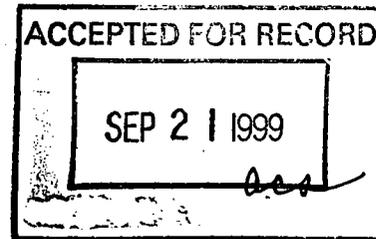
12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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>Surface casing and cement</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 at 0400 hrs 09/14/99. Drilled to 429'. C&C hole. RU and ran 10 jts 13-3/8", 48#, HC40, STC casing. Set casing at 429'. Cement casing using 400 sxs cement plus additives. Circ 164 sx cement to surface. WOC for 18 hrs. Cut off csg and weld on wellhead. NU BOPE and test.



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

Signed Kim Stewart Title Regulatory Analyst Date 09/17/99
(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

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0137
Expires: February 28, 1995

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

<p>1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____</p> <p>b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____</p> <p>2. NAME OF OPERATOR Nearburg Producing Company</p> <p>3. ADDRESS AND TELEPHONE NO. 3300 North A Street, Building 2, Suite 120, Midland, Texas 79705 (915) 686-8235</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 660' FNL and 990' FEL At top prod. interval reported below</p>	<p>5. LEASE DESIGNATION AND SERIAL NO. NMMN 100860</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME, WELL NO. Sagebrush 24 Federal Com #1</p> <p>9. API WELL NO. 30-025-34676</p> <p>10. FIELD AND POOL, OR WILDCAT Quail Ridge; Morrow</p> <p>11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Section 24, T19S, R33E</p>
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14. PERMIT NO.	DATE ISSUED	12. COUNTY OR PARISH Lea	13. STATE New Mexico
16. DATE SPUDDED 09/14/99	16. DATE T.D. REACHED 10/27/99	17. DATE COMPL. (Ready to prod.) 01/02/00	18. ELEVATIONS (DF, RKB, RT, GE, ETC.)* 3,677' GL 3,695' KB
19. ELEV. CASINGHEAD	20. TOTAL DEPTH, MD & TVD 13,538'		
21. PLUG, BACK T.D., MD & TVD 13,350'	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY ROTARY TOOLS X CABLE TOOLS	24. PRODUCING INTERVAL(S), OF THIS COMPLETION-TOP, BOTTOM, NAME (MD AND TVD)* 13,276' - 13,178' - Morrow
25. WAS DIRECTIONAL SURVEY MADE No			26. TYPE ELECTRIC AND OTHER LOGS RUN DLL/LDT/CNL/GR/CAL
27. WAS WELL CORED No			

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48#	429'	17-1/2"	Cement 400 sxs, circ to surface	
8-5/8"	24# & 32#	5200'	11"	Cement 1550 sxs, circ to surface	
5-1/2"	17# & 20#	13538'	7-7/8"	Cement 1920 sxs, TOC @5000'	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"		13,046'

<p>31. PERFORATION RECORD (Interval, size and number) 13,370' - 13,385' - 0.60" - 60 holes CIBP @13,360' w/10' cmt on top 13,276' - 13,178' - 0.41" - 128 holes</p>	<p>32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.</p> <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>DEPTH INTERVAL (MD)</th> <th>AMOUNT AND KIND OF MATERIAL USED</th> </tr> </thead> <tbody> <tr> <td>13,276' - 178' (OA)</td> <td>Acidized w/1000 gals 2-1/2% HCL + additives</td> </tr> <tr> <td></td> <td>Frac w/ 223 tons CO2 w/20 ton pad & 57,000 #20/40 ISIP.</td> </tr> </tbody> </table>	DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED	13,276' - 178' (OA)	Acidized w/1000 gals 2-1/2% HCL + additives		Frac w/ 223 tons CO2 w/20 ton pad & 57,000 #20/40 ISIP.
DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED						
13,276' - 178' (OA)	Acidized w/1000 gals 2-1/2% HCL + additives						
	Frac w/ 223 tons CO2 w/20 ton pad & 57,000 #20/40 ISIP.						

