

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 87240
District II
1301 W. Grand Ave., 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 and Natural Resources

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

Form C-103
May 27, 2004

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.)		WELL API NO. 30-025-35108
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Nearburg Producing Company		6. State Oil & Gas Lease No.
3. Address of Operator 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		7. Lease Name or Unit Agreement Name: Packer 18 State Com
4. Well Location Unit Letter <u>A</u> : <u>660</u> feet from the <u>North</u> line and <u>660</u> feet from the <u>East</u> line Section <u>18</u> Township <u>21S</u> Range <u>35E</u> NMPM County <u>Lea</u>		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3672' GL		9. OGRID Number 015742
Pit or Below-grade Tank Application <input type="checkbox"/> or Closure <input type="checkbox"/> Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____ Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____		10. Pool name or Wildcat Wildcat: Bone Spring

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data	
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/> OTHER: <input type="checkbox"/>	SUBSEQUENT REPORT OF: REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/> COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/> CASING TEST AND CEMENT JOB <input type="checkbox"/> OTHER: Frac BS perms to establish production <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.

See attached work performed for the subject well to establish production.

RECEIVED

AUG - 7 2008

HOBBS OCD

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ , a general permit ☐ or an (attached) alternative OCD-approved plan ☐

SIGNATURE Sarah Jordan TITLE Prod/ Reg Analyst DATE 2/11/08

Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com Telephone No. 432/686-8235

For State Use Only

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE AUG 08 2008

Conditions of Approval, if any:

TIGHT HOLE-PLEASE DO NOT RELEASE ANY INFORMATION ON THIS WELL

Packer 18 State Com #1

660' FNL and 660' FEL, Section 18, T21S, R35E

Bone Spring

Lea County, New Mexico

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

- 12/13/07 Road rig & crew to location from B & B 22 #4 in Dagger Draw. Spot rig on location. SDFN. Will MIRU Lucky pulling unit in the AM.
Current Operation This AM: RIH w/ bit to drill CIBP.
- 12/14/07 MIRU Lucky Services pulling unit. ND B1 bonnet WH w/ 2" valve on top. Csg full of packer fluid. NU hydraulic BOP on 5000# WH. MIRU Weatherford reverse unit w/ pump, pit, swivel & DC's. PU & RIH w/ new 6" drill bit, bit sub, (6) 4 3/4" drill collars, top sub, 247 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Tag top of CIBP @ 7940' by tbq tally w/ jt #248. Had Two-State deliver 195 jts- new 2 7/8" J-55 tbq to location & set on pipe racks (from Toolpushers) along w/ 71 jts- 2 7/8" J-55 scanned yellow band (from yard) & set on pipe racks that was picked up. Talled all tbq on rack before RIH. Tagged CIBP where we should have. Had TRM vac truck deliver 120 Bbls 2% KCL wtr & put in reverse unit tank to have to circ while DO CIBP. Had TRM vac truck stay & catch fluid that well was overflowing while RIH w/ tbq. PU swivel on jt #248. Had Weatherford reverse unit circ btms up for 20 minutes. LD jt #248 w/ swivel. Put TIW valve on tbq. Close BOP rams. SDFW. Will PU swivel & start DO CIBP on Monday AM.
Current Operation This AM: DO CIBP.
- 12/17/07 Remove TIW valve from tbq. Open BOP rams. PU swivel w/ jt#248. Had Weatherford reverse unit pump start reverse circulating dn csg & up tbq w/ 2% KCL wtr. Start DO CIBP @ 7940'. Took 3 1/2 hrs to DO CIBP. LD swivel. PU & RIH w/ 9 jts- 2 7/8" J-55 tbq to put EOT @ 8234'. Have a total of 257 jts 2 7/8" tbq in well. RU Weatherford reverse unit to reverse circulate 315 Bbls 2% KCL wtr to frac tank to have good clean fluid in wellbore. Had TRM trucks bring 2% KCL wtr for reverse unit to pump. RDMO Weatherford reverse unit. POOH & LD 3 jts- 2 7/8" tbq on racks. Continue to POOH standing back 254 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, LD top sub, (6) 4 3/4" drill collars, bit sub, 6" drill bit. Close BOP blinds. SI well. Had Two-State deliver 110 jts- 3 1/2" P105 9.3# CS hydril tbq (new), 155 jts- 3 1/2" P105 9.3# CS hydril tbq (from yard) to location & set on pipe racks. Forklift also set catwalk. SDFN. Will PU pkr hydrotesting 3 1/2" tbq above slips in the AM.
Current Operation This AM: RIH w/ pkr hydrotesting pkr.
- 12/18/07 Open BOP blinds. Tally 3 1/2" 9.3# CS hydril tbq on pipe racks. RU Hydrostatic Tubing testers to test 3 1/2" tbq to 9000# above slips picking up off pipe racks. RU Big Bear PU machine to end of catwalk. PU & RIH w/ 2 7/8" x 7" AS 1x pkr w/ 2.25" F frac hardened profile nipple, 2 7/8" On/Off tool, x-over sub to 3 1/2" CS hydril, 262 jts- 3 1/2" 9.3# CS hydril tbq. Had TRM vac truck catch wtr that was overflowing while RIH w/ tbq. RDMO Hydrostatic Tubing testers & Big Bear PU machine. Set pkr @ 8100'. Had TRM pump truck test csg & CIBP below pkr dn tbq w/ 2% KCL wtr to 1000#. Held good pressure for 10 minutes. Bled pressure off tbq. Release pkr. POOH & LD 8 jts- 3 1/2" 9.3# CS hydril tubing on pipe racks. Left pkr unset & hanging overnight. Close BOP rams. Put TIW valve in tbq. SDFN. Will set pkr above perfs in the AM & start swabbing perforations.
Current Operation This AM: Set pkr above perfs.

