

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
1625 N. French Dr
Hobbs NM 88240

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

5. Lease Designation and Serial No.

NMNM 100709 NM-92187

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

NM-100709

8. Well Name and No.

Minis 1 Federal Com #3

9. API Well No.

30-025-33506

10. Field and Pool, or Exploratory Area

Hat Mesa; Morrow

11. County or Parish, State

Lea County, NM

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Nearburg Producing Company

3. Address and Telephone No.

3300 N A St., Bldg 2, Suite 120, Midland, TX 79705 915/686-8235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

4,300' FSL and 1,310' FWL, Section 1, T21S, R32E

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 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>Water Disposal Application</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.)*

- 1.) Water is produced from the Morrow zone.
- 2.) There is approximately 10-50 bbls per month produced
- 3.) A water analysis is attached
- 4.) Water is stored in (1) 500 BBL steel tank
- 5.) Water is trucked from steel tank
- 6.) Water is transported by Key Energy Services, Hobbs, New Mexico to:
RA State SWD
Section 31, T18S, R36E
Lea County, New Mexico

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

Signed Kim Stewart Title Regulatory Analyst

Date 01/11/00

(This space for Federal or State office use)

Approved by DAVID F. [Signature] Title PETROLEUM ENGINEER

Date JAN 24 2000

Conditions of approval, if any:

Title of U.S. Government work, unless otherwise indicated, is hereby acknowledged 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.

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
5 Copies
 AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Nearburg Producing Company 3300 North A Street, Building 2, Suite 120 Midland, Texas 79705		² OGRID Number 15742
		³ Reason for Filing Code NW - Correct Property Number <i>d Name</i>
⁴ API Number 30 - 0 25-33506	⁵ Pool Name Hat Mesa Morrow	⁶ Pool Code 78240
⁷ Property Code 22946	⁸ Property Name Minis 1 Federal Com	⁹ Well Number 3

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
12	1	21S	32E		4,300'	South	1,310'	West	Lea

¹¹ Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Lse Code F	¹³ Producing Method Code Flowing	¹⁴ Gas Connection Date 02/05/98	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
-----------------------------	--	---	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
032109	LG & E Natural Gathering & Processing Company 2777 Stermons Freeway, Suite 700 Dallas, TX 75207	2820672	G	Tank Battery
021778	Sun Co. Inc. (R&M) PO Box 2039 Tulsa, NM 74102	2820671	O	Tank Battery

IV. Produced Water

²³ POD 2820673	²⁴ POD ULSTR Location and Description Tank Battery
------------------------------	--

V. Well Completion Data

²⁵ Spud Date 08/19/97	²⁶ Ready Date 02/05/98	²⁷ TD 14,550'	²⁸ PBTD 14,449'	²⁹ Perforations 13,936' - 13,992'	³⁰ DHC, DC, MC
³¹ Hole Size 17-1/2"	³² Casing & Tubing Size 13-3/8"	³³ Depth Set 570'	³⁴ Sacks Cement 450 sx		
11"	8-5/8"	5,300'	2,200 sx		
7-7/8"	5-1/2"	14,550'	2,765 sx		

VI. Well Test Data

³⁵ Date New Oil 02/06/98	³⁶ Gas Delivery Date 02/05/98	³⁷ Test Date 02/17/98	³⁸ Test Length 24 hrs	³⁹ Tbg. Pressure 650	⁴⁰ Csg. Pressure --
⁴¹ Choke Size 16//64	⁴² Oil 7	⁴³ Water 3	⁴⁴ Gas 513	⁴⁵ AOF	⁴⁶ Test Method Flowing

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *E. Scott Kimbrough* Approved by: *[Signature]*
Printed name: E. Scott Kimbrough Title: *[Signature]*
Title: Manager of Drilling and Production Approval Date: JUL 3 1998
Date: Phone: (915) 686-8235

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
-----------------------------	--------------	-------	------

5
C

District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals & Natural Resources Department

Form C-104
Revised October 18, 1994
Instructions on back

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Submit to Appropriate District Office
5 Copies
 AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Nearburg Producing Company 3300 North A Street, Building 2, Suite 120 Midland, Texas 79705		² OGRID Number 15742
		³ Reason for Filing Code NW
⁴ API Number 30 - 0 25-33506	⁵ Pool Name Hat Mesa Morrow	⁶ Pool Code 78240
⁷ Property Code 15230	⁸ Property Name Minis Federal Com	⁹ Well Number 3

II. ¹⁰ Surface Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
12	1	21S	32E		4,300'	South	1,310'	West	Lea

¹¹ Bottom Hole Location

Ul or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County

¹² Use Code F	¹³ Producing Method Code Flowing	¹⁴ Gas Connection Date 02/05/98	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
-----------------------------	--	---	-----------------------------------	------------------------------------	-------------------------------------

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
032109	L G & E Natural Gathering & Processing Company 2777 Stemmons Freeway, Suite 700 Dallas, TX 75207		G	
00734	Amoco Pipeline Co. 302 E. Avenue A Lovington, NM 88260		O	

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description Tank Battery
-------------------	--

V. Well Completion Data

²⁵ Spud Date 08/19/97	²⁶ Ready Date 02/05/98	²⁷ TD 14,550'	²⁸ PBTD 14,449'	²⁹ Perforations 13,936' - 13,992'	³⁰ DHC, DC, MC
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17-1/2"	13-3/8"	570'	450 sx		
11"	8-5/8"	5,300'	2,200 sx		
7-7/8"	5-1/2"	14,550'	2,765 sx		

VI. Well Test Data

³⁵ Date New Oil 02/06/98	³⁶ Gas Delivery Date 02/05/98	³⁷ Test Date 02/17/98	³⁸ Test Length 24 hrs	³⁹ Tbg. Pressure 650	⁴⁰ Csg. Pressure -
⁴¹ Choke Size 16/64	⁴² Oil 7	⁴³ Water 3	⁴⁴ Gas 513	⁴⁵ AOF	⁴⁶ Test Method Flowing

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION S. WILLIAMS DIRECTOR
Signature: <i>E. Scott Kimbrough</i>	
Printed name: E. Scott Kimbrough	Approved by:
Title: Manager of Drilling and Production	Title:
Date: 3/2/98	Approval Date:
Phone: (915) 688-8235	

