

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OPERATOR'S COPY

FORM APPROVED
OMB NO 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

JUN 24 2010

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1 Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2 Name of Operator

Nearburg Producing Company

<15742>

3a Address

3300 N A St., Bldg 2 Suite 120, Midland, TX 79705

3b Phone No (include area code)

432/818-2950

4 Location of Well (Footage, Sec, T, R, M, or Survey Description)

660 FNL and 660 FWL, Sec 6, 20S, 25E, Eddy Co, NM

5 Lease Serial No

NMNM553777

6 If Indian, Allottee or Tribe Name

7 If Unit or CA/Agreement, Name and/or No

8 Well Name and No
Covert #2

<8380>

9 API Well No

30-015-26818

10 Field and Pool, or Exploratory Area

Undesignated; Wolfcamp

<695>

Dagger Draw

<75960>

County or Parish, State

Eddy

NM

12 CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent

☐ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☒ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13 Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

Please attached procedure to plugback from the Cisco Canyon to the Wolfcamp a per the attached procedure
Also attached are the Current and proposed wellbore diagrams.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Jordan

Title

Reg Analyst

Date

4-23-10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Dustin Winkler

Title

Office

JUN 23 2010

Date

/s/ Dustin Winkler

BUREAU OF LAND MANAGEMENT
CARBONATE AND LIGNITE DIVISION

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

AMENDED

RECEIVED
AUG 27 1991

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

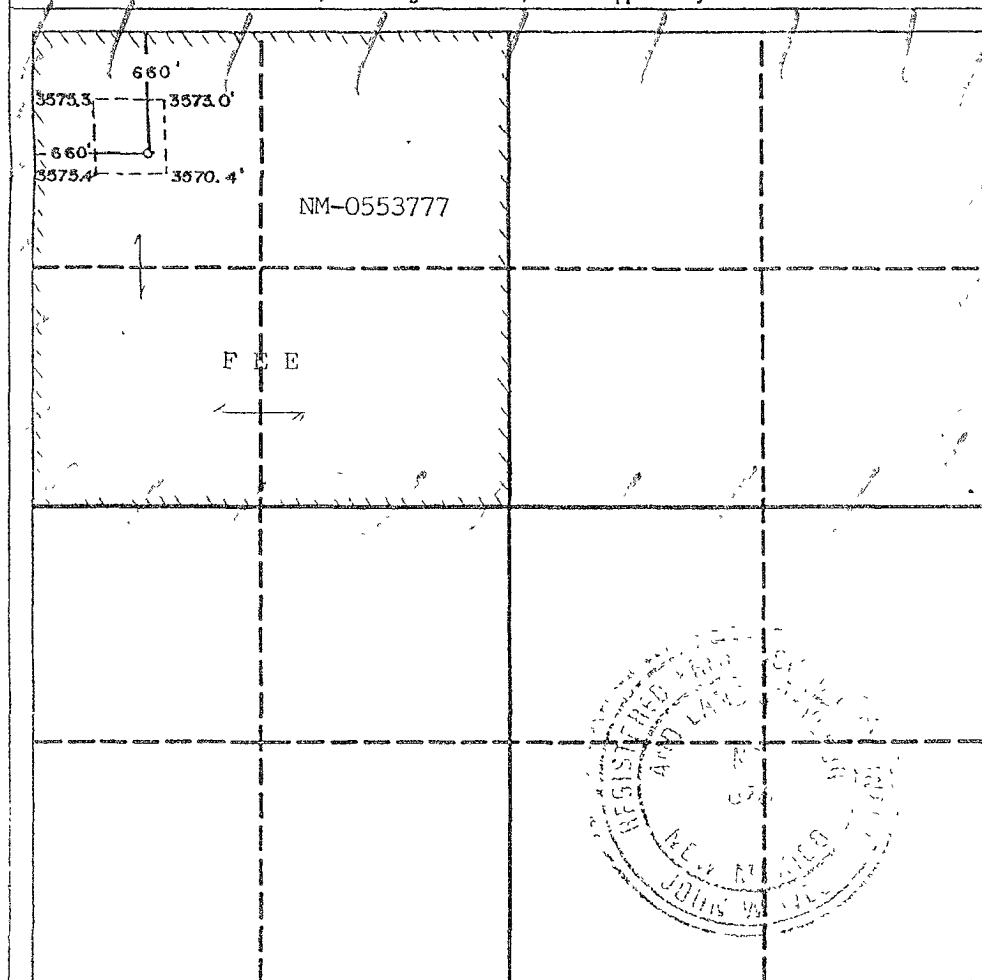
O. C. D.
ARTESIA OFFICE

Operator NEARBURG PRODUCING CO.			Lease COVERT COM		Well No. 2
Unit Letter D	Section 6	Township 20 SOUTH	Range 25 EAST	County EDDY	

Actual Footage Location of Well:
660 feet from the WEST line and 660 feet from the NORTH line

Ground level Elev. 3573.4
Producing Formation Wolfcamp (GAS)
Pool Daggar Dray
Dedicated Acreage: 200 Acres
(75960)

- Outline the acreage dedicated to the subject well by colored pencil or machine marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
Yes ☐ No ☐ If answer is "yes" type of consolidation _____
If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

August 26, 1991

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 knowledge and belief.