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

- 12/19/07 Remove TIW valve from tbq. Open BOP rams. Set AS pkr @ 7889' in 18k compression. ND hydraulic BOP. NU Nearburg frac stack wellhead. RU TRM pump truck to csg backside to load & test csg & pkr to 1000#. Held good pressure. Bled dn pressure. RDMO TRM pump truck. Had Lucky pulling unit crew cut off approx 200' of sand line & pour a new rope socket before starting to swab the 3 1/2" tbq. RU to swab 3 1/2" 9.3# tbq. IFL @ 200' FS. Made a total of 15 swab runs pulling the last run from the profile nipple. Brought back 135 Bbls wtr to frac tank. No oil & no gas. SI well. SDFN. Will swab again in the AM before BJ frac well dn tbq. Had Two-State deliver another frac tank for frac job & set in line w/ others.
Current Operation This AM: Swab.
- 12/20/07 RU to swab 3 1/2" tbq to frac tank. IFL @ 6800' FS. Made a total of 3 swab runs pulling last run from profile nipple bringing back 13 Bbls wtr. LD swab line. Change top flange on top of frac stack wellhead. Wait for BJ trucks to rig up to frac well. BJ arrived on location @ 1:15 PM. MIRU BJ Services pump trucks to frac well dn 3 1/2" 9.3# tbq. BJ tested lines to 7000#. Open well w/ 0# tbq pressure. Spearheaded 1500 gals (35.7 Bbls) 15% NEFE HCL acid ahead of pad. Tbg loaded w/ 20 Bbls pumped. Broke back @ 3680# tbq pressure. Went to pad (412 Bbls) Medallion 3000 fluid @ 19.2 bpm w/ 3833# tbq pressure. Start 1-5 ppg Super LC 16/30 ramp maintaining 3800# avg tbq pressure. Increased rate to 21.9 bpm w/ slight increase in tbq psi. Pumped 303 Bbls Medallion 3000 fluid w/ 3 ppg Super LC 16/30 sand in tbq when pressure immediately climbed to 7200# before shutting down. Well screened out. Tried to flush w/ 6 Bbls Medallion 3000 fluid, but well would not take any fluid. SD. ISDP @ 4267#. 5 min- 2393#, 10 min- 1968#, 15 min- 1817#. Treating pressure- MAX- 7215#, MIN- 3680#, AVG- 4713#. Injection rates: Treating fluid- 20 bpm, Flush- 20 bpm. RDMO BJ Services pump trucks. Have 727 Bbls load wtr to recover. Had Pro flowback hand start flowing well back after hooking up manifold to wellhead. Flow well back @ 20 bph rate. Had 1300# tbq pressure when starting flowback.
Current Operation This AM: Flowback.
- 12/21/07 Well flowed back 68 Bbls gel frac fluid in 5 1/2 hrs last night. Opened w/ 1300# tbq pressure & continually dropped until well had 0# tbq pressure @ 12:30 AM. ND Pro flowback manifold from wellhead & released. Wait for Pro slickline truck to arrive on location. MIRU Pro slickline truck to RIH w/ sinker bars to tag top of sand in 3 1/2" tbq. Tag top of sand @ 6511' w/ slickline tools. POOH & RDMO Pro slickline truck. Change wellhead flange & RU to swab 3 1/2" 9.3# tbq to 4200' FS. Made a total of 10 swab runs leaving FL @ 4200' FS. ND frac stack wellhead. NU hydraulic BOP. Release pkr. POOH standing back 34 jts- 3 1/2" P105 9.3# CS hydril tubing in derrick. Continue to POOH & LD 83 jts- 3 1/2" 9.3# CS hydril tbq on pipe racks. Put TIW valve in tbq. Close BOP rams. SDFW. Will finish POOH & LD 3 1/2" tbq on racks on Wednesday AM.
Current Operation This AM: Finish POH and LD tbq.