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date
-----------------------------	--------------	-------	------

(July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

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

5. LEASE DESIGNATION AND SERIAL NO.

NM-92187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Minis 1 Federal Com #3

9. API WELL NO.

30-025-33506

10. FIELD AND POOL, OR WILDCAT

Hat Mesa Morrow

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Section 1, T21S, R32E

12. COUNTY OR PARISH

Lea

13. STATE

New Mexico

15. DATE SPUDDED

08/19/97

16. DATE T.D. REACHED

10/11/97

17. DATE COMPL. (Ready to prod.)

02/05/98

18. ELEVATIONS (DF, RKB, RT, GE, ETC.)

3,734' GR

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

14,550'

21. PLUG, BACK T.D., MD & TVD

14,449'

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)*

13,936' - 13,992' 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)

Table with 6 columns: CASING SIZE GRADE, WEIGHT, LB./FT., DEPTH SET (MD), HOLE SIZE, TOP OF CEMENT, CEMENTING RECORD, AMOUNT PULLED. Rows include 13-3/8", 8-5/8", and 5-1/2" casing details.

29. LINER RECORD

Table with 8 columns: SIZE, TOP (MD), BOTTOM (MD), SACKS CEMENT*, SCREEN (MD), SIZE, DEPTH SET (MD), PACKER SET (MD). Row shows 2-3/8" size with 13,717' depth set and 13,831' packer set.

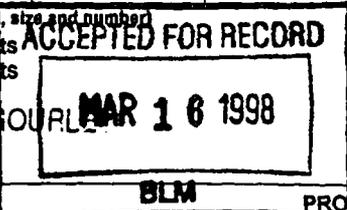
30. TUBING RECORD

Table with 2 columns: DEPTH INTERVAL (MD), AMOUNT AND KIND OF MATERIAL USED. Rows show acid treatments at 13,936'-13,958' and 13,984'-13,992'.

31. PERFORATION RECORD (Interval, size and number)

13,936' - 13,958' - .4" - 88 shots
13,984' - 13,992' - .4" - 64 shots

(CPIG. SGD.) GARY GOURL



33. BLM PRODUCTION

Table with 3 columns: DATE FIRST PRODUCTION (02/05/98), PRODUCTION METHOD (Flowing), WELL STATUS (Producing or shut-in) (P).

Table with 8 columns: DATE OF TEST (02/17/98), HOURS TESTED (24), CHOKE SIZE (16/64), PROD'N FOR TEST PERIOD, OIL-BBL. (7), GAS-MCF. (513), WATER-BBL. (3), GAS-OIL RATIO (73286:1).

Table with 7 columns: FLOW. TUBING PRESS. (650), CASING PRESSURE, CALCULATED 24-HOUR RATE, OIL-BBL. (7), GAS-MCF. (513), WATER-BBL. (3), OIL GRAVITY-API (CORR.) (47.4).

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

[Signature]

TITLE Manager of Drilling and Production

DATE

3/2/98

*(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.

JLC

... and contents thereof; cored intervals; and all
 ... cushion used, time tool open, flowing and shut-in pressures, and

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Salt	1520	3130	salt, anhydrite
Yates	3130	3592	sandstone, dolomite, anhydrite
Capitan	3592	5438	dolomite, anhydrite
Delaware	5438	8770	sandstone, dolomite, shale
Bone Spring Carbonate	8770	9850	limestone, shale
1st BS Sand	9850	10126	sandstone, shale
2nd BS Carb	10126	10555	limestone, shale
2nd BS Sand	10555	10918	sandstone, shale
3rd BS Carb	10918	11050	limestone, shale
3rd BS Sand	11050	11600	sandstone, shale
Wolfcamp Chert	11830	12255	shale, limestone, chert
Penn. Shale	12225	12910	shale, limestone
Strawn	12910	13110	limestone, shale
Atoka Clastics	13110	13340	shale, limestone
Atoka Limestone	13340	13502	limestone, shale
Morrow Carb	13502	13590	limestone, shale
Morrow Clastics	13590	14430	shale, sandstone, limestone
Barnett Shale	14430	14545	shale

38. GEOLOGICAL MARKERS			38. GEOLOGICAL MARKERS		
NAME	TOP		NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH		MEAS. DEPTH	TRUE VERT. DEPTH
Salt (salade)	1520		Wolfcamp chert	11830	
Yates	3130		Penn. Shale	12225	
Capitan	3529		Strawn	12910	
Delaware	5438		Atoka Clastics	13110	
Bone Spring CaCO3	8770		Atoka Limestone	13340	
1st BS Sand	9850		Morrow CaCO3	13502	
2nd BS CaCO3	10126		Morrow Clastics	13590	
3rd BS Sand	10555		Barnett Shale	14430	
4th BS Sand	10918				
5th BS Sand	11050				

District I
PO Box 1982, Hobbs, NM 88240-2982
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Grande Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

CIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33506		Pool Code 23240	Well Name Hat Mesa Morrajo
Property Code 15230	Property Name MINIS "I" FEDERAL COM		Well Number 3
OGRID No. 15742	Operator Name NEARBURG PRODUCING COMPANY		Elevation 3734.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L LOT 12	1	21-S	32-E		4300	SOUTH	1310	WEST	LEA

11 Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 317.66	13 Joint or Infill N	14 Consolidation Code C	15 Order No. R-2607
------------------------------	-------------------------	----------------------------	------------------------

NO ALLOWABLE WELL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				17 OPERATOR CERTIFICATION	
4 NM-60777	3 NM-62924	2	1	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
5 NM-60777	6 NM-60777	7	8	Signature Clyde P. Findlay II	
12 1310' NMNM-92187	11 NMNM-84727	10	9	Printed Name Senior Engineer	
13 NMNM-92187	14 NMNM-92187	15	16	Title 04/09/97	
17 4300'				Date	
18				18 SURVEYOR CERTIFICATION	
				I hereby certify that the well location shown on this plat was placed from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.	
				APRIL 8, 1997 Date of Survey	
				Signature and Seal of Registered Surveyor: R. REDD NEW MEXICO 5412 REGISTERED LAND SURVEYOR ENGINEER CERTIFICATE NUMBER NM PROFESSIONAL 5412	

