Oil Cons. N.M. DIV-Dist. 2

Form 3160-5 (June 1990)

UNITED STATES 1301 W. Grand Avenue
DEPARTMENT OF THE INTERIOR Artesia, NM 88210

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

| DUDEALLOEI | | | | |
|---|---|--|---|--|
| BUREAU OF I | 5. Lease Designation and Serial No. NMNM53219 | | | |
| SUNDRY NOTICES | 6. If Indian, Allottee or Tribe Name | | | |
| Do not use this form for proposals to dril Use "APPLICATION FO | | | | |
| SUBMIT | 7. If Unit or CA, Agreement Designation | | | |
| 1. Type of Well | · · · · · · · · · · · · · · · · · · · | | RECEIVED | |
| Oil Gas Well Other | | | 8. Well Name and No. | |
| 2. Name of Operator | | | JUN 0 3 2004 | McKittrick 14 Federal SWD #1 |
| Nearburg Producing Company 3. Address and Telephone No. | | | 9. API Well No. 30-015-21010 | |
| 3300 North A Street, Building 2, Suite 120, Mic | lland TX 7970 | 5 (432) 686-8235 | | 10. Field and Pool, or Exploratory Area |
| 4. Location of Well (Footage, Sec., T., R., M., or Survey Des | | 0 (402) 000 0200 | | McKittrick Hills; Devonian |
| 2390 FNL and 830 FEL, Sec 14, 22S, 24E | 11. County or Parish, State | | | |
| | | | | Eddy County, New Mexico |
| 12. CHECK APPROPRIATE BOX(s) | TO INDICAT | TE NATURE OF N | OTICE, REPORT, O | R OTHER DATA |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | |
| ☐ Notice of Intent | | Abandonment | | Change of Plans |
| | | Recompletion | | New Construction |
| Subsequent Report | | Plugging Back | | Non-Routine Fracturing |
| | | Casing Repair | | Water Shut-Off |
| Final Abandonment Notice | | Altering Casing | | Conversion to Injection |
| | | Other | | Dispose Water |
| | | | | (Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) |
| 13. Describe Proposed or Completed Operations (Clearly stationally drilled, give subsurface locations and measu See attached sheets for conversion to injection | red and true vertic | ils, and give pertinent date al depths for all markders | es, including estimated date of and zones pertinent to this v | of starting any proposed work. If well is work.)* |
| Logs and Deviation report also enclosed. | | | | |
| 4/30/04 Began disposal operations. | | | | |
| ACCEPTED FOR RECOFMAY 2 8 2004 LES BABYAK PETROLEUM ENGINEER | | ACC | | |
| 14. I hereby certify that the foregoing is true and correct Signed (This space for Federal or State office use) Approved by | | Production Analyst | for record - FIREDED | Date 05/25/2004 |
| Conditions of approval, if any: | TNC _ | replet | | |
| | | ▲ E. ▼ | | |

512-5058

OPERATOR: WELL/LEASE: NEARBURG PRODUCING CO. McKITTRICK 14 FED. SWD #1

COUNTY:

EDDY

STATE OF NEW MEXICO **DEVIATION REPORT**

| 10,844 | 2 3/4 |
|--------|-------|
| 11,292 | 5 1/2 |
| 11,354 | 6 |
| 11,414 | 6 |
| 11,482 | 5 3/4 |
| 11,544 | 5 1/2 |
| 11,639 | 5 |
| 11,757 | 5 1/2 |
| 11,855 | 5 1/4 |
| 11,950 | 4 |
| 12,160 | 3 3/4 |

RECEIVED

JUN 0 3 2004

989-ARTESIA

STATE OF TEXAS

COUNTY OF MIDLAND

The foregoing instrument was acknowledged before me on this 12th day of December, 2003, by

Steve Moore on behalf of Patterson-UTI Drilling Company LP, LLLP.

My Commission Expires: 4/08/2007

Public for Midland County, Texas

JONI D. HODGES

McKittrick Hills 14 Federal SWD #1

2390 FNL and 830 FEL
Sec 14, 22S, 24E
McKittrick Hills; Devonian
Eddy County, New Mexico
** ALL COSTS ARE FIELD ESTIMATES **

