

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-015-28151
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Fairchild 24
8. Well Number 1
9. OGRID Number 015742
10. Pool name or Wildcat North Seven Rivers; G-Y
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3413

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH
PROPOSALS.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	2. Name of Operator Nearburg Producing Company	3. Address of Operator 3300 N A St./ Bldg 2, Ste 120, Midland, TX 79705	4. Well Location Unit Letter <u>E</u> : <u>2100</u> feet from the <u>North</u> line and <u>900</u> feet from the <u>West</u> line Section <u>24</u> Township <u>19S</u> Range <u>25E</u> NMPM County <u>Eddy</u>
12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data			

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Plugback ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

NPC recompleted the subject well in the Glorieta/ Yeso Please find attached work performed during this process.

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Prod/ Reg Analyst DATE 5-14-2010
Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com PHONE 432/818-2950

For State Use Only

APPROVED BY [Signature] TITLE Field Supervisor DATE 5-14-2010
Conditions of Approval (if any):

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

Fairchild 24 #1

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

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

12/16/09 Road rig & crew to location from Jade 34 Fed Com #1. MIRU Lucky Services pulling unit. Blow tbg pressure dn. ND WH & NU BOP. Release 7" AS pkr & POOH standing back 211 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. LD 2 7/8" API SSN, 2 7/8" x 7" AS 1x pkr w/ 1.87" profile and On/Off tool. Dig out B-section wellhead bolts to turn 1/4 round to have flowline face correct position. MIRU JSI electricline truck to RIH w/ 5.719" gauge ring/ CCL/JB to 6645' to make sure csg had no restrictions. POOH w/ gauge ring. PU & RIH w/ 5.61" Alpha CIBP for 7" csg and CCL tool and correlate plug on depth w/ previous CCL log & set plug @ 6614'. POOH w/ setting tool. Made 2 cmt dump bailer runs putting 35' cmt on top of CIBP leaving TOC @ 6579'. LD cmt dump bailer. Close BOP blinds. SI well. SDFN. Will load csg & test plug in the AM before RIH to shoot 4 squeeze holes.

Current Operation: Shoot squeeze holes, establish circ rate, RIH & set CICR, circ cmt to surface.

12/17/09 RU TRM pump truck to load csg w/ 20 Bbls 2% KCL wtr. Pressure test the csg to 800# to test CIBP. Test good. RU JSI electricline truck to RIH w/ jet perf gun to shoot 4 squeeze holes @ 6400' FS. POOH w/ shot gun. Had TRM pump truck break circulation pumping down csg & out surface to open top frac tank. Pumped 80 Bbls 2% KCL wtr establishing injection rate @ 4 bpm w/ 1200# pressure. SD. PU & RIH w/ 7" CICR w/ stinger, 202 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Had TRM pump truck pump dn tbg to make sure we could pump through retainer. Set CICR @ 6300' FS. Had TRM pump truck pump dn tbg pumping through retainer to break circulation up surface csg. Broke circulation w/ 18 Bbls pumped. Sting out of retainer. Sting back into retainer. SI well. SDFN. Will have Key Energy circulate cement to surface in the AM.

Current Operation: RU Key Energy to circ cmt to surface on 7" csg.

12/18/09 MIRU Key Energy cement pump trucks to pump Class C Neat cement dn tbg & out 4 squeeze hole shots @ 6400' to circulate cement to surface. CICR set @ 6300'. Arrived on location @ 10:45 AM. Started pumping 20 Bbls fresh wtr @ 5 bpm to break circulation and establish injection rate. SD. Tested lines to 4200#. Had TRM pump truck pressure csg backside to 1000# and hold. Started pumping 14.8 cement slurry @ 5 bpm w/ 1700# pumping a total of 352 Bbls (1500 sx) Class C Neat cement. Lost circulation at 260 Bbls into slurry w/ pressure falling to 1250#. Start pumping fresh wtr to displace cement from inside tbg to retainer pumping 34.5 Bbls flush. Unsting from retainer and reverse circulate w/ fresh wtr pumping 89 Bbls fresh wtr to flush. SD. RDMO Key Energy cement pump trucks. POOH w/ 200 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Close BOP blinds. SI well. SDFN. Will have Keltic Services run temperature survey to find cement top in the AM.

