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2009 MAR 3 PM 2 44

JAMES BRUCE
ATTORNEY AT LAW

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jamesbruc@aol.com

March 3, 2009

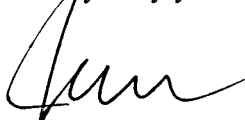
Florene Davidson
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Case 14296

Dear Florene:

Enclosed for filing, on behalf of Nearburg Producing Company, are an original and one copy of an application to extend the TA status of a well, together with a proposed advertisement. The advertisement has also been e-mailed to the Division. Please set the application for the March 31, 2009 Examiner hearing. Thank you.

Very truly yours,



James Bruce

Attorney for Nearburg Producing Company

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

RECEIVED

2003 MAR 3 PM 2 44

APPLICATION OF NEARBURG PRODUCING
COMPANY FOR AN EXTENSION OF THE
TEMPORARY ABANDONMENT STATUS OF
ONE WELL, EDDY COUNTY, NEW MEXICO.

Case No. 14296

APPLICATION

Nearburg Producing Company, for its application, states:

1. Applicant is the operator of the Parino Well No. 1, located 1980 feet from the south line and 660 feet from the east line of Section 23, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico (API No. 30-015-23049).
2. The Parino Well No. 1 was drilled in 1979 to the Morrow formation, and was plugged and abandoned. Subsequently, the well was re-entered and completed in the Morrow formation (in 1984), the Strawn formation (in 1988), and the Upper Pennsylvanian formation (in 1997). It was temporarily abandoned on June 27, 2001, and a five year extension was approved by the Division on September 20, 2003.
3. Applicant filed an Application for Permit to Drill ("APD") with the Division on May 29, 2008, proposing a test of the Glorieta-Yeso formation (Undesignated North Seven Rivers Glorieta-Yeso Pool). **Exhibit A.**
4. After filing the APD, applicant was granted a final administrative extension of the temporary abandonment status of the Parino Well No. 1 through March 16, 2009. **Exhibit B.** The well passed an MIT test on October 2, 2008.
5. Applicant has not commenced re-entry operations on the Parino Well No. 1 due to decreasing oil prices commencing last summer, coupled with drilling costs that have only recently started to decline.


6. Applicant requests a one year extension of the temporary abandonment status of the Parino Well No. 1, through March 16, 2010, so that the re-entry can become more economic.

7. Applicant has no out-of-compliance wells.

8. The granting of this application will prevent waste and protect correlative rights.

WHEREFORE, applicant requests that, after notice and hearing, the Division enter its order approving a one year extension of the temporary abandonment status of the Parino Well No. 1 under such reasonable conditions which the Division may impose.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "James Bruce", is written over a horizontal line.

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Nearburg Producing Company

S

Form C-101
May 27, 2004

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
MAY 29 2008

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

OCD-ARTESIA

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- 15-23049
⁴ Property Code	⁵ Property Name Parino	⁶ Well No 1
⁹ Proposed Pool 1 Undesignated: Glorieta/ 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
I	23	19S	25E		1980	South	660	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	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3417
¹⁶ Multiple N	¹⁷ Proposed Depth 9460	¹⁸ Formation Glorieta/ Yeso	¹⁹ Contractor Mesa	²⁰ Spud Date 6/15/08
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
17-1/2	13-3/8	48	417	700	NA
12-1/4	9-5/8	36	2501	1500	NA
8 3/4	4-1/2	11.6	9460	1375	4500
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.

NOTE: NEW PIT RULE

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 ☒ a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Printed name: Sarah Jordan

Title: Production Analyst

E-mail Address: sjordan@nearburg.com

Date:

Phone:

432/686-8235 x 203

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

Attached ☐

EXHIBIT

A

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1361 W. Grand Avenue, Artesia, NM 88210

District III

1300 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	² Pool Code	³ Pool Name
	97482	North Seven Rivers; Gharita No. 50
⁴ Property Code	⁵ Property Name	⁶ Well Number
	Parino	1
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
015740	Nearburg Producing Company	3417

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
I	23	19S	25E		1980	S	660	E	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	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
40			

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.

