

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

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

Form C-103
June 19, 2008

MAY 29 2009

WELL API NO. 30-015-26818
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: Covert Com
8. Well Number 2
9. OGRID Number 015742
10. Pool name or Wildcat Dagger Draw; Upper Penn. North
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3575.4

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 D : 660 feet from the North line and 660 feet from the West line Section 6 Township 20S Range 25E NMPM County Eddy
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3575.4

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: TA Extension ☒

SUBSEQUENT REPORT OF:

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

OTHER: ☐

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 requests a TA extension on the subject well. The well has Wolfcamp potential but with current oil and gas prices, we find that it will not be economic to do this at this time.

LAST PRODUCTION REPORT 7/1/1997. TA STATUS EXPIRES 10/21/09.
A FINAL TA EXTENSION WILL BE GRANTED IF THE WELL PASSES AN
MIT TEST FIRST. FINAL EXTENSION WILL BE FOR 6 MONTHS
ONLY.

RICHARD INGE - NMOLD

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 Production Analyst DATE 5-27-09
Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com PHONE 432/686-8235

For State Use Only

APPROVED BY RICHARD INGE TITLE COMPLIANCE OFFICER DATE 6/4/09
Conditions of Approval (if any):

MAY 29 2009

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX 432/686-7806

May 27, 2009

Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88210

RE: Covert 91 Prospect.
Eddy County, New Mexico
Request for TA Extension - Covert No 2 Well
660' FNL and 660' FWL
Section 6, T-20-S, R-25-E, N.M.P.M.
API No. 30-015-26818

Ladies and Gentlemen:

Nearburg Producing Company respectfully submits the attached Sundry Notice (Form C-103) wherein we are requesting an extension to the captioned well's TA status.

Nearburg has identified potentially productive zones in the Covert No 2 Well; however, in connection with the downturn in oil and gas prices, Nearburg feels that it would be more economic if such completion attempt(s) were made in the future

It is Nearburg's opinion that if we are forced to plug and abandon this well, the result will be the loss of potentially recoverable oil and gas reserves.

Should you have any questions or need additional information regarding this matter, please give me a call.

Very truly yours,

NEARBURG PRODUCING COMPANY



Linda K. Fieseler
Land Associate

/s/ Linda K. Fieseler, Land Associate, Nearburg Producing Company, 3300 North "A" Street, Building 2, Suite 120, Midland, Texas 79705, 432/686-8235, 432/686-7806

Attachment

Form C-103, Sundry Notice, Covert No 2 Well, Section 6, T-20-S, R-25-E, N.M.P.M., API No. 30-015-26818

cc: Mr. [Name], [Address]

cc: Mr. [Name], [Address]
cc: Mr. [Name], [Address]
cc: Mr. [Name], [Address]

Land\Prospects\Covert91\OCD-Covert#2Well