OCTOBER 23, 1997

WELL NAME AND NUMBER: MINIS 1 FED COM #3 *Unit 1*
LOCATION: Sec. 1 T21S R32E *4300'S + 1310/W*
OPERATOR: NEARBURG OPERATING Co
DRILLING CONTRACTOR: PATTERSON DRILLING *25-025-33506*

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

<u>DEGREE AND DEPTH</u>		<u>DEGREE AND DEPTH</u>		<u>DEGREE AND DEPTH</u>	
0.50	570	1.00	5324	2.00	9782
0.50	1351	1.00	5444	1.25	9939
0.75	1648	1.00	6152	1.00	10315
0.75	1992	1.00	6556	1.50	10921
1.00	2338	1.25	6964	1.00	10629
1.25	2682	0.25	7372	1.75	11168
1.75	3062	0.75	7779	1.00	11418
1.75	3188	1.50	8249	1.00	11729
1.00	3314	1.00	8844	1.00	12134
0.50	3629	3.00	9249	0.50	12478
1.00	4029	4.00	9343	1.00	12822
1.00	4437	4.25	9433	1.50	13413
1.00	4796	4.75	9531	0.00	14275
0.25	5190	4.00	9625		

Drilling Contractor: PATTERSON DRILLING

By: *Billy Jensen*
Billy Jensen

Subscribed and sworn to before me this 23rd day of October, 1997

My Commission Expires:
june 30, 2001

Mary G. Henson
Mary G. Henson

REFERENCE SHEET FOR UNDESIGNATED WELLS

DATE 3/5/98

OIL/GAS Gas

COUNTY Lea

OPERATOR Nearburg Producing Co

ADDRESS 3300 North A St, Bldg 2, Suite 120 Midland TX

LEASE NAME, WELL NO. Minis Federal Com #3-L 79705

FOOTAGE LOCATION 4300 FROM THE S LINE AND 1310 FROM THE W LINE

SECTION 1 TOWNSHIP 21s RANGE 32e

COMPLETION DATE 2/6/98

NAME OF PRODUCING FORMATION Morrow

TOP OF PERFORATIONS ^{13.7 ft} 13936-13992

DEPTH TO CASING SHOE _____

C-123 FILED _____

NAME OF POOL FOR WHICH EXTENSION WAS ASKED _____

ADVERTISED FOR _____ HEARING _____ CASE NO. _____

NAME OF POOL FOR WHICH EXTENSION WAS ADVERTISED _____

PLACED IN _____ BY ORDER NO. R- _____

REMARKS Hat Mesa Morrow

37.66 ac

Lots 4, 5, 6, 11, 12, 13, 14

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. OIL
1000
HOBBS, NM 88241

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

Oil Well Gas Well Other

2. Name of Operator

Nearburg Producing Company

3. Address and Telephone No.

3300 North A Street, Building 2, Suite 120, Midland, Texas 79705 (915) 686-8235

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL & 4,300' FSL, Section 1, T21S, R32E

5. Lease Designation and Serial No.

NM-92187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Minis 1 Federal Com #3

9. API Well No.

30-025-33506

10. Field and Pool, or Exploratory Area

Hat Mesa 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>Production Casing & 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.)

Drilled to 14,550'. C&C hole. Rig up and run 376 jts. 5-1/2", 17 & 20#, N80 & S95, BTC & LTC csg. DV tool at 11,927'. Set casing at 14,550'. Cement casing in two stages using 2,765 sx. cement plus additives. Circ 60 sx cement off DV tool. WOC. NU BOPE and test. Cut casing off and weld on cover plate. Release rig at 1800 hrs 10/14/97.

RECEIVED
 OCT 23 10 47 AM '97
 FEDERAL BUREAU OF LAND MANAGEMENT

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

Signed T. Scott Embrey

Title Manager of Drilling and Production

Date 10/22/97

(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**

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 deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

5. LEASE DESIGNATION AND SERIAL NO.
NM-92187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

1. TYPE OF WELL

Oil Well Gas Well Other

8. Well Name and No.

Minis 1 Federal Com #3

2. NAME OF OPERATOR

Nearburg Producing Company

9. API Well No.

30-025-33506

3. ADDRESS AND TELEPHONE NO.

3300 N. "A" Street, Bldg. 2, Suite 120 Midland, TX 79705

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL & 4,300' FSL, Section 1, T21S, R32E

11. County or Parish, State

Lea County, New Mexico

12. CHECK THE 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: Intermed. Casing & Cement
	<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.)

Drilled to 5,324'. C&C hole. Rig up and run 131 jts. 8-5/8", 24 & 32#, J55 & HCN80, STC csg. Set casing at 5,300'. Cement casing in two stages using 2,200 sx. cement plus additives. Circ 300 sx cement to pit on both stages. WOC for 21-1/2 hrs. Cut casing off and weld on wellhead. NU BOPE and test.

RUSSELL OFFICE
 SEP 11 A 10:09

14. I hereby certify the foregoing is true and correct

SIGNED T. Scott Lindley

TITLE Manager of Drilling and Production

DATE 9/10/97

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:

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

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 deepen or reentry to a different reservoir.

Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. TYPE OF WELL

Oil Well Gas Well Other

2. NAME OF OPERATOR

Nearburg Producing Company

3. ADDRESS AND TELEPHONE NO.

3300 N. "A" Street, Bldg. 2, Suite 120 Midland, TX 79705

4. LOCATION OF WELL (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL & 4,300' FSL, Section 1, T21S, R32E

5. LEASE DESIGNATION AND SERIAL NO.
NM-92187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Minis 1 Federal Com #3

9. API Well No.

30-025-33506

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

11. County or Parish, State

Lea County, New Mexico

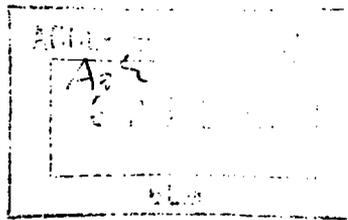
12. CHECK THE APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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: Surface Casing & Cement
	<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.)

Drilled to 570'. C&C hole. Rig up and run 14 jts. 13-3/8", 48#, H40, STC csg. Set casing at 570'. Cement casing using 450 sx. cement plus additives. Circ 190 sx cement to pits, WOC for 10 hrs. Cut casing off and weld on wellhead. NU BOPE and test.



