

RECEIVED

2009 MAR 3 PM 2 44

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

(505) 982-2043 (Phone)  
(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

March 3, 2009

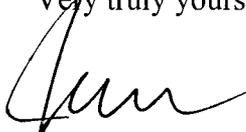
Florene Davidson  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

*Case 14296*

Dear Florene:

Enclosed for filing, on behalf of Nearburg Producing Company, are an original and one copy of an application to extend the TA status of a well, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the March 31, 2009 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Nearburg Producing Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED

2003 MAR 3 PM 2 44

APPLICATION OF NEARBURG PRODUCING  
COMPANY FOR AN EXTENSION OF THE  
TEMPORARY ABANDONMENT STATUS OF  
ONE WELL, EDDY COUNTY, NEW MEXICO.

Case No. 14296

APPLICATION

Nearburg Producing Company, for its application, states:

1. Applicant is the operator of the Parino Well No. 1, located 1980 feet from the south line and 660 feet from the east line of Section 23, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico (API No. 30-015-23049).
2. The Parino Well No. 1 was drilled in 1979 to the Morrow formation, and was plugged and abandoned. Subsequently, the well was re-entered and completed in the Morrow formation (in 1984), the Strawn formation (in 1988), and the Upper Pennsylvanian formation (in 1997). It was temporarily abandoned on June 27, 2001, and a five year extension was approved by the Division on September 20, 2003.
3. Applicant filed an Application for Permit to Drill ("APD") with the Division on May 29, 2008, proposing a test of the Glorieta-Yeso formation (Undesignated North Seven Rivers Glorieta-Yeso Pool). **Exhibit A.**
4. After filing the APD, applicant was granted a final administrative extension of the temporary abandonment status of the Parino Well No. 1 through March 16, 2009. **Exhibit B.** The well passed an MIT test on October 2, 2008.
5. Applicant has not commenced re-entry operations on the Parino Well No. 1 due to decreasing oil prices commencing last summer, coupled with drilling costs that have only recently started to decline.

6. Applicant requests a one year extension of the temporary abandonment status of the Parino Well No. 1, through March 16, 2010, so that the re-entry can become more economic.

7. Applicant has no out-of-compliance wells.

8. The granting of this application will prevent waste and protect correlative rights.

**WHEREFORE**, applicant requests that, after notice and hearing, the Division enter its order approving a one year extension of the temporary abandonment status of the Parino Well No. 1 under such reasonable conditions which the Division may impose.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Bruce". The signature is written in black ink and is positioned above a horizontal line.

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attorney for Nearburg Producing Company



District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, 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 & Natural Resources  
MAY 29 2008

Oil Conservation Division  
1220 S. St. Francis Dr.  
Santa Fe, NM 87505

OCD-ARTESIA

Submit to appropriate District Office

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		<sup>2</sup> OGRID Number 015742
		<sup>3</sup> API Number 30- 15-23049
<sup>4</sup> Property Code	<sup>5</sup> Property Name Parino	<sup>6</sup> Well No 1
<sup>9</sup> Proposed Pool 1 Undesignated; Glorieta/ Yeso		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
I	23	19S	25E		1980	South	660	East	Eddy

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County

Additional Well Location

<sup>11</sup> Work Type Code Plugback	<sup>12</sup> Well Type Code 0	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 3417
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 9460	<sup>18</sup> Formation Glorieta/ Yeso	<sup>19</sup> Contractor Mesa	<sup>20</sup> Spud Date 6/15/08
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48	417	700	NA
12-1/4	9-5/8	36	2501	1500	NA
8 3/4	4-1/2	11.6	9460	1375	4500
All csg is existing					

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to plugback the well to evaluate the Yeso formation. Perf, test and stimulate as necessary to establish production.

See attached procedure.

