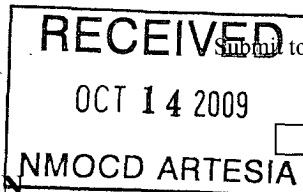


State of New Mexico
Energy, Minerals & Natural Resources

Form C-101
June 16, 2008

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 Division
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 Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		² OGRID Number 015742
		³ API Number 30- 015-28431
⁴ Property Code	⁵ Property Name B & B	⁶ Well No 7
⁹ Proposed Pool 1 North Seven Rivers; GLorietta/ Yeso ✓		¹⁰ Proposed Pool 2

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
H	22	19S	25E		1650	North	990	East	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 Plugback	¹² Well Type Code 0	¹³ Cable/Rotary NA	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3455
¹⁶ Multiple No	¹⁷ Proposed Depth 8164	¹⁸ Formation G/Y	¹⁹ Contractor Lucky	²⁰ Spud Date 11/1/09

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	1113	1200	Surface
8-3/4	7	23 & 26	8164	1200	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 plugback the well to evaluate the Yeso Formation. Perf, test and stimulate as necessary to establish production.

See attached procedure, current and post wellbore diagrams.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief		OIL CONSERVATION DIVISION	
Signature:		Approved by:	
Printed name: Sarah Jordan		Title: Geologist	
Title: Prod/ Reg Analyst		Approval Date: 10/20/09	Expiration Date: 10/20/2011
E-mail Address: sjordan@nearburg.com			
Date: 10-6-09	Phone: 432/818-2950	Conditions of Approval Attached <input type="checkbox"/>	

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

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30.015.28431	² Pool Code 97525	³ Pool Name North Seven Rivers; Gibrlette-Yaso
⁴ Property Code	⁵ Property Name BdB	⁶ Well Number 7
⁷ OGRID No. 15740	⁸ Operator Name Nearburg Producing Company	⁹ Elevation 3455

UL or lot no. 17	Section 22	Township 19S	Range 25E	Lot Idn	Feet from the 1650	North/South line N	Feet from the 990	East/West line E	County Eddy
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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 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.						

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.

<p>16</p> <p>See Attached Certified Plat.</p>	<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p>Signature: <i>Sarah Jordan</i> Date: <i>10.6.09</i></p> <p>Printed Name: <i>Sarah Jordan</i></p>	
	<p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p>	
	<p>Certificate Number</p>	

District I
PO Box 1980, Hobbs, NM 88241-1980
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 APT Number 30-015-28431	² Pool Code	³ Pool Name North Santa River, Glorieta/Vero
⁴ Property Code B & B	⁵ Property Name	⁶ Well Number 7
⁷ OGRID No. 15742	⁸ Operator Name NEARBURG PRODUCING COMPANY	⁹ Elevation 3455.

¹⁰ Surface Location

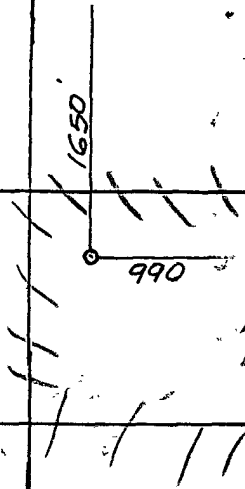
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	22	19-S	25-E		1650	NORTH	990	EAST	EDDY

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 300 40	¹³ Joint or Infill Y	¹⁴ Consolidation Code	¹⁵ Order No.
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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

16		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Sarah Jordan</u> Printed Name: <u>Regulatory Analyst</u> Title: <u>106-09</u> Date: <u></u>
		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. Date of Survey: <u>MARCH 17, 1997</u> Signature and Seal of Professional Surveyor: <u>DAN R. REDDY</u> Professional Engineer New Mexico 5412 REGISTRATION NUMBER 5412

CURRENT EQUIPMENT DESCRIPTION:**RECOMMENDED PROCEDURE:**

The Glorieta/Yeso is a BAD GAS zone (H2S at hazardous levels)

