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1625 N French Dr, Hobbs, NM 87240
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1220 S St Francis Dr, Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
June 19, 2008

dm

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

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"/>	WELL API NO. 30-015-27493
2. Name of Operator Nearburg Producing Company	5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705	6. State Oil & Gas Lease No.
4. Well Location Unit Letter <u>M</u> : <u>990</u> feet from the <u>South</u> line and <u>799</u> feet from the <u>West</u> line Section <u>31</u> Township <u>19S</u> Range <u>25E</u> NMPM County <u>Eddy</u>	7. Lease Name or Unit Agreement Name. Foster 31 Federal
	8. Well Number 3
	9. OGRID Number 015742
	10. Pool name or Wildcat North Seven Rivers; Glorietta Yeso
	11. Elevation (Show whether DR, RKB, RT, GR, etc) 3573

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER <input type="checkbox"/>		OTHER: Work performed during plugback <input checked="" type="checkbox"/>	

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.

Please see attached for breakdown of 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 Sarah Jordan TITLE Production Analyst DATE 4/6/09
Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com PHONE 432/686-8235

For State Use Only

APPROVED BY Jacqui Reeves TITLE Geologist DATE 4/28/2009
Conditions of Approval (if any):

Nearburg Producing Company

Foster 31 Federal #3

Cisco/Canyon

Eddy County, New Mexico

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

- 08/20/07 Road rig & crew to location from Jade 34 Fed Com #3. Had backhoe back drag vegetation off location to clear pad from shrubs. ND B1 bonnet WH w/ 2" valve on top. SI well. NU BOP. Had Two-State deliver 245 jts- 2 7/8" J-55 tbg (blue & green band from yard) to location and had forklift set on 2 sets of rented pipe racks. Tallied tbg on racks. MIRU JSI electricline truck & RIH w/ 5.719" gauge ring/JB/CCL to make sure csg in good shape. POOH w/ GR/JB/CCL tools. PU & RIH w/ 7" Alpha Csg CIBP & set @ 7585' after correlating on depth w/ Atlas Wireline Compensated Neutron Gamma Ray log & csg collars. POOH w/ Baker setting tool. RIH w/ 2 cmt dump bailer runs putting 35' cmt on top of CIBP. TOC @ 7550' +/- . POOH w/ dump bailer. RDMO JSI electricline truck. Had Two-State bring a 500 Bbl frac tank & set for circulation tank. Had TRM trucks put 300 Bbls 2% KCL wtr in it to test plug with in the AM. SDFN. Will pressure test plug before RIH w/ tbg to tag plug & circulate 10# abandonment mud.
Current Operations This AM: Pressure test plug.
- 08/21/07 RU TRM pump truck to load csg w/ 280 Bbls 2% KCL wtr to test plug. Pressure test plug to 500#. Held good pressure for 5 minutes. PU & RIH w/ 2 7/8" x 4' Perforated tbg sub (bull plugged), 58 jts- 2 7/8" J-55 6.5# EUE 8rd tbg (green band), 184 jts- 2 7/8" J-55 6.5# EUE 8rd tbg (blue band). Tag TOC above plug @ 7556'. Pull up 8' off btm. RU TRM pump truck to circulate (conventional) 200 Bbls 10# brine w/ salt gel (abandonment mud) dn tbg & out csg to spot mud from 7556' up to 3500' in csg. POOH w/ 242 jts- 2 7/8" J-55 tbg, 2 7/8" x 4' perforated tbg sub & bull plug. MIRU JSI electricline truck to RIH w/ 7" Alpha csg CIBP & set @ 5122' after correlating on depth w/ Atlas Wireline Compensated Neutron Gamma Ray log & csg collars. Log up through the perforating zone. POOH w/ Baker setting tool. RIH w/ 2 cmt dump bailer runs putting 35' cmt on top of CIBP. POOH w/ dump bailer. RIH w/ 7" Alpha csg CIBP & set @ 3500' after getting on depth. POOH w/ setting tool. RIH w/ 2 cmt dump bailer runs putting 35' cmt on top of CIBP. POOH w/ dump bailer. Close BOP blinds. SI well. SDFN. Will RIH w/ production tbg & pickle after tagging TOC in the AM.
Current Operation This AM: RIH w/ tbg.
- 08/22/07 Open BOP blinds. RIH w/ 100 jts- 2 7/8" J-55 tbg from derrick. LD same tbg on racks. RIH w/ another 100 jts- 2 7/8" J-55 tbg. LD same tbg on racks. RIH w/ 40 jts- 2 7/8" J-55 tbg. LD same tbg on racks. Had Two-State forklift move tbg off racks & take back to Artesia yard. PU & RIH w/ 112 jts- new 2 7/8" J-55 6.5# EUE 8rd tubing (from Toolpushers Supply). Tag TOC @ 3480' above CIBP set @ 3500'. MIRU Crain acid truck to pickle tbg & csg. Tie into tbg & circulate acid all the way around out csg to frac tank. Pump 300 gals (7 Bbls) xylene ahead of 1000 gals (23.8 Bbls) 15% HCL acid dn tbg @ 1 1/2 bpm rate flushed w/ 130 Bbls 2% KCL wtr to frac tank to clean tbg & csg tubulars. RIH w/ 2 jts- 2 7/8" tbg just above TOC & rev circ 20 Bbls 2% KCL wtr dn csg & out tbg to remove any acid that may have fallen on top of cmt above CIBP. Left BOP ram. closed. SI well. SDFN. RDMO Crain acid truck along w/ TRM pump truck. Will POOH w/ tbg in the AM before RU JSI to perforate Glorieta/Yeso formation.
Current Operation This AM: POH w/ tbg.

