

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

WELL API NO. 30-015-34316
5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name: Red Lake 32 State G
8. Well Number 1
9. OGRID Number 015742
10. Pool name or Wildcat Red Lake; San Andres

Pit or Below-grade Tank Application ☐ or Closure ☐
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 _____

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.)

1. Type of Well:
Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator
Nearburg Producing Company

3. Address of Operator
3300 N A St., Bldg 2, Ste 120, Midland, TX 79705

4. Well Location
Unit Letter G : 1750 feet from the North line and 1650 feet from the East line
Section 32 Township 17S Range 27E NMPM Eddy County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3452

12. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPLETION ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ABANDONMENT ☐
CASING TEST AND CEMENT JOB ☐

OTHER: Plugback work ☒

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 to test San Andres formation

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 [Signature] TITLE Production 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 _____ TITLE FOR RECORDS ONLY

Conditions of Approval, if any:

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

Red Lake 32 State G #1

1750 FNL and 1650 FEL

Sec 32, 17S, 27E

Red Lake; Glorietta-Yeso

Eddy County, New Mexico

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

- 11/28/07 Move pulling unit from Wright #1 to location. MIRU Lucky Well Service pulling unit. Blow tbg pressure dn. Well was still pumping OK when we shut well dn. Recomplete well in the San Andres formation. Unhang well. POOH & LD 1 1/2" x 22' PR w/ 1 3/4" x 12' PRL. Tried to unseat pump, but couldn't after working on it for awhile. Had to backoff rods w/ backoff tool. POOH checking every break w/ (4) 7/8" x 2' x 2' x 4' x 6' "D" pony rod subs, (60) 7/8" x 25' "D" rods w/ FHTC, (56) 3/4" x 25' "D" rods w/ FHTC, (8) 1 1/2" x 25' Grade K sinker bars w/ 3/4" pins. Backed off on top of the pump, leaving the right hand release (backoff tool) and pump in seat nipple. ND WH & NU BOP. POOH w/ 14 jts- 2 7/8" J-55 tbg to FL. RU to swab FL dn inside tbg. Swab fluid back dn csg w/ perforated tbg sub. POOH & LD perforated tbg sub after LD swab line. Put TIW valve in tbg. Open csg into flowline. SDFN. Will finish POOH w/ 2 7/8" tbg in the AM before RU JSI to set CIBP. Had Two-State deliver a 500 Bbl frac tank to circulate into.
Current Operation This AM: POH w/ tbg.
- 11/29/07 Remove TIW valve from tbg. Open BOP rams. POOH w/ 69 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. The pump was stuck in the jt above seat nipple. POOH w/ 2 7/8" API SSN & 1 jt- 2 7/8" J-55 tbg (open ended tail pipe) and LD along w/ 14 more jts to make a total of 15 jts LD on ground. Have 84 jts in derrick & 15 jts on ground. MIRU JSI electricline truck. RIH w/ 4.32" Gauge ring to 2800' to make sure csg was in good shape. POOH w/ gauge ring. RIH w/ gamma ray/CCL tools to log from 2800' up to 1800' correlating log w/ Schlumberger's open hole log. POOH w/ GR/CCL tools. RIH w/ 4.242" Alpha CIBP & set @ 2700'. POOH w/ Baker setting tool. RIH w/ 2 cement bailer dump runs putting a total of 35' cmt on top of CIBP. LD dump bailer. RDMO JSI electricline truck. Had TRM pump truck to load 5 1/2" csg w/ 56 Bbls 2% KCL wtr & pressure test plug to 2000#. Held pressure OK for 10 minutes. Bled dn csg pressure. Open BOP blinds. RIH w/ 2 7/8" API SSN, 81 jts- 2 7/8" J-55 6.5# EUE 8rd tubing to 2605'. Close BOP rams. RU Crain acid truck to tbg to pickle tbg. Start pumping 350 gals xylene @ 1.5 bpm dn tbg then went to 750 gals 15% NEFE acid followed by 80 Bbls 2% KCL wtr w/ 1 gpt ClayMaster to circulate acid dn tbg & out csg to frac tank leaving clean fluid in wellbore. RDMO Crain acid truck. Put TIW valve in tbg. Close BOP rams. SI well. SDFN. Had Malone welding cut out pump from last jt of tbg. Had Banta roustabout gang haul 12 jts- 2 7/8" J-55 tbg to yard that was layed down. Will swab csg FL dn in the AM before POOH w/ tbg. JSI will perforate also in the AM.
Current Operation This AM: Swab well.
- 11/30/07 RU to swab 2 7/8" tbg to pull csg FL dn to 700' FS before perforating to create an underbalanced. Made 3 swab runs to frac tank bringing back 20 Bbls wtr. POOH w/ 81 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, 2 7/8" API SSN. RU JSI electricline truck to RIH w/ csg gun to perforate San Andres formation from 1949'- 1952', 1958'- 1960', 1975'- 1978', 2041'- 2042', 2045'- 2046', 2103'- 2106' and 2111'- 2113' @ 1 spf w/ 120 degree phasing making a total of 22 holes. Correlated gun on depth w/ Schlumberger Three Detector Litho-Density Compensated Neutron log dated 3-8-06. Perforated under a 5000# lubricator. POOH w/ shot gun. RDMO JSI electricline truck. PU & RIH w/ 2 7/8" x 6' N-80 tbg sub, 32A tension pkr, 2 7/8" API Standard Seat Nipple, 57 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Set pkr @ 1843' in 15,000# tension. RU to swab 2 7/8" tbg. Made 1 swab run pulling from SN and did not bring back any fluid. Well took fluid after perforating. LD swab line. Put TIW valve in tbg. SI well. SDFW. Will make another swab run in the AM before RU BJ Services to acidize perforations.
Current Operation This AM: Swab.