ROSWELL OFFICE

SEP 11 A 10:09

14. I hereby certify the foregoing is true and correct

SIGNED

[Handwritten Signature]

TITLE Manager of Drilling and Production

DATE

9/10/97

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

Conditions of approval, if any:

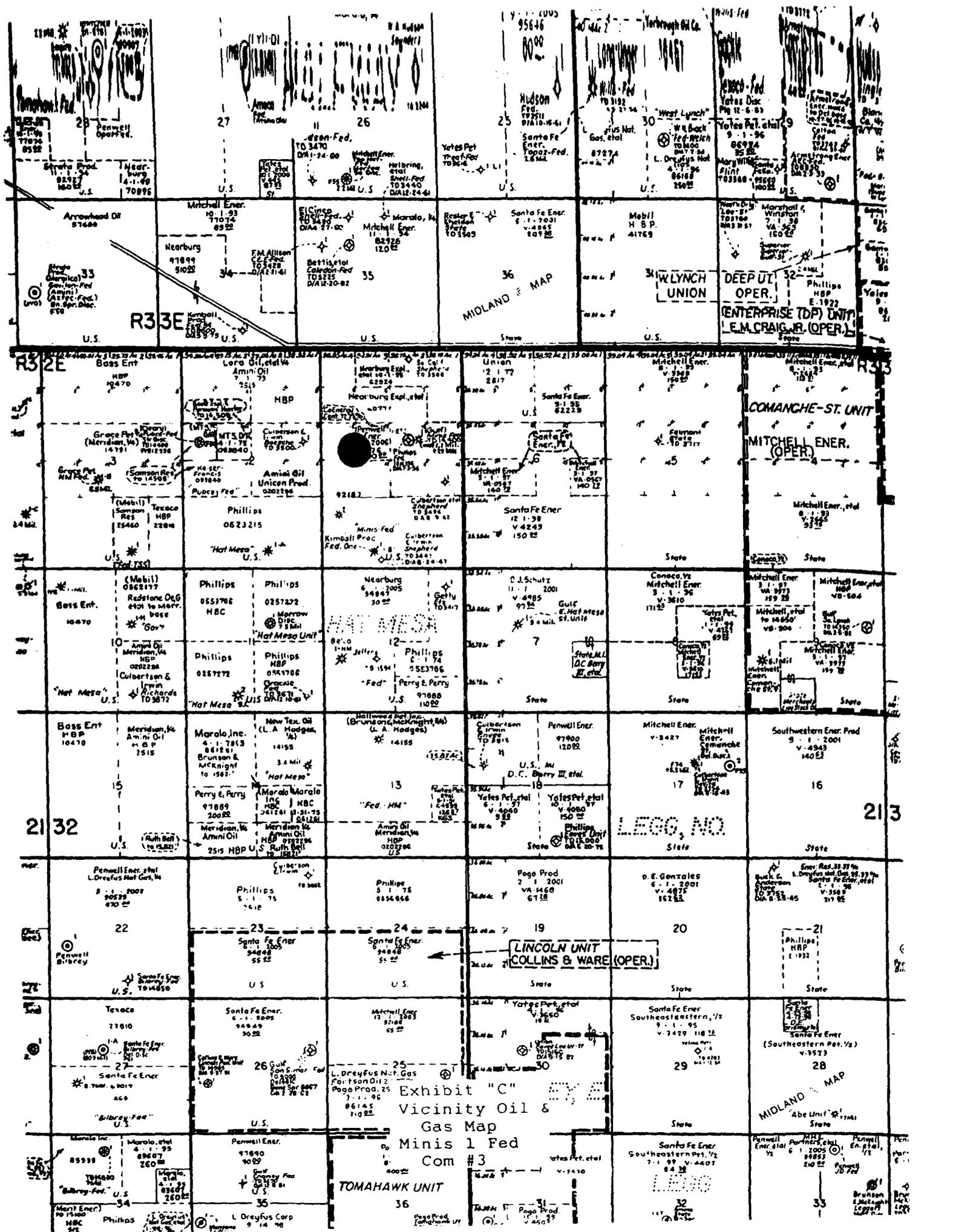


Exhibit "C"
Vicinity Oil &
Gas Map
Minis 1 Fed
Com #3

TOMAHAWK UNIT

MIDLAND MAP

LINCOLN UNIT
COLLINS & WARE (OPER.)

COMANCHE-ST. UNIT
MITCHELL ENER.
(OPER.)

R33E

MIDLAND MAP

WYLNCH UNION

DEEP UT. OPER.
ENTERPRISE (OP) UNIT
E.M. CRAIG, JR. (OPER.)

R32E

R33

21

213

22

21

27

28

34

33

36

36

36

36

36

36

36

36

36

36

36

36

36

Arrowhead Oil
87648

Mitchell Ener.
10-1-93
79734
6922

Nearburg
97899
51022

Green Fed.
TO 3470
DMA 1-24-60

Restor E
Wynon
TO 1649

Santa Fe Ener.
6-1-2001
84798

Mobil
H.B.P.
41769

North D
Law-Dr
TO 1649

Marshall
Winston
7-1-38
Val-36
1602

Phillips
HBP
E.1922

33
New York Fed
(Amint)
(Aztec Fed.)
In Spr. Dec.
F&O

Nearburg
97899
51022

F.M. Allison
C.F. Fed
TO 1649

Battistola
Caleton Fed
TO 1649

35

36

36

36

36

36

36

Bass Ent
HBP
10470

Amint Oil
79

Nearburg Expl. et al
TO 1649

Santa Fe Ener.
3-1-96
62223

36

36

36

36

36

36

36

Grace Fed
(Meridian, Va)
TO 1649

Amint Oil
79

Nearburg Expl. et al
TO 1649

Santa Fe Ener.
3-1-96
62223

36

36

36

36

36

36

36

(Mobil)
Samsom
RES
15460

Phillips
0623215

Amint Oil
79

Santa Fe Ener.
12-1-98
V.4243
1502

36

36

36

36

36

36

36

(Mobil)
Redstone O&G
et al to Marr.
H base
Gov

Phillips
0551706
HBC

Phillips
0257272

Nearburg
3-8-2005
3022

36

36

36

36

36

36

36

(Mobil)
Meridian, Va
HBP
020228

Phillips
0257272

Phillips
HBP
0541706

Nearburg
3-8-2005
3022

36

36

36

36

36

36

36

Bass Ent
HBP
10470

Meridian, Va
Amint Oil
HBP
2515

Maralo, Inc.
4-1-78 (S)
881281
Brunson &
McKnight
to 1583

New Tex. Oil
(L.A. Hodges,
Va)
14155

36

36

36

36

36

36

36

(Ruth Bell
to 1583)