- 08/23/07 Remove TIW valve from tbq. Open BOP rams. POOH w/ 112 jts- 2 7/8" J-55 tbq standing back in derrick. Change out both 2" valves on csg & replace them w/ 5000# ball valves. RU TRM pump truck to test csg w/ 2% KCL wtr to 3500#. Held good for 10 minutes. Bled dn pressure. MIRU JSI electricline truck to perforate Glorieta/Yeso formation. PU & RIH w/ (6) 3 1/8" slickguns, phased 120 degree w/ .43" (E.H.) & 35.10" (PEN.) @ 2 JSPF making a total of 166 holes. Correlate each gun on depth w/ csg collars w/ previous GR strip pulled through perforating zone & correlated back to Atlas Wireline Compensated Neutron log. LD each gun after shooting interval & check gun to make sure all shots fired. Perforated @ following depths:
- | | |
|--------------|----------|
| 2458'- 2466' | 16 holes |
| 2472'- 2478' | 12 holes |
| 2482'- 2486' | 8 holes |
| 2494'- 2498' | 8 holes |
| 2528'- 2534' | 12 holes |
| 2544'- 2550' | 12 holes |
| 2574'- 2580' | 12 holes |
| 2600'- 2610' | 20 holes |
| 2796'- 2798' | 4 holes |
| 3020'- 3026' | 12 holes |
| 3065'- 3090' | 50 holes |
- RDMO JSI electricline truck. FL in well did not drop after perforating. Csg still full. PU & RIH w/ 7" 32A pkr w/ unloader, 2 7/8" API Standard Seat Nipple, 76 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Set pkr @ 2367' in 20k tension. Had TRM pump truck pressure csg backside to 500# to check pkr. Held good pressure. Bled dn pressure. RDMO TRM pump truck. Put TIW valve in tbq. SI well SDFN. Had Two-State deliver (9) 500 Bbl frac tanks & manifold them together for frac job. Had TRM transports start filling them w/ 10# brine. Will RU BJ Services acid trucks to breakdn perfs in the AM.
Current Operation This AM: RU BJ to acidize.
- 08/24/07 MIRU BJ Services acid trucks to acidize Glorieta/Yeso perforations. Had TRM pump truck tie ont csg & keep pressure on backside for monitoring purposes while acidizing well. TRM pump truck brought 2% KCL wtr to be used to flush acid to btm perf. Had safety meeting. Test lines to 6700#. Start pumping 500 gal (11.9 Bbls) 15% NEFE acid @ 6 bpm dn tbq. Formation broke @ 3320# and fell back to 1930#. Dropped (21) .875" 1.3 sp gr. ball sealers keeping rate @ 6 bpm. Continue on same schedule of 500 gal 15% NEFE acid & dropping 21 ball sealers for a total of 10 ball drops. Pumped 5250 gal (125 Bbls) 15% NEFE acid and dropped 212 balls. Had slight ball action throughout job, but saw real good ball action when pumping flush. Had to slow rate dn to 3 bpm w/ tbq pressure climbing to 3342# near end of job. SD. ISDP- 1361#, 5 min- 1324#, 10 min- 1298#, 15 min- 1279#. Treating pressures: MAX- 3342#, MIN- 1903#, AVG- 2800#. Injection rates: Treating fluid- 6 bpm, Flush- 4 bpm. Have 167 Bbls load to recover. RDMO BJ Services acid trucks. Left well SI for 2 hrs to let acid spend. Had 1175# tbq pressure when opening well to start flowing back @ 11:00 AM. Flowed well to frac tank for 6 1/2 hrs. Flowed back 120 Bbls wtr (spent acid) to frac tank averaging 18.5 bph rate. SI well @ 5:30 PM. SDFW. Will swab well on Monday morning. Still have 47 Bbls load left to recover.
Current Operation This AM: Swab well.
- 08/27/07 Had 55# tbq pressure this AM. Open choke to blow dn well in 15 minutes. RU to swab 2 7/8" tbq to frac tank. IFL @ 500' FS. Made a total of 8 swab runs bringing back 28 Bbls wtr. Started making hourly runs on the 4th run. The last run had a 2% oil cut in sample caught. LD swab line. Release pl & POOH w/ 76 jts- 2 7/8" J-55 tbq, 2 7/8" API SSN. LD 7" 32A pkr w/ unloader. ND BOP & NU 6" frac valve. SI well. SDFN. Will have BJ frac dn csg in the AM.
Current Operation This AM: Frac dwn csg.