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

Red Lake 32 State G #1

1750 FNL and 1650 FEL

Sec 32, 17S, 27E

Red Lake; Glorietta-Yeso

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

12/03/07 RU to swab 2 7/8" tbg. Made 1 swab run pulling from SN. Had no fluid entry over the weekend. Did not bring back any fluid to frac tank. RD swab line. MIRU BJ Services to acidize perforations from 1949'- 2113' w/ 1250 gals 15% NEFE HCL acid dropping (44) 7/8" 1.3 sp gr ball sealers & flushing to btm perf. Had TRM pump truck load csg backside & hold 500# on csg while pumping acid job for pkr monitoring purposes. Had 2% KCL wtr w/1 gpt ClayMaster loaded on truck for flush. Had safety meeting. Test lines to 5000#. Start pumping 250 gals (5.9 Bbls) 15% NEFE acid @ 1.1 bpm rate until csg loaded w/ 10.7 Bbls pumped. Increased rate to 2.6 bpm w/ formation breaking back @ 3400#. Brought rate up to 4 bpm @ 2254# tbg pressure. Pumped 5 stages of (5.9 Bbls) 15% NEFE acid dropping 4 drops of 11 (44 total) between each of 1.3 sp gr ball sealers. Went to flush pumping 17.1 Bbls 2% KCL wtr @ 4.3 bpm. Balled out two different times pumping acid away on flush. Had to surge balls. Finished pumping flush to btm perf. SD. ISDP- 765#. 5 min- 717#, 10 min- 702#, 15 min- 693#. Treating pressure: MAX- 4000#, MIN- 898#, AVG- 2250#. Injection rates: Treating fluid- 4 bpm, Flush- 4 bpm. Have 46.8 Bbls load to recover. RDMO BJ Services acid trucks. Left well SI for 2 hrs to let acid spend on perforations. Had 600# tbg pressure when opening well to start flowing back @ 12:00 (noon). Flowed well to frac tank for 1 1/2 hrs before well open to full choke. Flowed back 35 Bbls wtr before well quit flowing. RU to swab 2 7/8" tbg. Made a total of 4 swab runs pulling each run from SN and brought back 2 1/2 Bbls wtr for a total recovered of 37.5 Bbls. Have 9 Bbls still to recover. Release pkr. RIH w/ 9 jts- 2 7/8" J-55 tbg to below btm perf to knockoff any ball sealers that may have been stuck in perforations. POOH w/ those 9 jts- 2 7/8" tbg. Continue to POOH w/ 57 jts- 2 7/8" J-55 tbg, 2 7/8" API SSN, 32A tension pkr w/ unloader, 2 7/8" x 6' tbg sub. Close BOP blinds. Open csg into flowline. SDFN. Will ND BOP & NU Stinger frac valve in the AM.

Current Operation This AM: Swab.

12/04/07 Open BOP blinds to blow csg dn. ND BOP & NU Stinger frac valve. Had TRM pump truck on standby to kill well if needed, but it wasn't needed. MIRU BJ Services pump trucks to frac well dn csg. RU Stinger csg saver on top of frac valve on wellhead. BJ tested lines to 5000#. Open well w/ 0# csg pressure. Start pumping 643 Bbls Lightning 2000 as pad @ 51 bpm rate w/ 1054# csg pressure. Staged to 224 Bbls Lightning 2000 w/ 1# (ppg) SB Excel 20/40 sand (as 1st stage w/activator). The following is a breakdown of proppant pumped:

Csg Psi	Bbls Pumped	BPM	Description
1470#	224.4	51.8	1# (ppg) SB Excel 20/40 resin coated (activated)
1366#	390.8	51.8	2# (ppg) SB Excel 20/40 resin coated (activated)
1309#	396.4	51.6	3# (ppg) SB Excel 20/40 resin coated (activated)
1260#	100.9	50.8	4# (ppg) SB Excel 20/40 resin coated (activated)
1247#	44.3	52.6	Flush (20# Linear Gel)

Shutdown pumps. ISDP @ 956#. 5 min- 834#, 10 min- 795#, 15 min- 782#. Treating pressures: MAX- 3400#, MIN- 800#, AVG- 1300#. Injection rates: Treating fluid- 51 bpm, Flush- 51 bpm. RD Stinger csg saver. RDMO BJ Services pump trucks. Have 1802 Bbls load wtr to recover. RU Pro well testing frac manifold up to wellhead. Left well shut in for resin to set. Will start flowing well back to frac tank in the AM. Pumped 99,180# proppant into perforations.

