

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

Form C-103
June 19, 2008

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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.)		WELL API NO. 30-015-28432
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Nearburg Producing Company		6. State Oil & Gas Lease No.
3. Address of Operator 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		7. Lease Name or Unit Agreement Name: B & B 22
4. Well Location Unit Letter <u>J</u> : 1980 feet from the <u>South</u> line and 1980 feet from the <u>East</u> line Section <u>22</u> Township <u>19S</u> Range <u>25E</u> NMPM County <u>Eddy</u>		8. Well Number 9
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3449		9. OGRID Number 015742
		10. Pool name or Wildcat North Seven Rivers; Glorietta Yeso

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: <input type="checkbox"/>		OTHER: Work performed during plugback <input checked="" type="checkbox"/>	

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.

Please find attached the work performed during the plugback to the Glorietta Yeso formation.

Spud Date: Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE [Signature] TITLE Production Analyst DATE 4/4/09
s.jordan@nearburg.com

Type or print name Sarah Jordan E-mail address: s.jordan@nearburg.com PHONE 432/686-8235

For State Use Only

APPROVED BY [Signature] TITLE Geologist DATE 4/28/2009

Conditions of Approval (if any):

B & B #9

1,980' FSL and 1,980' FEL

Cisco/Canyon

Eddy County, New Mexico

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

- 03/12/08 Road rig & crew to location from B & B 22 #8. MIRU Lucky Services pulling unit. Had Outlaw Enterprises roustabout gang haul a matting board to location & set by wellhead. Had Two-State forklift & truck deliver 252 jts- 2 7/8" J-55 6.5# EUE 8rd tubing (from Artesia inventory yard) and also (2) sets of rented pipe racks & set on location. MIRU Lucky Rental reverse unit. Had TRM pump truck fill reverse pit w/ 100 Bbls fresh wtr. Had a total of 8 (500 Bbl) horizontal frac tanks delivered by Two-State. Tally 2 7/8" tbg on pipe racks. ND WH & NU BOP. PU & RIH w/ 2 7/8" x 4' perforated sub (bull plugged), 246 jts- 2 7/8" J-55 6.5# EUE 8rd tubing (blue band). Tag TOC above CIBP @ 7655' by tbg tally. Had Lucky Rental reverse pump pressure test csg & CIBP @ 7690' to 500#. Held 500# for 30 minutes without any pressure loss. Bled dn csg psi. Had Lucky reverse unit start pumping 170 Bbls abandonment mud (10# brine wtr w/ salt gel) dn tbg to circulate mud from 7690' up to 3500' in 7" csg. Flushed mud w/ 21 Bbls fresh wtr. RD Lucky reverse pump from tbg. POOH & LD 100 jts- 2 7/8" J-55 tbg (blue band) on pipe racks. Put TIW valve in tbg. Close BOP rams. SI well. SDFN. Will finish POOH w/ 2 7/8" J-55 tbg in the AM before RIH w/ 7" CIBP's to plug well back. Current Operation This AM: POH w/ tbg.
- 03/13/08 Remove TIW valve from tbg. Open BOP rams. POOH & LD 150 jts- 2 7/8" J-55 tbg (blue band) on pipe racks. LD 2 7/8" x 4' perforated tbg sub w/ bullplug. Had Two-State forklift & truck load 252 jts- 2 7/8" J-55 6.5# EUE 8rd tubing (blue band) & take back to Artesia yard. Had Two-State load 94 jts- 2 7/8" J-55 6.5# EUE 8rd tubing (yellow band) in yard & bring to location & set on pipe racks. MIRU JSI electricline truck to RIH w/ 5.719" Gauge ring/JB/CCL to 6400' to make sure csg was in good shape to RIH w/ CIBP. Did not find any problems. POOH w/ gauge ring. PU & RIH w/ 7" Alpha CIBP w/ Gamma Ray/CCL tools. Log through perforation intervals, top plug and btm plug intervals. Correlated log and corrected to Schlumberger's "Platform Express- Triple Detector Density Compensated Neutron/ GR log dated 3-11-1997. Set 7" CIBP @ 6282'. POOH w/ setting tool. RIH w/ cmt dump bailer twice to put 35' cmt on top of CIBP @ 6282'. Had Lucky reverse unit load csg w/ fresh wtr & test CIBP to 1000#. Held good psi. PU & RIH w/ another 7" Alpha CIBP & set it @ 3672'. POOH w/ setting tool. RIH w/ cmt dump bailer twice to put 35' cmt on top of CIBP @ 3672'. Had Lucky reverse unit pressure test CIBP to 1000#. Held good pressure. RD JSI electricline truck. PU & RIH w/ 90 jts- 2 7/8" J-55 6.5# EUE 8rd tubing to 2827' by tbg tally. Close BOP rams. RU Crain acid truck to pickle tbg w/ 300 gals xylene followed by 1000 gals 15% NEFE HCL acid flushed w/ 130 Bbls 2% KCL wtr to circulate the hole clean. Pumped dn the tbg & brought the acid out the csg to frac tank to clean tbg & csg. Had Crain pump truck pressure test csg to 3500#. Held good pressure for 10 minutes w/ no pressure loss. Bled dn csg pressure. Put TIW valve in tbg. Close BOP rams. SI well. SDFN. Will POOH w/ tbg in the AM before RU JSI to perforate the Glorieta/Yeso formation. Current Operation This AM: Perf.

