

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

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NMNM125357 NM 105206
2. Name of Operator Nearburg Producing Company		6. If Indian, Allottee or Tribe Name
3a. Address 3300 N A St., Bldg 2, Ste 120, Midland, TX	3b. Phone No. (include area code) 432/818-2950	7. If Unit or CA/Agreement, Name and/or No. 7
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2460 FSL and 810 FWL, Sec 33, 18S, 27E		8. Well Name and No. KL 33 Fed Com #1
		9. API Well No. 30-015-38085
		10. Field and Pool, or Exploratory Area Red Lake; Upper Penn. East
		11. County or Parish, State Eddy NM

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

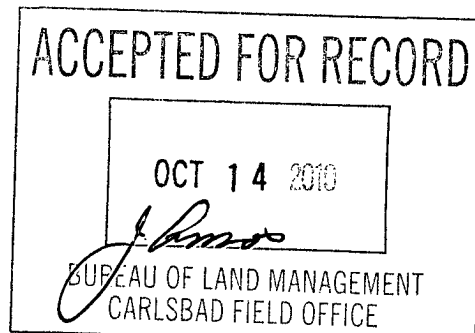
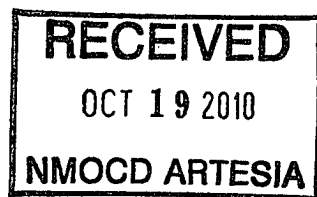
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 checked="" type="checkbox"/> Other Drld to TD
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	set cmt plugs and
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	P&A'd well

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 recompleate 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 recompleation 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 Drld to 8064'. DST's well. Drld to 8740'. Logged well and decision was made to P&A the well. Please see attached for breakdown of drilling operations and setting of plugs.

Well P&A'd on 10/2/10.

Accepted as to plugging of the well bore.
Liability under bond is retained until
Surface restoration is completed.



14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Sarah Jordan	Title Production Analyst
<i>Sarah Jordan</i>	Date 10/8/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by <i>jm</i>	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	

TIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELL

KL 33 Fed Com #1

2460 FSL and 810 FWL

Sec 33, 18S, 27E

McMillian; Upper Penn

Eddy Co., NM

**** ALL COSTS ARE FIELD ESTIMATES ****

08/18/10 08/25/10 Heavy Equipment Construction built location.

08/26/10 08/29/10 MIRU United #40.

08/29/10 Alert BLM of spud and 11" surface csg.

SPUD WELL AT 0900 08/30/10

08/31/10 TD: 545' (505'); Drilling; Surveys: 1/4 @ 403'; MW: 8.5; Visc: 32; pH: 10
Day 1 Mix spud mud and PU 11" bit. Spud well at 0900 hrs and drld and surveyed to 252'. TOH
pu SS and std, TIH. Drld and surveyed to 545'. NDA.

09/01/10 TD: 1640' (1095'); Drilling; Surveys: 1/2 @ 1523'; MW: 10.2; Visc: 29; pH: 10
Day 2 Drld and surveyed to 1640'. NDA.

09/02/10 TD: 1972' (332'); Working Stuck Pipe; Surveys: 3/4 @ 1935'; MW: 10; Visc: 31; pH: 10
Day 3 Drlg 11" hole, RS and WLS F/1,640' T/1,972'. (Drld 332' in 9 hrs) Could not move pipe
after survey, good circ, work stuck pipe. RU Rotary WL and free point, stuck @ 1,215'.
Pick up surface jars and jar on pipe. Free point stuck @ 1,250', Spot oil and work stuck
pipe.

09/03/10 TD: 2236' (264'); Drilling; Surveys: None Today; MW: 9.4; Visc: 34; pH: 10
Day 4 Spot 60 bbls oil across DC's work pipe, loose. Drld to 2118. Motor stalling. TFNB. TIH
and drld to 2236'. NDA.