- 12/22/03 MIRU pulling unit. MIRU reverse unit & equipment. MI & rack 2 3/8" N80 tbg. ND wellhead. NU BOP. PU & RIH w/1 6" bit, 6 4" DC's158 jts 2 3/8" N80 4.7# EUE 8rd tbg to 5,100'. SI & SDFN.
- 12/23/03 PU & RIH w/ 77 jts (235 total) 2 3/8" N80 4.7# EUE 8rd tbg. Tag DV tool @ 7,522'. Test to 500#. OK. RU swivel. Drld thru DV tool in 45 minutes (no cmt on top of or below DV tool). Circ hole clean. RD swivel. Test to 500#. OK. PU & RIH w/156 jts (391 total) 2 3/8" N80 4.7# EUE 8rd tbg. Tag PBTD (FC) @ 12,405'. Circ hole clean. POOH & LD 150 jts tbg. SI & SDFN.
- 12/24/03 Finish POOH & LD tbg, collars & bit. Chg pipe rams in BOP to 3 1/2". Ready to pick up 3 1/2" frac tbg on Monday the 29th. SI & SDF holidays.
- 12/29/03 MO 2 3/8" tbg. MI & rack 3 1/2" frac string. PU & RIH w/ (1) 6" bit, (1) 7" scraper, 250 jts 3 1/2" P110 9.3# PH6 frac tbg. SI & SDFN.
- PU & RIH w/145 jts (395 total) 3 1/2" P110 9.3# PH6 frac tbg. Tag PBTD @ 12,405'. PU 3' off bottom. MIRU BJ Services. Pickle dn tbg w/200 gals (4.8 bbls) xylene, 800 gals (19 bbls) 15% HCL pickle acid. Push acid to bottom of tbg w/91 bbls fresh wtr loaded w/1 gpt WCW5827Q Cationic Surfactant. SD. Tie on to annulus, pump dn annulus & out tbg to frac tank w/450 bbls same fluid. SD. Test to 2,000#. OK. RDMO BJ Services. POOH & std back 274 jts tbg. Will FOOH tomorrow A.M. SI & SDFN.
- 12/31/03 FOOH w/ tbg & LD BHA. SI & SDF holiday. Will perf Friday A.M.
- 01/02/04 MIRU JSI E.L. RIH w/GR/CCL, tag PBTD @ 12,374' by E.L. corrected to open hole log (12,390' by tally). Log from 12,372' 11,148'.Correlated on depth. POOH. RIH w/4" csg guns loaded w/4 JSPF, 90 degree phasing, .42" EHD premium charges, perforated as follows: Beginning F.L. @ 1,090'1. 12,346'-366'F.L. @ 1,090'2. 12,326'-346'F.L. @ 1,050'3. 12,306'-326'F.L. @ 1,020'4. 12,227'-247'F.L. @ 1,000'5. 12,207'-227'F.L. @ 960'6. 12,187'-207'F.L. @ 920'7. 12,167'-187'F.L. @ 900'8. 12,147'-167'F.L. @ 850'9. 12,127'-147'F.L. @ 810'10. 11,828'-848'F.L. @ 760'11. 11,808'-828'F.L. @ 680'12. 11,788'-808'SD due to darkness. Left csg open to frac tank. SDFN.
- 01/03/04 Fluid @ surface, no flow to frac tank overnight. RIH w/4" csg guns & continue perforating as follows: Beginning F.L. @ surface1. 11,684'-704'2. 11,642'-662'3. 11,674'-684'11,632'-742'4. 11,550'-570'5. 11,510'-530'6. 11,540'-550'11,500'-510'Shot a total of 1,440 holes. Overran approx. 5 bbls wtr. RDMO JSI. Left csg open to frac tank. SDFW.
- 01/05/04 No flow to frac tank. MIRU Hydrostatic tbg testers. Hydrostatically TIH to 10,000# above slips w/1 2 7/8" x 7" RBP w/extended retrieving neck, 1 2 7/8" x 7" 10K pkr, 395 jts 3 1/2" P110 9.3# PH6 frac tbg. RDMO tbg testers. Set RBP @ 12,382'. Release off RBP. PU to 11,400' & set pkr. Left tbg open to frac tank. SDFN.