B & B #9

1,980' FSL and 1,980' FEL

Cisco/Canyon

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

03/14/08 Remove TIW valve from tbg. Open BOP rams. POOH w/ 90 jts- 2 7/8" J-55 6.5# EUE 8rd tbg. RU JSI electricline truck to RIH w/ 4" 19 gr. select fire guns to jet perf at the following depths w/ 1 jspf premium charges correlated to Schlumberger's "Platform Express- Triple Detector Density Compensated Neutron/ GR" log dated 3-11-1997 run one-main pass. PU 3000# lubricator to perf with. FL found @ 150' FS. Perforated @ following depths: 2308', 2311', 2327', 2344', 2347', 2358', 2363', 2367', 2396', 2402', 2411', 2417', 2421', 2424', 2442', 2451', 2513', 2566', 2738', 2742' & 2752' making a total of 21 holes. Made 2 gun runs shooting 20 holes w/ first gun & 1 hole w/ second gun. POOH w/ shot guns. RDMO JSI electricline truck. PU & RIH w/ 2 7/8" x 7" 32A tension pkr w/ unloader & WLEG, 2 7/8" API Standard Seat Nipple, 71 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Had Hydrostatic Tubing testers RU & hydrotest 2 7/8" tbg to 6000# above slips while RIH w/ tbg. All tbg tested good. Set pkr @ 2250' in 15k tension. RU Lucky Rental reverse pump to test csg/pkr to 1000#. Held good pressure. Bled dn csg pressure. Put TIW valve in tbg. Close BOP rams. SI well. SDFW. Will make swab run before RU BJ to acidize perms to breakdn before frac job on Monday AM. Current Operation This AM: Swab.

03/17/08 RU to swab 2 7/8" tbg. IFL @ surface. Made 2 swab runs bringing back 10 Bbbs wtr to frac tank. RD swab line. MIRU BJ Services acid pump truck to tbg to breakdown the Glorieta/Yeso perms w/ 1500 gals 15% NEFE HCL acid dropping (30) 1.3 sp gravity (RCN) ball sealers for diversion & flushing to btm perf w/ 32 Bbbs 2% KCL wtr. Tested lines to 4415#. Started pumping acid @ 3 bpm until tbg loaded w/ 12.4 Bbbs pumped. Dropped 5 drops of cluster of 6 ball sealers between 6 Bbbs acid. Formation broke back @ 3187#. Tbg pressure avg 2132# when pumping @ 6.0 bpm. Before switching to flush the well balled out & had to shut down. Surged balls. Continued to pump 2% KCL wtr to flush to btm perf (2752') w/ 32 Bbbs. SD. ISDP- 1327#. 5 min- 1184#, 10 min- 1154#, 15 min- 1124#. Treating pressures: MAX- 3360#, MIN- 1215#, AVG- 2087#. Injection rates: Treating fluid- 6.0 bpm, Flush- 6.0 bpm. Have 68.2 Bbbs load to recover. Left well SI for 2 hrs to let acid spend. Opened well @ 11:30 AM w/ 700# tbg pressure. Well flowed back 10 Bbbs wtr in 1 hr w/ tbg pressure dropping to 0#. Started swabbing well. Made 3 swab runs to pull FL dn to SN bringing back 15 Bbbs wtr. Wait 1 hr for FL to rise in tbg. Made another swab run pulling from SN bringing back 5 Bbbs wtr. Tbg had a small gas blow on it. Wait 1 hr for FL to rise. Made 5th swab run pulling from SN bringing back 5 Bbbs wtr. Wait 1 hr for FL to rise in tbg. FFL @ 1900' FS. Made 6th swab run pulling from SN bringing back 5 Bbbs wtr. Recovered 40 Bbbs load wtr today. Still have 28.2 Bbbs left to recover. Left tbg open to frac tank overnight to maximize fluid entry. SDFN. Will continue to swab again in the AM before releasing pkr, wiping balls off perms & POOH w/ tbg & pkr to ND BOP & NU Frac valve.

