



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB NO. 1004-0137
Expires March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Nearburg Producing Company

3a. Address

3300 N A St., Bldg 2, Ste 120, Midland, TX 79705

3b. Phone No. (include area code)

432/686-8235 x 203

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660 FNL and 1980 FWL, Sec 31-19S-25E

5. Lease Serial No.

NMNM84701

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Dagger Draw 31 Fed #5

9. API Well No.

30-015-27562

10. Field and Pool, or Exploratory Area

Dagger Draw; Upper Penn. North

11. County or Parish, State

Eddy NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- | | | | |
|---|---|--|---|
| <input type="checkbox"/> Acidize | <input type="checkbox"/> Deepen | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Alter Casing | <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Reclamation | <input type="checkbox"/> Well Integrity |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Recomplete | <input type="checkbox"/> Other |
| <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back | <input type="checkbox"/> Water Disposal | |

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the final site is ready for final inspection.)

NPC requests to test the Bone Spring formation per attached procedure.

**SEE ATTACHED FOR
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Sarah Jordan

Title

Production Analyst

Date 6/26/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001, and Title 43 U.S.C. Section 1212, makes it a crime for any person knowingly and willfully to make any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

APPROVED

JUL 9 2007

**FREDERICK WRIGHT
PEPPER ENGINEER**

Nearburg Producing Company

Exploration and Production
Midland, Texas

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Preliminary (1)

BONE SPRINGS RECOMPLETION

WELL: Dagger Draw 31 Federal Com **DATE:** 13-Apr-07

FIELD: Dagger Draw North

OBJECTIVE: Utilize Existing TA'd Wellbore to test the 3rd Bone Springs Sand

This well was completed in August 1993 in the Dagger Draw North field and produced 42,292 bo, 101,710 mcd and 135,190 bw prior to being TA'd in April 2008.

This wellbore has additional potential primarily in the 3rd Bone Springs sand and the Glorieta/Yeso. The 3rd BS sand has 21' of porosity with greater than 10% porosity. The mud log had 100% FL and Cut in the upper lobe and 80-90% FL & Cut in the lower lobe. The mud log also had a good drilling break ((4+min/ft to just over 2min/ft) and visible porosity. The gas went from background gas of 35-45 units to over 400 units.

Recent work in the Glorieta Yeso reservoir has provided enough encouragement to recommend this zone as a future completion interval in this wellbore. The best mud log shows in this wellbore occurred from 2386' to 2446'. Additional shows were encountered as deep as 3470'.

LOCATION: 660' FNL and 1,980' FWL T19S, R25E **Sec:** 31

ELEVATION: 3,563' GL

DEPTH: TD= 8020' PBTD= 7500'

CASING RECORD:	<u>SIZE & WEIGHT & Grade</u>	<u>DEPTH</u>	<u>CEMENT</u>	<u>TOC</u>
	9 5/8" 36# K55	1,104'	960 sx	N
	7" 23# & 26# N80 & K55	8,020'	1,350 sx	surface Circ 174 sx cmt

PERFORATIONS:

Current: TA'd CIBP @ 7535'. (to be abandoned)

Proposed: 5221'-5237'
5252'-5257' (new perforations)

FORMATION: Bone Springs

RECOMMENDED PROCEDURE:

Dagger Draw Upper Penn & Glorieta/Yeso Production is Sour (high H₂S) - The Bone Springs is untested in the area. Use caution when completing.

1) MIRU PU. ND WH & NU BOP.

1.5) PU & RIH w/workstring to circulate abandonment mud.

2) RU JSI to make gauge ring/junk basket run to make sure casing is clear to PBTD @ 7500'. Set 7" CIBP @ 5450' (just above DV tool) and cap with 35' cmt.

3) RU JSI to perforate from:

5221-5237'

5252-5257'

with 4 spf premium charges phased 120 degrees and correlated to Atlas Wireline Services "Compensated Z-Densilog Compensated Neutron Gamma Ray X-Y Caliper" Log run #one dated 31 August 1993. RD JSI.

4) PU 7" packer and RIH to +/-5150' on 3.5" P-110 tbg (tested to 10,000#) and pump 250 g Xylene and 500 g acid to the EOT. Circulate the acid back out the tbg w/4% KCl to pickle. Set pkr Test BS to 500#. Swab well down to determine if formation/perfs are open. Acidize as per step 5 if inflow is insignificant.

5) RU BJ to acidize with 1500g 7.5% NEFE as follows:

Stage	Volume (gals)	Fluid	Rate (bpm)
1	300 g	7.5% NEFE	4
2	Drop 25 balls	1.3 sg	
3	300 g	7.5% NEFE	4
4	Drop 25 balls	1.3 sg	
5	300 g	7.5% NEFE	4
6	Drop 25 balls	1.3 sg	
7	300 g	7.5% NEFE	4
8	Drop 25 balls	1.3 sg	
9	300 g	7.5% NEFE	4
10	Displace to top perf w/4% KCl		

Get ISIP, 5 min, 10 min, 15 min pressures. RD BJ.

6) Swab/Flow back acid load. Swab for 1 to 2 days to get an idea of fluid entry/type from the formation. If fluid cut and rate is encouraging (good oil cut (GT 50% and)) set up to frac well with 80,000# SLC proppant at 13 bpm in Medallion 3000 gel as per attached BJ procedure.

7) Flow back & clean up wellbore. Run production equipment to pump from 5350' as per attached design.

SUNDRY NOTICE SPECIAL STIPULATIONS

1. Approval is granted for the plug back presented in this sundry with the following stipulations:
2. A minimum of 35' of bailed cement or 50' of pumped cement is required on top of a CIBP @ 7535' after the gauge ring is run to the top of the CIBP and before the perfs are abandoned.

**ALL OF THE WORK AUTHORIZED HERE MUST BE COMPLETED WITHIN
90 DAYS.**

Engineering
can be reached at 505-706-2779 for any variances that might be necessary.

F Wright 7/19/07