33. PRODUCTION

DATE FIRST PRODUCTION 01/02/00	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing	WELL STATUS (Producing or shut-in) Producing
DATE OF TEST 01/14/00	HOURS TESTED 24	CHOKER SIZE 48/64"
PROD'N FOR TEST PERIOD	OIL—BBL. 13	GAS—MCF. 515
WATER—BBL. 0	GAS-OIL RATIO 39615:1	
FLOW. TUBING PRESS. 490	CASING PRESSURE —	CALCULATED 24-HOUR RATE
OIL—BBL. 13	GAS—MCF. 515	WATER—BBL. 0
OIL GRAVITY-API (CORR.) 54		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
Sold

TEST WITNESSED BY
Matt Lee

35. LIST OF ATTACHMENTS
C-104, Deviation Report, Logs

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Kim Stewart TITLE Regulatory Analyst DATE 01/19/00

*(See Instructions and Spaces for Additional Data on Reverse Side)

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.

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Morrow	13124	13270	gas

38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH
T/Rustler	1550		T/Atoka	12438	
B/Salt	3170		T/Morrow	12718	
T/7-RiversYates	3708		T/Morrow Clastics	13030	
T/Queen	4385				
T/Delaware	6066				
T/Bone Spring	7942				
T/Bone Spring Sand	9226				
T/Wolfcamp	11014				
T/Penn	11458				
T/Strawn	12108				

Property W 554525 SAGEBRUSH 24 FED COM #1
DOI# 01
Effective Date 99/09/14
Status ACTIVE

Revised 10/21/99

Owner	Sec	Name	Int Type	Owr Type	Susp Code	JIB Susp	Sev Exmt	Indp Flag	Working Decimal	Revenue Decimal	-WI Co	ICT- Acct	-RI Co	ICT- Acct	Actv
54330		ROY G NIEDERHOFFER	0	W			N	Y	.015000000	.000000000					
1319		MENPART ASSOCIATES (1/1/94)	0	W			N	Y	.028125000	.000000000					
31450		HOLSUM, INCORPORATED	0	W			N	Y	.022500000	.000000000					
68300		AAR LIMITED PARTNERSHIP,	0	W			N	Y	.011250000	.000000000					
68310		GENE REISCHMAN, AS HIS	0	W			N	Y	.007500000	.000000000					
74550		J. KENNETH SMITH	0	W			N	Y	.007500000	.000000000					
1489		LJR RESOURCES LTD. CO.	0	W			N	Y	.007500000	.000000000					
91100		WRIGHT FAMILY LIVING TRUST	0	W			N	Y	.007500000	.000000000					
54300		NEARBURG EXPLORATION CO,L.L.C.	0	W			N	Y	.581250000	.000000000					
2077		R-N LIMITED PARTNERSHIP	0	W			N	Y	.011250000	.000000000					
640		HARVEY E. YATES COMPANY	0	W			N		.218000000	.000000000					
1851		MADISON CAPITAL PARTNERS II	0	W			N	Y	.009375000	.000000000					
13492		DUANE A. DAVIS	0	W			N	Y	.001875000	.000000000					
48000		TIMOTHY R. MACDONALD	0	W			N	Y	.000625000	.000000000					
2468		DEAN A. HORNING	0	W			N	Y	.000625000	.000000000					
73375		ROBERT G. SHELTON	0	W			N	Y	.000625000	.000000000					
2469		LEESBURG INVESTMENTS, LTD.	0	W			N	Y	.030000000	.000000000					
2245		GEORGE S. MENNEN REVOCABLE	0	W			N	Y	.007500000	.000000000					
2385		HEYCO EMPLOYEES LIMITED	0	W			N	Y	.016000000	.000000000					
2383		SPIRAL, INC.	0	W			N	Y	.010000000	.000000000					
2384		EXPLORER'S PETROLEUM CORP.	0	W			N	Y	.006000000	.000000000					
**** Total ****										1.000000000	.000000000				

*** End of Report ***

OCT 25 1999

*cc: Jim
Bob
Sarah
Tim*