1. MIRU Well service unit.
2. ND wellhead, NU BOP
3. RU Wireline, RIH with gauge ring to 5700'. **All wireline work to be done under a 5000# lubricator.**
4. RIH with CIBP and set CIBP @ 7660
5. Dump bail 35' cmt on top of CIBP.
6. RIH with CIBP and set CIBP @ 6090.
7. Dump bail 35' cmt on top of CIBP.
8. RIH with CIBP @ set CIBP @ 3926.
9. Dump bail 35' cmt on top of CIBP.
10. Run GR-Collar/CBL log from 3000 back to 2000. Make 1000 psi and 0 psi pass with CBL. (Should be cmt'd to surf)
11. RIH with tbg to +/- 3695. Test casing to 4000#
12. Pickle tbg w/500g Xylene and 1500g 15% NeFeHCl pump down tbg and out BS to clean both tbg & 7" casing. POH with tbg.
13. RU wireline to perf the following intervals with premium charges (7" Casing in 8-3/4" hole):

2347	2354	2379	2385	2393	2399	2412	2415	2421	2425	2433	2436
2449	2470	2477	2489	2537	2542	2550	2583	2635	2773	2781	2787

with 1 spf premium charges correlated to Schlumberger "Platform Express - Three Detector Density Compensated Neutron/NGT" log dated 6-4-1997.
14. RIH tbg to 2200' with 7" trtg pkr. Set trtg pkr. Hold 500# on BS while breaking down the perforations.
15. RU BJ to Break down perfs with 2000g 15% NeFe HCl using 401.3" ball sealers in stages as follows:
 - a) Pump 500g 15% NEFE HCL
 - b) Drop 8 7/8" 1.3 balls
 - c) Pump 250g 15% NEFE HCL
 - d) Drop 8 7/8" 1.3 balls
 - e) Pump 250g 15% NEFE HCL
 - f) Drop 8 7/8" 1.3 balls
 - g) Pump 250g 15% NEFE HCL
 - h) Drop 8 7/8" 1.3 balls
 - i) Pump 250g 15% NEFE HCL
 - j) Drop 8 7/8" 1.3 balls
 - k) Pump 500g 15% NEFE HCL
 - l) Displace to btm perf w/2% KCL

Let acid spend 2 hrs. Flow and swab back acid load. Rlse pkr and RIH to make sure balls are cleared off perfs. POH w/tbg & pkr.
16. ND BOP NU wellhead. RD well service unit.
17. Frac well down casing. Frac design to be determined.
18. Flowback well till it dies then run 2-3/8" tbg and 8 1-3/8" K bars + 3/4" KD rods and ponies to surface.

CURRENT WELLBORE DIAGRAM

Page 5 of 9

LEASE: <u>B&B 22</u>	WELL: <u>7</u>	FIELD: <u>Dagger Draw North</u>	API: <u>30-015-28431</u>
LOC: <u>1,650' FNL & 990' FEL</u>	SEC: <u>22</u>	BLK: <u></u>	PARS NO: <u></u>
SVY: <u>T19S, R25E</u>	GL: <u>3,453'</u>	CTY/ST: <u>Eddy County, NM</u>	SPUD: <u>5/17/1997</u>
CURRENT STATUS: <u>ACTIVE</u>	KB: <u>3,453'</u>	DF: <u>3467</u>	TD DATE: <u>6/7/1997</u>
			COMP. DATE: <u>7/24/1997</u>

FRESH WATER
DEPTH:

HOLE SIZE: 14 3/4"
SURF CSG & SIZE: 9 5/8" 36# J-55
SET @: 1,113'
SXS CMT: 1,100 sx
CIRC: yes
TOC AT: surface
TOC BY: circ

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:

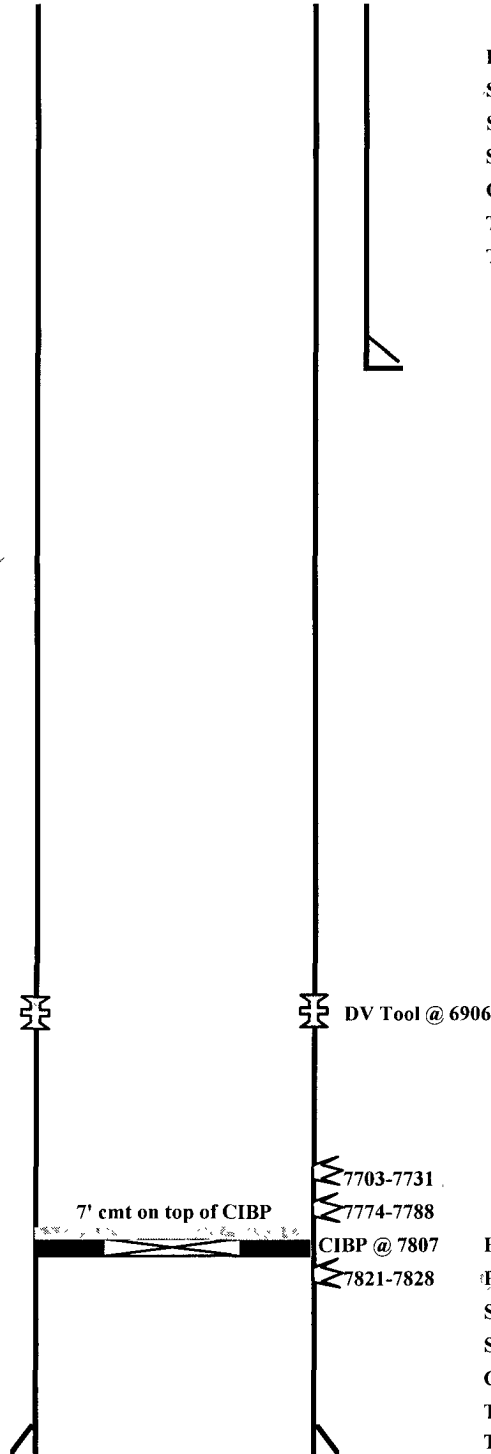
TBG:
JTS:
SN:
TAC:
ROD SIZE:

CURRENT PERFS:

PKR:
TYPE:

SQUEEZE JOBS:

OH ID:
COTD:
PBTB: 7,800'
TD: 8,164'



HOLE SIZE: 8 3/4"
PROD. CSG & SIZE: 7" 23# & 26# K-55 & N-80
SET @: 8,164'
SXS CMT: 1st stage: 300 sx, 2nd stage: 900 sx
CIRC: yes - both stages
TOC AT: surface
TOC BY: circ.

BY: TS
9/21/2009

OPEN HOLE:

LINER:

PROPOSED WELLBORE DIAGRAM

Page 6 of 9

LEASE: B&B 22	WELL: 7	FIELD: Dagger Draw North	API: 30-015-28431
LOC: 1,650' FNL & 990' FEL	SEC: 22	BLK: 0	Reservoir: Glorieta-Yeso
SVY: T19S, R25E	GL: 3,453'	CTY/ST: Eddy County, NM	SPUD: 5/17/1997
CURRENT STATUS: ACTIVE	KB: 3,453'	DF: 3467	TD DATE: 6/7/1997
			COMP. DATE: 7/24/1997

FRESH WATER
DEPTH:

HOLE SIZE: 14 3/4"
SURF. CSG & SIZE: 9 5/8" 36# J-55
SET @: 1,113'
SXS CMT: 1,100 sx
CIRC: yes
TOC AT: surface
TOC BY: circ

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:

TBG:
JTS:
SN:
TAC:
ROD SIZE:

PKR:
TYPE:

OH ID:
COTD:
PBDT: 3,891'
TD: 8,164'

2347-2635
2773-2787

CIBP @ 3926 w/35' cmt on top

CIBP @ 6090 w/35' cmt on top

DV Tool @ 6906

CIBP @ 7660 w/35' cmt on top

7703-7731

7774-7788

CIBP @ 7807

7821-7828

7' cmt on top of CIBP

HOLE SIZE: 8 3/4"
PROD. CSG & SIZE: 7" 23# & 26# K-55 & N-80
SET @: 8,164'
SXS CMT: 1st stage: 300 sx, 2nd stage: 900 sx
CIRC: yes - both stages
TOC AT: surface
TOC BY: circ.

CURRENT PERFS:

SQUEEZE JOBS:

OPEN HOLE:

LINER:

BY: TS
9/21/2009