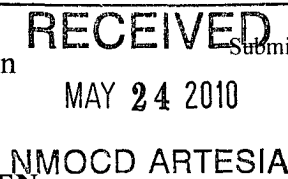


State of New Mexico
Energy, Minerals & Natural Resources

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- 015-26818
⁴ Property Code	⁵ Property Name Covert Com	⁶ Well No. 2
⁹ Proposed Pool 1 Undesignated; Wolfcamp		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
D	6	20S	25E		660	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 Plugback	¹² Well Type Code O/G	¹³ Cable/Rotary NA	¹⁴ Lease Type Code NA	¹⁵ Ground Level Elevation 3573.4
¹⁶ Multiple No	¹⁷ Proposed Depth 8090	¹⁸ Formation Wolfcamp	¹⁹ Contractor Lucky	²⁰ Spud Date 6/1/10

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4	9-5/8	36	1150	2050	NA
8-3/4	7	26 & 29	8090	1475	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.

NPC requests approval to plugback to the Wolfcamp formation per attached procedure. Perf, test and stimulate as necessary to establish production.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Sarah Jordan

Title: Prod/ Reg Analyst

E-mail Address: sjordan@nearburg.com

Date: 5/21/10

Phone: 432/818-2950

OIL CONSERVATION DIVISION

Approved by:

Title: Geologist

Approval Date: 7/21/2010

Expiration Date:

Conditions of Approval Attached ☐

DIRECTLY
P.O. Box 1980, Hobbs, NM 88240

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

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

OIL CONSERVATION DIVISION

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

RECEIVED

AUG 27 1991

AMENDED

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	Pool Undesignated Wolfcamp	Dedicated Acreage: 300 Acres		
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below. 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). 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.? 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: <i>Kathie Craft</i> Printed Name: Kathie Craft Position: Land Administrator Company: Nearburg Producing Co. 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: <i>John W. West</i> Certificate No. JOHN W. WEST, 676 RONALD J. EIDSON, 3235		

Covert Com #2

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 perfs 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

FRESH WATER
DEPTH:

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

COMMENTS:

Orig. TOC 531, cmt'd down 1"
with 500 sx

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:

TBG:
JTS:
SN:
TAC:
ROD SIZE:

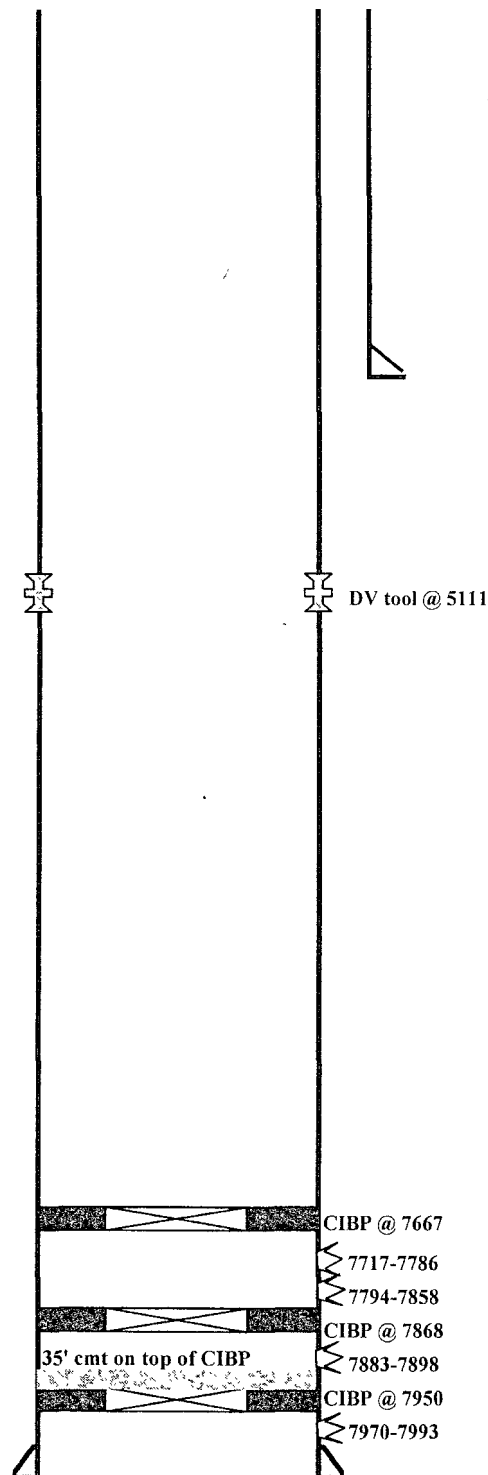
PKR:
TYPE:

