

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

MAY 27 2008

OCD-ARTE

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.

Lease Serial No.
NMNM12833
Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on reverse side

S

1. Type of Well
 Oil Well Gas Well Other

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

2. Name of Operator
Nearburg Producing Company

8. Well Name and No.
Osage Boyd 15 Fed #3

3a. Address 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705
3b. Phone No. (include area code) 432/686-8235 x 203

9. API Well No.
30-015-28679

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
SHL: 2011 FNL and 672 FWL, Sec 15-19S-25E
BHL: 729 FNL and 764 FWL, Sec 15-19S-25E

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

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			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> 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 recomplate 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 plug and abandon the subject well per the attached procedure from Basic Energy.

Accepted for record
NMOCD

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Title

Sarah Jordan

Production Analyst

Date

5/1/08

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Office

MAY 22 2008

WESLEY W. INGRAM
PETROLEUM ENGINEER

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.



April 1, 2008

FAX #: (432) 687-4130

Nearburg Producing Company
3300 North "A" Street
Building 2, Suite 120
Midland, TX 79705

Attn: **TIM SPEER**

RE: OSAGE 15 #3
Eddy, NM

Dear Tim:

- (1) M.I. R.U.
- (2) N.D. W.H. N.U. B.O.P.
- (3) R.I.H. & tag B.P. @7,740'. Fluid up hole.
- (4) Spot 30 sx. on B.P. T.O.C. & calculate - 7,640'.
- (5) P.U.H. to 5,984'. Spot 30 sx. cmt. T.O.C. & calculate - 5,800'.
- (6) P.U.H. to 4,600'. Spot 30 sx. cmt. T.O.C. & calculate - 4,450'.
- (7) P.U.H. to 2,800'. Spot 30 sx. cmt. T.O.C. & calculate 2,650'.
- (8) P.U.H. to 1,700'. Spot 30 sx. cmt. T.O.C. & calculate 1,550'.
- (9) P.O.O.H. csg. (Pull 7" csg. - 1,450'.
- (10) R.I.H. stub. Spot 40 sx. cmt. W.O.C. to tag @1,350'.
- (11) P.U.H. to shoe - 1,185'. Spot 60 sx. cmt. W.O.C. & tag.
- (12) R.D. M.O.

Estimate: **\$33,943.00**

Estimate will expire 90 days from April 1, 2008.

Accepted for record
NMOCD

Nearburg will furnish steel pit.

Basic Energy Services will furnish the workstring.

All fluids "hauled off" will be charged to Nearburg Producing. Fluid Disposal will be furnished by Nearburg Producing.

CURRENT WELLBORE DIAGRAM

LEASE: Osage Boyd 15 Federal Com	WELL: 3	FIELD: Dagger Draw North	API: 30-015-28679
LOC: 2,011' FNL and 672' FWL	SEC: 15	BLK:	PARS NO:
BH LOC: 729' FNL & 764' FWL	GL: 3,465'	CTY/ST: Eddy County, NM	SPUD: 9/30/1995
SVY: T19S, R 25E	KB: 3,465'	DF:	TD DATE: 11/1/1995
CURRENT STATUS: Inactive (TA'd)			COMP. DATE: 12/6/1995

FRESH WATER
DEPTH:

HOLE SIZE: 14 3/4"
 SURF CSG & SIZE: 9 5/8" 36#
 SET @: 1,135'
 SXS CMT: 900 sx
 CIRC: Y 150 sx
 TOC AT: surface
 TOC BY:

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
 PRODUCTIVE OF HYDRO-
 CARBONS:
 Cisco/Canyon

TBG:
 JTS:
 SN:
 TAC:
 ROD SIZE:

PKR:
 TYPE:

OH ID:
 COTD:
 PBTD: 7705'
 TD: 8,200'

DV tool @ 5934'

35' cmt. On top of CIBP

CIBP @ 7740

7800-7808' 4 spf

7843-7858' 4 spf

CIBP @ 7,888'

perfs 7,938'-7,996'

PBTD - 8,154'

CURRENT PERFS:

SQUEEZE JOBS:

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HOLE SIZE: 8 3/4"
 PROD. CSG & SIZE: 7" 23# & 26#
 SET @: 8,200'
 SXS CMT: 1,210 sx in 2 stages
 CIRC: yes: 30 sx on 1st stage NO: on 2nd stage
 TOC AT: 1548'
 TOC BY: CBL

OPEN HOLE:

LINER:

BY: TS
 5/19/2008

**Osage Boyd 15 Fed #3
Nearburg Producing Company
May 22, 2008
Conditions of Approval**

1. Ok
2. Ok, test BOP.
3. Ok
4. Pump 30 sacks of cement.
5. This plug is for the DV tool. Plug to be a minimum of 160' in length, 30 sacks should be sufficient. Plug must be tagged at 5875' or shallower.
6. Move plug to 5670'. This will be top of Wolfcamp plug. This plug could be combined with the plug in step 5. This plug is to be 160' in length and will require approximately 30 sacks. If combined with other plug, approximately 75 sacks will be needed and the plug would have to be tagged at 5560' or shallower.
7. Move plug to 3850', this plug is to be 140' in length, 30 sacks should be sufficient.
8. Move plug to 2360', this plug to be 125' in length, 30 sacks should be sufficient.
9. Operator confirmed that CBL run after sundry indicates top of cement at 1548'. Casing will be cut at approximately 1450' and removed.
10. Ok – plug to be tagged a minimum of 50' above cut.
11. Plug to be tagged at 1075' or shallower.
 - a. Surface plug required from 60' to surface. This plug will require approximately 20 sacks.
12. Ok
13. Cut off casing, install dry hole marker and clean location.

WWI 052208

**Accepted for record
NMOCD**

BUREAU OF LAND MANAGEMENT
Carlsbad Field Office
620 East Greene Street
Carlsbad, New Mexico 88220
575-234-5972

Permanent Abandonment of Federal Wells
Conditions of Approval

Failure to comply with the following Conditions of Approval may result in a Notice of Incidents of Noncompliance (INC) in accordance with 43 CFR 3163.1.

1. Plugging operations shall commence within ninety (90) days from the approval date of this Notice of Intent to Abandon.

If you are unable to plug the well by the 90th day provide this office, prior to the 90th day, with the reason for not meeting the deadline and a date when we can expect the well to be plugged. Failure to do so will result in enforcement action.

2. **Notification:** Contact the appropriate BLM office at least 24 hours prior to the commencing of any plugging operations. For wells in Chaves and Roosevelt County, call 575-627-0272; Eddy County, call 575-361-2822; Lea County, call 575-393-3612.

3. Blowout Preventers: A blowout preventer (BOP), as appropriate, shall be installed before commencing any plugging operation. The minimum BOP requirement is a 2M system for a well not deeper than 9,090 feet; a 3M system for a well not deeper than 13,636 feet; and a 5M system for a well not deeper than 22,727 feet.

4. Mud Requirement: Mud shall be placed between all plugs. Minimum consistency of plugging mud shall be obtained by mixing at the rate of 25 sacks (50 pounds each) of gel per 100 barrels of **brine** water. Minimum nine (9) pounds per gallon.

5. Cement Requirement: Sufficient cement shall be used to bring any required plug to the specified depth and length. Any given cement volumes on the proposed plugging procedure are merely estimates and are not final. Unless specific approval is received, no plug except the surface plug shall be less than 25 sacks of cement. In lieu of a cement plug in a cased hole, a bridge plug set within 50 feet to 100 feet above the perforations shall be capped with 25 sacks of cement. If a bailer is used to cap this plug, 35 feet of cement shall be sufficient.

Unless otherwise specified in the approved procedure, the cement plug shall consist of either Neat Class "C", for up to 7,500 feet of depth or Neat Class "H", for deeper than 7,500 feet plugs.

6. Dry Hole Marker: All casing shall be cut-off at the base of the cellar or 3 feet below final restored ground level (whichever is deeper). The well bore shall then be capped with a 4-inch pipe, 10-feet in length, 4 feet above ground and embedded in cement. The following information shall be permanently inscribed on the dry hole marker: well name and number, name of the operator, lease serial number, surveyed location (quarter-quarter section, section, township and range or other authorized survey designation acceptable to the authorized officer such as metes and bounds).

7. Subsequent Plugging Reporting: Within 30 days after plugging work is completed, file one original and five copies of the Subsequent Report of Abandonment, Form 3160-5 to BLM. The report should give in detail the manner in which the plugging work was carried out, the extent (by depths) of cement plugs placed, and the size and location (by depths) of casing left in the well. **Show date well was plugged.**

8. Trash: All trash, junk and other waste material shall be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not permitted.

Following the submission and approval of the Subsequent Report of Abandonment, surface restoration conditions of approval will be developed and furnished to you.