Current Operation: Keltic Services to run temperature survey to find top of cement.

12/19/09 MIRU Keltic Services to RIH w/ tools to run temperature survey to find top of cement. An estimated cement top was found @ 1200' FS. Decided to run CBL log in the AM to confirm cement top.

Current Operation: RU JSI to run CBL, RIH w/tbg, circ abandonment mud, POOH w/tbg.

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

Fairchild 24 #1

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

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

12/20/09 MIRU JSI to run CBL to find cement top. RIH w/ CBL/GR/CCL tools to log from 3800' up to TOC found @ 1730' +/- . Made a pass w/ 0# pressure and also another pass at 1000# pressure. No difference in 1000# pass. RDMO JSI electricline truck. RIH w/ 200 jts- 2 7/8" J-55 tbg to have EOT @ 6239'. RU TRM pump truck to spot 86 Bbls 10# brine salt gell (abandonment mud) from CICR @ 6400' up to 4100' in csg flushing dn tbg w/ 24 Bbls fresh wtr. RDMO TRM pump truck. POOH & LD 70 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Put TIW valve on tbg. Close BOP rams. SDFN. Will finish POOH w/ tbg in the AM before RIH & set CIBP.

Current Operation: Finish POOH w/tbg, set CIBP.

12/21/09 Remove TIW valve from tbg. Open BOP rams. POOH w/ 130 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. RU JSI electricline truck to RIH w/ 5.61" CIBP/CCL and correlate on depth w/ open hole log. Set CIBP @ 4102'. RIH w/ cmt dump bailer and made 2 cmt dump runs putting 35' cmt on top of CIBP w/ TOC @ 4067'. POOH & LD dump bailer. RIH w/ 3 1/8" gun to shoot 4 squeeze holes @ 1710'. POOH w/ shot gun. RDMO JSI electricline truck. RU TRM pump truck to pump dn csg to break circulation through squeeze holes to surface. PU & RIH w/ 7" CICR, 2 7/8" API Standard Seat Nipple, 51 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. RU TRM pump truck to tbg to pump fresh wtr through CICR to break circulation. SD. Set CICR @ 1610'. Wait for cement to arrive on location. MIRU Key Energy cement pump trucks. Hookup manifold to well. Pressured csg backside to 500#. Started pumping dn tbg to break circulation to surface w/ 9 Bbls fresh wtr then went to pumping cement. Pumped approx 380 sx Class C Neat cement @ 14.8 lb/gal to circulate to surface @ 4 bpm w/ 800#. Pumped 7 Bbls fresh wtr to displace cement in tbg before stinging out of retainer & reverse circulating cmt out tbg w/ 30 Bbls fresh wtr. SD. RDMO Key Energy cement trucks. POOH w/ 51 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, 2 7/8" stinger for retainer. Close BOP blinds. SDFN. Will wait for cement to set and DO retainer tomorrow. Had TRM trucks pull wtr out of open top frac tanks.

Current Operation: DO CICR, circulate hole clean.

12/22/09 Open BOP blinds. PU & RIH w/ 6 1/4" drill bit, x-over bit sub, (6) 4 3/4" drill collars, x-over top sub, 36 jts- 2 7/8" J-55 6.5# EUE 8rd tubing leaving EOT @ 1304' by tbg tally. Put TIW valve on tbg. Close BOP rams. SI well. SDFN. MIRU Lucky Rental reverse unit. Had TRM vac truck fill pit w/ fresh wtr. Had Two-State haul 82 jts- 2 7/8" J-55 tbg to yard. Set catwalk by pipe racks. The cement was still too fresh to drill. Decided to wait until AM. Will do CICR in the AM.

