

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 11, 2008

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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.)		WELL API NO. 30-025-34471 ✓
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Nearburg Producing Company		6. State Oil & Gas Lease No.
3. Address of Operator 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		7. Lease Name or Unit Agreement Name: Cuerno 4 State ✓
4. Well Location Unit Letter <u>C</u> : <u>660</u> feet from the <u>North</u> line and <u>1750</u> feet from the <u>West</u> line Section <u>4</u> Township <u>22S</u> Range <u>35E</u> NMPM County <u>Lea</u>		8. Well Number <u>1</u> ✓
11. Elevation (Show whether DR, RKB, RT, GR, etc.) <u>3624</u>		9. OGRID Number <u>015742</u> ✓
10. Pool name or Wildcat Undesignated; Morrow ✓		

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: plug back ☒

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.

See attached for work performed during plugback

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 S Jordan TITLE Regulatory Analyst DATE 11/1/10

sjordan@nearburg.com

Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com PHONE 432/816-2950

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE MAR 29 2011

Conditions of Approval (if any):

2A San Simon Wolfcamp

Nearburg Producing CompanyTIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELLCuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

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

- 09/01/10 Road rig and crew to location from South Boyd 27 #11 location. Spot rig on location and will rig up in the AM. SDFN.  
Current Operation This AM: POH and LD rods and tbg.
- 09/02/10 MIRU Lucky Services pulling unit. Blow dn tbg pressure. POOH & LD 1 1/4" x 26' PR w/ 1 1/2" x 16' PRL, 7/8" x 4' T-66 pony rod sub. Unseat pump. The portable pumping unit has already been removed from location. Continue to POOH & LD (138) 7/8" x 25' T-66 rods w/ SHTC, (244) 3/4" x 25' T-66 rods w/ FHTC, (47) 3/4" x 25' S-88 rods w/ FHTC, (12) 1 3/8" x 25' Grade K sinker bars w/ 3/4" pins & FHTC, 2" x 1 1/2" x 24' RHBC HVR pump w/ 1" x 16' gas anchor. Pump did not have any fluid in it. Rods & pump had paraffin on them. ND WH. Release TAC. NU BOP. Had Lucky pulling unit crew drag pipe racks from edge of location & set in place. POOH & LD 120 jts- 2 3/8" N-80 4.7# EUE 8rd tubing on pipe racks. Put valve in tubing. Close BOP rams. SDFN. Will finish POOH & LD tbg in the AM.  
Current Operation This AM: Finish POH and LD tbg.
- 09/03/10 Remove valve from tbg. Open BOP rams. POOH & LD 226 jts- 2 3/8" N-80 4.7# EUE 8rd tubing on racks. LD 2 3/8" x 7" TAC w/ 45k shear, 10 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" API Standard Seat Nipple, 2 3/8" Slotted Seat Nipple, 2 jts- 2 3/8" N-80 tbg, 2 3/8" x 4' Perforated Tbg sub (bullplugged). Close BOP blinds. Had Two-State deliver 396 jts- 2 3/8" N-80 tbg from yard (original tbg stored in yard for Morrow formation) set on pipe racks after removing 2 3/8" tbg we just POOH & LD. Load all 2 3/8" tbg and rods and take back to yard. Took back 353 jts- 2 3/8" N-80 tbg (had paraffin buildup inside tbg walls). Also took back (12) 1 3/8" x 25' K-bars w/ 3/4" pins, (47) 3/4" x 25' S-88 rods w/ FHTC, (244) 3/4" x 25' T-66 rods w/ FHTC, (138) 7/8" x 25' T-66 rods w/ SHTC, 7/8" x 4' T-66 pony rod sub, 1 1/4" x 26' PR w/ 1 1/2" x 16' PRL. PU & RIH w/ RBP retrieving head on btm of 2 3/8" API SSN, 360 jts- 2 3/8" N-80 4.7# EUE 8rd tubing leaving EOT @ 11,318'. Put valve on tbg. Close BOP rams. Left csg open into flowline. SDFW. Will continue to RIH to just above RBP & reverse circulate sand off top of RBP on Tuesday AM (after Labor Day holiday). Left 5 jts- 2 3/8" N-80 tbg on location from tbg we LD to have tbg on location when we test back in. Had Lucky Rental reverse unit (pump & pit) MIRU to be ready on Tuesday AM. Will have 500 Bbl frac tank set on Tuesday morning & put 7% KCL wtr w/ Claymaster to circulate well with.  
Current Operation This AM: Reverse circ sand off top of RBP.
- 09/07/10 Remove valve from tbg. Open BOP rams. RIH w/ 3 jts- 2 3/8" N-80 4.7# EUE 8rd tubing to tag sand above RBP. LD tag jt. Had TRM bring a total of 520 Bbls (4 loads) 7% KCL wtr w/ .5 gpt Claymaster 5C and put into frac tank. Had Two-State deliver 500 Bbl frac tank & set on location to store 7% KCL wtr for circulating sand off RBP. Hooked up Lucky reverse unit to pump 7% KCL wtr dn csg & up tbg @ 3-4 bpm after putting EOT just above where we tagged TOS. Pumped all 520 Bbls dn csg and did not get any circulation up tbg. Had TRM bring 2 more loads (260 Bbls) 7% KCL wtr and put into frac tanks. Decided to POOH w/ 2 3/8" tbg & RIH w/ bailer. POOH w/ 362 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" API SSN, RBP retrieving head. RIH w/ RBP retrieving head, (2) 2 3/8" check valves (stacked), 13 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" S&P bailer, 323 jts- 2 3/8" N-80 4.7# EUE 8rd tubing leaving EOT @ 10,130' +/- (above top Wolfcamp perf). Put valve in tbg. Close BOP rams. SI well. SDFN. Will finish RIH to TOS and start bailing sand in the AM.  
Current Operation This AM: Finish RIH w/ tbg.