09/04/10 TD: 2325' (89'); NU BOPE; Surveys: None Today; MW: 9.4; Visc: 34; pH: 10
Day 5 Drlg 11" hole F/2,236' T/2,325'. (Drld 89 in 6 hrs) C & C hole pump 60 bbls high vis
sweep, TOOH and LD 8" DC's (Alert BLM of csg and cmt job Richard) RU csg crew and
run 60 jts 8-5/8" 32#, J55, STC csg to 2,325' C & C hole, RD csg crew and LD machine
RU BJ, held safety meeting, Pump 10 bbls h2o, Lead: 513 sx 35/65 Poz "C" & Tail: 100 sx
"C" + 2% CACL2, drop plug and displaced w/ 139 bbls H2O Bumped plug float held, CIP @
9:00PM NM time RD BJ WOC Cut off csg and weld on 8-5/8" 3K wellhead and test to
1,000psi OK NU BOPE's

09/05/10 TD: 2340' (15'); Drilling; Surveys: None Today; MW: 8.4; Visc: 29; pH: 10
Day 6 NU BOPE's and test to 3,000 psi high & 250 Low w/Mann's Testing Service per On Shore
Oil & Gas Order # 2 per BLM RU kelly spinner, NU flow line and Replace valve on choke
manifold and test PU new BHA and TIH to FC @ 2,267' Drill FC and SJ to 2,325' Drlg
7-7/8" hole f/2,325' t/ 2,340". NDA. (Drld 15' in 0.5 hrs)

09/06/10 TD: 2830' (490'); Drilling; Surveys: .8 @ 2291; MW: 8.4; Visc: 29; pH: 10
Day 7 Drld and surveyed to 2802', TFNB. Rig Repair. TIH and drld to 2830'. NDA.

09/07/10 TD: 3385' (555'); Drilling; Surveys: .5 @ 3268; MW: 8.4; Visc: 29; pH: 10
Day 8 Drld and surveyed to 3385'. NDA. (Short Rig costs due to Rig Repair on previous day)

09/08/10 TD: 3865' (480'); Drilling; Surveys: .5 @ 3268; MW: 8.5; Visc: 30; pH: 10
Day 9 Drld to 3426'. TFNB. PU MM and Bit, TIH w/ DC. Test MWD, Tool Failed, no impulse,
LD and Tried to repair. TIH to 3426'. Drld to 3865'. NDA.

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Sec 33, 18S, 27E

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Eddy Co., NM

**** ALL COSTS ARE FIELD ESTIMATES ****

09/09/10 TD: 4410' (545'); Drilling; Surveys: .75 @ 3961; MW: 8.4; Visc: 29; pH: 10
Day 10 Drlg 7-7/8" hole and WLS f/3,865' t/ 4,395". (Drl 530 in 13.5 hrs) Lost pump psi, TOO H for new bit PU MM and PDC Bit, TIH w/ 6" DC Test MWD, Tool Failed, no impulse, LD and tried to repair Drig 7-7/8 hole and WLS f/4,395' f/4,410' (Drig 545' in '14.5)

09/10/10 TD: 4950' (540'); Drilling; Surveys: 1.2 @ 4895; MW: 8.4; Visc: 30; pH: 10
Day 11 Drld and surveyed to 4950'. NDA.

09/11/10 TD: 5238' (288'); Drilling; Surveys: 3.5 @ 5117; MW: 8.4; Visc: 30; pH: 10
Day 12 Drig 7-7/8" hole and WLS f/4,950' t/5,238' (Drig 288' in 8.5 hr.) TOO H LD PDC bit and STB, cut 350' Drilling line, PU RR #4, Stb at 90 & 120' & TIH Drig 7-7/8" hole and WLS f/5,223' t/5,238' (Drig 15' in 8.5 hr.) Running light wt for deviation

09/12/10 TD: 5448' (210'); Drilling; Surveys: 3.1 @ 5371; MW: 8.4; Visc: 30; pH: 10
Day 13 Drld and surveyed to 5326'. Circ samples. Drld and surveyed to 5448', NDA.
NOTE: Running light wt for deviation.

09/13/10 TD: 5614' (166'); Drilling; Surveys: 3.3 @ 5561; MW: 8.4; Visc: 30; pH: 10
Day 14 Drld and surveyed to 5614'. NDA.

