Form 3160-5 (June 1990)

Lea County, New Mexico

LITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT**

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

ise Designation and Serial No. NM 97896 97890

N.M. Oil Cons. Division 1625 N. French Dr. SUNDRY NOTICES AND REPORTS ON WELL-fobbs, NM 38240.

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

6. If Indian, Allottee or Tribe Name

| SUBI | MIT IN TRIPLICATE | 7. If Unit or CA, Agreement Designation | | |
|---|--|---|--|--|
| Type of Well Oil Well Well Other Name of Operator Nearburg Producing Company Address and Telephone No. 3300 N A St., Bldg 2, Suite 120, Midland, TX 79705 915/686-8235 Location of Well (Footage, Sec., T., R., M., or Survey Description) 990' FNL and 2310' FWL, Section 34, T19S, R33E | | 8. Well Name and No. Jade 34 Federal Com #2 9. API Well No. 30-025-34648 10. Field and Pool, or Exploratory Area Gem Morrow; East 11. County or Parish, State | | |
| 12. CHECK APPROPRIATE BO | X(s) TO INDICATE NATURE OF NOTICE, REPORT, | Lea County, NM OR OTHER DATA | | |
| TYPE OF SUBMISSION | TYPE OF ACTION | | | |
| Subsequent Report Final Abandonment Notice | Abandonment Recompletion Plugging Back Casing Repair Altering Casing Other Water Disposal Application | Change of Plans New Construction Non-Routine Fracturing Water Shut-Off Conversion to Injection Dispose Water (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | | |
| directionally diffied, give subsurface locations and fi | rly state all pertinet details, and give pertinent dates, including estimated date neasured and true vertical depths for all markders and zones pertinent to this | e of starting any proposed work. If well is swork.)* | | |
| 1.) Water is produced from the Morrow zo | ne. | | | |
| 2.) There is approximately 10-15 bbls per | day produced. | | | |
| 3.) A water analysis is attached. | | | | |
| 4.) Water is stored in (1) 210 fiberglass op | en top tank. | | | |
| 5.) Water is trucked from fiberglass tank. | | | | |
| 6.) Water is transported by Gandy Service Subsurface Water Disposal Inc. Government E #1 SWD Section 25, T19S, R34E | es, PO Box 827, Tatum, New Mexico to the following location: | : | | |

| 14. I hereby certify that the foregoing is true and correct Signed | Title | Regulatory Analyst | Date | 05/18/00 |
|---|--------|--|-------------|----------------------------------|
| (This space for Federal or State office use) Approved by (OPIG SGD.) DAVID R. GLASS Conditions of approval, if any: | Title | PETROLEUM ENGINEER | Date | MAY 2 6 2000 |
| Title 18 U.S.Q Service 1901, makes it a crime for any person knowing statements of presentations as to any partier which is a discission. | ly and | willfully to make to any department or agency of the Unite | d States an | y false, fictitious or frauduler |





Water Analysis

Date: 07-Oct-99

2708 West County Road, Hobbs NM 88240 Phone (505) 392-5556 Fax (505) 392-7307

Analyzed For

| Company nearburg prod. Co. | , | Vell Name le 34 fed. 2 | - C | ounty Lea | State New Mexico |
|----------------------------|--------|---------------------------|------------|--------------|------------------|
| Sample Source (| Wellhe | | Sample # | | 1 |
| Formation | | | Depth | | |
| Specific Grevity | 1.030 | | SG @ | 60 °F | 1.034 |
| pН | 6.62 | | S | ulfides | Absent |
| Temperature (*F) | 81 | | Reducing . | Agents | Present |
| Cations | | | | | |
| Sodium (Calc) | | in Mg/L | -1,475 | in PPM | -1,426 |
| Calcium | | in Mg/L | 9,200 | in PPM | 8,896 |
| Magnesium | | in Mg/L | 5,520 | in PPM | 5,337 |
| Soluable Iron (FE2) | | in Mg/L | 100.0 | in PPM | 97 |
| Anions | | | | | |
| Chlorides | | in Mg/L | 30,000 | in PPM | 29,008 |
| Sulfates | | in Mg/L | 250 | in PPM | 242 |
| Bicarbonates | | in Mg/L | 268 | in PPM | 260 |
| Total Hardness (as CaCO | 3) | in Mg/L | 46,000 | in PPM | 44,479 |
| Total Dissolved Solids (Ca | ic) | in Mg/L | 43,864 | in PPM | 42,413 |
| Equivalent NaCl Concentra | ation | in Mg/L | 46,899 | in PPM | 45,348 |
| icaling Tendencies | | | | | |

*Calcium Carbonate Index

2,469,280

Below 500,000 Remote / 500,000 - 1,000,000 Possible / Above 1,000,000 Probable

*Calcium Sulfate (Gyp) Index

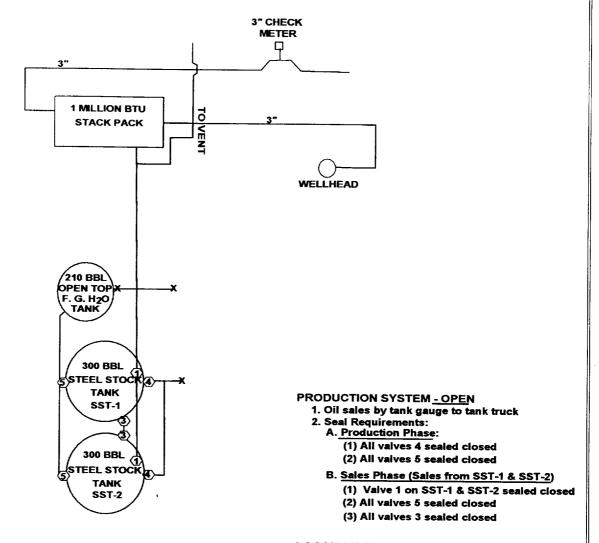
2,300,000

Below 500,000 Remote / 500,000 - 10,000,00 Possible / Above 10,000,000 Probable

*This Calculation is only an approximation and is only valid before treatment of a well or several weeks after treatment.

Remarks

rw = .18



LOCATION OF SITE SECURITY PLANS

Nearburg Producing Company 3300 N. "A" Street, Bldg. 2, Ste. 120 Midland, TX, 79705

Site Facility Diagram

Nearburg Producing Company Jade "34" Federal Com. #2 NM 98896 990' FNL & 2310' FWL Section 34, T19S, R33E Lea County, New Mexico