Nearburg Producing CompanyTIGHT HOLE- PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELLCuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

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

09/08/10 Remove valve from tbg. Open BOP rams. RIH w/ 39 jts- 2 3/8" N-80 4.7# EUE 8rd tubing to tag sand above RBP. Start bailing. Bailed all sand and latched up to RBP. Released RBP by pulling 15k into it and shearing it. RBP hanging up and had to work loose. POOH 349 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" S&F bailer, 13 jts- 2 3/8" N-80 4.7# EUE 8rd tubing (emptying cavity), (2) 2 3/8" check valves (stacked), RBP retrieving head w/ RBP (plug). RBP still in good shape. RIH w/ 2 3/8" x 3.5" On/Off skirt w/ no seals, 254 jts- 2 3/8" N-80 4.7# EUE 8rd tubing. Had 26 jts- 2 3/8" N-80 tbg that had been crimped by the tongs that we LD on ground. Had 142 jts- 2 3/8" N-80 tbg total out of hole (in derrick, on ground and on pipe racks). Put valve in tbg. Put stripper head on top of BOP & close BOP rams. SI well. SDFN. Will have Lucky Rental air/foam unit on location in the AM to circulate sand off top of pkr. Left EOT @ 8000' +/-.

Current Operation This AM: RU Lucky Rental Air/Foam Unit.

09/09/10 Remove valve from tbg. Open BOP rams. MIRU Lucky Rental air/foam unit & blow down pit. Had S&B roustabout gang tie csg into blow dn tank using 2 3/8" tbg hooking in direct (plumbing in target tee's replacing all 90 degree elbows). Had S&B gang bring 40 jts- 2 3/8" N-80 4.7# EUE 8rd tubing from yard for replacement pipe. Took back 25 jts- 2 3/8" N-80 tbg that was crimped. Found another jt tbg that had bad pin totaling 27 bad jts (25 to yard, 2 to hook up blow dn tank). PU & RIH w/ check valve and 1 jt- 2 3/8" N-80 tbg w/ EOT @ 8033' +/- . Start blowing air dn tbg & out csg @ 9:30 AM pumping 30 Bbbls 7% KCL wtr w/ 12 gals soap in 2 hrs. Did not get any foam to surface (good blow fairly quick to blow dn tank). Decided to SD pump & RIH w/ tbg to just above top of liner. Have 255 jts tbg in well need to have 363 jts in well. Unhook hose from tbg. RIH w/ 107 jts- 2 3/8" N-80 tbg , another check valve and 1 jt- 2 3/8" N-80 tbg leaving EOT @ 11435' +/- . Hook back up to tbg. Start blowing air dn tbg (pressuring csg to 550#) then open csg to blow dn tank. Circulate air/foam from 12:30 PM to 3:00 PM having good blow & foam circulation to tank. Pumped 40 Bbbls 7% KCL wtr & 18 gals soap in 2.5 hrs. SD air/foam unit. PU & RIH w/ 32 jts- 2 3/8" N-80 4.7# EUE 8rd tubing to tag TOS @ 12431' +/- in 4 1/2" csg above pkr (approx 42' sand). PU swivel on jt#32. Start blowing air/foam dn tbg and out csg to wash dn through sand. SD air/foam unit. PU jt#33 (396 jts total in well) on swivel. Start blowing air/foam again washing out sand to pkr. Latched up to pkr. Released from On/Off. Put EOT just above pkr and blew air/foam to clean top of plug in pkr for 2 hrs. Pumped 30 Bbbls 7% KCL wtr w/ 9 gals soap. SD air/foam unit. POOH & LD swivel, 33 jts- 2 3/8" N-80 tbg to get EOT above top of liner. Put valve in tbg. Close BOP rams. SI well. SDFN. Will RIH w/ tbg to top of pkr to make sure plug is clean once again in the AM before POOH w/ tbg.