<div style="text-align: center;"> </div>	<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 operation either owns a working interest or an undivided interest in the land underlying the proposed bottom hole location or has a right to drill this well in this location pursuant to a contract with an owner of an undivided interest or working interest, or to a voluntary pooling agreement or a unitization pooling order heretofore entered by the state or.</p> <p>Signature: <u>S. Jordan</u> Date: <u>5/29/08</u></p> <p>Printed Name: <u>S. Jordan</u></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>

Parino

#1

Page 2 of 3

RECOMMENDED PROCEDURE:

Mark the Upper Permian and Chloride/Vapor zone B&C GAS zones (H&S at hazardous levels)

- 1) MIRU PU. RIH w/2-3/8" tbg to PBTD 7715' and circulate abandonment mud to 3500'. POH w/tbg.
- 2) RU ISI to run CBL from 5500' to 5000' on the 1st pass w/no pressure then a pass from 5500' to 500' above the TOC with 500#. Have ISI set CIBP @ 6610' and cap w/35' cmt. Have ISI perf 4 sqz holes @ 3950'. RD ISI.
- 3) RIH w/CICR on 2-3/8" tbg to 3850'. Set CICR and establish circulation. Cmt 4.5" casing to the surface. PUH and leave 100' cmt on CICR. RU BJ.
- 4) POH w/tog. RIH w/3-7/8" bit to TOC. POH w/bit & tbg. Test casing to 4000#.

5) RU ISI to perf the following intervals with premium charges (4.5" Casing in 8-3/4" hole):

2704'	2689'	2635'	2614'	2612'	2602'	2597'
2573'	2569'	2561'	2550'	2543'	2526'	2521'
2519'	2508'	2502'				

With 1 spf premium charges correlated to Schlumberger Compensated Neutron - Formation Density log dated 12/15/79 Run One. RD ISI.

6) RIH w/2-3/8" J-55 tbg to 2400' with 4.5" trtg pkr. Pickle tbg w/300g Xylene and 1000g 15% NEFE pump down tbg and out BS to clean both tbg & 4.5" casing. Set trtg pkr. Hold 500# on BS while breaking down the perforations.

7) RU BJ to Break down perfs with 2000g 15% NEFE HCL in stages as follows:

- a) Pump 500g 15% NEFE HCL
- b) Drop 5 7/8" 1.3 balls
- c) Pump 250g 15% NEFE HCL
- d) Drop 5 7/8" 1.3 balls
- e) Pump 250g 15% NEFE HCL
- f) Drop 5 7/8" 1.3 balls
- g) Pump 250g 15% NEFE HCL
- h) Drop 5 7/8" 1.3 balls
- i) Pump 250g 15% NEFE HCL
- j) Drop 5 7/8" 1.3 balls
- k) Pump 500g 15% NEFE HCL
- l) Displace to btm perf w/2% KCL

Let acid spend 1-1.5 hrs. Flow back acid load. Rise pkr and RIH to make sure balls are cleared off perfs. POH w/tbg & pkr.

8) RU BJ to Frac well as follows at 60 bpm down casing:

Stage	Fluid	Vol(g)	ppg	Prop	Stage#	Cum#'
1	Gelled 3% Acid	20,000	Pre-PAD			
2	Gelled 3% Acid	5,000	.5	20/40 SLC	2,500	2,500
3	Gelled 3% Acid	20,000	.PAD			
4	Gelled 3% Acid	10,000	.1	LiteProp 14/30	1,000	3,500
5	Gelled 3% Acid	20,000	.2	LiteProp 14/30	4,000	7,500
6	Gelled 3% Acid	20,000	.3	LiteProp 14/30	6,000	13,500
7	Gelled 3% Acid	10,000	.4	LiteProp 14/30	4,000	17,500
8	Gelled 3% Acid	10,000	.5	SLC 20/40	5,000	22,500
9	Gelled 3% Acid	10,000	.75	SLC 20/40	7,500	30,000
10	Gelled 3% Acid	10,000	1	SLC 20/40	10,000	40,000
11	Gelled 3% Acid	10,000	1.5	SLC 20/40	15,000	50,000
12	Fresh Water	1,591	FLUSH			

Get 15IP, 5 min, 10 min & 15 min SIP's. RD BJ.

9) Si Overnight to let resin coated sand stabilize.

10) Flowback well till it dies then run 2-3/8" tbg and 3 1-3/8" K bars + 3/4" KD rods and ponfes to surface. Use new C30-119-54 weatherford units.