09/14/10 TD: 5702' (88'); Drilling; Surveys: 1.8 @ 5636; MW: 8.4; Visc: 30; pH: 11
Day 15 Drig 7-7/8" hole and WLS f/5,614' t/5,617'. TOO H, LD mud motor, change bit, PU BHDC, TIH t/2,300' Rig repairs Cont TIH, W & R 60' to bottom Drig 7-7/8" hole and WLS f/5,617' t/5,670'. C&C hole, run Multi shot for Bottom hole conformation, (75.47' NW azimuth of 295.77' or 32.81' N & 67.96'W) Drig 7-7/8" hole and WLS f/5,670' t/5,702'. NDA. (Drld 88' in 8.5 hrs)

09/15/10 TD: 5830' (128'); Drilling; Surveys: 2.9 @ 5822; MW: 8.4; Visc: 30; pH: 11
Day 16 Drlg 7-7/8" hole and WLS f/5,702' t/5,768'. TOO H and LD Stb, MDC, BHC & Gerhart tools for non performance , PU PDC bit, Teledrift tools, Mud Motor and TIH Rig repair, tong lines TIH break circ, ream 30' to bottom, survey, good survey with teledrift Drlg 7-7/8" hole and WLS f/5,768' t/5,830'. Light wt for deviation. NDA. (Drld 128' in 13 hrs) Note: will increase wt for maximum penetration and try to hold deviation

09/16/10 TD: 6550' (720'); Drilling; Surveys: 2.7 @ 6507; MW: 8.4; Visc: 30; pH: 10
Day 17 Drlg 7-7/8" hole and WLS f/5830' t/6412'. Light wt for deviation. NDA Rig Service/repair Change rotary head rubber Drlg 7-7/8" hole and WLS f/6412' t/6550' NDA (Drlg 720' in 23.5 hrs.) Note; Will increase wt. for maximum penetration and try and hold deviation

09/17/10 TD: 7220' (670'); Drilling; Surveys: 1.6 @ 7173; MW: 8.4; Visc: 30; pH: 10
Day 18 Drld and surveyed to 7220'. NDA.

09/18/10 TD: 7780' (560'); Drilling; Surveys: 1.1 @ 7597; MW: 8.6; Visc: 31; WL: 20 pH: 10
Day 19 Drld and surveyed to 7780'. NDA.

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2460 FSL and 810 FWL

Sec 33, 18S, 27E

McMillian; Upper Penn

Eddy Co., NM

**** ALL COSTS ARE FIELD ESTIMATES ****

09/19/10 TD: 8064' (284'); TIH w/ DST Tools; Surveys: .7 @ 7902; MW: 8.6; Visc: 31; WL: 20
Day 20 pH: 10
Drlg 7-7/8" hole and WLS f/7780' t/7845'. Circ samples @ 7845'. Drlg 7-7/8" hole and WLS
f/7845' t/7899'. Circ samples @ 7899'. Drlg 7-7/8" hole and WLS f/7899' t/7950'. Circ
samples @ 7950'. Drlg 7-7/8" hole and WLS f/7950' t/7988'. Circ samples @ 7988'. Drlg
7-7/8" hole and WLS f/7988' t/8064'. Lost full returns (Drl'd 284' in 8 hrs) Circ and regain
80% returns, pump high vis sweep and circ hole clean. Spot high vis sweep on bottom.
TOOH (Strap), LD Mtr and MDC, Wait on water.

09/20/10 TD: 8064' (0'); TOH w/ DST Tools; Surveys: None Today; MW: 8.6; Visc: 31; WL: 20
Day 21 pH: 10
PU DST tools and TIH. (loosing 50 bbl/hr) DST #1 - F/8,000' T/8,064' - 64', Test times F/
60 - 120 Surface psi built to 26#s in 40 mins, then back to 1 oz by an hour shut in for 2
hrs, open tool at 1900 hrs, built to 11 ozs, back dn to 0 in 30 mins. Shut tools in. WOO.