Current Operation: Cement too fresh, do CICR in the AM

12/23/09 Remove TIW valve from tbg. Open BOP rams. RIH w/ 9 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Tag TOC above CICR @ 1586' by tbg tally w/ next jt tbg. POOH & LD 10 jts- 2 7/8" J-55 tbg on pipe racks. RIH w/ 10 jts- 2 7/8" J-55 tbg from derrick to get on top of CICR. PU swivel. Had Lucky Rental reverse unit break circulation w/ fresh wtr. Started drilling out cement above the retainer. Only drilled 2' cement when we were drilling on the CICR. Drilled out CICR in 5 1/2 hrs. Drilled cement dn to 1589'. Cement was still green below retainer. Decided to wait to DO cement to squeeze perfs until after the Christmas holidays. Circulated hole clean. LD 1 jt- 2 7/8" J-55 tbg and swivel. POOH w/ 2 jts- 2 7/8" J-55 tbg. Put TIW valve on tbg. Close BOP rams. SDFW. Will finish DO cement on Monday AM.
Current Operation This AM: DO cmt.

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

Fairchild 24 #1

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

12/28/09 Remove TIW valve from tbg. Open BOP rams. RIH w/ 3 jts- 2 7/8" J-55 6.5# EUE 8rd tubing to tag TOC @ 1589' by tbg tally. Had Lucky Rental reverse unit break circulation w/ fresh wtr and start DO cement. PU 5 jts- 2 7/8" tbg on swivel to DO cement to 1700' & fell through. Circulate btms up til clean. RIH w/ 4 jts- 2 7/8" tbg to 1862' making sure there were no cmy stringers below squeeze holes. POOH w/ 54 jts- 2 7/8" tbg in derrick. LD (6) 4 3/4" drill collars and 6 1/4" drill bit. RU Big Bear PU machine on catwalk. RIH w/ 20 jts- 2 7/8" J-55 tbg as stinger on btm of 4 1/2" tbg. PU 78 jts- 4 1/2" P110 PH6 tubing, x-over to 2 7/8" 8rd pin. Change BOP rams from 2 7/8" to 4 1/2" . Close BOP rams. RU Crain acid pump truck to tbg to pickle tubing w/ 400 gals (9.5 Bbls) xylene followed by 750 gals (17.8 Bbls) 15% NEFE HCL acid and displace acid dn tbg & up csg to 2450' w/ 39 Bbls 2% KCL wtr. SD & reverse circulate dn csg & up tbg to frac tank w/ 106 Bbls 2% KCL wtr. SD. RDMO Crain acid pump truck. POOH standing back 78 jts- 4 1/2" P110 PH6 tbg in derrick, 20 jts- 2 7/8" J-55 tubing. Close BOP blinds. SDFN. Will have JSI perforate well in the AM.

Current Operation: JSI to perforate, RIH w/2 3/8" tbg/pkr to acidize perfs, flow/swab well.

12/29/09 Open BOP blinds. MIRU JSI electricline truck to jet perforate w/ 4" select fire guns at the following depths after correlating to Schlumberger's "Litho Density Compensated Neutron" log dated November 23, 1994: 2509', 2628', 2688', 2695', 2698', 2719', 2728', 2732', 2782', 2804', 2821', 2834', 2844', 2869', 2877', 2885', 2907', 2923', 2932', 2935', 2937', 2959', 2963', 2967' and 2971' making 25 holes and using a 5000# lubricator. Made 3 gun runs to shoot all holes. LD lubricator. RDMO JSI electricline truck. Put 78 jts- 2 3/8" J-55 4.7# EUE 8rd tubing on pipe racks that had been previously pickled. Tallied all tbg on racks. PU & RIH w/ 2 3/8" x 7" 32A tension pkr w/ unloader, 2 3/8" API Standard Seat Nipple, 76 jts- 2 3/8" J-55 4.7# EUE 8rd tubing. Set pkr @ 2428' in 10k tension. Wait for pump truck to bring 2% KCL wtr to location to flush acid job. MIRU Frac Tech to breakdown perfs w/ 2000 gals 15% NEFE HCL acid dropping (35) 7/8" 1.3 sp gr ball sealers for diversion. Had pump truck load csg backside w/ 11 Bbls 2% KCL wtr w/ .5 gpt ClayMaster 5C and pressure test to 500#. Held good pressure. Put 500# on csg and hold while pumping acid job. Had Frac Tech start pumping 2% KCL wtr to breakdown perfs. Broke back @ 2377# w/ 1.5 bpm rate. Pumped 6 Bbls wtr before going to acid. Pumped an 8 Bbl acid dropping 7 ball sealers schedule until all balls were dropped @ 6.5 - 7.1 bpm w/ 3100# avg pressure throughout acid job. Had good ball action and almost balled out on last set of balls w/ 5800#. Flushed to btm perf w/ 31 Bbls 2% KCL wtr. SD. ISDP- 1308#, 5 min- 1238#, 10 min- 1215#, 15 min- 1192#. RDMO Frac Tech acid pump trucks. Bled off csg pressure. SI well overnight. Will start flowing well back in the AM.

