Form C-101 May 27, 2004

OCD-ARTESIA 1220 S. St. Francis Dr.

Oil Conservation Divsiion SEP 2 4 2007 Submit to appropriate District Office District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV AMENDED REPORT Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE OGRID Number ¹Operator Name and Address 015742 Nearburg Producing Company ³API Number 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705 30- 15-28801 ⁴Property Code ⁵Property Name ⁶Well No. South Boyd 27 5 9 Proposed Pool 1 10 Proposed Pool 2 ers'Glorieta/ Yeso ⁷Surface Location North/South Line Feet from the UL or lot no. Section Township Range Lot. Idn Feet from the East/West line County М 27 **19S** 25F 820 South 990 West Eddy ⁸ Proposed Bottom Hole Location If Different From Surface UL or lot no North/South Line Section Township Range Lot. Idn Feet from the Feet from the East/West line County Additional Well Location 12 Well Type Code 14 Lcase Type Code 11 Work Type Code 13 Cable/Rotary 15 Ground Level Elevation Plugback State 3458 16 Multiple 17 Proposed Depth 18 Formation 20 Spud Date Contractor N 7975 Glorieta/ Yeso Mesa 9/1/07 Distance from nearest surface water Depth to ground water Distance from nearest fresh water well Liner: Synthetic mils thick Clay Pit Volume ____ Drilling Method: Fresh Water Brine 🔲 Diesel/Oil-based Gas/Air Closed-Loop System ²¹Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 14-3/4 9-5/8 1050 36 1136 Surface 8-3/4 TOC 70' 7 23 & 26 7975 1300 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 Glorieta/ Yeso formation. Perf. test and stimulate as necessary to establish production. See attached procedure. 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 OIL CONSERVATION DIVISION constructed according to NMOCD guidelines X a general permit , or an (attached) alternative OCD approved plan Approved by: Signature: BRYAN G. ARRANT Printed name: Sarah Jordan Title: DISTRICT II GEOLOGIST Approval Date: Production/ Regulatory Analyst Title: SEP 2 4 ZUVI E-mail Address: sjordan@nearburg.com Date: Conditions of Approval: COA 8/24/07 432/686-8235 Attached

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

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

District IV

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1220 S. St. Francis Dr., Santa Fe, NM 87505									ENDED RE	PORT
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3001528801				Pool Code		Seven River	5: Baol Nar	ovietle.	leso	
Property Code			utn	to Boyd 27			• 6	Well Number		
15740 Near			rhu	-hurg Producing Company			34	3458		
				J	¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn		1	Feet from the	East/West line		County
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			11 Bo	ottom Ho	le Location I	f Different From	n Surface			
UL or lot no.	Section	Township	Range				Feet from the	East/West line		County
Dedicated Acres	13 Joint or	r Infill "Co	onsolidation	Code s Or	der No.	.,,.				

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.

10 OPERATOR CERTIFICATION 1 Idently early fair the design from the contented there is a true and complete to the best off my hombedge and bedge, that this was gramation elistic own, a work hing merest or undersed momenal witerest at the land including the proposel toution to the best along with an a more of give and and the vocation pass same the content who mover of give a must on working underses, to on a valent fraction of the content pass same that the content pass same that content was a more of give and underses. Signature Date Printed Name 18 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 helief. Date of Survey Signature and Seal of Professional Surveyor	Ē	<u></u>		
Thereby certify that the well location shown on this plat was plotted from field notes of uchal surveys made by me or under surveys and in the same is true and correct to the best of my helief. Burvey or the best of my helief. Barrey or the best of my helief. Date of Survey Signature and Seal of Professional Surveyor	16		17 OPERATOR	CERTIFICATION
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pusuant to contract with an owner of such a must all or working interest, or to a subjustion produing agreement or a computatory pooling order heretofar onto a big the division. Signature Trinted Name 18 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 belief. Date of Survey Signature and Seal of Professional Surveyor			working interest or unleased minera	interest in the land including the
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District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV

PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102 Revised February 10, 1994 Instructions on back