Meridian, Va
Amint Oil
HBP
020228

Maralo, Inc.
4-1-78 (S)
881281
Brunson &
McKnight
to 1583

New Tex. Oil
(L.A. Hodges,
Va)
14155

36

36

36

36

36

36

36

Penwell Ener. et al
L. Dreyfus Nat Gas, Va
3-1-2007
90579
4702

Phillips
5-1-75
7418

Phillips
5-1-75
0534866

Pogo Prod
2-1-2001
VA 1460
6128

36

36

36

36

36

36

36

27810

Santa Fe Ener.
6-1-2005
94849
3022

Mitchell Ener.
12-1-93
51022
6522

Santa Fe Ener.
3-1-96
62223

36

36

36

36

36

36

36

27810

Santa Fe Ener.
6-1-2005
94849
3022

Mitchell Ener.
12-1-93
51022
6522

Santa Fe Ener.
3-1-96
62223

36

36

36

36

36

36

36

27810

Santa Fe Ener.
6-1-2005
94849
3022

Mitchell Ener.
12-1-93
51022
6522

Santa Fe Ener.
3-1-96
62223

36

36

36

36

36

36

36

27810

Santa Fe Ener.
6-1-2005
94849
3022

Mitchell Ener.
12-1-93
51022
6522

Santa Fe Ener.
3-1-96
62223

36

36

36

36

36

36

36

SUPPLEMENTAL DRILLING DATA
NEARBURG PRODUCING COMPANY
MINIS 1 FEDERAL COM #3

1. SURFACE FORMATION:

Quaternary

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware	5,530'	Morrow	13,440'
Bone Spring	8,740'	TD	14,600'
Wolfcamp	11,600'		
Penn Shale	12,200'		
Strawn	12,800'		
Atoka	13,100'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Isolated Delaware Sand	- 5,530' - 8,740'	Atoka	13,200'
		Morrow	13,440'

4. CASING AND CEMENTING PROGRAM:

Casing Size	Setting Depth		Weight	Grade	Joint
	From	To			
13-3/8"	0	500'	48#	J-55	ST&C
9-5/8"	0	4,500'	36#	J-55	STC & LTC
5-1/2"	0	4,200'	20#	N-80	LT&C
5-1/2"	4,200'	8,400'	17#	N-80	LT&C
5-1/2"	8,400'	14,600'	20#	N-80	LT&C

Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

We plan to drill a 17-1/2" hole to equal 500'. 13-3/8" casing will be cemented with 500 sx or volume necessary to tie back to surface.

12-1/4" hole will be drilled to 4,500' and 9-5/8" casing will be cemented with 2,500 sx or volume necessary to tie back to surface.

7-7/8" hole will be drilled and 5-1/2" casing will be cemented with 500 sx of Class "H" 50/50 POZ.

5. PRESSURE CONTROL EQUIPMENT:

The BOP stack will consist of a 5,000 psi working pressure, dual ram type preventer and annular. A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 14,600'

Spud and drill to 500' with fresh water mud for surface string. The intermediate section will be drilled with 10# brine to 4,500'. The production section from 4,500' - 10,800' will be fresh water, from 10,800' - 12,400' with 9# cut brine, from 12,400' - 14,600' with a Brine/Poly Pac/XCD system with mud weight sufficient to control formation pressures.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

Electric logging is planned, drill stem tests. cores and sidewall cores possible.

9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

Anticipated bottom hole pressure: 4,000 - 5,000 psi.

No abnormalities anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on May 1, 1997, with drilling and completion operations lasting about 45 days.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

P.O. BOX 196
HOBBS, NEW MEXICO 88240

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Nearburg Producing Company

3. ADDRESS AND TELEPHONE NO.
 P. O. Box 823085, Dallas, TX 75382-3085 214/739-1778

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1,310' FWL and 3,300' FSL UNOR RHODOX LOCATION: Unit M Lot 13
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 26 miles Northwest of Eunice, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any.)
 660'

16. NO. OF ACRES IN LEASE
 140

17. NO. OF ACRES ASSIGNED TO THIS WELL
 317.66

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1,470'

19. PROPOSED DEPTH
 14,500'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3,745' GR
 Capitan Controlled Water Basin

22. APPROX. DATE WORK WILL START*
 June 9, 1996

LEASE DESIGNATION AND SERIAL NO.
 MNM-92187

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
 Minis X Federal Com #3

9. AP WELL NO.

10. FIELD AND POOL, OR WILDCAT
 Hat Mesa Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 1, T21S, R32E

12. COUNTY OR PARISH
 Lea

13. STATE
 New Mexico

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8" J-55	48#	500'	500 sx
12-1/4"	9-5/8" J-55	36# 140#	4,500'	2,500 sx
7-7/8"	5-1/2" N, K & S	17#, 20# & 23#	14,500'	500 sx SEE STIPS.

Propose to drill the well to sufficient depth to evaluate the Morrow formation. After reaching TD, logs will be run and casing set if the evaluation is positive. Perforate, test and stimulate as necessary to establish production.

OPER. GRID NO. 15742
 PROPERTY NO. 15230
 POOL CODE 78240
 EFF. DATE 7/10/96
 API NO. 30-025-33506

R-10607 NSL

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Mgr of Drlg and Prod DATE 05/13/96
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
 CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE Permy State Director DATE 6/28/96

*See Instructions On Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No.

