

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
March 4, 2004

RECEIVED

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

Oil Conservation Division SEP 27 2005
1220 S. St. Francis Dr. ~~OCD-ARTESIA~~
Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		² OGRID Number 015742
⁴ Property Code 35143		³ API Number 30- 015- 34371
⁵ Property Name Red Lake 32 State H		⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	32	17S	27E		1650	North	330	East	Eddy

⁸ Proposed 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

⁹ Proposed Pool 1 Red Lake; Glorietta - Yeso 51120	¹⁰ Proposed Pool 2
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Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
H	32	17S	27E		1650	North	330	East	Eddy
Depth to ground water				Distance from nearest fresh water well			Distance from nearest surface water		
¹¹ Work Type Code N		¹² Well Type Code 0		¹³ Cable/Rotary Rotary		¹⁴ Lease Type Code S		¹⁵ Ground Level Elevation 3501	
¹⁶ Multiple No		¹⁷ Proposed Depth 3700'		¹⁸ Formation Glorietta-Yeso		¹⁹ Contractor United		²⁰ Spud Date 10/15/05	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12/1/4	8-5/8	32#	1200	600	Surface
7-7/8	5-1/2	17#	3700	500	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to drill well to sufficient depth to evaluate the Yeso formation. Perf, test and stimulate as necessary to establish production.

Acreage dedication is 40 acres.

NOTIFY OCD OF SPUD & TIME
TO WITNESS CEMENTING OF
SURFACE CASING

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines a general permit , or an (attached) alternative OCD-approved plan .

Signature: *Sarah Jordan*

Printed name: Sarah Jordan

Title: Production Analyst

E-mail Address: sjordan@nearburg.com

Date: 9.26.05

Phone: 432/686-8235 x 203

OIL

Approved by:

Jim W. Green
District II Supervisor

Title:

Approval Date:

SEP 30 2005

Expiration Date:

SEP 30 2006

Conditions of Approval:

Attached

State of New Mexico

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

Energy, Minerals and Natural Resources Department

Form C-102

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Revised JUNE 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

DISTRICT IV
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

AMENDED REPORT

API Number	Pool Code	Pool Name <i>Red Lake - Glorieta - Yeso</i>
Property Code	Property Name RED LAKE 32 STATE H	Well Number 1
OGRID No. <i>015742</i>	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3501'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	17-S	27-E		1650	NORTH	330	EAST	EDDY

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
Dedicated Acres <i>40</i>	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>S Jordan</i> Signature</p> <p>S Jordan Printed Name</p> <p>Prod Analyst Title</p> <p>9-26-05 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p>
	<p>SEPTEMBER 9, 2005</p> <p>Date Surveyed</p> <p><i>G. EIDSON</i> Signature & Seal of Professional Surveyor</p>
	<p>Certificate No. GARY EIDSON 12641</p>

GEODETTIC COORDINATES
NAD 27 NME

Y=652327.6 N
X=512615.4 E

LAT.=32°47'36.00" N
LONG.=104°17'32.21" W

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-144
March 12, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office.

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes No

Type of action: Registration of a pit or below-grade tank Closure of a pit or below-grade tank

RECEIVED

SEP 27 2005

Operator: Nearburg Producing Company Telephone: 686-8235 e-mail address: s.jordan@nearburg.com
Address: 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705
Facility or well name: Red Lake 32 St H #1 API #: 30-015-34371 U/L or Qtr/Qtr H Sec 32 T 17S R 27E
County: Eddy Latitude _____ Longitude _____ NAD: 1927 1983 Surface Owner Federal State Private Indian

OCD-ARTESIA

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlimited <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume _____ bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points) X	
Wellhead protection area. (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points) X	
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points) X	
Ranking Score (Total Points)		0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite offsite If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No Yes If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .

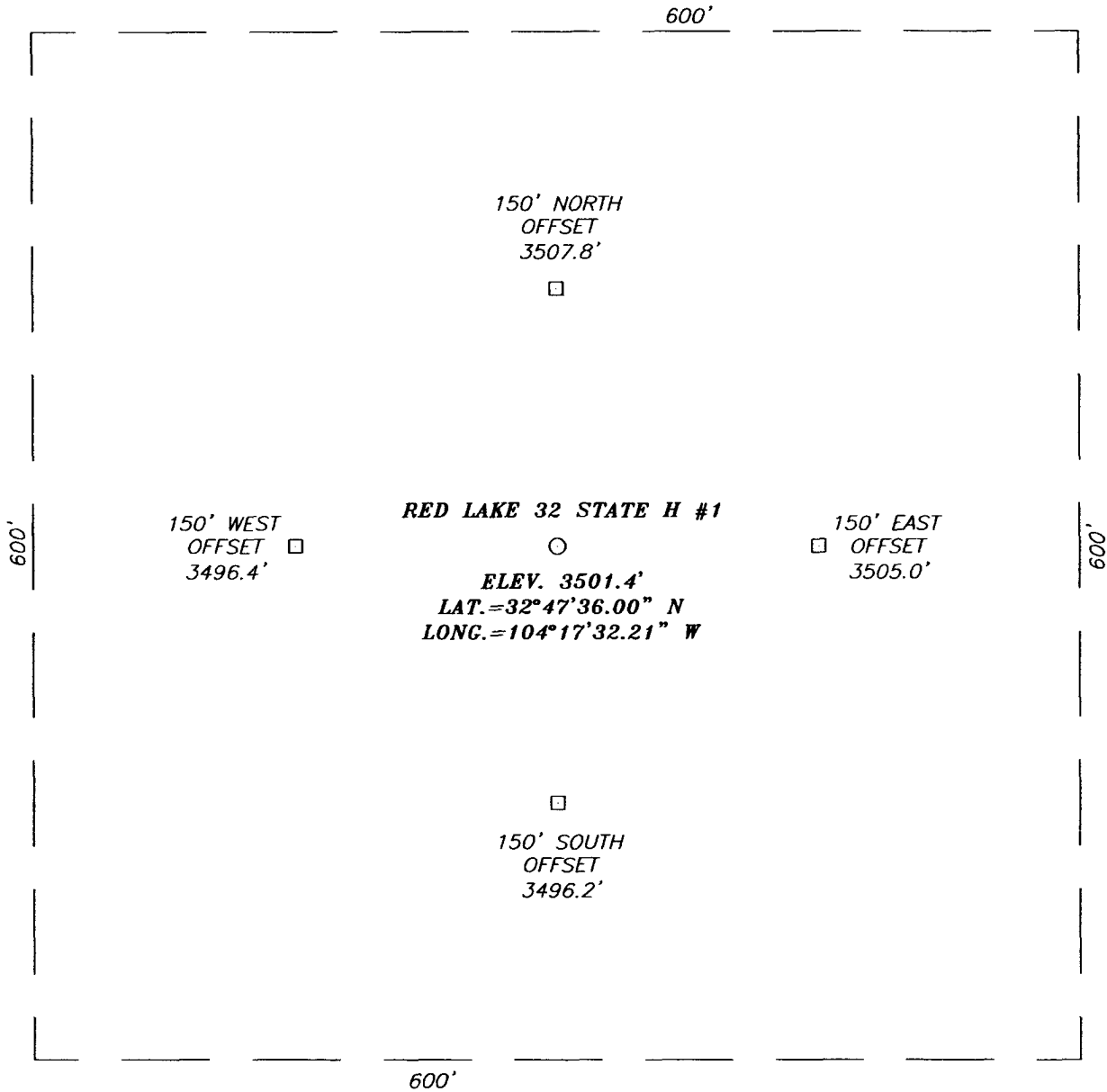
Date: 9.26.05

Printed Name/Title: Sarah Jordan, Production Analyst Signature: [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

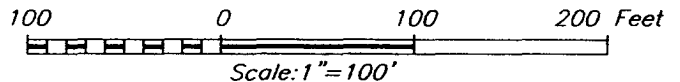
Approval:
Date: 9/30/05
Printed Name/Title: Mike Bratcher AUST II Signature: [Signature]

SECTION 32, TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO



DIRECTIONS TO LOCATION

FROM U.S. HWY. #82 AND CO. RD. #201 (CHALK BLUFF RD.) GO SOUTH ON CO. RD. #201 APPROX. 1.6 MILES TO A CALICHE ROAD ON THE LEFT. TURN LEFT (EAST) AND GO APPROX. 0.8 MILES TO A "Y" INTERSECTION. TURN RIGHT (SE) AND GO APPROX. 0.2 MILES, BEND SW AND GO APPROX. 0.4 MILES, BEND SE AND GO APPROX. 0.3 MILES TO A CALICHE ROAD ON THE RIGHT. TURN RIGHT (SW) AND GO APPROX. 0.3 MILES TO A CHEVRON WELL PAD. THIS LOCATION IS APPROX. 950' SE.