Current Operation: Flow/swab well, Ris pkr knock off balls, POOH & LD 2 3/8" tbg, RIH w/ 4 1/2" tbg & pkr.

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

Fairchild 24 #1

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

12/30/09 Had Two-State move 500 Bbl flowback frac tank to other side of location to make room for Frac trucks. Lucky pulling unit crew hooked up line to frac tank. NU WH to flowback tank. Had 500# on tbg before opening well to flowback. Pressure fell to 0# quickly. RU to start swabbing 2 3/8" tbg. IFL @ surface. Made a total of 10 swab runs bringing back 47 Bbls wtr pulling last runs from SN. Samples caught had avg 5% oil cut in them. LD swab line. Release pkr. RIH w/ 2 3/8" x 2 7/8" x-over, 20 jts- 2 7/8" J-55 6.5# EUE 8rd tubing to 3000' +/- to wipe balls off csg wall. POOH w/ 20 jts- 2 7/8" J-55 tbg, 2 3/8" x 2 7/8" x-over. Continue to POOH & LD 76 jts- 2 3/8" J-55 4.7# EUE 8rd tubing on pipe racks, 2 3/8" API SSN, 2 3/8" x 7" 32A tension pkr. Had Two-State forklift & truck haul 78 jts- 2 3/8" J-55 4.7# EUE 8rd tubing back to yard. PU & RIH w/ 2 7/8" x 7" compression pkr, 77 jts- 4 1/2" P110 15.50# PH6 tubing. Had Bull Rogers csg crew torque tbg with their tongs to 7500 ft/lb. (required makeup). RDMO Bull Rogers csg crew. Put 4 1/2" pipe rams in BOP and remove 2 3/8" rams. Put 4 1/2" valve in tbg. Close BOP rams. SI well. SDFN. Will ND BOP & NU frac tree to set pkr and NU WH in the AM before having Frac Tech frac well dn 4 1/2" tbg. Current Operation This AM: Frac.

12/31/09 Remove 4 1/2" valve from tbg. Open BOP rams. ND BOP & NU frac stack wellhead. Set 7" CPW pkr in 24,000# compression flanging wellhead up. Had TRM pump truck pressure test csg backside to test pkr set to 500#. Held good pressure. Had pump truck hold 600# on csg while pumping frac. MIRU Frac Tech pump trucks to frac well dn 4 1/2" P110 PH6 tbg. Frac Tech tested lines to 7300#. Open well with 238# on tubing. Start pumping 48 Bbls 15% HCL acid ahead of pad @ 6 bpm w/ 1402# tbg pressure. Staged to 1428 Bbls 20# Linear Gel pad (consisting of fresh wtr w/ 4.44 gpt Gel, 1.00 gpt NE-100, 1.00 gpt KCL, .25 gpt Biocide, .05 gpt ICI 445, .05 gpt Enzyme Breaker) @ 59.7 bpm w/ 3507#. Staged to .25# 20/40 White sand (5,037#) w/ 478 Bbls 20# Linear Gel pumped. Swept sand w/ 243 Bbls 20# Linear Gel. The following is a break down of proppants/sweeps pumped:

Csg Psi	Bbls Pumped	BPM		Description
3484#	481	60.2	(10,147#)	0 50# (ppg) 20/40 White sand w/ 20# Linear Gel
3432#	240	59.9		Sweep (displace 5# sand from csg w/ 20# Linear Gel)
3461#	482	60.2	(15,237#)	0 75# (ppg) 20/40 White sand w/ 20# Linear Gel
3387#	239	60		Sweep (displace 75# sand from csg w/ 20# Linear Gel)
3414#	724	60	(30,545#)	1 0# (ppg) 20/40 White sand w/ 20# Linear Gel
3362#	240	59.9		Sweep (displace 1 0# sand from csg w/ 20# Linear Gel)
3408#	414	60.4	(21,854#)	1 25# (ppg) 20/40 White sand w/ 20# Linear Gel
3402#	241	60.2		Sweep (displace 1 25# sand from csg w/ 20# Linear Gel)
3391#	193	60.3	(10,059#)	1 25# (ppg) Super LC 20/40 resin coated sand w/ activator
3315#	238	59.6		Sweep (displace 1 25# sand from csg w/ 20# Linear Gel)
3385#	716	60.3	(44,732#)	1 5# (ppg) Super LC 20/40 resin coated sand w/ activator
3321#	230	59.7		Sweep (displaced 1 5# sand from csg w/ 20# Linear Gel)
3391#	237	60.2	(17,305#)	1 75# (ppg) Super LC 20/40 resin coated sand w/ activator
3333#	245	59.6		Sweep (displaced 1 75# sand from csg w/ 20# Linear Gel)
3391#	248	59.9	(20,644#)	2 0# (ppg) Super LC 20/40 resin coated sand w/ activator
3362#	35	59.7		Flush 2 Bbls short of top perf w/ 20# Linear Gel

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

Fairchild 24 #1

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

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

12/31/09 Shutdown pumps. ISDP @ 1566#. 5 min- 1501#, 10 min- 1472#, 15 min- 1466#. Treating pressures: MAX- 3781#, MIN- 1419#, AVG- 3402#. Injection rates: Treating fluid- 60 bpm, Flush- 59.7 bpm. RDMO Frac Tech pump trucks. Have 7399 Bbbs load wtr to recover. RU Pro well testing flowback flange up to wellhead. Left well shut in overnight for resin to set. Will start flowing well back to frac tank in the AM. Pumped a total of 92,740# Super LC 20/40 proppant and 82,820# Of 20/40 White sand into well bore.

Current Operation: Flow well back to frac tank after Frac Tech fluid job.

01/01/10 Started flowing well back @ 11:30 AM on 1-1-10 (Friday morning after frac on Thursday). Opened csg w/ 1220# to flow well back @ 20 bph to frac tank. The following is a breakdown of the flowback results: (Have a total of 7399 Bbbs load to recover after frac).

Time	Csg psi	Choke size	Gauge	Bbbs flowed/hr	Remarks
12:00 PM	1210#	10/64"	4'-5" (200)	20	
1:00	1200#	10/64"	4'-8" (215)	15	Opened choke to 11/64"
2:00	1200#	11/64"	5'- 1" (241)	26	Opened choke to 13/64"
3:00	1170#	13/64"	0'-9" (16)	35	Hauled 260 Bbbs wtr to dispo:
4:00	1160#	13/64"	1'- 6" (44)	28	
5:00	1160#	13/64"	2'- 2" (75)	31	

From 11:30 AM 1-1-2010 to 5:00 PM the well flowed back 155 Bbbs wtr & csg psi fell to 1160#. Well flowed back a total of 155 Bbbs in 5 1/2 hrs. Still have 7244 Bbbs load to recover. Will flow well to frac tank overnight and monitor.

Current Operation: Flow well back to frac tank after Frac Tech job.