CURRENT WELLBORE DIAGRAM

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LEASE: Parino	WELL: #1	FIELD:	API: 30-015-23049
LOC: 1980' FSL & 660' FEL	SEC: 23	BLK:	Reservoir
SVY: Sec 23 T19S 25E	GL: 3417.2'	CTY/ST: Eddy / NM	SPUD: 10/3/1983
CURRENT STATUS: TA'd	KB: 3431.6'	DE:	TD DATE: 10/6/1983
			COMP. DATE: 3/29/1984

FRESH WATER
DEPTH:

HOLE SIZE: 17.5"
SURF CSG & SIZE: 13-3/8" 48#
SET @: 417'
SXS CMT: 700 sx
CIRC: Yes
TOC AT:
TOC BY:

COMMENTS:

HOLE SIZE: 12.25"
INT CSG & SIZE: 9-5/8" 36#
SET @: 2501'
SXS CMT: 1500 sx
CIRC: Yes
TOC AT:
TOC BY:

*****GEOLOGY*****

TOPS OF ALL ZONES

PRODUCTIVE OF HYDRO-

CARBONS:

San Andres: 1010'

Glorieta: 2409'

Wolfcamp: 6610'

Penn: 7718'

Strawn: 9240'

Atoka: 8900'

Morrow: 9280'

CURRENT PERFS:

TBG:
JTS:
SN:
TAC:
ROD SIZE:

PKR:
TYPE:

SQUEEZE JOBS:

OH ID:
COTD:
PBTD: 9375'
TD: 9460'

CIBP @ 7750' cap w/35' cmt 7796-7820' w/4 spf

Casing detail: 236 jts total. 47 jts 4.5" 8rd 11.6# LT&C N-80 (1968')
189 jts 4.5" 8rd LT&C 11.6# J-55 (7502')

CIBP @ 8624' cap w/36' cmt 8724-32' 2 spf Strawn Perfs

CIBP @ 9270' cap w/25' cmt

HOLE SIZE: 8-3/4"
PROD. CSG & SIZE: 4.5" 11.6# N-80, & J-55
SET @: 9460'
SXS CMT: lead 950 sx 50/50 Poz tailed w/425 sx H
CIRC: No
TOC AT: 4560'
TOC BY: TS

9329' 9333'
9330' 9336'
9332' 9337'
9345'

9377'
9378'
@ 4 spf

OPEN HOLE:

LINER:

BY: BHH
5/29/2008

Page 6 of 9

FRESH WATER
DEPTH:

COMMENTS:

*****GEOLOGY*****
 TOPS OF ALL ZONES
 PRODUCTIVE OF HYDRO-
 CARBONS:
 San Andres: 1016'
 Glorieta: 2400'
 Wolfcamp: 6610'

CURRENT PERFS:

SQUEEZE JOBS:

PKR:
TYPE:

OH ID:
COTD:
PBTD: 9375
TD: 9460

2502'	2550'	2612'
2508'	2561'	2614'
2519'	2569'	2635'
2524'	2573'	2639'
2526'	2597'	2704'
2543'	2602'	

Σ Sqz holes @ 3950' (Top of Bone Springs @ 3850')

CIBP @ 7750' cap w/35'cint 7796-7820' w/4 spf

Casing detail: 236 jts total. 47 jts 4.5" 8rd 11.6# LT&C N-80 (1968')
189 jts 4.5" 8rd LT&C 11.6# J-55 (7502')

CIBP @ 8624' cap w/36'cmt \approx 8724-52' 2 spf Strawn Perfs

CIBP @ 9270' cap w/35' cnt

9346'

HOLE SIZE:	8-3/4"
PROD. CSG & SIZE:	4.5" 11.6# N-80, & J-55
SET @:	9460'
SXS CMT:	lead 950 sx 50/50 Poz tr
CIRC:	No
TOC AT:	4500'
TOC BY:	TS

9329' 9333'
9330' 9336'
9332' 9337'
9345'

(n) 4 spf

OPEN HOLE:

LINER:

BY: BHH
5/29/2008

EXHIBIT

OCT 30 2008
OCD-ARTESIA

Nearburg Producing Company

Exploration and Production
3300 North "A" Street
Building 2, Suite 120
Midland, Texas 79705
432/686-8235
FAX: 432/686-7806

October 29, 2008

Oil Conservation Division
1301 W. Grand Avenue
Artesia, New Mexico 88210

RE: Boyd, South Prospect.
Eddy County, New Mexico
Request for TA Extension - Parino No 1 Well
1,980' FSL and 660' FEL
Section 23, T-19-S, R-25-E, N.M.P.M.
API No. 30-015-23049

Ladies and Gentlemen:

Nearburg Producing Company respectfully submits the attached Sundry Notice (Form C-103) wherein we are requesting an extension to the captioned well's TA status.

Nearburg has identified potentially productive zones in the Parino No 1 Well; however, in connection with the abrupt downturn in oil and gas prices, along with current high service company costs, Nearburg feels that it would be more economic if such completion attempt(s) were made in the future. You will note that the subject well has recently passed its mechanical integrity test, with the chart pertaining to such test attached to the Sundry.

It is Nearburg's opinion that if we are forced to plug and abandon this well, the result will be the loss of potentially recoverable oil and gas reserves.