Current Operation This AM: RIH w/ tbg.

09/10/10 Remove valve from tbg. Open BOP rams. RIH w/ 32 jts- 2 3/8" N-80 tbg to tag top of sand 20' above pkr. Had 20' of sand come back overnight. PU swivel on jt#32 and start blowing air/foam dn tbg to build pressure and start circulating to blow dn tank. Had trouble with air/foam unit on intermediate stage pressure (climbing too high & popping the pressure relief valve) shutting dn unit. Tried to repair, but each time the relief valve would pop off. Decided to RDMO Lucky Rental air/foam unit and bail sand to top of pkr. LD swivel & POOH w/ 32 jts- 2 3/8" N-80 tbg, air/foam in-line check valve, 250 jts- 2 3/8" N-80 tbg, another in-line check valve, 112 jts- 2 3/8" N-80 tbg, On/Off tool w/ no seals. Replace On/Off tool w/ no seals for another and RIH w/ (2) 2 3/8" check valves (stacked), 14 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, S&P bailer, 350 jts- 2 3/8" N-80 tbg leaving EOT @ 11,411' +/- (above top of liner). Put valve in tubing. Close BOP rams. SI well. SDFN. Will finish RIH w/ tbg to bail sand to top of pkr on Monday AM.

Current Operation This AM: RIH w/ tbg and bail sand.

Nearburg Producing CompanyTIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELLCuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