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☐ AMENDED REPORT

Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number				Pool Cod		Pool Name				/ /
30-01528801		/5	472		Dagger Dr	PAW; Upper	U; Upper Penn, North			
⁴ Property Code					1 Propert	, ,		' Well Number		
SOUTH B		BOYD 2	7 COM	·····		- ·		5		
OGRID					* Operato	r Name			* Elevation	
1574	2	NEARBU	JRG PRO	DUCING	COMPANY					3458.
					10 Surface	e Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	t line	County
М	27	19-S	25-E		820	SOUTH	990	WES	T	EDDY
			11 Bott	om Hol	e Location	If Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/Wes	ine.	County
	1									
12 Dedicated Acr	es 13 Joint	or Infill 14 (Consolidation	Code 13 C	rder No.		· 	1		<u> </u>
160	//		N/A	ļ						
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		OR A	NON-ST	NDARD	UNIT HAS E	BEEN APPROVED	BY THE DIV	NOIZ		
16							17 OPER	RATOR	CER	TIFICATION
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RECOMMENDED PROCEDURE:

Both the Upper Penn and Glorieta/Yeso are BAD GAS zones (HJS at hazerdous levels)

- 1) MIRU PU. ND WH WU BOP.
- 2) Test well to 500# to insure plug is in place and holding (may want to record a chart).
- 3) PU & RIH w/2-7/8" tbg to 7590' and tag TOC. PU and circulate the hole with abandonment mud to 3500'. POH w/tbg. 6480'
- 4) RU JSI to set a CIBP @ 5500' and cap it w/35' cmt. PUH to 3500' and set another CIBP w/35' cmt cap. Have JSI run CBL from 3500' to surface w/500# on casing.
- 5) Depending on CBL determine max Frac pressure and test casing to that pressure.
- 6) Have JSI perf the following intervals at 2 spf phased 180 degrees with premium charges:

2341'	2343'	2345'	2366'	2370'	2384'	2390'
2397'	2402'	2423'	2433'	2482'	2487'	2491'
2500'	2502'	2523'	2530'			

Correlate to Schlumberger "Platform Express Density/Neutron" log dated 22-FEB-1996 (run one - main pass). All perforating to be done under 3000# lubricator.

- 7) RIH w/new 2-7/8" J-55 tbg and a 7" trtg pkr. Set pkr @ 2275'+/-.
- 8) RU BJ to acidize the perforations with 15% HCL @ 4 to 6 bpm (Pmax=5,000#) as follows:

Stage	Fluid	Vol	7/8" 1.3 Balls	Cum Vol (g)
1	15% NEFE HCL	250g		250g
2			10 balls	
3	15% NEFE HCL	250g		500g
4			10 balls	
5	15% NEFE HCL	250g		750g
6			10 balls	
7	15% NEFE HCL	250g		1000g
8			10 balls	
9	15% NEFE HCL	250g		1250g
10			10 balls	
11	15% NEFE HCL	250g		1500g
12	Flush to btm po	erf w/2% KCL		-

If job balls out surge balls and pump remaining acid. Get ISIP/5 min/10 min/15 min SIP. Break down BJ Iron. Let acid spend for 1 to 1.5 hrs.

- 9) Flow back. Release trtg pkr & POH w/tbg and pkr.
- 10) Frac well as follows at 60 bpm:

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Stage	Fluid	Vol(g)	ppg	Prop	Stage#	Cum#'s
1	Slick 10#	20,500	PAD			
2	Slick 10#	2,000	.5	20/40	1,000	1,000
3	Slick 10#	20,000	.1	LiteProp 14/30	2,000	3,000
4	Slick 10#	20,000	.2	LiteProp 14/30	4,000	7,000
5	Slick 10#	20,000	.3	LiteProp 14/30	6,000	13,000
6	Slick 10#	5,000	.5	SLC 20/40	2,500	15,500
7	Slick 10#	5,000	.75	SLC 20/40	3,750	19,250
8	Slick 10#	5,000	1	SLC 20/40	5,000	24,250
9	Slick 10#	5,000	1.5	SLC 20/40	7,500	31,750

COA