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- 12/26/07 Remove TIW valve from tbgs. Open BOP rams. POOH & LD 103 jts- 3 1/2" 9.3# CS hydril tbgs on pipe racks along w/ 2 7/8" x 7" AS 1x pkr w/ On/Off tool & 2.25" F profile nipple. The last 44 jts- 3 1/2" tbgs was plugged up w/ frac sand. LD plugged jts up on rack & took them to Double R Pipe to have them drilled out. RIH w/ 34 jts- 3 1/2" tbgs from derrick & POOH & LD all 34 jts- 3 1/2" tbgs on pipe racks. Had Two-State forklift load 265 jts- 3 1/2" 9.3# CS hydril tbgs on trucks & take 221 jts to yard & 44 jts to Double R Pipe. MIRU Key reverse unit w/ pump, pit, swivel & drill collars. Had TRM pump truck on location for well control & TRM vac truck to catch fluid while RIH w/ tubing. Had TRM pump truck put 120 Bbls 2% KCL wtr in Key reverse pit to circulate well with while cleaning out sand. PU & RIH w/ 6" drill bit, bit sub, (6) 4 3/4" drill collars, top sub, 248 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Tag TOS @ 7958' w/ jt # 249. POOH & LD 7 jts- 2 7/8" J-55 tbgs. RIH w/ 6 jts- 2 7/8" J-55 tbgs from derrick to leave drill bit above top perf. Put TIW valve in tubing. Close BOP rams. SDFN. Will PU swivel to DO sand in the AM.
Current Operation This AM: RIH to TOS.
- 12/27/07 Remove TIW valve from tbgs. Open BOP rams. PU swivel on jt #248. Put stripper head on top of BOP. Had Key reverse unit start reverse circulating well pumping 2% KCL wtr dn csg & out tbgs to pit @ 2 1/2 bpm. Broke circulation quickly. Tag TOS @ 7958' w/ jt #249. Start DO sand. Wash sand dn to 8491' w/ 265 jts- 2 7/8" tbgs in on top of DC's & bit. Took 3 1/2 hrs to clean out. Circulate hole clean for 40 minutes. SD pump. RD swivel & ND stripper head. POOH & LD 5 jts- 2 7/8" J-55 tbgs on ground. Continue to POOH standing back 60 jts- 2 7/8" J-55 tbgs in derrick. The wind started blowing real hard and had to SD. Put TIW valve on tbgs. Close BOP rams. SDFN. Will finish POOH w/ tbgs & DC's in the AM.
Current Operation This AM: Finish POH w/ tbgs.
- 12/28/07 Remove TIW valve from tbgs. Open BOP rams. POOH w/ 205 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, x-over top sub, (6) 4 3/4" drill collars, bit sub and 6" drill bit. LD drill collars. RIH w/ 1 jt- 2 7/8" J-55 6.5# EUE 8rd tubing (open ended as tail pipe), new 2 7/8" API Standard Seat Nipple, 7 jts- 2 7/8" J-55 tubing, 2 7/8" x 7" TAC w/ 45k shear, 252 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. ND hydraulic BOP. Set TAC in 12k tension. NU B1 bonnet wellhead w/ swab valve. RDMO Lucky Services pulling unit. MIRU Mico Services swab unit. RU to swab 2 7/8" tbgs to frac tank. IFL @ surface. Made a total of 8 swab runs bringing back 45 Bbls wtr to frac tank. FFL @ 1300' FS. Pulled last run from 2300' FS. Left well open to frac tank over the weekend. SDFW. Will swab again on Monday AM.
Current Operation This AM: Swab.
- 12/31/07 Arrived on location, well had not flowed any fluid over weekend. 0 starting pressure on tubing, had 15# on casing. Hit first fluid level @ 300'fs. Made 26 swab runs recovered 107bbls back for the day. Total of 152 bbls since starting swab. Last fluid level was @ 2400'fs. On 20th run we might of had .5% oil cut. But all water in frac tank. Left well open to frac tank. SDFN
Current Operation This AM: Swab.
- 01/02/08 Arrived on location, well had 0# on tubing and 140# on casing. Well had not flown over holiday. On first run fluid level was 1300'fs. Last run was 3900'fs. Made 34 runs for the day recovered 135 bbls of fluid. Have little oil in samples but frac tank will not color cut. Have recovered total of 287bbls since starting swab. Closed casing, left well open to frac tank. SDFN
Current Operation This AM: Swab.