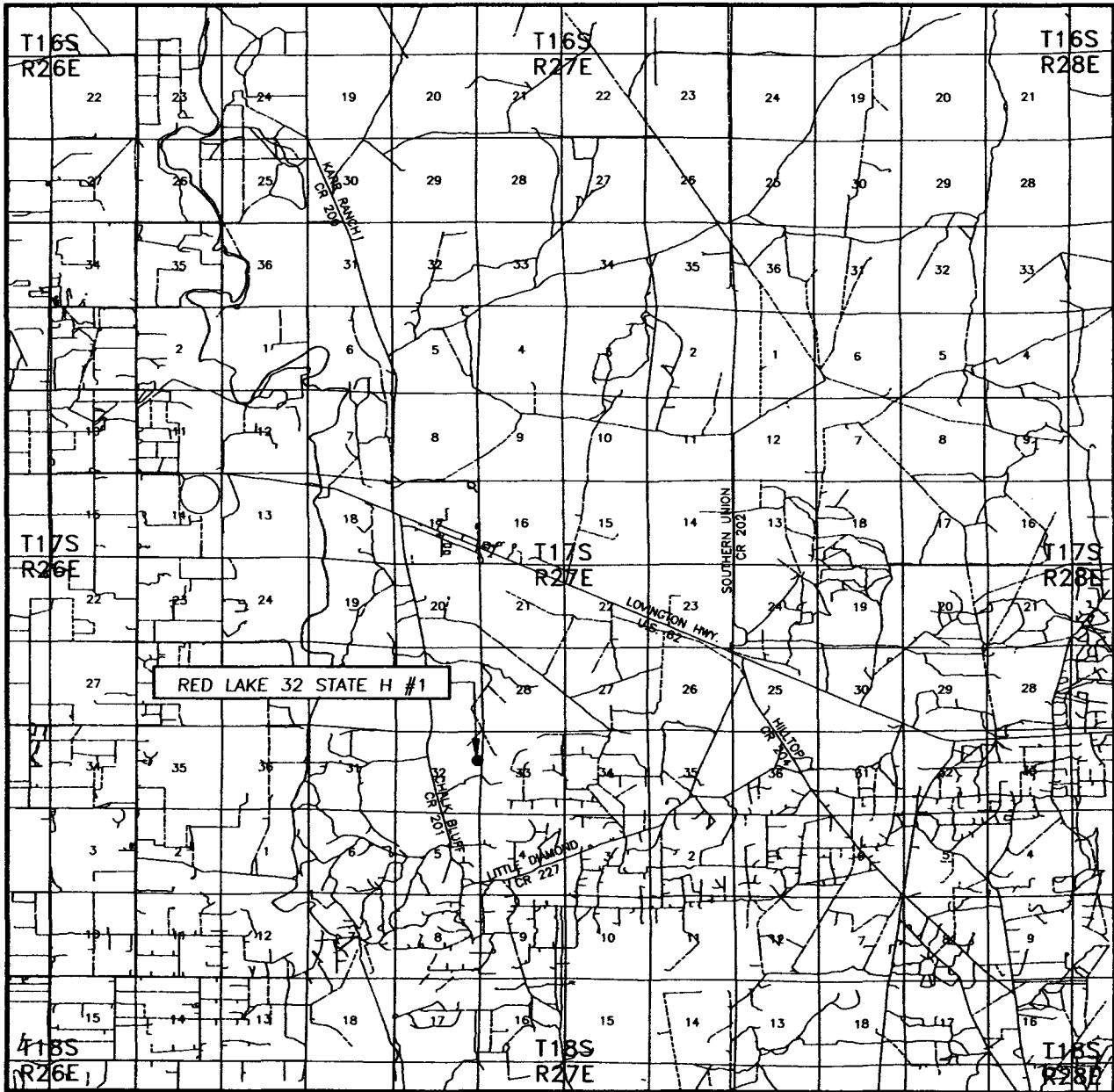
NEARBURG PRODUCING COMPANY

RED LAKE 32 STATE H #1 WELL
 LOCATED 1650 FEET FROM THE NORTH LINE
 AND 330 FEET FROM THE WEST LINE OF SECTION 32,
 TOWNSHIP 17 SOUTH, RANGE 27 EAST, N.M.P.M.,
 EDDY COUNTY, NEW MEXICO.

PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

Survey Date: 09/09/05	Sheet 1 of 1 Sheets
W.O. Number: 05.11.1387	Dr By: J.R. Rev 1:N/A
Date: 09/16/05	Disk: CD#5 05111387 Scale: 1"=100'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 32 TWP. 17-S RGE. 27-E

SURVEY N.M.P.M.

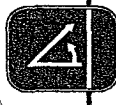
COUNTY EDDY

DESCRIPTION 1650' FNL & 330' FEL

ELEVATION 3501'

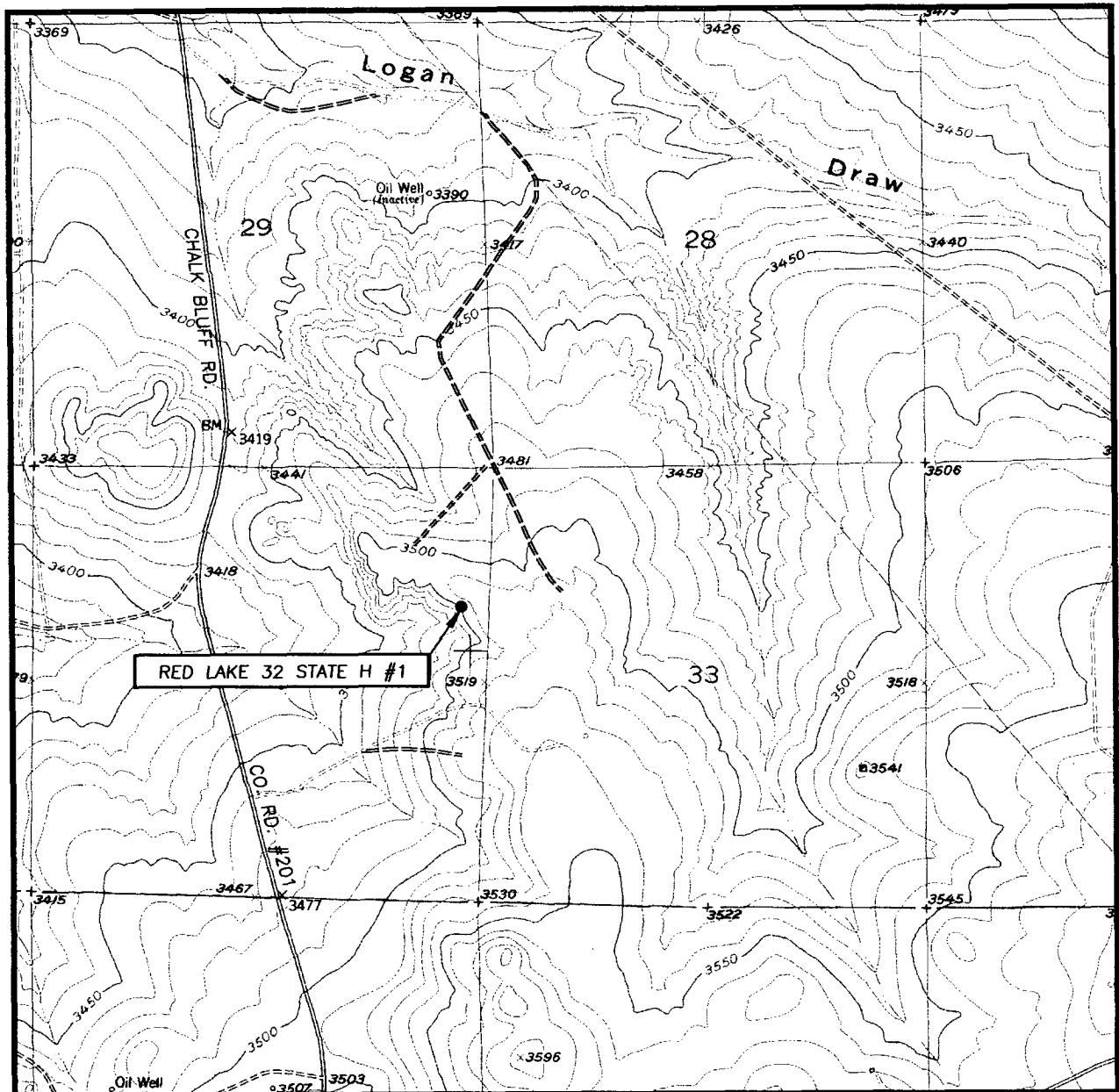
OPERATOR NEARBURG PRODUCING COMPANY

LEASE RED LAKE 32 STATE H



PROVIDING SURVEYING SERVICES
 SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117