Date Surveyed
5-4-91

Signature & Seal of
Professional Surveyor

Certificate No. 676
JOHN W. WEST
RONALD J. EIDSON, 3239

Covert Com #Z

Alternate - Wolfcamp Only

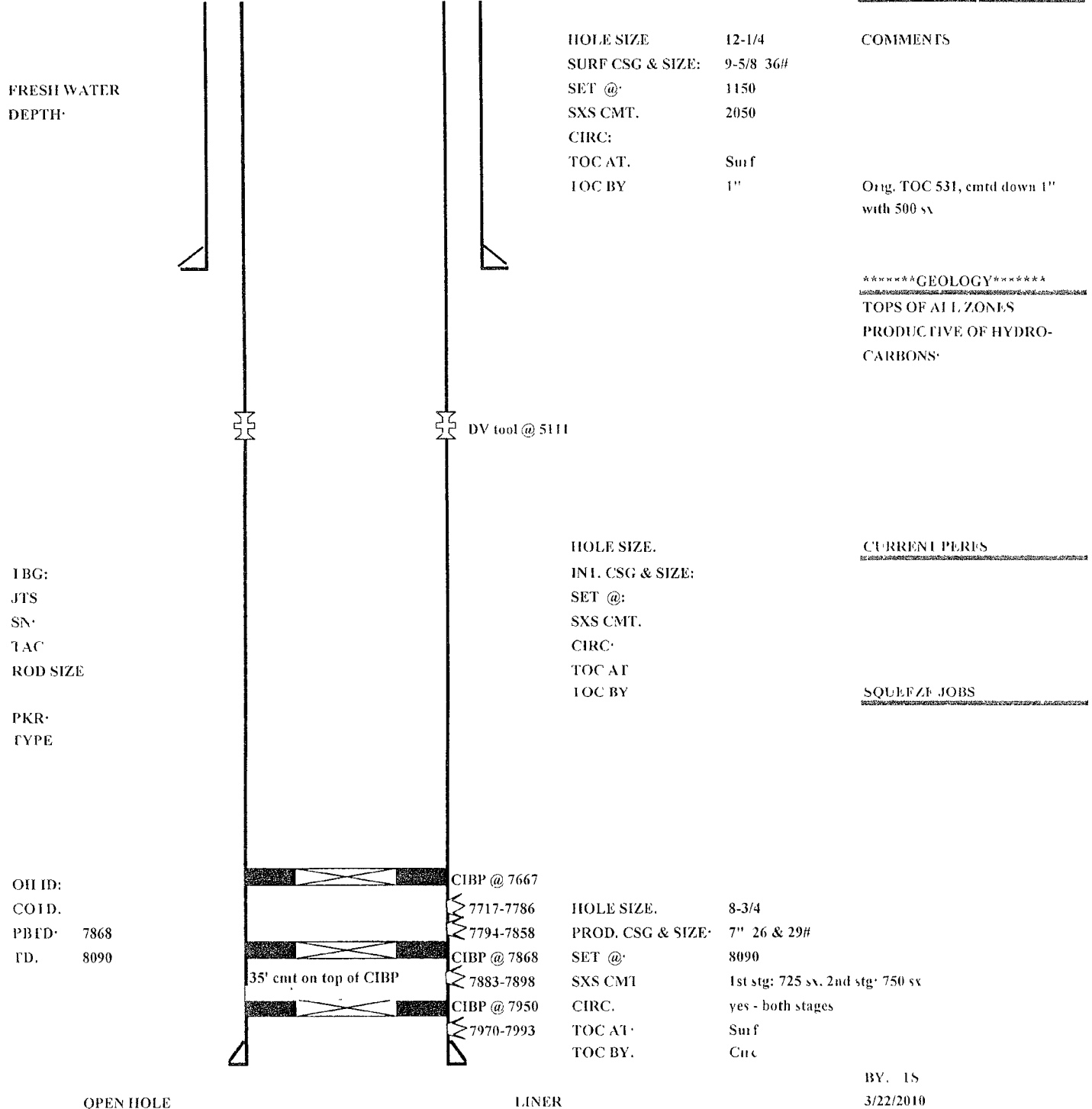
RECOMMENDED PROCEDURE:

1. MIRU Well service unit
2. Load and pressure test casing to 2,000#. (Well TA'd casing should be full)
3. ND wellhead, NU BOP
4. PU and RIH with tubing open ended to 6950'
5. Pickle tbg with 300 gals Xylene and 500 gals 15% NeFeHCl Reverse back through tubing.
6. POH with tbg.
7. RU Wireline, RIH with gauge ring to 7200 **All wireline work to be done under a 5000# lubricator.**
8. Run GR-Collar log from 7200 back to 6000.
9. Perf. 6709-6715, 6734-6740, 6868-6886 and 6892-6912 with 2 SPF 60 degree phasing. Correlate to Schlumberger "Gamma Ray Compensated Neutron Litho-Density" log dated 11/28/1991.
10. RIH with packer to +/- 6610.
11. Set packer and acidize perms from 6709-6912 with 5,000 gals 15% NeFeHCl using 80 ball sealers as follows.
Pump 1,000 gals acid then drop 10 balls, drop balls in clusters of 10 every 10 bbls thereafter
Flush to bottom perf with 2% KCl water
12. Swab sufficiently to recover load and test production.

