

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

Form C-101
May 27, 2004

RECEIVED

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

MAY 31 2006

Submit to appropriate District Office

COM-ARTESIA

☐ AMENDED REPORT

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

¹ Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		² OGRID Number 015742
⁴ Property Code 11130		³ API Number 30- 15-27457
⁵ Property Name Ross Ranch 22		⁶ Well No. 1
⁹ Proposed Pool Undesignated; Morrow		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. L	Section 22	Township 19S	Range 25E	Lot. Idn	Feet from the 980	North/South Line South	Feet from the 660	East/West line West	County Eddy
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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
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Additional Well Location

¹¹ Work Type Code Recompletion	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3465
¹⁶ Multiple	¹⁷ Proposed Depth 9444'	¹⁸ Formation Morrow	¹⁹ Contractor Lucky	²⁰ Spud Date 6/15/06
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"/>				

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 & 40	1110	1200	NA
8-3/4	7	23 & 26 & 29	8150	1200	NA
8-3/4	5-1/2	17	8060-9444	1850	NA
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 evaluate the Morrow formation. Perf. test and stimulate as necessary to establish production.
See attached procedure.

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 NMOC guidelines <input checked="" type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCH approved plan <input type="checkbox"/> . Signature: <i>Sarah Jordan</i>		OIL CONSERVATION DIVISION	
Printed name: Sarah Jordan		Approved by: BRYAN G. ARRANT	
Title: Production Analyst		Title: DISTRICT II GEOLOGIST	
E-mail Address: sjordan@nearburg.com		Approval Date: JUN 06 2006	Expiration Date: JUN 06 2007
Date: 5/30/06	Phone: 432/686-8235 x 203	Conditions of Approval: Attached <input type="checkbox"/>	

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

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

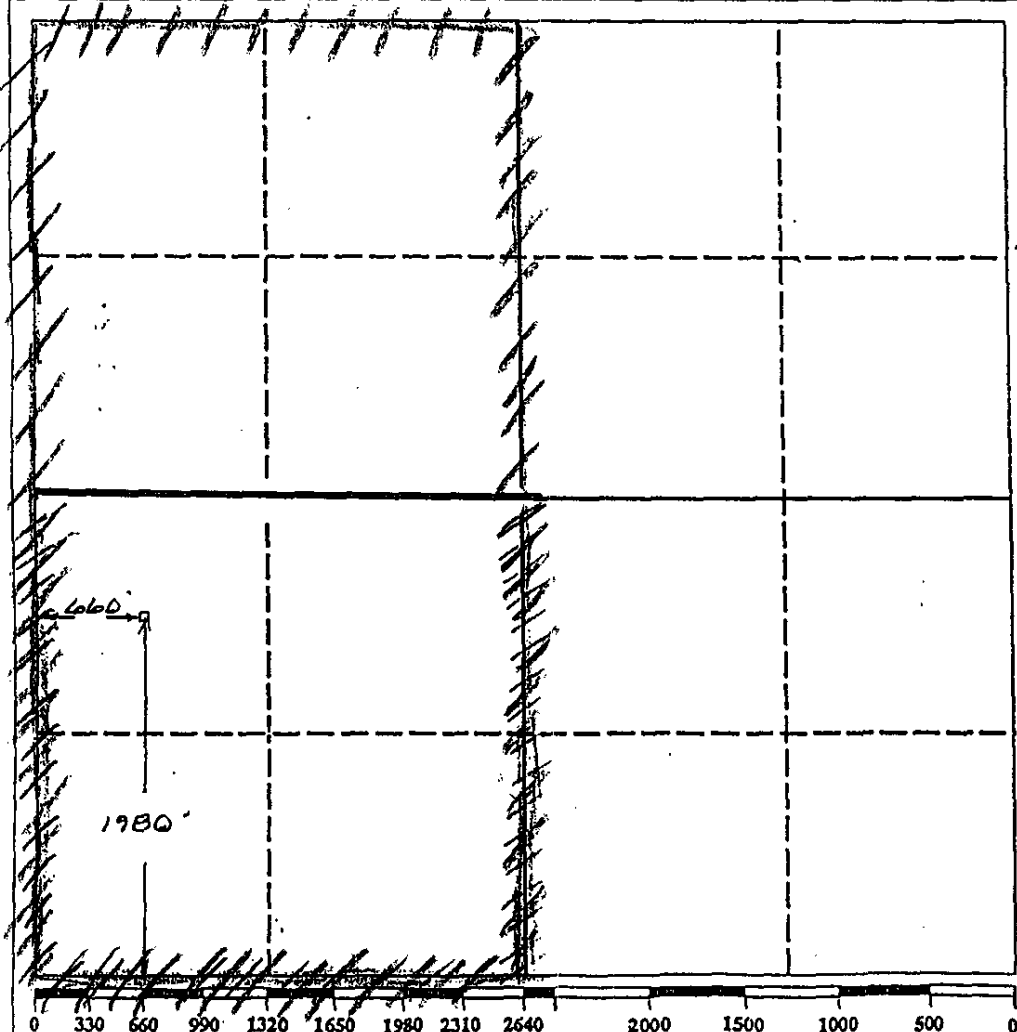
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