NM-NM92187

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Minis "1" Fed Com #3

9. API Well No.

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

11. County or Parish, State

Lea County, New Mexico

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Nearburg Producing Company

3. Address and Telephone No.

P.O. Box 823085, Dallas, TX 75382-3035 214/739-1778

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL and 3,300' FSL, Section 1, T21S, R32E, NMPM

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

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Abandonment

Change of Plans

Subsequent Report

Recompletion

New Construction

Final Abandonment Notice

Plugging Back

Non-Routine Fracturing

Casing Repair

Water Shut-Off

Altering Casing

Conversion to Injection

Other See below

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.)

Per conversation with Adam Salameh on 6/5/96, below are clearer specifications to the subject well APD.

1. The 5-1/2" casing grade and weights are as follows (Note: BLM approval will be obtained prior to changes made to this design):

0' - 300' 5-1/2" 23# N-80 LTC csg
300' - 4,600' 5-1/2" 20# N-80 LTC csg
4600' - 14,500' 5-1/2" 23# N-80 LTC csg

2. The 5-1/2" csg will be cemented to surface in two stages using 1,700 sacks cement plus additives on the 1st stage and 900 sacks cement plus additives on the 2nd stage. The stage collar will be set at +/- 12,700'.

3. Estimated bottom hole pressure of the well is 4,822 psi.

4. From 12,500' to TD the mud program should show a minimum mud weight of 10.0 ppg to 10.5 ppg.

SEE ATTACHED

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

Signed [Signature] Title Mgr Drilling and Production

Date 6/10/96

(This space for Federal or State office use)

Approved by _____
Conditions of approval, if any:

Title _____

Date _____

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

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 to reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

NM-NM92187

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE

7. If Unit or CA, Agreement Designation

1. Type of Well

Oil Well - Gas Well Other

8. Well Name and No.

Minis "1" Federal Com #3

2. Name of Operator

Nearburg Producing Company

9. API Well No.

3. Address and Telephone No

P.O. Box 823085, Dallas, TX 75382-3085 214/739-1778

10. Field and Pool, or Exploratory Area

Hat Mesa Morrow

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,310' FWL and 3,300' FSL, Section 1, T21S, R32E, NMPM

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

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other: See below

- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- 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.)

5. The 13-3/8" csg will all be 48# J55 STC.

6. The 9-5/8" csg will be as follows:

0' - 80' 9-5/8" 40# K55 STC
80' - 3,000' 9-5/8" 36# K55 STC
3,000' - 5,000' 9-5/8" 40# K55 STC

Note: 9-5/8" csg setting depth will be 5,000' rather than 4,500' as originally planned.

7. Both the 13-3/8" and 9-5/8" csg strings will be cemented to surface.

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

Signed [Signature] Title Mgr Drilling and Production Date 6/10/96

(This space for Federal or State office use)

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

**SUPPLEMENTAL DRILLING DATA
NEARBURG PRODUCING COMPANY
MINIS 1 FEDERAL COM #3**

1. SURFACE FORMATION:

Quaternary

2. ESTIMATED TOPS OF GEOLOGIC MARKERS:

Delaware	5,530'	Morrow	13,440'
Bone Spring	8,740'	TD	14,500'
Wolfcamp	11,600'		
Penn Shale	12,200'		
Strawn	12,800'		
Atoka	13,100'		

3. ANTICIPATED POSSIBLE HYDROCARBON BEARING ZONES:

Isolated Delaware Sands	5,530' - 8,740'
Atoka	13,100'
Morrow	13,440'

4. CASING AND CEMENTING PROGRAM:

Casing Size	Setting Depth		Weight	Grade	Joint
	From	To			
13-3/8"	0	500'	48#	J-55	ST&C
9-5/8"	0	4,500	36#	J-55	LT&C
5-1/2"	4,500'	14,500'	17, 20 & 23#	N, K & S	LT&C

* Equivalent or adequate grades and weights of casing may be substituted at time casing is run, depending on availability.

*** REFER TO STIPULATIONS ATTACHED.**

We plan to drill a 17-1/2" hole to equal 500'. 13-3/8" casing will be cemented with 500 sx or volume necessary to tie back to surface.

12-1/4" hole will be drilled to 4,500' and 9-5/8" casing will be cemented with 2,500 sx or volume necessary to tie back to surface.

7-7/8" hole will be drilled and 5-1/2" production casing will be cemented with 500 sx of class "H" 50/50 Poz.

5. PRESSURE CONTROL EQUIPMENT:

The BOP stack will consist of a 5,000 psi working pressure, dual ram type preventer and annular.

A BOP sketch is attached.

6. CIRCULATING MEDIUM:

Surface to 14,500':

Spud and drill to 500' with fresh water mud for surface string. The intermediate section will be drilled with 10# Brine to 4,500'. The production section from 4,500' to 10,800' will be fresh water, from 10,800' to 12,400' with 9# cut Brine, from 12,400' to 14,500' with a Brine/Poly Pac/XCD system with mud weight sufficient to control formation pressures.

7. AUXILIARY EQUIPMENT:

None required.

8. TESTING, LOGGING AND CORING PROGRAM:

Electric logging is planned, drill stem tests, cores and sidewall cores possible.