Note: This zone is a Gas or Gas/Condensate zones and should have virgin pressure. If economic, it should come in flowing.

CURRENT WELLBORE DIAGRAM

LEASE. Covert Com	WELL 2	FIELD Dagger Draw North	API 30-015-26818
LOC. 660 FN & W	SEC. 6	BLK	Reservoir Cisco/Canyon
SVY. T20S R25E	GL 3573	CTY/ST Eddy Co, NM	SPUD 11/1/1991
CURRENT STATUS: TA'd	KB. 3588	DF 3587	TD DATE 11/27/1991
			COMP DATE. 1/7/1992



PROPOSED WELLBORE DIAGRAM

LEASE	Coyett Com	WELL	2	FIELD	Dagger Draw North	API	30-015-26818
LOC	660 FN & W	SEC	6	BLK	0	Reservoir	Canyon
SVY	T20S R25E	GL	3573	CTY/ST	Eddy Co., NM	SPUD	11/1/1991
CURRENT STATUS	TA'd	KB	3588	DF	3587	TD DATE	11/27/1991
						COMP DATE	1/7/1992

FRESH WATER
DEPTH

HOLE SIZE 12-1/4
SURF CSG & SIZE: 9-5/8 36#
SET @. 1150
SXS CMT 2050
CIRC 0
TOC A1 Surf
TOC BY 1"

COMMENTS:

*****GEOLOGY*****
TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS

IBG 0
JIS 0
SN 0
TAC 0
ROD SIZE

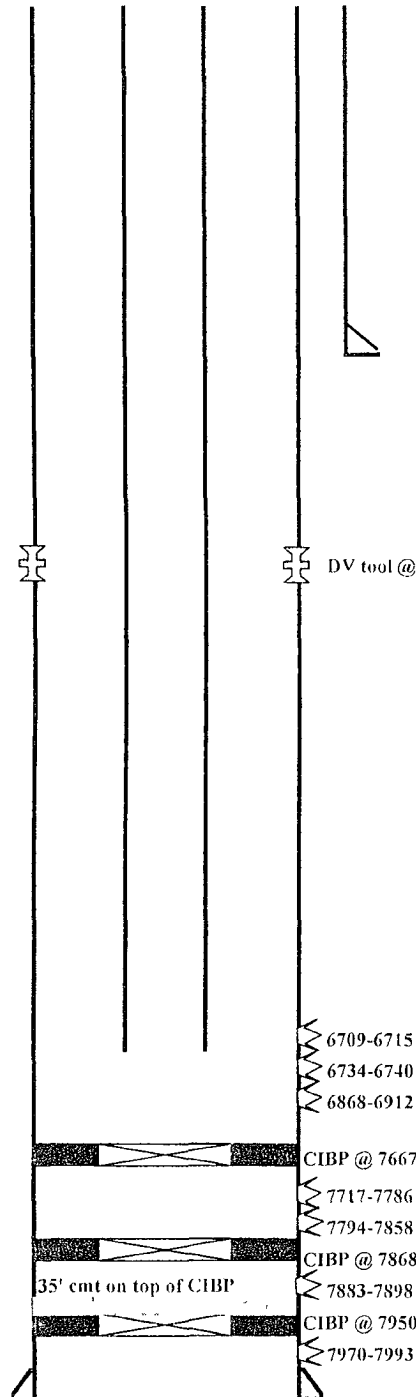
PKR
TYPE

HOLE SIZE
INT. CSG & SIZE.
SEI @
SXS CMT:
CIRC
FOC A1
FOC BY

CURRENT PERIS.

SQUEEZE JOBS

OH ID
COTD.
PBD 7868
FD 8090



6709-6715
6734-6740
6868-6912
CIBP @ 7667
7717-7786
7794-7858
CIBP @ 7868
7883-7898
CIBP @ 7950
7970-7993

HOLE SIZE 8-3/4
PROD. CSG & SIZE: 7" 26 & 29#
SET @ 8090
SXS CMT. 1st stg. 725 sx, 2nd stg. 750 sx
CIRC yes - both stages
FOC A1 Surf
FOC BY Circ

OPEN HOLE

LINEER

BY TS
3/22/2010

Nearburg Producing Company
NM-553777 – Covert #2
API: 30-015-26818
Eddy County, New Mexico

RE: Plug back and Recomplete NOI – Conditions of Approval

There is to be no surface disturbance beyond the originally approved pad. A closed loop system is to be used. H2S monitoring and protection equipment is to be on site.

3M BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with well control requirements as described in Onshore Oil and Gas Order No. 2 and API RP 53 Sec. 17.

1. CIBP above Cisco perms at 7667' shall have 35' bailed or 25sx pumped Class H cement

Submit subsequent report with wellbore diagram and completion report once work is completed.

DHW 051310