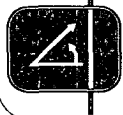
LOCATION VERIFICATION MAP



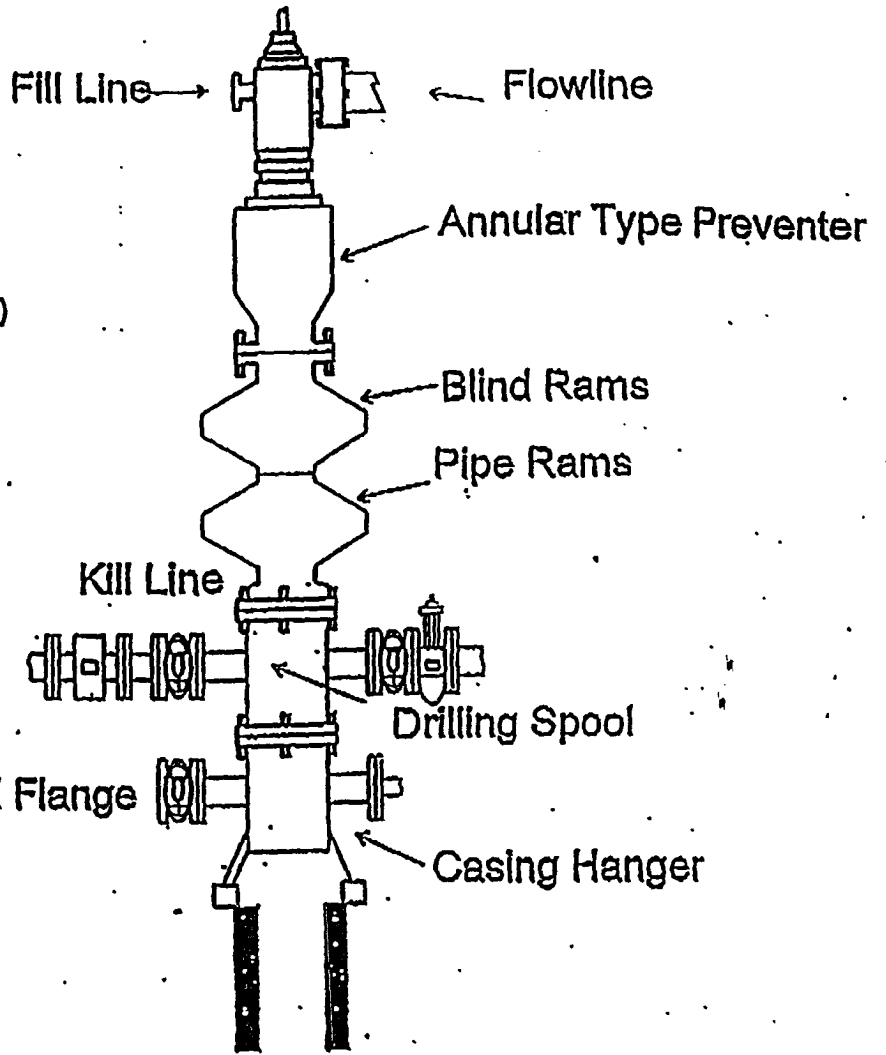
SCALE: 1" = 2000'

CONTOUR INTERVAL:
SPRING LAKE, N.M. - 10'

SEC. 32 TWP. 17-S RGE. 27-E
 SURVEY _____ N.M.P.M.
 COUNTY _____ EDDY
 DESCRIPTION 1650' FNL & 330' FEL
 ELEVATION _____ 3501'
 OPERATOR _____ NEARBURG PRODUCING COMPANY
 LEASE _____ RED LAKE 32 STATE H
 U.S.G.S. TOPOGRAPHIC MAP
 SPRING LAKE, N.M.