08/28/07 MIRU BJ Services pump trucks to frac well dn csg. RU Stinger csg saver on top of frac valve on w. Had to wait for 2 more loads of 10# brine wtr to get to location & also 2000# brown sand before sta pump frac. BJ tested lines to 5100#. Open well w/ 0# csg pressure. Start pumping 10# brine as pad bpm rate w/ 1852# csg pressure. Pumped 468 Bbbs pad then went to .5# 20/40 brown sand pumping Bbbs slick 10# brine. The following is a breakdown of proppant & ball sealers pumped:

Csg Psi	Bbbs Pumped	BPM	Description
1821#	241	59	.1# 14/30 LiteProp 125
1796#	243	58.7	.2# 14/30 LiteProp 125
1790#	243	59	.3# 14/30 LiteProp 125
1725#	62	60	1# Super DC 20/40
1692#	29	60.2	Dropped 40 ball sealers
1661#	29	59.6	.5# 20/40 brown sand
2357#	241	58.9	.1# 14/30 LiteProp 125
2375#	242	58.5	.2# 14/30 LiteProp 125
2392#	244	59	.3# 14/30 LiteProp 125
2290#	62	60	1# Super DC 20/40
2290#	25	59	Dropped 40 ball sealers
2263#	24	58.9	.5# 20/40 brown sand
2930#	240	17.5	.1# 14/30 LiteProp 125
2819#	320	19	.2# 14/30 LiteProp 125
2450#	710	18.3	.3# 14/30 LiteProp 125
2464#	226	18.1	1# Super DC 20/40
2459#	95	18.3	Flush

Shutdown pumps. ISDP @ 1192#. 5 min- 1082#, 10 min- 1076#, 15 min- 1075#. Treating pressure MAX- 3588#, MIN- 1661#, AVG- 2500#. Injection rates: Treating fluid- 60 bpm, Flush- 18 bpm. F Stinger csg saver. RDMO BJ Services pump trucks. Have 3593 Bbbs load wtr to recover. RU Pro w testing frac manifold up to wellhead. Left well shut in for resin to set Will start flowing well back t tank in the AM.