Current Operation This AM: Flow back.

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** ALL COSTS ARE FIELD ESTIMATES **

12/05/07	Opened well to Pro flowback manifold. Had 420# csg pressure @ 7:00 AM. Opened well to start flowing back to frac tank on a 12/64" choke trying to keep rate @ 20 bph rate. The following is an hourly breakdown of the flowback results:				
	Time	Csg Psi	Choke	Bbls/Hr flw bck	Comments
	7:40 AM	420#	12/64"	0	Frac tank had 56" wtr to start (212 Bbls)
	8:00 AM	415#	12/64"	13	
	9:00 AM	375#	12/64"	24	TRM hauled 130 Bbls wtr to disposal
	10:00 AM	330#	14/64"	25	
	11:00 AM	300#	14/64"	23	TRM hauled 130 Bbls wtr to disposal
	12:00 noon	260#	14/64"	26	
	1:00 PM	200#	16/64"	26	
	2:00 PM	120#	20/64"	34	Increased rate to 30 bph
	3:00 PM	80#	20/64"	32	TRM hauled 130 Bbls wtr to disposal
	4:00 PM	30#	20/64"	29	
	5:00 PM	15#	22/64"	31	

Increase rate & checking for sand in returns. Flowing back more aggressive if sand allows. Flowed back a total of 263 Bbls in 9.5 hrs today averaging 27.6 bph rate. Have a total to recover of 1802 Bbls. Have 1539 Bbls total left to recover. Kept Pro flowback hand watching well flow back to frac tank overnight. If well allows we will RIH w/ bailer to bail sand before RIH w/ production tomorrow AM.
Current Operation This AM: RIH w/ bailer on tbg.

12/06/07	Well flowing through manual choke on manifold. Had 0# csg pressure @ 7:00 AM. Well flowing back to frac tank on a full open choke bringing back 61 Bbls wtr from 5:00 PM yesterday to 7:00 AM this morning. ND Stinger frac valve. NU BOP. PU & RIH w/ 2 7/8" notched collar, (2) 2 7/8" check valves, 16 jts- 2 7/8" J-55 tbg, 2 7/8" S&P bailer, 65 jts- 2 7/8" J-55 tbg. Tag fill (TOS) @ 2632' by tally. Have 33' of sand to bail. Bailed dn to 2652' w/ next jt of tbg leaving 13' of sand above TOC @ 2665'. POOH & LD 14 jts- 2 7/8" J-55 tbg on ground to take to yard. Continue to POOH standing back 52 jts- 2 7/8" J-55 tbg, 2 7/8" S&P bailer, 16 jts- 2 7/8" J-55 tbg (emptying cavity), (2) 2 7/8" check valves & 2 7/8" notched collar. The last jt was full of resin coated sand. PU & RIH w/ 1 jt- 2 7/8" J-55 tbg (open ended as tail pipe), new 2 7/8" API Standard Seat Nipple, 70 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. ND BOP & NU WH. PU & RIH w/ 2 1/2" x 2" x 20' RHBC HVR pump w/ HW SCID Bbl (+.001"), 2" x 4' SM plngr (-.006"), DV T/C b&s, 1' LS & SRG w/ 1 1/2" x 6" strainer nipple, (8) 1 1/2 x 25' Grade K sinker bars w/ 3/4" pins, (56) 3/4" x 25' "D" rods w/ FHTC, (23) 7/8" x 25' "D" rods w/ FHTC, (3) 7/8" x 8' x 4' x 2' "D" pony rod subs w/ FHTC, 1 1/2" x 22' PR w/ 1 3/4" x 12' PRL. Space pump 8" off btm. Hang well on. RU TRM pump truck to test tbg to 500#. Held good pressure & had good pump action. The wind was blowing too hard to RD pulling unit. Put well on production @ 4:00 PM. SDFN. Flowed back a total of 324 Bbls of the 1802 Bbls load. Still have 1478 Bbls load left to recover. Will RD pulling unit in the AM. Current Operation This AM: Released to production.				
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12/07/07	Well pumping OK. SD pumping unit. RDMO Lucky Services pulling unit. Clean around wellhead & location. Release all equipment. Put well back on production. Will have Banta rebalance pumping unit today (weight heavy since coming up hole). FINAL REPORT. Current Operation This AM: Released to production.				
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