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CONDITIONS OF APPROVAL, IF ANY:

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

DISTRICT I OIL CONSERVATION DIVISION P.O. Box 1980, Hobbs, NM 88240 WELL API NO. 2040 Pacheco St. 30-015-29138 Santa Fe. NM 87505 DISTRICT II P.O. Drawer DD, Artesia, NM 88210 sindicate Type of Lease STATE FEE DISTRICT III «State Oil & Gas Lease No. 1000 Rio Brazos Rd., Aztec, NM 87410 SUNDRY NOTICES AND REPORTS (2) WE (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PERMIT!" ¿Lease Name or Unit Agreement Name South Boyd 27 (FORM C-101) FOR SUCH PROPOSALS Type of Well: OIL OTHER Well No. 2Name of Operator Nearburg Producing Company 3Address of Operator Pool name or Wildcat 3300 N A St., Bldg 2, Suite 120, Midland, TX 79705 Cemetary; Morrow (Gas) 4Well Location 1980 Feet From The North 1980 East Feet From The Unit Letter Line and Eddy 27 **19S** 25E Township **NMPM** County Range to Elevation (Show whether DF, RKB, RT, GR, etc.) 3449' GR 11 Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PLUG AND ABANDON PERFORM REMEDIAL WORK REMEDIAL WORK ALTERING CASING **TEMPORARILY ABANDON** CHANGE PLANS COMMENCE DRILLING OPNS. PLUG AND ANBANDONMENT PULL OR ALTER CASING CASING TEST AND CEMENT JOB OTHER: OTHER: Plugback 12Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103. See attached sheet for details. I hereby certify that the information above is true and complete to the best of my knowledge and belief. TITLE Production Analyst 10-08-2003 SIGNATURE TYPE OR PRINT NAME Sarah Jorda TELEPHONE NO. 432/686-8235 x 203 (This space for State Use) APPROVED BY TITLE DATE

#### South Boyd 27 #8

1,980' FNL and 1,980' FEL, Section 27, T19S, R25E Cisco/Canyon Eddy County, New Mexico

- \*\* ALL COSTS ARE FIELD ESTIMATES \*\*
  - 05/19/03 MIRU pulling unit. Kill well. ND wellhead. NU BOP. RIH w/ cmt retainer and tbg. Set retainer @ 7,652'.
  - O5/20/03 Sting into retainer. Test lines to 5,000#. Pump dn tbg w/300 sks (80 bbls) neat-thixotropic cmt, followed by 200 sks (42 bbls) H-neat cmt. Squeezed to 3,000# w/94bbls cmt below retainer. Reverse circ remaining cmt out tbg to pit. POOH w/tbg & stinger.
- O5/21/03 PU & RIH w/ drlg assembly Tag cmt @ 7,621'. Drld thru 17' of cmt bridges & 14' hard cmt to retainer @ 7,652'. Drld thru retainer in 2 1/2 hrs, drld thru 23' green cmt to 7,675' (87' above top perf). Circ hole clean. Will let cmt set one more day. POOH.
- 05/22/03 RIH to TOC @ 7,675'. Drld thru 127' hard cmt, started losing returns @ 7,802'. Continued drilling to 7,834' by tally, lost circ completely. POOH Will re-squeeze.
- 05/23/03 RIH w/ cmt retainer and tbg. Set retainer @ 7,652'. Test to 500#. OK. Test lines to 5,000#. Pump dn tbg w/50 sks thixotropic cmt, 200 sks Class H cmt w/fluid loss, followed by 30 bbls fresh wtr. Squeeze Canyon perfs to 3,000# w/215 sks +/- cmt below retainer. Reverse circ dn annulus & out tbg. POOH w/tbg & stinger.
- 05/27/03 RIH w/ drlg assembly. Tag TOC@ 7,625'. Drld thru 27'hard cmt to retainer @ 7,652'. Drld thru retainer in 3 1/2 hrs. Drld thru 186' hard cmt below retainer, fell thru cmt @ 7,838', continue in hole to 7,864'. Circ hole clean. Test to 2,000#. OK. POOH.
- 05/28/03 RIH w/ tbg to PBTD @ 9,549' by tally. Pickle dn tbg w/300 gals (7 bbls) xylene, 1,300 gals (31 bbls) 15% HCL pickle acid. Reverse circ out to pit w/368 bbls7% KCL wtr loadedw/0.5 gpt BJ Clay Master 5C & dbl inhibited pkr fluid. Test to 1,000#. OK. POOH w/tbg & BHA.
- 05/29/03 RIH w/GR/CCL. Tag PBTD @ 9,524'. Log from 9,524' to 9,000'.POOH. RIH w/ csg gun. Hung up @7,800'. POOH w/guns. RIH w/ drlg assembly Tagged @ 7,800',worked thru6' of tight area (possibly cmt). POOH.
- 05/30/03 RIH w/ csg gun loaded w/4 JSPF Perforate from 9,460'-478'(72 holes). POOH. RIH w/ csg gun w/same load. Correlate on depth. Perforate from 9,342'-352' (40 holes). POOH. RIH w/ production equipment Set pkr in 13Kcomp @ 9,164' ND BOP. RIH w/swab. Left open to frac tank on 22/64" choke.
- 05/31/03 Swabbing Well.