Operator Nearburg Production Co., Inc.			Lease Ross Ranch 22		Well No. 1
Unit Letter L	Section 22	Township 19-South	Range 25-East	County NMPM	Eddy
Actual Footage Location of Well: 660 feet from the West line and 1980 feet from the South line					
Ground level Elev. 3465	Producing Formation Morrow		Pool Undesg Cemetery	Dedicated Acreage: 320 - Morrow Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</p> <p>3. 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.? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					
				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
				Signature <i>S. Jordan</i> Printed Name Saban Jordan Position Prod. Analyst Company Nearburg Production Co. Date 5/30/90	
				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 MAY 28, 1993 Signature & Seal of Professional Surveyor <i>Truman Gaskin</i> Certificate No. 2126	

CURRENT EQUIPMENT DESCRIPTION: See attached Rod & Tbg Detail

RECOMMENDED PROCEDURE:

Both the Cisco Canyon and the Yeso Glorieta are H2S producers.

- 1) MIRU PU. POH w/Rods. Release TAC and POH w/tbg.
 - 2) PU CICR & RIH to 7,400'. Set CICR and establish pump in rates and pressures into the Cisco Canyon. Prepare SQZ procedure after consulting Matt Lee, BJ, and Brian Huzzey.
 - 3) PU 6" bit and DC's to DO CIBP set @ 8,050'. Top of 5.5" casing is at 8,060'. Push/drill to top of 5.5" then POH w/Bit & DC's. PU 4-3/4" bit & DC's & CO to PBTD of 9,356' (or to 9,440 just above float shoe - check w/Matt or Brian for which depth to use). Circulate hole clean w/7% KCL w/.5 gpt Claymaster 5C and packer fluid additives. POH w/bit & DC's.
 - 4) PU and RIH w/2-3/8" production tbg and TCP perforating assembly (see attachment). RIH testing tbg to 9000# (11,200# * .8). Set packer on depth using GR and equipment length. Set plug in o/o tool. Release from o/o tool and pickle tbg to EOT w/300 g Xylene & 750 gals 15% HCL then reverse out of tbg to pit/tank w/7% KCL w/additives. Latch back into o/o tool. ND BOP and NU tree tested to 5,000#. Leave 1 bbl 7% KCL w/Claymaster in tbg to maximize underbalance. Install 3" flowline to production test unit.
 - 5) Drop bar and perforate the following Morrow intervals:
 - 9,136-9,142' w/6 spf
 - 9,162-9,174' w/6 spf
 - 9,236-9,248' w/6 spf
 - 9,286-9,306' w/6 spf
- correlated to Schlumbergers "Litho-Density Compensated Neutron Natural Gamma-Ray" Run One dated 16-Sept-1996.
- 6) Bring well on w/10 or 12/64" choke. Do not exceed 1,000 mcf/d during the first day. Increase rates only after consulting Matt Lee or Brian Huzzey.
 - 7) RD PU. If production rates are less than 500 mcf/d, drop the guns and stimulate the well as follows:
 - 4,000 gal (liquid volume) Isostol breakdown procedure w/balls will be prepared.