09/21/10 TD: 8064' (0'); WOO; Surveys: None Today; MW: 8.6; Visc: 31; WL: 20 pH: 10
Day 22 WOO

09/22/10 TD: 8064' (0'); Rig Repair; Surveys: None Today; MW: 8.6; Visc: 31; WL: 20 pH: 10
Day 23 WOO, Rig up coil tbg and nitrogen to jet load fluid off DST, try to bring well on to achieve
better test results do to loss circ in zone. RIH w/1-3/4" coil tbg t/ 7200' w/ 800cfm nitrogen
for 6 hrs jetting back 500 bbls H2O w/ chlorides of 3 - 4000, Shut nitrogen dn and TOH w/
CT. Let well continue to flow blew dn to 0 psi in 1 hr. RD BJ CT unit. Shut DST tools and
work pipe. Rig repair, wt indicator not working wt on mechanic.

09/23/10 TD: 8064' (0'); Mix LCD Pill; Surveys: None Today; MW: 8.6; Visc: 31; WL: 20 pH: 10
Day 24 Rig repair, wt indicator not working wt on mechanic. Work DST tools free, TOOH. Pull to
fluid 6,754' of recovery - Black water w/ 4000 chlorides Change out wt indicator and calibrate.
Finish TOOH and LD DST tools. DST #1 - 8,000' - 8,064' - 64' / 60 - 120 - 35(loaded) -
Wait on CT & Nitrogen, TIH w/CT t/7,000' pump nitrogen @ 800CFM unload 500 bbls water
to frac tanks. IH - 3,190, IF - 2,702 - 2,985, ISI - 3,012, 2ndF - 3,007 - 3,010, 2ndSI -
2,999, FF - 2,998 - 2,983, FSI - 2,983, FH - 3,164, SC - G - 0, O - 0, W - 2,000CC's @
4,000 chlorides, DP recovery - 6,754' - Water PU PDC bit Dc's and TIH. Rig repair - Work
on hydromatic water brake on drawworks. Cont TIH to 8,064'. No returns, PU to 8,010' with
10% returns. Mix LCM High Vis Sweep. Will pump and shut dn 1 hr.

09/24/10 TD: 8558' (494'); Drlgl; Surveys: None Today; MW: 8.6; Visc: 30; WL: 20 pH: 10
Day 25 Mix LCM high vis sweep. Will pump and shut dn 1 hr. Drl'd to 8558'. NDA.

09/25/10 TD: 8740' (184'); Log; Surveys: None Today; MW: 8.6; Visc: 30; WL: 20 pH: 10
Day 26 Drl'd to 8740'. C&C hole. Hole loosing 40 bbls/ hr. TOH for logs. Log well.

09/26/10 TD: 8740' (0'); WOC
Day 27 TIH w/ flat bottom perforated bottom jt. To 8000' RU BJ, pump 30 bbls frac gel Pull 5 stands,
circulate, TIH to 8000' Pump 1st stage w/ 50sx class H + 1% cacl, pull 10 stds WOC,
circulate and rotate TIH 10 stds to tag, no cmt. Pump 2nd stage w/ 50sx class H + 2% cacl,
pull 10 stds Pull 10 stds, WOC, TIH 10 stds to tag, no cmt. Pull 1 std Mix 80 bbls of LCM,
45#/bbl, spot @ 7906', pull 10 stds. Well static, holding fluid. TIH to 7906' Pump 3rd stage w/
20 sx class H + 2% cacl pull 5 stands, clear dp, pull 5 stds, rotate and WOC

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09/27/10 TD: 8740' (0'); Rig Repair
Day 28 WOC TIH to tag, no cement. Pull 1 stand @ 7906' Mix 100 bbls of LCM (50#/bbl). Spot @ 8000' Pull 10 stds, check fluid loss. 12 bbl/ 30 min TIH to 7700' pump 80 sx class H w/ 2% cacl TOH 40 stds WOC TIH 40 stds to 8000'. PU 3 joints and tag @ 8065' (5' below lost circ zone @ 8030-8060') Mix 100 bbls of LCM (50#/bbl). Spot @ 8000' Pull 1 std, drawworks broke down (drum clutch) Wait for mechanic (rig repair)

09/28/10 TD: 8740' (0'); Rig Repair
Day 29 Rig Repair.