HOLE SIZE:
INT. CSG & SIZE:
SET @:
SXS CMT:
CIRC:
TOC AT:
TOC BY:

CURRENT PERFS:

SQUEEZE JOBS:

OH ID:
COTD: {
PBD: 7868
TD: 8090



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
TOC AT: Surf
TOC BY: Circ

OPEN HOLE:

LINER:

BY: TS
3/22/2010

PROPOSED WELLBORE DIAGRAM

LEASE: Covert 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 AT: Surf
TOC BY: 1"

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:

TBG: 0
JTS: 0
SN: 0
TAC: 0
ROD SIZE:

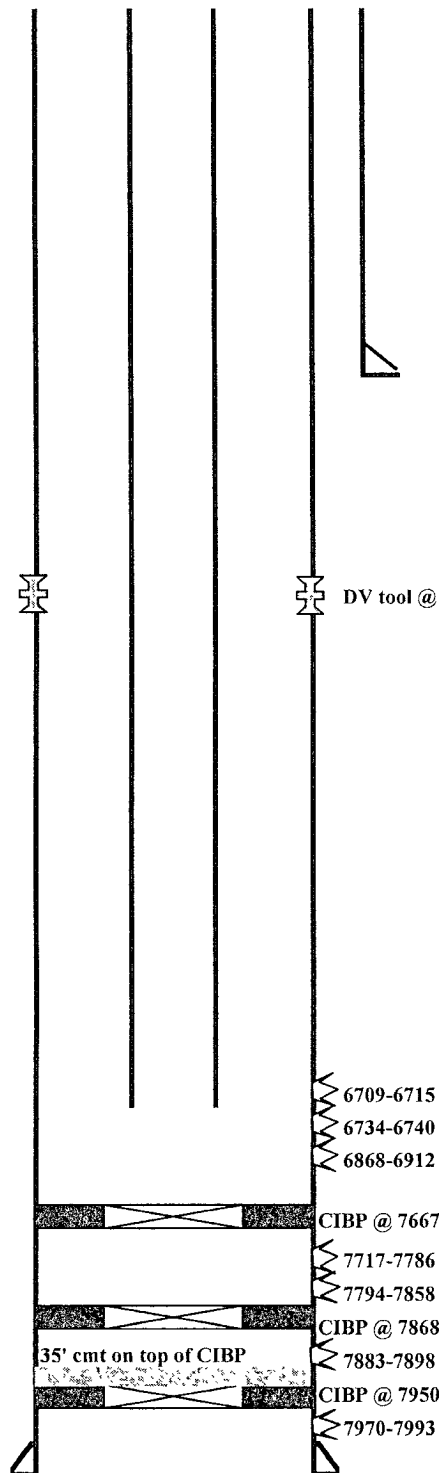
HOLE SIZE:
INT. CSG & SIZE:
SET @:
SXS CMT:
CIRC:
TOC AT:
TOC BY:

CURRENT PERFS:

PKR:
TYPE:

SQUEEZE JOBS:

OH ID:
COTD:
PBSD: 7868
TD: 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
TOC AT: Surf
TOC BY: Circ

OPEN HOLE:

LINER:

BY: TS
3/22/2010