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- MIRU pump truck. Load annulus w/3 bbls fresh wtr, test to 1,000#. OK. RIH w/swab. IFL @ surface. Made 16 swab runs w/F.L. staying @1,800' from surface. Rec'd 226 bbls wtr w/no show of oil or gas. Displaced 5 bbls wtr while perforating & 60 bbls wtr while testing in holew/3 1/2" tbg. Have rec'd 291 bbls wtr total. (NOTE: well did not go on vacuum while perforating). Left tbg open to frac tank. Last wtr sample showed specific gravity of 1.004 @ 68 degrees F & chlorides of 12,000. SDFN.
- 01/07/04 Release pkr. RIH & set pkr @ 12,010'. MIRU BJ Services. Conduct safety meeting. Test lines to 6,000#. Treat perfs from 12,127' to 12,366' via 3 1/2" 9.3# tbg w/22,000 gals (524 bbls) 20% HCL acid @ avg press of 5,627# w/rate of 38 bpm, flush w/120 bbls fresh wtr loaded w/1 gpt WCW 5827Q Cationic Surfactant. SD. ISIP 2,700#. Bled well dn, flowed back approx 50 bbls wtr before dying. Release pkr, RIH & latch onto RBP & release. Re-set RBP @ 12,010', PU hole & set pkr @ 11,740'. Test lines. Treat perfs from 11,788' to 11,848'via 3 1/2" 9.3# tbg w/8,000 gals (190 bbls) 20% HCL acid @ avg press of 5,750# w/rate of 35 bpm, start flush w/comp fluid, communicatingw/30 bbls flush pumped. SD. Close backside. Pump 90 bbls remaining flush @ avg press of 1,570# w/rate of 15 bpm. SD. ISDP 1,110#.Tbg & annulus on vac in approx 2 minutes. Release pkr. RIH & latch onto RBP & release. PU & re-set RBP @ 11,740'. PU & re-set pkr @11,350'. Load annulus w/15 bbls comp fluid. Test to 1,000#. OK. Treat perfs from 11,500' to 11,704' via 3 1/2" 9.3# tbg w/17,000 gals (405 bbls) 20% HCL acid @ avg press of 5,800# w/rate of 36 bpm, flush w/120 bbls comp fluid @ same press & rate. SD. ISDP 2,500#. Tbg press dn to 150# in 10 minutes. SI tbg. RDMO BJ Services. Will leave tbg SI overnight. SI & SDFN. Pumped 1,119 bbls acid and 360 bbls flush.

\$10,632 10% Contingencies

- 01/08/04 SITP 0#. Open tbg to frac tank w/no blow. Release pkr. RIH & latch onto RBP & release. POOH & LD 280 jts 3 1/2" frac tbg. Down 4 1/2hrs for rig repair. SI & SDFN. NOTE: Have tight section in csg from 9,568' to 9,661'. Saw when running in hole w/pkr & plug and while pulling out of hole.
- 01/09/04 POOH & LD rest of 3 1/2" P110 9.3# CS-Hydrill frac tbg, pkr & plug. MO 3 1/2" tbg. MI & rack 4 1/2" L80 12.75# CS-Hydrill tbg w/TK-99internal coating. SI & SDFW.
- 01/12/04 MIRU Hydrostatic tbg testers. PU & hydrostatically TIH to 5,000# above slips w/1 2 7/8" x 7" 26-29# AS 10K nickel coated pkr, 1 2 7/8"down hole nickel coated valve w/2.25" ID, 1 2 7/8" nickel coated O/O tool w/1.875" "F" profile, 1 2 7/8" EUE 8rd x 4 1/2" CS-Hydrill x-overw/TK-99 internal coating, 195 jts TK-99 internally coated 4 1/2" L80 12.75# CS-Hydrill tbg. SI & SDFN.
- PU & hydrostatically TIH to 5,000# above slips w/169 jts (364 total) TK-99 internally coated 4 1/2" L80 12.75# CS-Hydrill tbg. RDMO tbg testers. Set pkr in 15K compression @ 11,402'. SI & SDFN.

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Oil Tools or Weatherford.

MIRU Lobo pump truck. Release off O/O tool & PU 2'. Pump dn annulus & out tbg @ 2 bpm (F.L. @ surface, circ to frac tank) w/220 bbls fresh wtr loaded w/1 gpt WCW 5827Q Cationic Surfactant & dbl inhibited pkr fluid. SD. Latch back onto pkr. Test annulus to 1,000# & hold for 10 minutes. OK. Release press. ND BOP. NU wellhead. Pressure annulus to 500# & hold for 30 minutes while recording on chart for N.M. OCD csg integrity test. Test was good w/no leak off. OCD was notified of test, but did not have representative on location to witness test. RDMO pump truck. RDMO pulling unit. SI & SDFN. NOTE: Tagged tight spot in csg @ 9,661'-9,568' on 1-13-04 w/jts #308, 309 & 310. To shut Weatherford TTV down hole valve, pick up on tbg & turn to right 1/4 to 1/2 turn, to open pick up on tbg & turn to left 1/4 to 1/2 turn. Can contact Kenco

01/15/04 MIRU BJ Services. Conduct safety meeting. Test lines to 5,000#. Pump injection rate test w/fresh wtr as follows: Open tbg w/no press. Tbg loaded w/3 bbls pumped.