NOTE: NEW PIT RULE

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines  a general permit , or an (attached) alternative OCD-approved plan .  
Signature: *[Signature]*

OIL CONSERVATION DIVISION

Approved by: *[Signature]*  
Title: *District II Supervisor*

Printed name: Sarah Jordan  
Title: Production Analyst

Approval Date: *5/29/08* Expiration Date: *5/29/10*

E-mail Address: s.jordan@nearburg.com

Date: Phone: 432/686-8235 x 203

Conditions of Approval:  
Attached

EXHIBIT **A**

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1361 W. Grand Avenue, Artesia, NM 88210  
District III  
1300 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number	<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
	97482	North Seven Rivers; Gbrieth Noso
<sup>4</sup> Property Code	<sup>5</sup> Property Name	<sup>6</sup> Well Number
	Parino	1
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name	<sup>9</sup> Elevation
015740	Nearburg Producing Company	3417

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	23	105	25E		1980	S	660	E	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
40			

No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16					<b><sup>17</sup> OPERATOR CERTIFICATION</b>	
	I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this operation either owns a working interest or released mineral interest in the land including the proposed bottom hole location of this well to drill this well in this location pursuant to agreement with an owner of gas, oil, mineral or working interest, or to a voluntary pooling agreement or a unitization pooling agreement covered by the laws of.					
	Signature				Date	
	S. Jordan				5/29/08	
				<b><sup>18</sup> SURVEYOR CERTIFICATION</b>		
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.						
Date of Survey				Signature and Seal of Professional Surveyor		
				Certificate Number		

Parino

#1

Page 2 of 3

**RECOMMENDED PROCEDURE:**

Mark the Upper Penn and Glendale/Venue and B&O OAD zones (if S at hazardous levels)

- 1) MIRU PU. RIH w/2-3/8" tbg to PBD 7715' and circulate abandonment mud to 3500'. POH w/tbg.
- 2) RU JSI to run CBI from 5500' to 5000' on the 1st pass w/no pressure then a pass from 5500' to 500' above the TOC with 500#. Have JSI set CIBP @ 6610' and cap w/35' cmt. Have JSI perf 4 sqz holes @ 3950'. RD JSI.
- 3) RIH w/CICR on 2-3/8" tbg to 3850'. Set CICR and establish circulation. Cmt 4.5" casing to the surface. PUH and leave 100' cmt on CICR. RU EJ.
- 4) POH w/tbg. RIH w/3-7/8" bit to TOC. POH w/bit & tbg. Test casing to 4000#.

5) RU JSI to perf the following intervals with premium charges (4.5" Casing in 8-3/4" hole):

2704'	2689'	2635'	2614'	2612'	2602'	2597'
2573'	2569'	2561'	2550'	2543'	2526'	2521'
2519'	2508'	2502'				

With 1 spf premium charges correlated to Schlumberger Compensated Neutron - Formation Density log dated 12/15/79 Run One. RD JSI.

6) RIH w/2-3/8" J-55 tbg to 2400' with 4.5" trtg pkr. Pickle tbg w/300g Xylene and 1000g 15% NEFE pump down tbg and out BS to clean both tbg & 4.5" casing. Set trtg pkr. Hold 500# on BS while breaking down the perforations.

7) RU EJ to Break down perfs with 2000g 15% NEFE HCL in stages as follows:

- a) Pump 500g 15% NEFE HCL
- b) Drop 5 7/8" 1.3 balls
- c) Pump 250g 15% NEFE HCL
- d) Drop 5 7/8" 1.3 balls
- e) Pump 250g 15% NEFE HCL
- f) Drop 5 7/8" 1.3 balls
- g) Pump 250g 15% NEFE HCL
- h) Drop 5 7/8" 1.3 balls
- i) Pump 250g 15% NEFE HCL
- j) Drop 5 7/8" 1.3 balls
- k) Pump 500g 15% NEFE HCL
- l) Displace to btm perf w/2% KCL

Let acid spend 1-1.5 hrs. Flow back acid load. Rise pkr and RIH to make sure balls are cleared off perfs. POH w/tbg & pkr.

8) RU EJ to Frac well as follows at 60 bpm down casing:

Stage	Fluid	Vol(g)	ppg	Prop	Stage#	CumW's
1	Gelled 3% Acid	20,000	Pre-PAD			
2	Gelled 3% Acid	5,000	.5	20/40 SLC	2,500	2,500
3	Gelled 3% Acid	20,000	.PAD			
4	Gelled 3% Acid	10,000	.1	LiteProp 14/30	1,000	3,500
5	Gelled 3% Acid	20,000	.2	LiteProp 14/30	4,000	7,500
6	Gelled 3% Acid	20,000	.3	LiteProp 14/30	6,000	13,500
7	Gelled 3% Acid	10,000	.4	LiteProp 14/30	4,000	17,500
8	Gelled 3% Acid	10,000	.5	SLC 20/40	5,000	22,500
9	Gelled 3% Acid	10,000	.75	SLC 20/40	7,500	30,000
10	Gelled 3% Acid	10,000	1	SLC 20/40	10,000	40,000
11	Gelled 3% Acid	10,000	1.5	SLC 20/40	15,000	50,000
12	Fresh Water	1,591	FLUSH			

Get 15IP, 5 min, 10 min & 15 min SIP's. RD EJ.