01/02/10 Well flowed back 475 Bbbs from 5:00 PM on 1-1-10 to 6:00 AM 1-2-2010. Have 920# csg pressure flowing well back @ 30 bph to frac tank. The following is a breakdown of the flowback results: (Total of 7399 Bbbs load to recover after frac).

	Time	Csg psi	Choke size	Gauge	Bbbs flowed/hr	Remarks
1-1	6:00 PM	1140#	13/64"	2'-9.5" (107)	32	
Fri	7:00	1120#	14/64"	3'-6" (146)	39	
	8:00	1120#	10/64"	4'- 3" (190)	44	
	9:00	1100#	10/64"	4'- 9" (219)	29	
	10:00	1080#	10/64"	5'- 5" (260)	41	
	11:00	1060#	10/64"	6'- 0" (297)	37	
	12:00 AM	1050#	10/64"	6'- 8" (335)	38	Equalized wtr into 2 frac tank
	1:00	1010#	10/64"	4'- 2" (186) 2 t.e.	37	
	2:00	1000#	10/64"	4'- 6" (205) 2 t.e.	38	
	3:00	1000#	11/64"	4'- 10" (224) 2 t.e.	38	
	4:00	980#	11/64"	5'- 2" (245) 2 t.e.	42	
	5:00	960#	11/64"	5'-5" (260) 2 t.e.	30	
	6:00	940#	12/64"	5'-8" (275) 2 t.e.	30	475 Bbbs + 155 accum = 630
1-2	7:00	920#	12/64"	5'- 11" (292) 2 t.e.	34	
Sat	8:00	890#	12/64"	6'-4" (315) 2 t.e.	46	
	9:00	880#	12/64"	5'- 6.5" (268) 2 t.e.	36	Hauled 130 Bbbs wtr to dispo:

Nearburg Producing Company**TIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELL****Fairchild 24 #1**

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

1/2/2010	10:00	860#	12/64"	4'-8" (215) 2 t.e.	24 Hauled 130 Bbls wtr to dispo:
cont	11:00	840#	11/64"	5'- 1" (241) 2 t.e.	52
	12:00 PM	830#	11/64"	4'- 4" (195) 2 t.e.	38 Hauled 130 Bbls wtr to dispo:
	1:00	800#	10/64"	2'- 5" (87) 2 t.e.	44 Hauled 260 Bbls wtr to dispo:
	2:00	795#	10/64"	2'- 9" (105) 2 t.e.	36
	3:00	780#	10/64"	3'- 0" (118) 2 t.e.	26 Hauled 130 Bbls wtr to dispo:
	4:00	760#	10/64"	2'- 4" (75) 2 t.e.	44
	5:00	720#	10/64"	2'- 8" (100) 2 t.e.	50 630 Bbls + 430 today = 1060

From 7:00 AM 1-2-2010 to 5:00 PM the well flowed back 430 Bbls wtr & csg psi fell to 720#. Well flowed back a total of 1060 Bbls in 29 1/2 hrs. Still have 6339 Bbls load to recover. Will flow well to frac tank overnight and monitor.

Current Operation:Flow well back to frac tank after Frac Tech frac job.

01/03/10 Well flowed back 362 Bbls from 5:00 PM on 1-2-10 to 6:00 AM 1-3-2010. Have 515# csg pressure flowing well back @ 30 bph to frac tank. The following is a breakdown of the flowback results: (Total of 7399 Bbls load to recover after frac).