| RATE: | BEGINNING PRESSURE: | ENDING PRESSURE: | BBLS PUMPED: |
|-------|---------------------|------------------|------------------|
| 4.3 | 560# | 540# | 60 |
| 6.2 | 1,000# | 980# | 30 |
| 7.0 | 1,270# | 1,190# | 50 |
| 8.0 | 1,730# | 1,670# | 40 |
| 9.0 | 2,400# | 2,310# | 60 |
| 10.0 | 2,435# | 2,342# | 40 |
| 11.0 | 2,640# | 2,563# | 50 |
| 12.0 | 3,225# | 3,115# | 80 |
| 13.3 | 3,600# | 3,513# | 150 |
| 13.8 | 3,660# | 3,460# | 150 |
| 14.8 | 3,930# | 3,841# | 110 |
| 15.8 | 4,350# | 4,247# | 280 |
| 16.7 | 4,640# | 4,550# | 290 |
| 17.2 | 4,720# | 4,520# | 210 |
| 17.8 | 4,778# | 4,593# | 375 |
| 18.5 | 4,675# | 4,531# | 500 |
| 16.8 | 4,100# | 4,065# | 100 |
| 14.8 | 3,350# | 3,264# | 150 |
| 12.8 | 2,576# | 2,556# | 50 |
| 12.0 | 2,367# | 2,260# | 35 |
| 11.3 | 2,022# | 2,017# | 25 |
| 10.2 | 1,735# | 1,690# | . 35 |
| 9.0 | 1,421# | 1,400# | 30 |
| 7.9 | 1,082# | 1,075# | 30 |
| 7.0 | 917# | 870# | 30 |
| 6.0 | 712# | 645# | 25 |
| | | | 2 085 bbls total |

2,985 bbls total

SD. Pressure to 0 in 1.5 minutes. RDMO BJ Services. Will RIH w/slickline tomorrow A.M. to make sure dn hole valve is fully open.

01/16/04 MIRU JSI slickline. RIH w/1 11/16" sinker bars. Tag @ 11,403' (dn hole valve is partially closed). POOH. RDMO JSI. Will find unit &open valve as soon as possible. SD.

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12405' (FC).

MIRU Lucky Well Service pulling unit. Well had 0# tbg psi Put 4 1/2" x 10' tbg sub on wellhead valve & unflanged wellhead. Tbg wt @145,000#. Pulled 10 points over & turned tbg to the left (to close dn hole valve) 1/4 turn. RU Lobo pump truck to tbg to pump fresh wtr to load tbg. Pumped 22 Bbls wtr & SD. Pulled tbg up to check tbg wt. Pkr bumped @ 165,000#. Turned tbg to left again 1/2 turn. Had pump truck pump 70 Bbls wtr & SD. Pulled tbg up to check tbg wt. Pulled to 175,000#. Had pump truck pump 108 Bbls wtr for a total of 200 Bbls when well started flowing out casing valve (circulating). Pulled tbg up & tbg wt stayed @ 158,000#. Could not feel pkr. Pkr released or O/O tool unlatched. Flanged wellhead back up. Will PU tbg sub & check to see if we can latch back up then POOH w/ tbg & pkr. SI all valves on wellhead. SDFN. Perfs @ 11500'- 12366'. PBTD @

Tbg & csg had light blow. Blew to 0# quickly. Pulled tbg up & found that we were latched back on O/O tool pulling into pkr. Pulled tbg10 points over string wt & turned to left to close dn hole valve. Pumped 200 Bbls fresh wtr dn tbg. Tbg never loaded. ND WH & NU BOPE. Released pkr. POOH & LD 57 jts- 4 1/2" CS-Hydrill 12.75# L-80 tbg w/ TK-99 PC on pipe racks. Continue to POOH (standing back) 90 jts-4 1/2" CS-Hydrill 12.75# L-80 tbg w/ TK-99 PC. Close BOPE rams. Put TIW valve in tbg. SI csg. SDFW. Will finish POOH w/ tbg, profile nipple, dn hole valve & pkr on Monday AM. Perfs @

11500'- 12366', 4 JSPF, 1440 holes. PBTD @ 12405' (FC).