9) SJ Overnight to let resin coated sand stabilize.

10) Flowback well till it dies then run 2-3/8" tbg and 3 1-3/8" K bars + 3/4" KD rods and ponfes to surface. Use new C30-119-54 weatherford units.

# CURRENT WELLBORE DIAGRAM

LEASE: <u>Pavino</u>	WELL: <u>#1</u>	FIELD: _____	API: <u>30-015-23049</u>
LOC: <u>1989' FSL &amp; 669' FEL</u>	SEC: <u>23</u>	BLK: _____	Reservoir _____
SVY: <u>Sec 23 T19S 25E</u>	GL: <u>3417.2'</u>	CTY/ST: <u>Eddy / NM</u>	SPUD: <u>10/3/1983</u>
CURRENT STATUS: <u>TA'd</u>	KB: <u>3431.6'</u>	DE: _____	TD DATE: <u>10/6/1983</u>
			COMP. DATE: <u>3/29/1984</u>

FRESH WATER  
DEPTH:

HOLE SIZE: 17 5"  
SURF CSG & SIZE: 13-3/8" 48#  
SET @: 417'  
SXS CMT: 700 sx  
CIRC: Yes  
TOC AT:  
TOC BY:

COMMENTS:

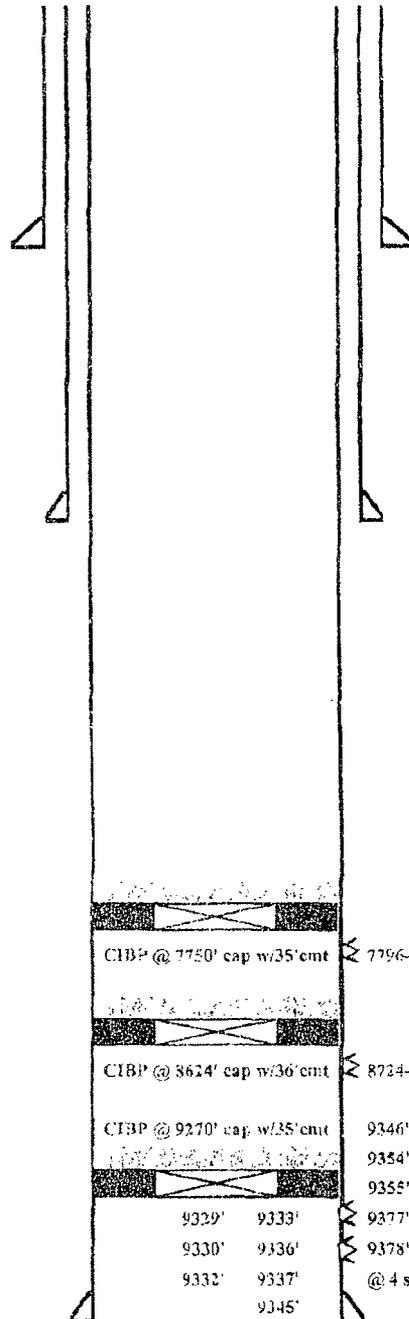
HOLE SIZE: 12.25"  
INT. CSG & SIZE: 9-5/8" 36#  
SET @: 250'  
SXS CMT: 1500 sx  
CIRC: Yes  
TOC AT:  
TOC BY:

\*\*\*\*\*GEOLOGY\*\*\*\*\*  
TOPS OF ALL ZONES  
PRODUCTIVE OF HYDRO-  
CARBONS:  
San Andres: 1010'  
Glorieta: 2409'  
Wolfcamp: 6610'  
Penn: 7718'  
Strawn: 8240'  
Atoka: 8900'  
Morrow: 9280'  
CURRENT PERFS:

TBG:  
JTS:  
SN:  
TAC:  
ROD SIZE:

PKR:  
TYPE:

OH ID:  
COID:  
PBD: 9375'  
TD: 9460'



Casing detail: 236 jts total. 47 jts 4.5" 8rd 11.6# LT&C N-80 (1968')  
189 jts 4.5" 8rd LT&C 11.6# J-55 (7502')

9346' HOLE SIZE: 8-3/4"  
9354' PROD. CSG & SIZE: 4.5" 11.6# N-80, & J-55  
9355' SET @: 9460'  
9377' SXS CMT: lead 950 sx 50/50 Poz tailed w/425 sx H  
9378' CIRC: No  
@ 4 spf TOC AT: 4560'  
TOC BY: RS

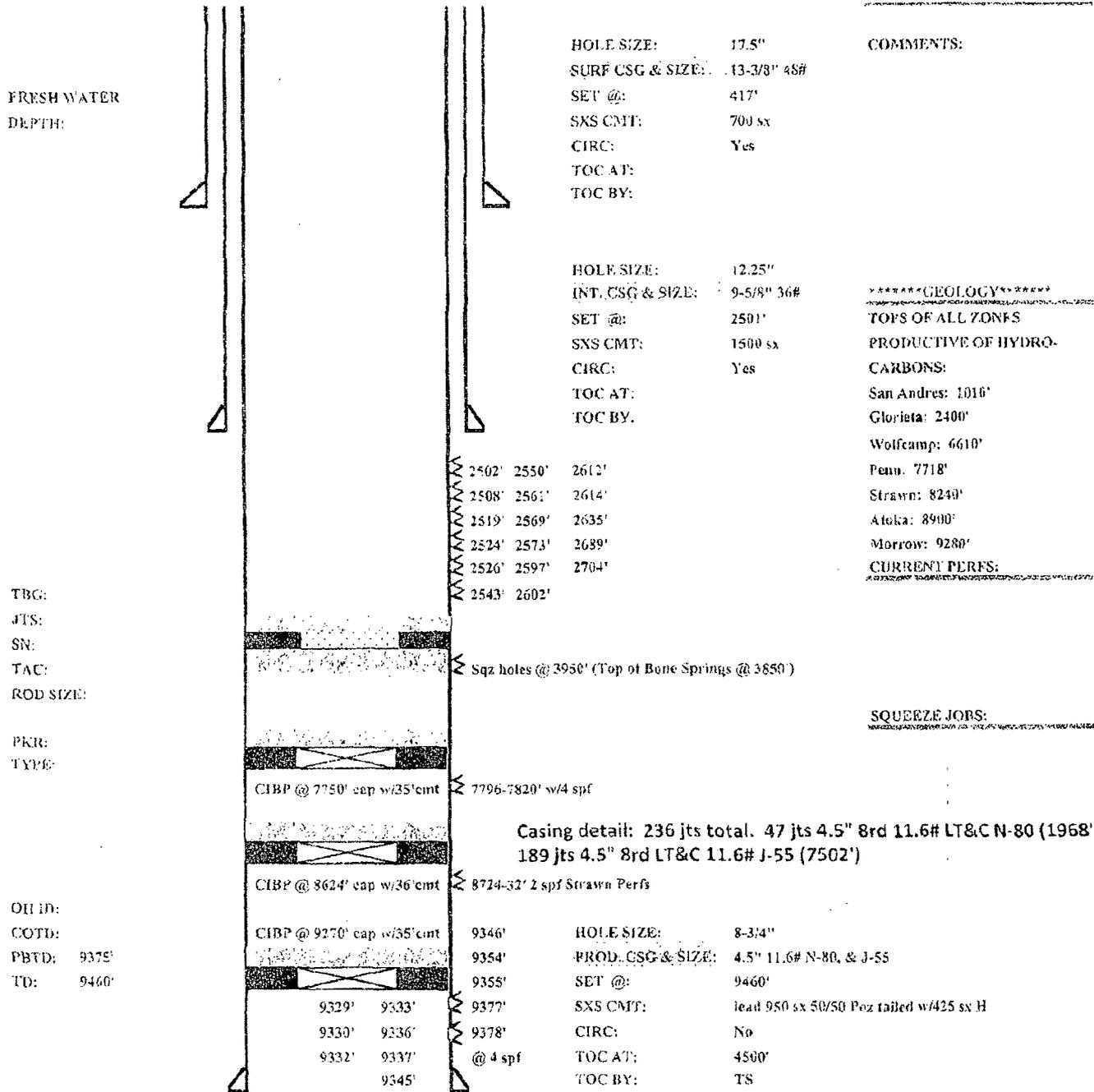
BY: BHW  
5/29/2008

OPEN HOLE:

LINER:

# PROPOSED WELLBORE DIAGRAM

LEASE: Parlor	WELL: #1	FIELD:	API: 30-015-23049
LOC: 1980' FSL & 660' FFL	SEC: 21	BLK:	Reservoir
SVY: Sec 23 T19S 25E	GL: 3417.2'	CTY/ST Eddy / NM	SPUD: 10/3/1983
CURRENT STATUS: TA'd	KB: 3431.6'	DF:	TD DATE: 10/6/1983
			COMP. DATE: 3/29/1984



FRESH WATER  
DEPTH:

TBG:  
JTS:  
SN:  
TAC:  
ROD SIZE:

PKR:  
TYPE:

OH ID:  
COTD:  
PBSD: 9375'  
TD: 9460'

2502'	2550'	2612'
2508'	2561'	2614'
2519'	2569'	2635'
2524'	2573'	2639'
2526'	2597'	2704'
2543'	2602'	

Sqz holes @ 3950' (Top of Bone Springs @ 3850')

CIBP @ 7750' cap w/35'cmt 7796-7820' w/4 spf

CIBP @ 8624' cap w/36'cmt 8724-32' 2 spf Strawn Perfs

9329'	9333'
9330'	9336'
9332'	9337'
	9345'

@ 4 spf

BY: BHH  
5/29/2008

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. 30-015-23049
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Parino
8. Well Number 1
9. OGRID Number 015742
10. Pool name or Wildcat Dagger Draw; Upper Penn. North
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3417

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 <input type="checkbox"/>	OCT 30 2008
2. Name of Operator Nearburg Producing Company	OCD-ARTESIA
3. Address of Operator 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705	
4. Well Location Unit Letter <u>I</u> : <u>1980</u> feet from the <u>South</u> line and <u>660</u> feet from the <u>East</u> line Section <u>23</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

SUBSEQUENT REPORT OF:

- REMEDIAL WORK  ALTERING CASING   
 COMMENCE DRILLING OPNS.  P AND A   
 CASING/CEMENT JOB   
 OTHER:  OTHER: TA Extension

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 per the attached letter.

Please find attached the chart for the new MIT test that was run and passed.

FINAL T/A EXTENSION

Date of Last Production 7-1-1997  
 Well must be returned to beneficial use or a P/A plan submitted prior to 3-16-2009

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 Sarah Jordan TITLE Production/ Regulatory Analyst DATE 10-29-08

Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com PHONE 432/686-8235

For State Use Only

APPROVED BY \_\_\_\_\_ DATE \_\_\_\_\_

Conditions of Approval (if any):

EXHIBIT



OCT 30 2008  
OCD-ARTESIA

**Nearburg Producing Company**

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

October 29, 2008

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

RE: Boyd, South Prospect.  
Eddy County, New Mexico  
**Request for TA Extension - Parino No 1 Well**  
1,980' FSL and 660' FEL  
Section 23, T-19-S, R-25-E, N.M.P.M.  
API No. 30-015-23049

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.

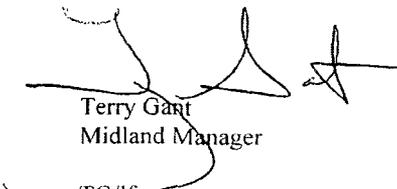
Nearburg has identified potentially productive zones in the Parino No 1 Well; however, in connection with the abrupt downturn in oil and gas prices, along with current high service company costs, Nearburg feels that it would be more economic if such completion attempt(s) were made in the future. You will note that the subject well has recently passed its mechanical integrity test, with the chart pertaining to such test attached to the Sundry.

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.