Should you have any questions or need additional information regarding this matter, please give me a call.

Very truly yours,

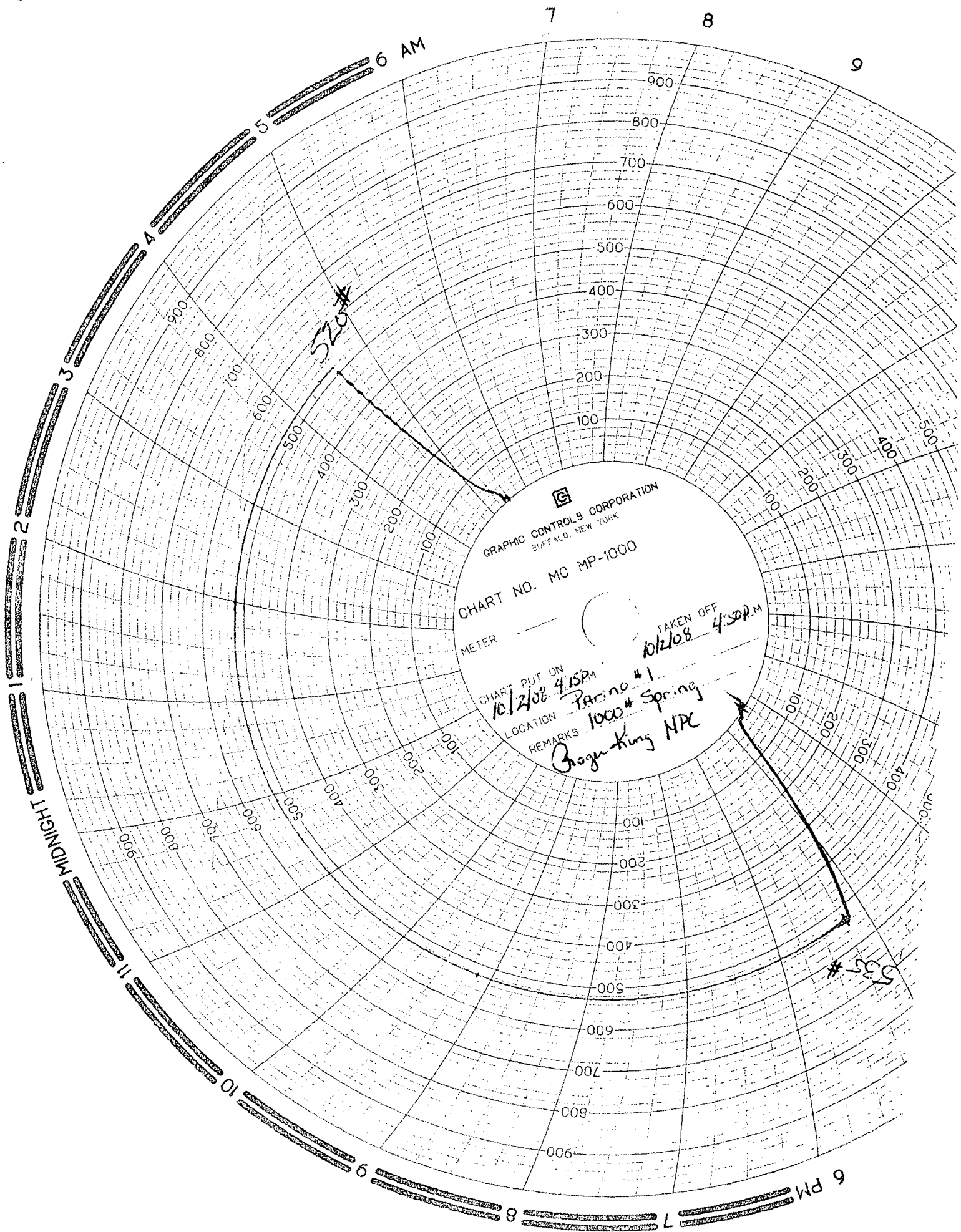
NEARBURG PRODUCING COMPANY



Terry Gant
Midland Manager

TG/H

Attachment



PROPOSED ADVERTISEMENT

Case No. 14296 :

Application of Nearburg Producing Company for an extension of the temporary abandonment status of one well, Eddy County, New Mexico. Applicant seeks an order extending the temporary abandonment status of the Parino Well No. 1 (API No. 30-015-23049), located 1980 feet from the south line and 660 feet from the east line of Section 23, Township 19 South, Range 25 East, NMPM, until March 16, 2010. The unit is located approximately 4-1/2 miles northwest of Seven Rivers, New Mexico.

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