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

- 09/13/10 Remove valve from tbg. Open BOP rams. RIH w/ 32 jts- 2 3/8" N-80 tbg to tag top of sand 20' above pkr. Had no more sand come in over the weekend. Start bailing sand. Bailed dn to top of pkr. Latched up to pkr. Released from On/Off tool. Stroked bailer several times right on top of pkr. Latched back up to pkr and released from it again. POOH w/ 382 jts- 2 3/8" N-80 4.7# EUE 8rd tbg, S&P bailer, 14 jts- 2 3/8" N-80 tbg, (2) 2 3/8" check valves (stacked), 2 3/8" x 3.5" On/Off skirt w/ no seals. Put new seals in On/Off skirt. RU Hydrostatic Tubing testers to test 2 3/8" N-80 tbg to 7500# above slips while RIH. RIH w/ dressed On/Off skirt, 394 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, (3) 2 3/8" x 4' x 6' x 6' N-80 tbg subs, 1 jt- 2 3/8" N-80 tbg (landing jt). Tag sand approx 8' before getting to pkr. Had sand fall back on pkr while POOH & RIH w/ tbg. POOH w/ 1 jt- 2 3/8" N-80 tbg (landing jt), all 3 tbg subs, 30 jts- 2 3/8" N-80 tbg leaving EOT above top of liner @ 11400' +/- . Put valve in tbg. Close BOP rams. SI well. SDFN. Will RIH to top of sand and wash dn tbg & up csg w/ 7% KCL wtr to latch up to pkr in the AM.  
Current Operation This AM: Swab FL dn in tbg.
- 09/14/10 Remove valve from tbg. Open BOP rams. RIH w/ 32 jts- 2 3/8" N-80 tbg to tag top of sand 8' above pkr. Had no more sand come in overnight. PU swivel on jt#32 and had reverse unit pump 150 Bbls 7% KCL wtr w/ .5 gpt Claymaster 5C dn tbg to wash sand off top of pkr. Was able to latch up to pkr. LD swivel. Pressure test On/Off seals pressuring tbg to 1000#. Held good pressure. Blow dn pressure & ND reverse unit. ND BOP & NU WH. RU to swab 2 3/8" tbg to blow dn tank. Made 9 swab runs pulling FL dn in tbg to 11,000' FS. Before pulling plug. MIRU Pro slickline truck to RIH w/ 1.906" gauge ring to make sure tbg had no obstructions before pulling plug. Tagged a tight spot @ 11,013' (was able to get past tight spot). Found a probable crimped jt of tbg @ 11,263' (was not able to get gauge ring past that point). POOH w/ gauge ring. RDMO Pro slickline truck. ND WH & NU BOP. Release from On/Off tool. POOH & LD 1 jt- 2 3/8" N-80 tbg, (3) 2 3/8" x 4' x 6' x 6' N-80 tubing subs on ground. Continue to POOH w/ 30 jts- 2 3/8" N-80 tbg leaving EOT just above top of liner. Put valve in tbg. Close BOP rams. SI well. SDFN. Will finish POOH w/ tbg finding crimped jts.  
Current Operation This AM: POH w/ tbg.
- 09/15/10 Remove valve from tbg. Open BOP rams. POOH w/ 364 jts- 2 3/8" N-80 tbg, 2 3/8" x 3.5" On/Off skirt w/ seals. Found 5 jts that were crimped by tongs. LD jt #340, #349, #355, #357 and #358. The landing jt was bent towards top of jt. LD landing jt with crimped jts. Replaced all jts w/ newer 2 3/8" N-80 from yard. RIH w/ rebuilt 2 3/8" x 3.5" On/Off skirt w/ new seals, 114 jts- 2 3/8" N-80 4.7# EUE 8rd tubing (approx 3600' +/-). RU Pro slickline truck to RIH w/ 1.906" gauge ring to EOT to make sure tbg had no obstructions. POOH w/ gauge ring. RDMO Pro slickline truck. Continue to RIH w/ 280 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, (3) 2 3/8" x 4' x 6' x 6' N-80 tubing subs, 1 jt- 2 3/8" N-80 4.7# EUE 8rd tubing (landing jt). RU Lucky Rental reverse unit pump to circulate 150 Bbls 7% KCL wtr w/ .5 gpt Claymaster 5C dn tbg to clean sand off top of plug & pkr before latching up. Latched up to pkr. Had Lucky reverse pump pressure test tbg to 1000#. Held good pressure. Bled dn tbg psi. ND BOP & NU WH. SI well. SDFN. Will swab FL in tbg dn to blow dn tank in the AM before RU Pro slickline to RIH w/ gauge ring again and pull plug.  
Current Operation This AM: Swab well.

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Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

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

09/16/10 RU to swab 2 3/8" tbg to blow dn tank. FL @ surface. Made 10 swab runs leaving FL @ 10,000' FS. MIRU Pro slickline truck to RIH w/ 1.906" gauge ring to top of pkr @ 12,456' to make sure there were no obstructions in tbg before pulling plug. POOH & LD 1.906" gauge ring. RIH w/ pulling tool to latch onto prong and POOH. Took awhile, but finally latched onto prong. Well had gas blow on tubing after pulling prong. RIH w/ pulling tool to latch onto pkr @ 12,456' (WL depth). Had trouble getting to latch up to plug. Had to beat dn on plug, finally latched but slipped back off after sitting dn again on plug. Latched three times and each time plug would slip off. POOH w/ pulling tool (did not have plug). SI well. RD Pro slickline lubricator and SDFN. Had bad lightning flashing all around surrounding area. Will try again in the AM to RIH latch onto plug & POOH.

Current Operation This AM: RU lickline truck to latch onto plug.

09/17/10 MIRU Pro slickline truck to RIH w/ bailer to bail fill on top of plug. FL @ 10,000' +/- FS. Had 1900# tbg pressure. POOH w/ bailer to empty fill picked up. Had bailer full of sand. RIH w/ bailer a second time to make sure top of plug was clean before trying to latch up and pull plug. POOH w/ bailer. Did not have much in bailer. LD bailer. RIH w/ FSG pulling tool to 12,461' (WL depth) to latch onto plug. Latched plug. Unseated & POOH w/ plug. RDMO Pro slickline truck. Hook up wellhead to flowline to open well through separator. Open tbg to 13/64" choke to flow well through separator. Tbg pressure dropping as well flowed. RDMO Lucky Services pulling unit. Release all equipment on location. Will have roustabout crew haul all tbg back to yard. FINAL REPORT.

Current Operation This AM: Returned to production.