CURRENT WELLBORE DIAGRAM

Page 5 of 9

LEASE: <u>Ross Ranch 22 #1</u>	WELL: <u>#1</u>	FIELD: <u>Dagger Draw Upper Penn</u>	API: <u>30-015-27457</u>
LOC: <u>980' FSL & 660' FWL</u>	SEC: <u>22</u>	BLK: <u></u>	Reservoir: <u>Upper Penn</u>
SVY: <u>Sec 22 T19S R25E</u>	GL: <u>3465'</u>	CTY/ST: <u>Eddy / NM</u>	SPUD: <u>8/8/1996</u>
CURRENT STATUS: <u></u>	KB: <u>2478'</u>	DF: <u>3477'</u>	TD DATE: <u>9/16/1996</u>
			COMP. DATE: <u>10/3/1996</u>

FRESH WATER
DEPTH:

HOLE SIZE: 14.75"
SURF CSG & SIZE: 9-5/8" 36#
SET @: 1110'
SXS CMT: 1300 sx
CIRC: yes : 286 sx
TOC AT:
TOC BY:

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:

← DV tool @ 7015'

7630-7660' w/2 spf 4" guns

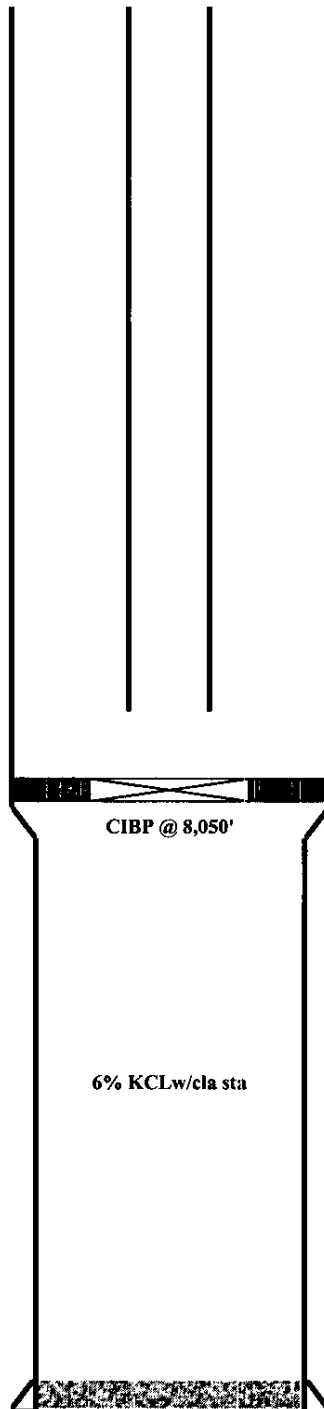
7704-7741' & 7767-7778' w/2 spf 4" guns

CURRENT PERFS:

TBG:
JTS:
SN:
TAC:
ROD SIZE: string

PKR:
TYPE:

OH ID:
COTD:
PBTD:
TD:



HOLE SIZE: 8-3/4"
INT. CSG & SIZE: 7" 26 & 29# N90, L-80, & K-55
SET @: 8060'
SXS CMT: 1950 sx

SQUEEZE JOBS:

CIRC:
TOC AT:
TOC BY:
Swegged Down To:
PROD. CSG & SIZE: 5.5" 17# N80
SET @: 8060 to 9444'
SXS CMT stage 1: 900 sx bump plug & circ 112 sx to pit
SXS CMT stage 2: 950 sx closed DV & circ 146 sx to pit
CIRC: YES
TOC AT:
TOC BY:

OPEN HOLE:

LINER:

BY: BHH
5/30/2006

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Page 6 of 9

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OPEN HOLE:

LINER:

BY: BHH
5/30/2006