Current Operation This AM: Flow well back.

08/29/07 Open well to Pro flowback manifold @ 7:30 AM. Had 1000# csg pressure. Opened to 10/64" choke start flowing well back to frac tank. Kept flowback rate as close to 20 bph as possible until 2:30 wh we opened well to flow 25 bph rate. Csg pressure stayed @ 950# all day until it dropped to 890# @ 5:30 PM. Flowed back a total of 230 Bbbs wtr in 10 hrs. Had Pro flowback hand sit w/ well all nigh watch flowback. Had Weatherford bring pumping unit & set unit up. Had Dean's electric move (3) KVA transformers from Dagger/Foster battery & hang on power pole on location. SDFN. Will have Dean's run power to pumping unit in the AM.

Current Operation This AM: Flow back.

08/30/07 Well still flowing @ 7:00 AM w/ 750# csg pressure. Put a 12/64" positive choke in manifold to flo @ 28 bph rate. Kept flowing all day w/ same choke at an avg of 28 bph. At 5:00 PM well flowed ba total of 1028 Bbbs wtr from initial flowback. Had TRM vac trucks pull 5 loads of wtr off frac tanks haul to disposal. Had Dean's electric hookup electric panel to motor & run power from transformers pumping unit. Had pulling unit crew build wellhead. Kept Pro flowback hand watching well again overnight. SDFN. Will RIH w/ tbg to circ sand in the AM if well allows.

Current Operation This AM: Flow well back after frac.

08/31/07 Well still flowing @ 7:00 AM w/ 150# csg pressure. Kept opening choke until csg pressure fell to 0#. Flowed back a total of 1664 Bbbs wtr. Still have 1929 Bbbs load left to recover. ND Stinger frac valve. NU BOP. Had Stone vac truck pull wtr off csg while RIH w/ tbg. PU & RIH w/ 2 7/8" notched collar, 112 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Tag TOF (sand) @ 3447' by tbg tally. Did not have much sand. POOH & LD 1 jt tbg. Had Stone Hot oiler reverse circulate dn csg & out tbg to frac tank 60 Bbbs 10# brine wtr. Could not break circulation. Had Hot oiler stop circulating. POOH w/ 111 jts- 2 7/8" J-55 tbg. Close BOP blinds. Left csg open to frac tank over the long weekend. SDFW.

Current Operation This AM: RIH w/ SN.

09/01/07 Well flowed 415 Bbls to frac tank over the long weekend. Well still flowing back this morning. Op BOP blinds. PU & RIH w/ 1 jt- 2 7/8" J-55 tbg (open ended as tail pipe), new 2 7/8" API Standard Seat Nipple, 103 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. ND BOP & NU WH flange w/ pumping tee. Well was flowing up tbg. Wait for vac truck to get to location to pull wtr while RIH w/ pump & roc PU & RIH w/ 2 1/2" x 1 1/2" x 20' RHBC HVR pump w/ HW BRNC Bbl (+.001"), 1 1/2" x 4' SM plngr (-.006"), DV T/C b&s, 1' LS & SRG w/ 1 1/4" x 6" strainer nipple, (8) 1 3/8" x 25' Grade K sinker bars w/ 3/4" pins & FHTC, (117) 3/4" x 25' "KD" rods w/ FHTC, (2) 3/4" x 4' x 8' "KD" pony rod subs w/ FHTC, 1 1/4" x 22' PR w/ 1 1/2" x 12' PRL. Space pump 4" off btm. Hang well on. Had TRM pump truck pressure test tbg to 500#. Held good pressure. Had good pump action. RDMO TRM pump truck & Lucky Services pulling unit. Had Banta roustabout crew finish building wellhead & tie into flowline. Put well on production @ 4:45 PM. FINAL REPORT.
Current Operation This AM: Released to production.