	Time	Csg psi	Choke size	Gauge	Bbls flowed/hr	Remarks
1-2	6:00 PM	700#	9.5/64"	3'- 0" (118) 2 t.e.	36	
Sat	7:00	680#	9.5/64"	3'- 3" (132) 2 t.e.	28	
	8:00	670#	9.5/64"	3'- 6" (146) 2 t.e.	28	
	9:00	665#	10/64"	3'- 9" (160) 2 t.e.	28	
	10:00	650#	10/64"	4'- 0" (175) 2 t.e.	30	
	11:00	640#	10/64"	4'- 2" (185) 2 t.e.	20	
	12:00 AM	630#	10/64"	4'- 5" (200) 2 t.e.	30	Equalized wtr into 2 frac tanks
	1:00	605#	10/64"	4'- 8" (215) 2 t.e.	30	
	2:00	580#	10/64"	4'- 10" (224) 2 t.e.	18	
	3:00	560#	10/64"	5'- 1" (241) 2 t.e.	34	
	4:00	550#	10/64"	5'- 4" (255) 2 t.e.	28	
	5:00	540#	10/64"	5'- 6" (265) 2 t.e.	20	
	6:00	525#	10/64"	5'- 9" (281) 2 t.e.	32	362 Bbls + 1060 accum = 1422 Bbl
1-3	7:00	515#	10/64"	6'- 0" (295) 2 t.e.	28	
Sun	8:00	500#	10/64"	6'- 3" (310) 2 t.e.	30	
	9:00	455#	10/64"	6'- 7" (330) 2 t.e.	40	
	10:00	440#	11/64"	6'- 11" (349) 2 t.e.	38	
	11:00	420#	11/64"	5'- 2" (245) 2 t.e.	52	Hauled 260 Bbls wtr to disposal
	12:00 PM	400#	11/64"	2'- 1" (70) 2 t.e.	40	Hauled 390 Bbls wtr to disposal
	1:00	380#	11/64"	0'- 11" (21) 2 t.e.	32	Hauled 130 Bbls wtr to disposal
	2:00	360#	11/64"	0'- 16" (37) 2 t.e.	32	
	3:00	340#	11/64"	1'- 9" (55) 2 t.e.	36	
	4:00	320#	11/64"	2'- 2" (75) 2 t.e.	40	
						1422 Bbls + 408 today = 1830
	5:00	300#	11/64"	2'- 6" (95) 2 t.e.	40	accumulated

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

Fairchild 24 #1

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

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

1/3/2010 From 7:00 AM 1-3-2010 to 5:00 PM the well flowed back 408 Bbls wtr & csg psi fell to
cont 300#. Well flowed back a total of 1830 Bbls in 53 1/2 hrs. Still have 5565 Bbls load to
recover. Will flow well to frac tank overnight and monitor. Released Pro flowback hand.
Pumper will gauge flowback.

Current Operation: Flow well back to frac tank after Frac Tech frac job.

01/04/10 Well flowed back 364 Bbls from 5:00 PM on 1-3-10 to 7:00 AM 1-4-2010. Had 180# csg
pressure flowing well back @ 30 bph to frac tank. The following is a breakdown of the
flowback results: (Total of 7399 Bbls load to recover after frac).

	Time	Csg psi	Choke size	Gauge	Bbls flowed/hr	Remarks
1-4	8:00 AM	160#	13/64"	5'- 11" (290) 2 t.e.	26	
Mon	9:00	140#	13/64"	6'- 2" (305) 2 t.e.	30	Opened choke to 15/64"
	10:00	110#	15/64"	6'- 4" (315) 2 t.e.	20	Opened choke to 18/64"
	11:00	100#	18/64"	6'- 8" (335) 2 t.e.	40	Opened choke to 22/64"
	12:00	50#	22/64"	7'- 0.5" (357) 2 t.e.	44	
	1:00 PM	20#	22/64"	6'- 4" (315) 2 t.e.	46	Hauled 130 Bbls wtr to disposal
	2:00	10#	full open	6'- 8" (335) 2 t.e.	40	
	3:00	10#	full open	6'-11.5"(352)2 t.e.	34	Emptied 70 Bbls from heater treatat
	4:00	10#	full open	6'- 10" (345) 2 t.e.	46	Hauled 60 Bbls wtr to disposal
	5:00	10#	full open	5'- 11" (290) 2 t.e.	20	Hauled 130 Bbls wtr to disposal

From 7:00 AM 1-4-2010 to 5:00 PM the well flowed back 346 Bbls wtr & csg psi fell to
10#. Well flowed back a total of 2522 Bbls in 77 1/2 hrs. Still have 4877 Bbls load to
recover. Will flow well to frac tank overnight and monitor. Pumper will gauge flowback.

