Form 3160-5
(April 2004)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

5. Lease Serial No.
NMNM25488

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

AUG 13 2007
OCD-ARTESIA

8. Well Name and No.
Foster 31 Fed #3

2. Name of Operator
Nearburg Producing Company

9. API Well No.
30-015-27493

3a. Address
3300 N A St., Bldg 2, Ste 120, Midland, TX 79705

3b. Phone No. (*include area code*)
432/686-8235 x 203

10. Field and Pool, or Exploratory Area
Dagger Draw; Upper Penn, North

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
990 FSL and 799 FWL, Sec 31-19S-25E

11. County or Parish, State
Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
[X] Notice of Intent	[ ] Acidize	[ ] Deepen	[ ] Production (Start/Resume)	[ ] Water Shut-Off
[ ] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[ ] Other
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] Convert to Injection	[X] Plug Back	[ ] Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

NPC requests to plugback the subject well and test the Glorietta/ Yeso formation. See attached procedure.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*)
Sarah Jordan

Title
Prod/ Reg Analyst

Date 7/31/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED
AUG 8 2007
FREDERICK WRIGHT
PETROLEUM ENGINEER

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, 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.

Preliminary (1)

Glorita/Yeso RECOMPLETION

WELL: **Foster 31 Federal #3** ***DATE:*** 10-Jul-07

FIELD: **Dagger Draw Upper Penn - North**

OBJECTIVE: **Recomplete to the Glorieta/Yeso Formation**

Due to the recent success in the Glorieta/Yeso (South Boyd 27 #6 & Huber #1) we would like to utilize this wellbore which currently produces marginal volumes of gas (34 mcf in June 2007) to test the glorieta/Yeso on this lease.

A review of the wellbore shows virtually no other significant oil or gas zones with potential (no Wolfcamp or Bone Springs).

This well has produced 68,800 bo/ 619,000 bw and 537,500 mcf sincce November of 1993.

LOCATION: **990' FSL & 799' FWL** **Sec 31 T19S R25E** **Sec:** **31**

ELEVATION: **3573'** **GL**

DEPTH: **TD= 8035'** **PBTD= 7790'**

CASING RECORD:

SIZE & WEIGHT & Grade	DEPTH	CEMENT	TOC
9-5/8" 36#	1,101'	1250 sx	: 490' then 1" w/30
7" 23 & 26# K-55 & N-80	8036'	600 sx circ 147 sx	Yes Surface

PERFORATIONS:

Current: 7648-7785' w/2 spf **(to be abandoned)**

Proposed: 11 sets from 2458 to 3090'

FORMATION:

cc: Fred, Sarah/Prod Wellfile, Matt

RECOMMENDED PROCEDURE:

1) MIRU PU. ND WH NU BOP.

2) RU JSI to set CIBP @ 7600' & cap w/35' cmt. RD JSI.

3) Test plug to 500#.

4) PU & RIH w/2/7/8" workstring to 5100'. Spot 30 sx plug. PUH to 3500' and spot another 30 sx plug. PUH. WOC then tag to verify TOC. POH w/2-7/8" tbg.

5) Test casing to 3500# for minimum of 10 min.

6) Have JSI perforate the following intervals @ 2 spf phased 120 degrees premium charges (4" slick gun 23 gram charge 33" penetration & .42" hole) correlated to Atlas Wireline Services "Compensated Z-Densilog Compensated Neutron Gamma Ray Caliper" log run one dated 30 Sep 1993:
2458-66'
2472-78'
2482-86'
2494-98'
2528-34'
2544-50'
2574-80'
2600-10'
2796-98'
3020-26'
3065-90'
RD JSI.

7) PU & RIH w/2-7/8" J-55 workstring to 2350' and set trtg packer. Test BS to 500#.

8) RU BJ to acidize perfs as follows 5,250g 15% NEFE acid at 5 bpm (Pmax=5000#):

Stage 1	Fluid	Volume	Cum gal's	# balls	Cum Balls
1	15% NEFE	500	500		
2				20 - .875" 1.3 balls	20
3	15% NEFE	500	1,000		
4				20 - .875" 1.3 balls	40
5	15% NEFE	500	1,500		
6				20 - .875" 1.3 balls	60
7	15% NEFE	500	2,000		
8				20 - .875" 1.3 balls	80
9	15% NEFE	500	2,500		
10				20 - .875" 1.3 balls	100
11	15% NEFE	500	3,000		
12				20 - .875" 1.3 balls	120
13	15% NEFE	500	3,500		
14				20 - .875" 1.3 balls	160
15	15% NEFE	500	4,000		
16				20 - .875" 1.3 balls	180
17	15% NEFE	500	4,500		
18				20 - .875" 1.3 balls	200
19	15% NEFE	500	5,000		
20				20 - .875" 1.3 balls	220
21	15% NEFE	250	5,250		
22	Flush to top perf w/2% KCl				

22 Flush to top perf w/ 2% KCL
RD BJ Services. Let acid spend for 1 to 2.5 hours.

9) Flow/swab back acid load at 20 bph.

10) POH w/2-7/8" tbg and trtg pkr.

11) RU BJ to frac down 7" casing at 60 bpm as follows:

Stage 1	Fluid	Volume	Conc(ppg)	Prop Type	Stage #'s	Cum #'s
1	Slick 10# Brine	20,500		PAD		
2	Slick 10# Brine	1,000	.5	20/40 Brown Sand	500	500
3	Slick 10# Brine	10,000	.1	LiteProp 125 14/30	1000	1500
4	Slick 10# Brine	10,000	.2	LiteProp 125 14/30	2000	3500
5	Slick 10# Brine	10,000	.3	LiteProp 125 14/30	3000	6500
6	Drop __ 7/8" 1.3 balls					
7	Slick 10# Brine	10,000	.1	LiteProp 125 14/30	1000	7500
8	Slick 10# Brine	10,000	.2	LiteProp 125 14/30	2000	9500
9	Slick 10# Brine	10,000	.3	LiteProp 125 14/30	3000	12500
10	Drop __ 7/8" 1.3 balls					
11	Slick 10# Brine	10,000	.1	LiteProp 125 14/30	1000	13500
12	Slick 10# Brine	10,000	.2	LiteProp 125 14/30	2000	15500
13	Slick 10# Brine	10,000	.3	LiteProp 125 14/30	3000	18500
14	Drop __ 7/8" 1.3 balls					
15	Slick 10# Brine	10,000	.1	LiteProp 125 14/30	1000	19500
16	Slick 10# Brine	10,000	.2	LiteProp 125 14/30	2000	21500
17	Slick 10# Brine	10,000	.3	LiteProp 125 14/30	3000	24500
18	Slick 10# Brine to top perf			FLUSH		

Get ISIP, 5 min, 10 min, 15 min & 30 min SIP's. RD BJ.

12) Flowback at 20 bph.

13) RU RIH w/ 2-7/8" J-55 production tbg and production as per attached design.

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted for the plug back presented in this sundry with the following stipulations:
2. The cement plug proposed for 5150' should be moved to 5122' for the top of The Wolfcamp.

ALL OF THE WORK AUTHORIZED HERE MUST BE COMPLETED WITHIN 90 DAYS.

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 8/8/07