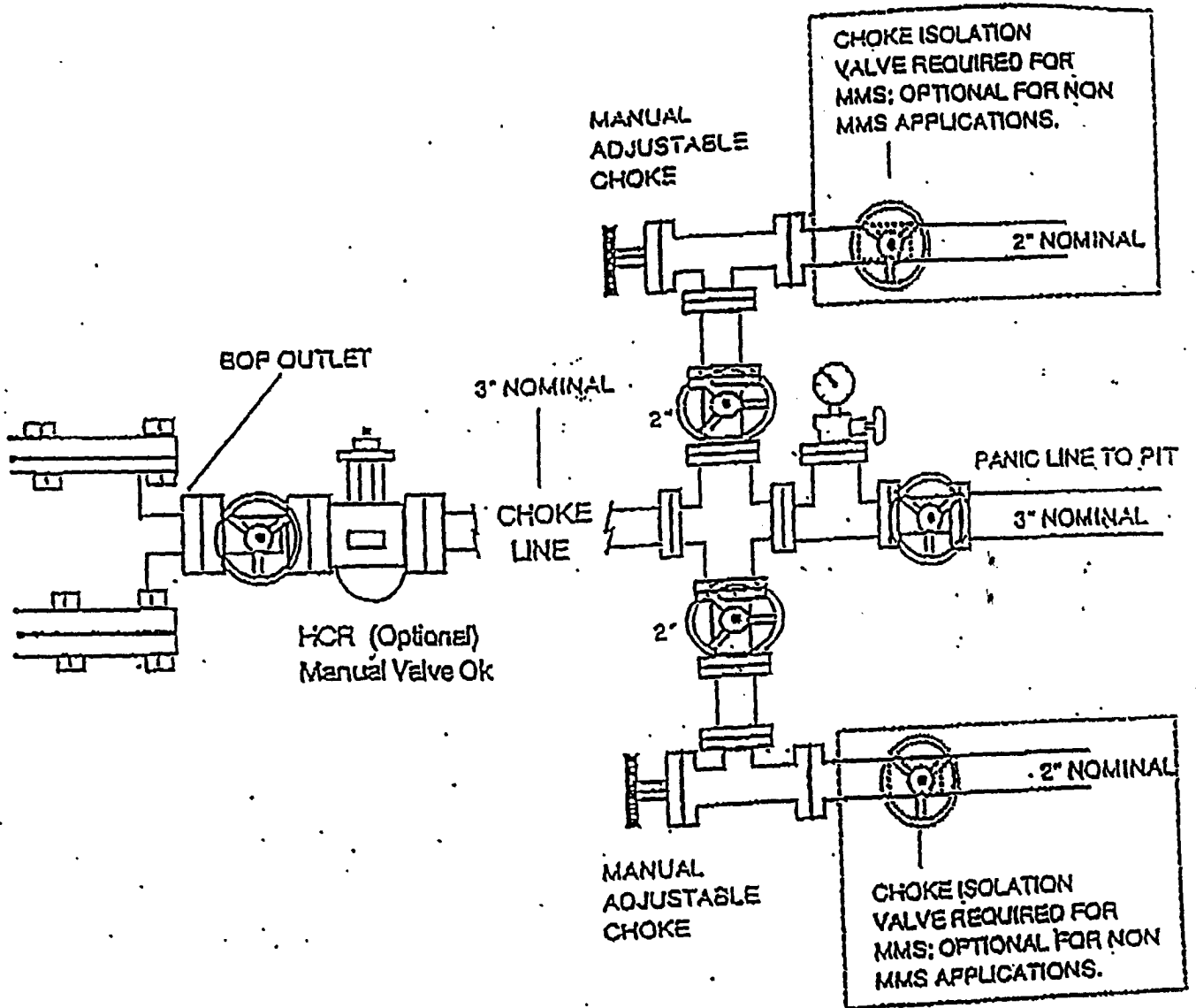
PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
 412 N. DAL PASO
 HOBBS, N.M. 88240
 (505) 393-3117



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

1500 Series

CHOKE MANIFOLD 5M SERVICE



Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX: 432/686-7806

August 30, 2005 9.26.05

NM Oil Conservation Division
1301 W. Grand Ave
Artesia, NM 88210

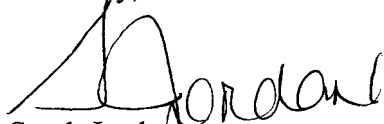
Ref: Red Lake 32 State H #1
1650 FNL and 330 FEL
Sec 32, 17S, 27E
Eddy County, New Mexico

Sirs:

This is a new drill to the Yeso formation. We do not anticipate encountering H2S and fill no contingency plan is needed. Nearburg will have proper equipment on location in case H2S is encountered.

If you have any questions or need further information, please call me at the letterhead number.

Sincerely,



Sarah Jordan
Production Analyst

/sj