Remove TIW valve from tbg. Open BOP rams. RU Lobo pump truck to backside. POOH (standing back) w/ 110 jts- 4 1/2" CS-Hydril12.75# L-80 tbg w/ TK-99 PC. Could only put 200 jts total 4 1/2" tbg in derrick. Continue POOH & LD on pipe rack w/ 107 jts- 4 1/2"CS-Hydril 12.75# L-80 tbg w/ TK-99 PC (plastic coating), 2 7/8" x 7" T-2 O/O tool w/ 1.875" "F" profile, 2 7/8" Weatherford 10K dn hole TTV valve w/ 2.25" ID, 2 7/8" x 7" AS-1 10K pkr w/ carbide slips. Close BOP blind. SI well. RD Lobo pump truck. SDON. Take O/O tool, dn hole valve & AS 10K pkr in to shop to repair. Broke dn hole valve apart & found ball & seats severely washed out. Will have to overnight valve parts & send them to nickel plate tomorrow. Pulling unit on standby until Wednesday AM when dn hole valve will be repaired. Perfs @ 11500'- 12366', PBTD @ 12405' (FC).

01/27/04 Lucky pulling unit on stand-by. Kenco rebuilt dn hole valve. Will RIH w/ pkr, dn hole valve, O/O tool & tbg in the AM.

Open BOPE blind. PU & RIH w/ rebuilt 2 7/8" x 7" AS1- 10K pkr w/ carbide slips, 2 7/8" Weatherford 10K dn hole TTV valve w/ 2.25" ID,2 7/8" x 7" T-2 O/O tool w/ 2.25" "F" profile, 2 7/8" EUE 8rd x 4 1/2" CS-Hydrill x-over w/ TK-99 PC, 364 jts- 4 1/2" CS-Hydrill 12.75#L-80 tbg w/ TK-99 PC. Set AS-1 pkr in 15K compression. Pulled 10 points over string wt & turned tbg to left 1/2 turn to close dn hole valve. RU Lobo pump truck to tbg to load & test dn hole valve. Pressured to 500# and held pressure good. Blew off pressure. Got off O/O tool. Pulled up tbg & closed BOPE rams. SI well. Will circulate pkr fluid in the AM. Perfs @ 11500'- 12366'. PBTD @ 12405' (FC).

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01/29/04

RU Lobo pump truck to pump 212 Bbls fresh wtr w/ double inhibited pkr fluid dn csg @ out tbg to circulate pkr fluid @ 3 bpm rate. RD pump truck off tbg. Latch O/O tool back up to pkr. Pull 10 pts over tbg wt & turn tbg to right 1/2 turn to open dn hole valve. Used tongs to assure valve was open all the way. RU Lobo pump truck to pump 5 Bbls dn tbg to make certain valve was open. RD pump truck. RU JSI slickline to RIH w/ 1 7/8" tool to run through dn hole valve to make sure valve was open fully. The dn hole valve & pkr set @ 11401'. Ran JSI tool to11500'. Tool never saw dn hole valve or pkr. POOH w/ JSI tool. RDMO JSI. ND BOPE. NU WH. Left 15 pts compression on pkr when we flanged well up. RU Lobo pump truck to csg to pressure to 500# and chart to test pkr. Held good. RDMO Lobo pump truck & Lucky Well Service pulling unit. Well left SI. Will have BJ Services pump injection rate test in the AM. Perfs @ 11500'- 12366'. PBTD @ 12405' (FC).

01/30/04

MIRU BJ Services. BJ conducted pre-job safety meeting. Test lines to 5000#. Pump injection rate test w/ fresh wtr as follows: Open tbg w/0# pressure. Tbg standing full of fluid.

| (bpm) | (Cumulative) | | | | | |
|-------|-----------------------|-------------|---------|----------------|--|--|
| RATE: | BEGINNING PSI: | ENDING PSI: | BBLS PU | MPED: BPD/rate | | |
| 4.3 | 150# | 155# | 7 | 6192 | | |
| 5.2 | 220# | 225# | 21 | 7488 | | |
| 8.5 | 445# | 445# | 45 | 12240 | | |
| 11.0 | 657# | 706# | 112 | 15840 | | |
| 16.0 | 1308# | 1426# | 499 | 23040 | | |
| 18.0 | 1667# | 1685# | 1030 | 25920 | | |
| 20.0 | 1969# | 2060# | 1415 | 28800 | | |
| 22.0 | 2405# | 2450# | 2000 | 31680 | | |
| 21.0 | 2285# | 2300# | 2531 | 30240 | | |
| 19.0 | 1755# | 1760# | 2711 | 27360 | | |

SD. ISDP @ 210#. Pressure to 0# in 5 minutes. RDMO BJ Services. Left well SI.Pumped total of 2711 Bbls fresh wtr for inj. Rate test. Test witnessed and apporved by Gerry Guye. FINAL REPORT.