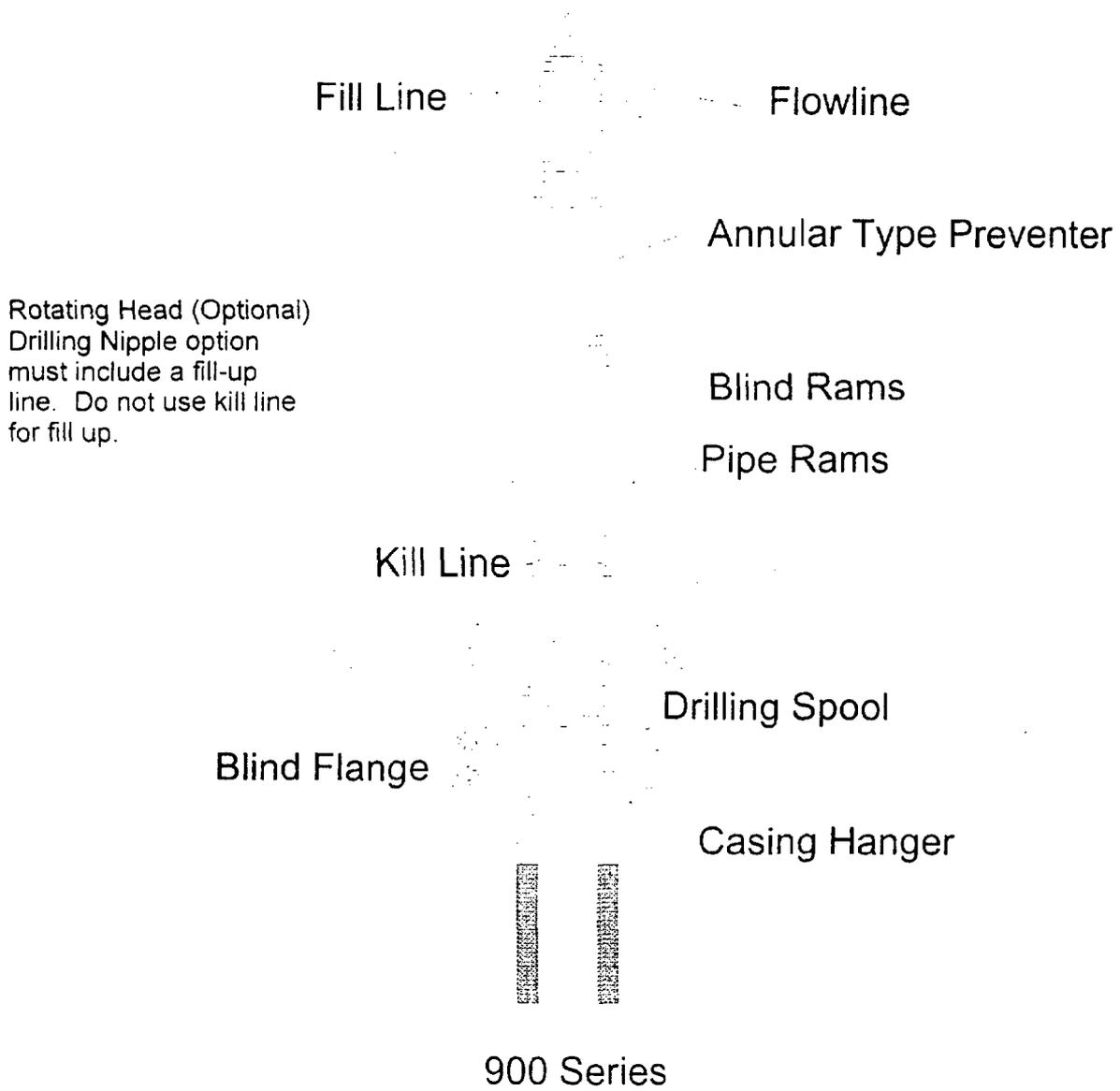
9. ABNORMAL PRESSURES, TEMPERATURES OR HYDROGEN SULFIDE GAS:

Anticipated bottom hole pressure: 4,000 psi.
No abnormalities anticipated.

10. ANTICIPATED STARTING DATE:

It is planned that operations will commence on June 9, 1996, with drilling and completion operations lasting about 45 days.

Minis 1 Federal Com #3
1,310' FWL and 3,330' FSL
Section 1, T21S, R32E
Lea County, New Mexico



Rotating Head (Optional)
Drilling Nipple option
must include a fill-up
line. Do not use kill line
for fill up.

Fill Line

Flowline

Annular Type Preventer

Blind Rams

Pipe Rams

Kill Line

Drilling Spool

Blind Flange

Casing Hanger

900 Series

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33506		Pool Code 78-4E		Pool Name Hat Mesa Morrow	
Property Code 15230		Property Name MINIS FEDERAL COM			Well Number 3
OGRID No. 15742		Operator Name NEARBURG PRODUCING COMPANY			Elevation 3745.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 13	1	21-S	32-E		3300	SOUTH	1310	WEST	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 3.17.66	¹³ Joint or Infill N	¹⁴ Consolidation Code C	¹⁵ Order No.
--	------------------------------------	---------------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

¹⁶ 				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature E. Scott Kimbrough Printed Name Mgr of Drlq and Prod Title 05/13/96 Date
¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. MAY 8, 1996 Date of Survey Signature and Seal of Professional Surveyer: 				

See Amended plat

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 11535
Order No. R-10607**

**APPLICATION OF NEARBURG EXPLORATION
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND NON-STANDARD GAS PRORA-
TION UNIT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on May 16, 1996, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 4th day of June, 1996, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Nearburg Exploration Company, seeks approval to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line (Unit M) of Irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, to test the Undesignated Hat Mesa-Morrow Gas Pool. Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Irregular Section 1 are to be dedicated to the subject well forming a non-standard 317.66-acre gas spacing and proration unit for the aforesaid pool.
- (3) At the time of the hearing the applicant requested that the portion of its application requesting approval of a non-standard 317.66-acre gas spacing and proration unit be dismissed inasmuch as the proposed unit qualifies, under the Division's General Rules and Regulations, for District Office approval.

(4) The evidence and testimony presented indicates that Irregular Section 1 contains sufficient acreage so as to allow the formation of three "standard" 320-acre gas spacing and proration units.

(5) The proposed well is located within the proration unit situated within the northwest portion of Section 1.

(6) The Hat Mesa-Morrow Gas Pool is currently governed by Rule No. 104.B. of the Division Rules and Regulations which requires wells to be located no closer than 1650 feet from the end boundary nor closer than 660 feet from the side boundary of the proration unit nor closer than 330 feet from any quarter-quarter section line or subdivision inner boundary.

(7) The subject well is located 660 feet from the end boundary of the proposed proration unit, and as such, encroaches towards the proration unit situated in the southern portion of Section 1.

(8) The geologic evidence and testimony presented by the applicant indicates that:

- a) the Minis "1" Federal Com Well No. 3 will be drilled to test two sands within the Middle Morrow interval ("Early" and "Late"), and one sand within the Upper Morrow interval (1st Sand);
- b) all three sand intervals traverse the proposed proration unit in a northeast to southwest direction;
- c) maximizing sand thickness is the primary consideration in determining the best geologic well location within the proposed proration unit; and,
- d) a well drilled at the proposed unorthodox gas well location should encounter a greater amount of net sand within the "Early" and "Late" Middle Morrow sand intervals than a well drilled at a standard location within the proposed proration unit, thereby increasing the likelihood of obtaining commercial gas production in these intervals.

