N.M. Oil Cons. DIV-Dist. 2 1301 W. Grand Avenue

Form 3160-5 (June 1990)

DEPARTMENT OF THE INTER SIZE, NM 88210 BUREAU OF LAND MANAGEMENT

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

5. Lease Designation and Serial No. NMNM12828 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name 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 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well Oil Well Gas 8. Well Name and No. RECEIVED Well Other Shelby 12 Federal #5 2. Name of Operator AUG 0 9 2004 Nearburg Producing Company 9. API Well No. 3. Address and Telephone No. 30-015-33322 ORD: ARTERIA 3300 N A St., Bldg 2, Suite 120, Midland, TX 79705 432/686-8235 10. Field and Pool, or Exploratory Area 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Indian Basin; Upper Penn, Ass. SHL: 2300 FSL & 916' FEL, Sec 11, 22S, 24E 11. County or Parish, State BHL: 1980 FNL& 660 FWL, Sec 12, 22S, 24E Eddy County, NM 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 New Construction Recompletion Subsequent Report Plugging Back Non-Routine Fracturing Water Shut-Off Casing Repair Final Abandonment Notice Altering Casing 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 pertinet 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 markders and zones pertinent to this work.)* Nearburg Producing Company would like to add the subject (currently being drilled) to Commingling Order PLC-189. The Shelby 12 Federal #5 gas will be commingled with gas from the wells on Attachment I. The gas from each well is individually metered. The Off Lease measurement (sales) meter is located 1980' FSL and 100' FWL in Section 13, T21S, R25E, Eddy County, New Mexico APPROVAL SUBJECT TO AUG - 5 2004 APPROVAL SUBJECT TO ORIG. SGD.) ALEXIS C. SWOBODA **GENERAL REQUIREMENTS AND** SPECIAL STIPULATIONS ATTACHED ALEXIS C. SWOBODA PETROLEUM ENGINEER

14. I hereby cert true and correct 04/21/2004 **Production Analyst** Signed Title Date (This space for Federal 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.

ATTACHMENT I

Well name	Surface hole	Bottom hole	<u>Status</u>
Big Walt 2 State #2	1650 FSL and 1980 FEL Sec. 2, T-22-S, R-24-E		Producing
Big Walt 2 State #4	660 FNL and 840 FWL Sec. 2, T-22-S, R-24-E		Producing
Big Walt 2 State #5	2520 FNL and 990 FWL Sec. 2, T-22-S, R-24-E		Producing
Big Walt 2 State #7	660 FSL and 760 FWL Sec. 2, T-22-S, R-24-E		Producing
Big Walt 2 State # 8	1376' FSL, 2152' FEL Sec. 2, T-22-S, R-24-E	2700' FNL, 1980' FEL Sec. 2, T-22-S, R-24-E	Proposed to Drill
Big Walt 2 State # 9	1,240' FSL & 2,085' FEL Sec. 2, T-22-S, R-24-E	660' FSL & 1,980' FEL Sec. 2, T-22-S, R-24-E	Waiting On Completion
McKittrick 11 Federal #2	757' FNL, 1341' FEL Sec. 11, T-22-S, R-24-E	990' FNL, 2310' FEL Sec. 11, T-22-S, R-24-E	Proposed to Drill
McKittrick 11 Federal #4	510' FSL & 740' FWL Sec. 2, T-22-S, R-24-E	660' FNL & 960' FWL Sec. 11, T-22-S, R-24-E	Waiting On Completion
Shelby 12 Federal #5	2300 FSL & 916 FEL Sec. 11, T-22-S, R-24-E	1980 FNL & 660 FWL Sec. 12, T-22-S, R-24-E	Being Drilled
US 13 Federal #1-Y	1977 FNL & 998 FWL Sec. 13, T-22-S, R-24-E	850 FNL & 1650 FWL Sec. 13, T-22-S, R-24-E	Waiting On Completion

Additional wells already on Commingling Order PLC-189