State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
May 27, 2004

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

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

Submit to appropriate District Office

☐ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number
Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705	015742 [3] API Number 30- 15-28588

[4] Property Code	[5] Property Name	[6] Well No.
	South Boyd 27	6

[9] Proposed Pool 1	[10] Proposed Pool 2
Wildcat Glorieta/ Yeso	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
D	27	19S	25E		990	North	660	West	Eddy

[8] 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

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
Plugback	O		State	3469
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	8124	Glorieta/ Yeso	Mesa	5/8/06

Depth to ground water	Distance from nearest fresh water well	Distance from nearest surface water

Pit: Liner: Synthetic ☐ _____ mils thick Clay ☐ Pit Volume _____ bbls Drilling Method:

Closed-Loop System ☐ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14-3/4	9-5/8	36	1115	1850	Surface
8-3/4	7	23 & 26	8124	1350	Surface
All csg is existing					

[22] 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 Glorieta/ Yeso formation. Perf, test and stimulate as necessary to establish production.

See attached procedure.

RECEIVED
MAY 0 8 2006
OCD-ARTESIA

[23] 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 NMOCD guidelines [X] a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: Matt Lee

Printed name: Matt Lee

Title: Production Superintendent

E-mail Address: mlee@nearburg

Date: 5/8/06

Phone: 505/365-6662

OIL CONSERVATION DIVISION

Approved by: BRYAN G. ARRANT

Title: DISTRICT II GEOLOGIST

Approval Date: MAY 0 8 2006 Expiration Date: MAY 0 8 2007

Conditions of Approval:

Attached ☐

District I
PO Box 1980, Hobbs, NM 88240-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

[1] API Number	[2] Pool Code	[3] Pool Name
		Glorieta/Yeso

[4] Property Code	[5] Property Name	[6] Well Number
	SOUTH BOYD	6

[7] OGRID No.	[8] Operator Name	[9] Elevation
15742	NEARBURG PRODUCING COMPANY	3469.

[10] Surface Location

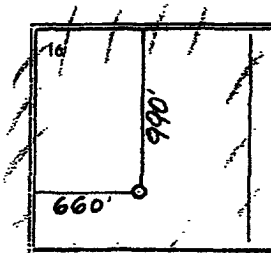
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	27	19S	25E		990	NORTH	660	WEST	EDDY

[11] 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

[12] Dedicated Acres	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
160	N	N/A	N/A

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



[17] OPERATOR CERTIFICATION

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

H. R. Willis
Signature

H. R. Willis
Printed Name

Drilling Supt.
Title

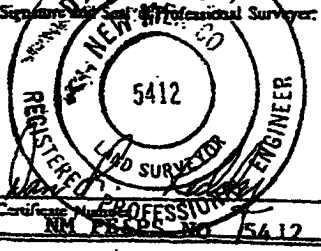
07/19/95
Date

[18] SURVEYOR CERTIFICATION

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.

JULY 19, 1995
Date of Survey

Signature and Seal of Professional Surveyor:



Certificate Number NM PLS No. 5412

Nearburg Producing Company
Exploration and Production
Midland, Texas

Preliminary (1)

GLORIETA/YESO RECOMPLETION

WELL: South Boyd 27 ***DATE:*** 21-Apr-06

FIELD: Dagger Draw

OBJECTIVE:

DISCUSSION:

This well was completed as a Cisco Canyon producer in September 1995 for 360 bopd and 350 mcfd with 4,000 bwpd. It produced 337,549 bo and 529,298 mcf of gas with 2,625,586 bw over the next 5-1/2 years. The Cisco Canyon was shut in April of 2001.

The wellbore has some shows in the Wolfcamp that may need to be investigated at some time in the future. At this time they have too high a risk/reward ratio to be pursued. Of 15 Wolfccamp completion in the area only 3 have been successful (Yates has done the vast majority of the Wolfcamp completions).

This procedure will try to reproduce the success seen on the B&B #10 (6 months 2,400 bo) at a much lower cost. It is proposed to try a 4,000g acid break down instead of a 30,000 g gelled acid frac.

LOCATION: 990' FNL and 660' FWL T19S, R25E Sec: 27

ELEVATION: 3,469' GL

DEPTH: TD= 8,124' PBTD= 7,600'

CASING RECORD:

SIZE & WEIGHT & Grade	DEPTH	CEMENT	TOC
9 5/8" 36# K55	1,115'	850 sx	yes 40 sx
0	0	0	0
7" 23 & 26# K55 & N80	8,124'	1,350 sx	surface
			0

PERFORATIONS:

Current: TA'd (abandoned)

Proposed: Multiple from 2372-2972' (new perforations)

FORMATION:

cc: Fred, Sarah/Prod Wellfile, Matt

South Boyd 27

RECOMMENDED PROCEDURE: 4600

1) MIRU PU. ND WH NU BOP.
2) RU JSI to dump bail 35' cmt on CIBP @ 7,600'. Test to 500# for 30 min.
3) RU JSI to set 7" CIBP @ 3150'. Make 1 run w/cmt bailer (3 sx) to make sure CIBP holds during stimulation. Have JSI perforate the following intervals w/3-1/8" gun w/2 spf premium charges spaced 120 degrees under a 3000# lubricator:

2972'	2806'	2488'
2953'	2792'	2484'
2936'	2714'	2462'
2912'	2707'	2438'
2890'	2678'	2418'
2886'	2662'	2390'
2872'	2623'	2372'
2825'	2538'	

Correlated to Schlumberger Litho Density Compensated Neutron log dated August 19, 1995. RD JSI.

4) PU & RIH w/trtg packer on 2-7/8" J-55 tbg. Test tbg to 5500#. Set pkr @ 2300'. Load and test bs w/2% KCL to 500#.

5) RU BJ to acidize all perfs from 2372-2972' w/4,000 g (95 bbls) 15% NEFE acid and 4 to 5 bpm dropping balls as scheduled below:

a) Pump 500 g 15% NEFE
b) Drop 10 7/8" 1.3 balls
c) Pump 500 g 15% NEFE
d) Drop 10 7/8" 1.3 balls
e) Pump 500 g 15% NEFE
f) Drop 10 7/8" 1.3 balls
g) Pump 500 g 15% NEFE
h) Drop 10 7/8" 1.3 balls
i) Pump 500 g 15% NEFE
j) Drop 10 7/8" 1.3 balls
k) Pump 500 g 15% NEFE
l) Drop 10 7/8" 1.3 balls
m) Pump 500 g 15% NEFE
n) Drop 10 7/8" 1.3 balls
o) Pump 500 g 15% NEFE
p) Flush to bottom perf w/2% KCL wtr

If job balls out surge balls off then resume pump schedule. RD BJ.

6) Flow swab well for 1 to 2 days to "clean up".

7) RU portable test unit to determine fluid entry. Expected production is only 8 to 10 bopd and 10-15 mcfd with very little water.

	collapse	internal	yd	X .8=
2-7/8" 6.5# J-55 tbg	7680	7260		5808