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- 06/02/03 Swabbing Well. Believe pkr, O/O or tbg leaking. ND wellhead. NU BOP. Release pkr. POOH w/tbg & pkr.
- 06/03/03 Hydrostatically TIH Tbg tested OK, no leaks. Set pkr in 14K comp @ 9,170' Test to 500#. OK. ND BOP. RIH w/swab
- 06/04/03 Swabbing Well.
- Swabbing Well dried up, rec'd 5 bbls wtr. MIRU pump truck. Load annulus w/137 bbls 7% KCL wtr loaded w/0.5Testlines to 9,000#. Pump 15 tons (84 bbls) CO2 @3,161# & 6.0 bpm, pump 2,000 gals (48 bbls) 5% Morrow acid w/methanol& 50% CO2 @ 4,340#& 6.0 bpm combined rate, dropped 100 7/8" ball sealers in clusters of 20, flush w/24 tons (135 bbls)CO2 @ 4,100#& 6.0 bpm. Started flow back @ 17:00 hrs w/2,200#.
- 06/06/03 06/08/03 Flowing CO2 & gas to tank.
- 06/09/03 Swab well.
- O6/10/03 Swab well. RDMO pulling unit. Final Report until further notice. NOTE: Took wtr sample into BJ Services. PH on sample @ 6.79, should be 6.2 for Morrow formation wtr. Annulus on slight vacuum when arrived on location.
- 06/16/03 Pumped 60 Bbls 7% KCL w/ 0.5 gpt Claymaster5-C. Did not load well. SDFW. Came back Monday 6-16-03 AM & pumped another 130 Bbls 7%KCL water w/ 0.5 gpt Claymaster. Did not load well. SDFN. Shut in backside & left well flowing to frac tank.
- 08/14/03 MIRU Lucky pulling unit.
- 08/15/03 Kill well. ND WH & NU BOPE. Unset packer. POOH. Close BOPE blinds.
- 08/18/03 RIH w/4.50" gauge ring/junk basket/CCL. Tag @ 9,310'. POOH. RIH w/3.125" OD x 12' pipe inspection tool w/CCL to 9,500'. Log from 9,270' to 7,300'. Run repeat from 9,210' to 8,990'. POOH. Csg looks OK on field inspection of log. Left csg open to frac tank.
- 08/19/03 RIH w/ production equipment. Set pkr in 15K compression @ 9,128'. ND BOP. Test annulus to 500# & hold for 10minutes w/no leak off. RIH w/swab.

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- 08/20/03 Swabbing Well.
- 08/21/03 Swab well. MIRU pump truck, pump dn annulus w/130 bbls7% KCL wtr & did not load. Gas flow or tbg did not change, believe squeeze perfs are leaking. Swab well Left flowing to frac tank
- 08/22/03 ND 2 7/8" x 5K tree. NU BOP. Release pkr. POOH w/tbg & pkr. RIH w/4.343" gauge ring/junk basket/CCL. Log liner top @ 7,313',log from9,342'-9,200', correlate back to open hole log. POOH. RIH w/1 5 1/2" CIBP/CCL, correlate on depth. Set CIBP @ 9,338'. POOH RIH & dump bail 10' cmt on top of CIBP. New PBTD @ 9,328'.
- 08/25/03 RIH w/ csg gun loaded w/4 JSPF, tag PBTD @9,325'. Perf from 9,301' -9,304' & 9,289'-9,293', 36 holes. POOH. RIH w/ csg gun loaded w/ 4 JSPF. Perf from 9,262'-9,270' & 9,247'-9,252', 60 holes (96 total holes). POOH. RIH w/ production equipment Set pkr in 15Kcompression @ 9,128'. Pressured up to 500# 3 times, bled off 200# in 5 minutes each time w/ no blow or vac on tbg (squeeze perfs leaking). ND BOP. Swab well.
- 08/26/03 Swab well.
- 08/27/03 Swab well. Load annulus Test lines to 10,000#. Treat Morrow B perfs from 9,247'-9,304' via 2 7/8" tbg as follows: 2 bbls Isosol acid, 20 tons (112 bbls) CO2 as pad, tbg loaded @ 44 bbls, pumped pad @ avg rate of 6 bpm w/avg press of 3,500#. Pump 2,000gals Isosol acid w/50% CO2, dropped 84 7/8" ball sealers in clusters of 21 thru acid volume, flush w/30 tons (169bbls) CO2. Began flow back @ 10:00 hrs w/2,600# SITP. Flowing backCO2 to pit.
- 08/28/03 Flowing back CO2 (will not burn) to frac tank Tbg is dry. RDMO pulling unit. Left open to frac tank
- 08/29/03 Flowing back to tank w/7# FTP on full open choke @ rate of 100-150 mcfpd. Left open to frac tank. Current Operation This AM: Flowing to frac tank.
- 08/30/03 09/09/03 Flowing back to tank.
- 09/10/03 SI for buildup.
- 09/17/03 RIH w/ 1 1/4" BHP recorder to get static readings. Made 1 1/2minute stops @ 2000', 4000', 6000', 8000', 9000' and @ mid perfs @ 9276'.POOH.
- 09/19/03 Hooking up production equipment.

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09/25/03 Released to production.