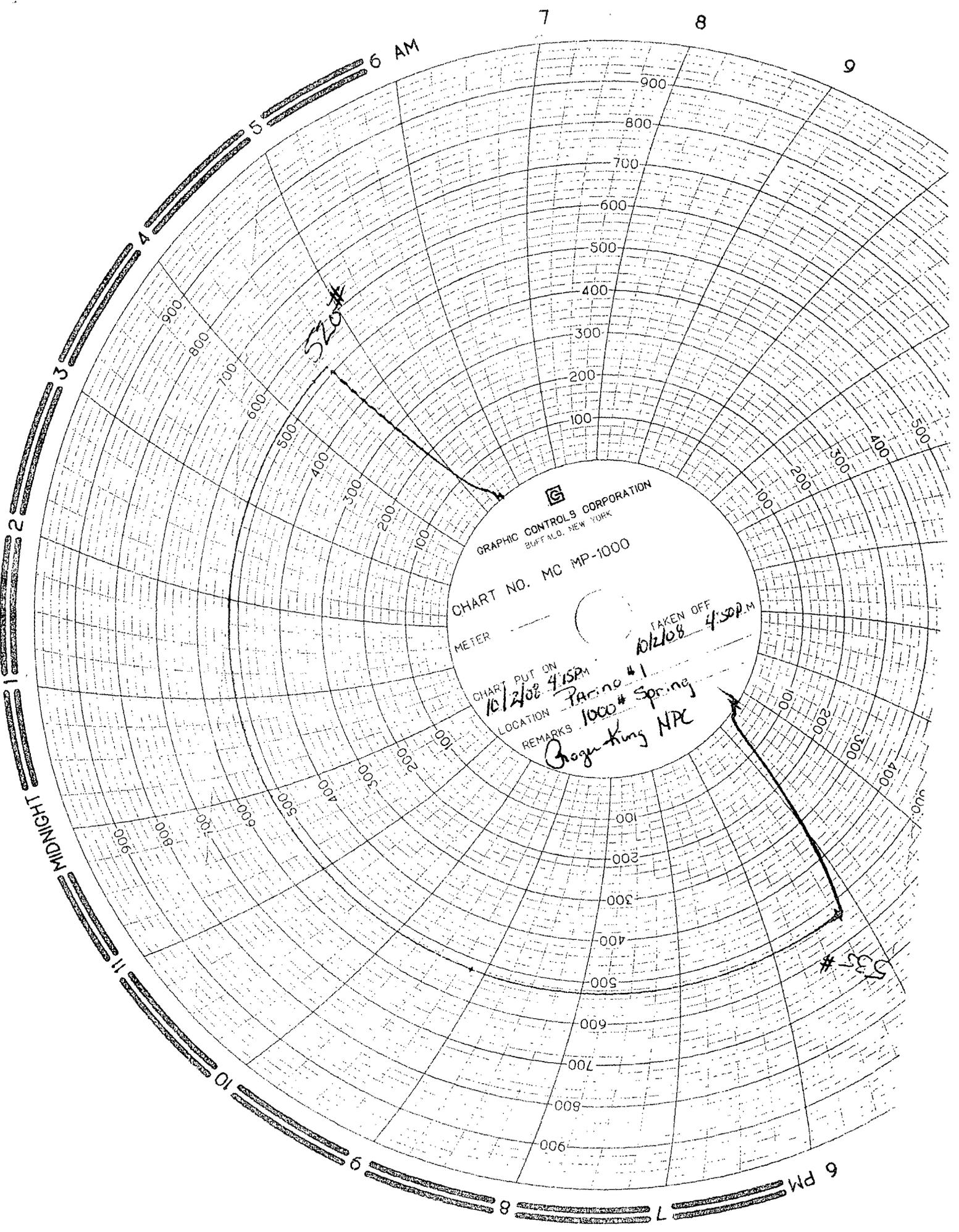
Very truly yours,

NEARBURG PRODUCING COMPANY

  
Terry Gant  
Midland Manager

TG/HF

Attachment



PROPOSED ADVERTISEMENT

Case No. 14296 :

*Application of Nearburg Producing Company for an extension of the temporary abandonment status of one well, Eddy County, New Mexico.* Applicant seeks an order extending the temporary abandonment status of the Parino Well No. 1 (API No. 30-015-23049), located 1980 feet from the south line and 660 feet from the east line of Section 23, Township 19 South, Range 25 East, NMPM, until March 16, 2010. The unit is located approximately 4-1/2 miles northwest of Seven Rivers, New Mexico.

RECEIVED  
2009 MAR 3 PM 2 44