Current Operation: Flow ell back to frac tank after Frac Tech frac job.

01/05/10 The well flowed back 314 Bbls wtr from 5:00 PM 1-5-10 to 8:00 AM 1-5-10 (this
morning). Flowed back 2836 Bbls in 92 1/2 hrs (avg 30.65 bph). At 7:00 AM had 5# csg
pressure and still flowing approx 5 bph. Have 4563 Bbls load left to recover. Had TRM vac
truck tie onto csg and pull free flowing wtr while ND frac stack & NU BOP. Recovered
another 60 Bbls wtr on vac truck bringing total recovered to 2896 Bbls. POOH & LD w/
77 jts- 4 1/2" P110 PH6 tubing, 2 7/8" API SSN, 2 7/8" x 7" Cline CPW compression pkr
w/ unloader. LD pkr. Had Weatherford come load all 78 jts- 4 1/2" tbg on truck w/ forklift
and take back to their yard. PU & RIH w/ 6 1/4" drill bit (used), x-over bit sub, 125 jts- 2
7/8" J-55 6.5# EUE 8rd tubing. Tag TOF (sand) @ 3879' by tbg tally. Have 188' of sand
above TOC @ 4067'. Have 908' of rathole below bottom perforation (2791'). No need to
clean out sand. POOH & LD 24 jts- 2 7/8" J-55 tbg on pipe racks and stood back 102 jts-
2 7/8" J-55 6.5# EUE 8rd tubing in derrick. LD x-over bit sub & used 6 1/4" drill bit. RIH
w/ 2 jts- 2 7/8" J-55 tbg (open ended as tail pipe), new 2 7/8" Slotted Seat Nipple, new 2
7/8" API Standard Seat Nipple, 100 jts- 2 7/8" J-55 6.5# EUE 8rd tbg. ND BOP & NU
WH. Put TIW valve in pumping tee. Open csg into flowline to frac tank overnight. SDFN.
Will RIH w/ pump & rods in the AM.

Current Operation: PU pump & rods, put well on production.

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

Fairchild 24 #1

Unit E, Section 24, T19S, R25E, 21,00' FNL and 900' FWL

Boyd Morrow

Eddy County, New Mexico

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

01/06/10 The well flowed back 109 Bbls wtr from 8:00 PM 1-5-10 to 8:00 AM 1-6-10 (this morning). Flowed back 2945 Bbls in 116 1/2 hrs. Have 4454 Bbls load left to recover. Had TRM vac truck tie onto tbg and pull free flowing wtr while RIH w/ pump and rods. Recovered another 60 Bbls wtr on vac truck bringing total recovered to 3005 Bbls. PU & RIH w/ new 2 1/2" x 1 1/2" x 12' RWBC HVR pump w/ SCID Bbl (+.001"), 1 1/2" x 4' SM plngr (-.003"), DV T/C b&s, 1' LS & SRG w/ 1 1/4" x 16' gas anchor, (8) 1 3/8" x 25' Grade K sinker bars w/ 3/4" pins & FHTC, (114) 3/4" x 25' "KD" rods w/ FHTC, (4) 3/4" x 8' x 4' x 4' x 2' "KD" pony rod subs w/ FHTC, 1 1/4" x 22' PR w/ 1 1/2" x 12' PRL. Space pump 9" off btm. Pressured tbg to 500# w/ pumping unit. Held good pressure. Had good pump action. Had S&B roustabout crew build wellhead and tie into flowline. RWI roustabout crew hooking up separator & working on heater treater. Had Dean's electric run power & set panel for pumping unit. Pumping unit @ 8 SPM. Put well on production bypassing separation equipment until well starts producing gas @ 5:30 PM. Will clean location tomorrow. FINAL REPORT. *Producing minimally as of 1-6-10.

Current Operation: Clean location