(9) Nearburg Producing Company currently operates the remaining two gas proration units within Section 1. Both of these gas proration units are currently dedicated to gas wells producing from the Hat Mesa-Morrow Gas Pool.

(10) Although both operated by the applicant, the interest ownership within the proposed proration unit and the affected offset proration unit is not common.

(11) According to applicant's testimony, there is a single interest owner who does not have an interest in both the proposed proration unit and the affected offset proration unit. The applicant provided notice of its application to this affected interest owner, and, such owner did not appear at the hearing in opposition to the application.

(12) No other offset operator and/or interest owner appeared at the hearing in opposition to the application.

(13) Approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the affected pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Nearburg Exploration Company, is hereby authorized to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line (Unit M) of Irregular Section 1, Township 21 South, Range 32 East, NMPM, Lea County, New Mexico, to test the Undesignated Hat Mesa-Morrow Gas Pool.

(2) Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Irregular Section 1 shall be dedicated to the subject well forming a 317.66-acre gas spacing and proration unit for the aforesaid pool.

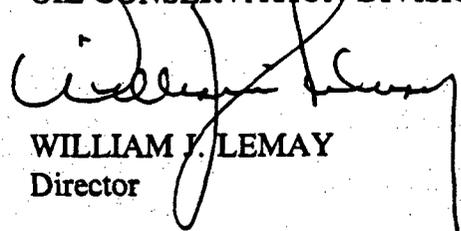
(3) The portion of the application requesting approval of a non-standard 317.66-acre gas spacing and proration unit comprising Lots 3, 4, 5, 6, 11, 12, 13 and 14 of Irregular Section 1, Township 21 South, Range 32 East, NMPM, is hereby dismissed.

(4) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

CASE NO. 10535
Order No. R-10607
Page -4-

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

Sec : 01 Twp : 21S Rng : 32E Section Type : NORMAL

<p>12 4 5 40.00 38.85 40.00</p> <p>Federal owned R A</p>	<p>11 3 6 40.00 38.81 40.00</p> <p>Federal owned R</p>	<p>10 2 7 40.00 38.79 40.00</p> <p>Federal owned R A A A</p>	<p>1 8 9 38.75 40.00 40.00</p> <p>Federal owned R</p>
<p>13 40.00</p> <p>Federal owned R</p>	<p>14 40.00</p> <p>Federal owned R</p>	<p>15 40.00</p> <p>Federal owned R</p>	<p>16 40.00</p> <p>Federal owned R A</p>
<p>L 40.00</p> <p>Federal owned R A</p>	<p>K 40.00</p> <p>Federal owned R</p>	<p>J 40.00</p> <p>Federal owned R</p>	<p>I 40.00</p> <p>Federal owned R</p>
<p>M 40.00</p> <p>Federal owned R</p>	<p>N 40.00</p> <p>Federal owned R A A</p>	<p>O 40.00</p> <p>Federal owned R</p>	<p>P 40.00</p> <p>Federal owned R</p>

CMD : ONGARD 01/15/04 15:57:35
OG6IWCM INQUIRE WELL COMPLETIONS OGOMES -TQDO

API Well No : 30 25 33506 Eff Date : 08-19-1997 WC Status : A
Pool Idn : 78240 HAT MESA;MORROW (GAS)
OGRID Idn : 15742 NEARBURG PRODUCING CO
Prop Idn : 22946 MINIS 1 FEDERAL COM

Well No : 003
GL Elevation: 3745

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: 12	1	21S	32E	FTG 4300 F S	FTG 1310 F W	A

Lot Identifier:

Dedicated Acre: 317.66

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 PF08 PF09 PF10 NEXT-WC PF11 HISTORY PF12 NXTREC

CMD : ONGARD 01/15/04 15:58:08
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 2

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days		Production Volumes			Well Stat
		MM/YY	Prod	Gas	Oil	Water	
30 25 33506	MINIS 1 FEDERAL COM	08 00	26	2060	14	8	F
30 25 33506	MINIS 1 FEDERAL COM	09 00	26	2362			F
30 25 33506	MINIS 1 FEDERAL COM	10 00	30	1717			F
30 25 33506	MINIS 1 FEDERAL COM	11 00	30	2083	59	28	F
30 25 33506	MINIS 1 FEDERAL COM	12 00	29	1438	2		F
30 25 33506	MINIS 1 FEDERAL COM	01 01	31	1234	28	19	F
30 25 33506	MINIS 1 FEDERAL COM	02 01	27	1871	17	12	F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:11
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 5

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes			Well Water Stat
			Gas	Oil		
30 25 33506	MINIS 1 FEDERAL COM	05 02 31	1863	34	8	F
30 25 33506	MINIS 1 FEDERAL COM	06 02 29	1554	8	6	F
30 25 33506	MINIS 1 FEDERAL COM	07 02 29	1497	14	11	F
30 25 33506	MINIS 1 FEDERAL COM	08 02 27	1500	3	16	F
30 25 33506	MINIS 1 FEDERAL COM	09 02 28	1472	14	5	F
30 25 33506	MINIS 1 FEDERAL COM	10 02 31	1583	14	5	F
30 25 33506	MINIS 1 FEDERAL COM	11 02 30	1603			F

Reporting Period Total (Gas, Oil) :

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 01/15/04 15:58:12
 OG6IPRD INQUIRE PRODUCTION BY POOL/WELL OGOMES -TQDO
 Page No: 7

OGRID Identifier : 15742 NEARBURG PRODUCING CO
 Pool Identifier : 78240 HAT MESA;MORROW (GAS)
 API Well No : 30 25 33506 Report Period - From : 01 2000 To : 12 2003

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes			Well Stat
			Gas	Oil	Water	
30 25 33506	MINIS 1 FEDERAL COM	07 03 31	1540	8	9	F
30 25 33506	MINIS 1 FEDERAL COM	08 03 31	1419	14	8	F
30 25 33506	MINIS 1 FEDERAL COM	09 03 28	1270	23	12	F
30 25 33506	MINIS 1 FEDERAL COM	10 03 31	879	22	4	F

Reporting Period Total (Gas, Oil) : 74883 734 385

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
 PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12