Nearburg Producing Company

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- 01/03/08 Arrived on location, well had 0 tubing pressure and 120# casing pressure. On first run hit fluid level @ 2500fs. Had 20% oil cut. Made 30 swab runs for the day. Recovered 122bbls for the day. Total of 409bbls since starting swab. Last run fluid level was 5000'fs. Left well open to frac tank. SDFN. Have 7bbls of oil in frac tank.
Current Operation This AM: Swab.
- 01/04/08 Arrived on location, had 0 tubing pressure, and 115# on casing. First run hit fluid level @ 3300'fs, had 20% oil cut. Made 26 swab runs for the day. Recovered 119bbls for the day. Total of 528bbls since starting to swab. Last run hit fluid level @ 5900'fs. After first run we have light skim of oil on each run. Total of 10bbls oil in frac tank. Left well open to tank. Shut down till Monday.
Current Operation This AM: Swabbing.
- 01/07/08 Arrived on location, well had 0 tubing pressure and 225# on casing. First run for day hit fluid level @ 2800 fs. Had 20% oil cut. Made 24 swab runs for the day recovered 116bbls. On last run fluid level was @ 5400' fs. Left well open to frac tank. RDMO Since starting to swab have recovered 644 bbls. 629 bbls of water and 15 bbls of oil. Final report
Current Operation This AM: Open to frac tank.
- 01/11/08 MIRU shut down SDFN
Current Operation This AM: RIH w/ pump and rods.
- 01/14/08 Arrived on location well had 0# on tubing and 400# on casing. Bled casing down to frac tank. While building wellhead. Well started flowing oil up casing. PU RIH w/ spare 2 1/2" x 1 1/2" x 24' pump w/ 6" GA, (16) 1 3/8" x 25' Grade C sinker bars, (69) 3/4" x 25' T66 rods, inspected. (84) 3/4" x 25' T66 rods from yard, (34) 7/8" x 25' T66 rods from yard, (118) 7/8" x 25' T66 rods inspected, (2) 7/8" x 2' x 8' T66 rod subs (1) 1 1/4" x 26' PR w/ 1 1/2" x 16' PRL. Seated pump spaced out for portable pumping unit. Took 18bbls to load . Pressured to 500# held ok. Had pulling unit long stroke well to check pump action. Pressured to 500# held ok. RDMO SDFN Weatherford will be on location @ 8:30AM to set portable unit.
Current Operation This AM: Install portable PU.
- 01/15/08 MIRU portable unit. Started well @ 10:00 AM. Set SPM @7. Will call Sarah with production daily. Final report.
Current Operation This AM: Pumping to frac tank.