09/29/10 TD: 8740' (0'); TIH w/ ECP
Day 30 Rig repair. (Drawworks) circulate and rotate @ 7906' RU BJ, pump 50 sx class C w/ 4% cacl (1.3 yield) @ 8015' Short trip 40 stds Attempt to tag plug. No tag TOH lay down flat bottom joint. Wait on Weatherford 5 1/2" ECP (external casing packer) Caliper and PU pkr. (element 10' X 7 1/8")

09/30/10 TD: 8740' (0'); WOC
Day 31 Caliper and PU pkr. (element 10' X 7 1/8") TIH w/ ECP. SLM and fill DP, set ECP @ 8001' (element @ 8006 - 7996) Pump 150 sx of class H + 3% cacl, cmt plug 8000 - 7718, pull 10 stds WOC TIH, tag cmt plug @ 7718', pull back to 7200' Pump 50 sx class C + 3% cacl @ 7200' WOC, TIH, tag cmt plug @ 7020', pull back to 5400' pump 50 sx class C + 3% cacl @ 5400' WOC, TIH, tag cmt plug @ 5180', pull back to 4200'

10/01/10 TD: 8740' (0'); ND
Day 32 WOC, TIH, tag cmt plug @ 4079' Pump 25 sx @ 4079', pull back to 3486 and pump 50 sx class c + 3% cacl WOC, lay down drill pipe w/ Bull Rogers, tag plug @ 3328', L/D drillpipe to 2425' Pump 50 sx class C + 3% cacl @ 2425' Lay down DP and drill collars TIH w/ drillpipe' tag at 2282' Lay down DP and TIH 11 stds pump 25 sx @ 2280' Lay down DP, pump cmt @ 60'

10/02/10 TD: 8740' (0'); Well P&A'd. Released Rig
Day 33 ND BOPE's, LD kelly and swivel for inspection. Clean pits and release rig.

WELL NAME AND NUMBER KL "33" Federal Com #1
LOCATION Section 33, T18S, R27E, 2460 FSL, 810 FWL, Eddy County
OPERATOR Nearburg Production Co.
DRILLING CONTRACTOR United Drilling, Inc.

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

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1 1/4 @ 183'	3 @ 5054'	3.0 @ 5968'
1/4 @ 403'	3 1/2 @ 5117'	3.3 @ 6000'
1/4 @ 623'	3.7 @ 5212'	3.1 @ 6031'
3/4 @ 1047'	3.7 @ 5244'	3.1 @ 6063'
1/2 @ 1528'	3.3 @ 5275'	3.3 @ 6095'
3/4 @ 1935'	3.1 @ 5371'	3.7 @ 6158'
.8 @ 2291'	3.2 @ 5434'	3.8 @ 6190'
.8 @ 2735'	3.1 @ 5529'	3.4 @ 6222'
1 1/2 @ 3204'	3.3 @ 5561'	3.2 @ 6253'
1/2 @ 3268'	2.7 @ 5694'	3.2 @ 6412'
1/2 @ 3363'	2.8 @ 5725'	2.5 @ 6539'
3/4 @ 3961'	3.0 @ 5809'	2.5 @ 6571'
.2 @ 4324'	3.0 @ 5841'	2.4 @ 6603'
1.0 @ 4420'	3.1 @ 5873'	2.4 @ 6634'
.9 @ 4863'	2.9 @ 5904'	2.7 @ 6666'
1 @ 4927'	3.1 @ 5934'	2.7 @ 6698'

Drilling Contractor- UNITED DRILLING, INC.

By: Luisa Noriega
(Luisa Noriega)

Title: Assistant Office Manager

Subscribed and sworn to before me this 5th day of October, 2010.

My Commission Expires: 10-8-12

Carlene Mathen
Notary Public
Chaves New Mexico
County State