Current Operation This AM: Swab.

03/18/08 RU to swab 2 7/8" tbg. IFL @ 1800' FS. Made 2 swab runs bringing back 8 Bbbs wtr/oil to frac tank pulling last run from pkr. Wait 1 hr & start making hourly swab runs. Made 3 hourly swab runs w/ FL staying @ 2000' FS on each run bringing back another 1 Bbl wtr for a total of 9 Bbbs swabbed back. The last 3 swab runs did not bring back much fluid. The first 2 runs had 50% oil cut. RD swab line. Release pkr. RIH w/ 19 jts- 2 7/8" J-55 tbg to 2865' (below btm perf) to wipe balls off perms. POOH w/ 90 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, 2 7/8" API SSN, unloader, 2 7/8" x 7" 32A tension pkr. LD pkr. ND BOP & NU Stinger 6" frac valve. SI well. SDFN. Will have BJ frac well dn csg in the AM. Current Operation This AM: Frac.

B & B #9

1,980' FSL and 1,980' FEL

Cisco/Canyon

Eddy County, New Mexico

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

03/19/08 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 4500#. Open well w/ 140# csg pressure. Start pumping 476 Bbls gelled acid as pre-pad @ 30 bpm rate w/ 1409# csg pressure. Staged to 121.8 Bbls gelled acid w/ .50# (ppg) Super LC 20/40 sand (as scour sand w/ no activator). Increased rate to 55 bpm. Staged to 476.2 Bbls gelled acid as pad @ 61 bpm w/ 3039# csg psi. The following is a breakdown of proppant pumped:

Csg Psi	Bbls Pmd	BPM	Description
2880#	240.4	61.99	.1# (ppg) 14/30 LiteProp 125
2863#	485	62.5	.2# (ppg) 14/30 LiteProp 125
2934#	489.9	62.5	.3# (ppg) 14/30 LiteProp 125
2816#	365.4	62.3	.4# (ppg) 14/30 LiteProp 125
2896#	243.6	62.4	.50# (ppg) Super LC 20/40 resin coated sand w/ activator
2829#	246.7	62	.75# (ppg) Super LC 20/40 resin coated sand w/ activator
2740#	249.1	62.41	1.0# (ppg) Super LC 20/40 resin coated sand w/ activator
2681#	275.9	62.41	1.50# (ppg) Super LC 20/40 resin coated sand w/ activator
1545#	91.5	18.87	Flush (Fresh wtr)

Shutdown pumps. ISDP @ 1304#. 5 min- 1214#, 10 min- 1192#, 15 min- 1176#. Treating pressures: MAX- 3100#, MIN- 2600#, AVG- 2900#. Injection rates: Treating fluid- 62 bpm, Flush- 62 bpm. RD Stinger csg saver. RDMO BJ Services pump trucks. Have 3511 Bbls load wtr to recover. RU manual choke to wellhead to flow well back through. Left well shut in for resin to set. Will start flowing well back to frac tank in the AM. Pumped 17,193# of Liteprop & 40,970# of Super LC prop dn hole for frac. Total proppant pumped was 58,163#.

Note: Held the .4# Liteprop stage longer than designed to use all Liteprop in sand king (used approx 120 Bbls more 3% gelled acid). Went to 1.5# Super LC early due to wtr concerns (approx 57 Bbls less 3% gelled acid). Went to flush leaving approx 3000# proppant total in hopper and the sand king. Did not get pumps shut down when told to do so on the flush (should have shut dn @ 86 Bbls).

Current Operation This AM: Flow back.

03/20/08 Started flowing csg back @ 8:00 AM on 3-20-08 (Thursday morning after frac on Wednesday). Opened csg w/ 500# to flow well back @ 20 bph to frac tank. The following is a breakdn of the flowback results. The Pro flowback hand was sent home @ 9:00 AM on 3-21-08. Well had slowed dn w/ 5# csg pressure..

	Time	Csg psi	Bbls flowed
3-20	7:00 AM	500# (shut in)	0
	8:00	500#	0
	9:00	430#	20
	10:00	400#	14
	11:00	325#	25
	12:00	300#	20
	1:00 PM	275#	20
	2:00	240#	20
	3:00	190#	20
	4:00	160#	20
	5:00	135#	14
	6:00	100#	20
	7:00	80#	25
	8:00	70#	25
	9:00	60#	24
	10:00	50#	24
	11:00	40#	20

Nearburg Producing Company

B & B #9

1,980' FSL and 1,980' FEL

Cisco/Canyon

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

03/20/08	12:00	30#	20
cont	1:00 AM	20#	20
	2:00	10#	20
	3:00	5#	20
	4:00	5#	20
	5:00	5#	9
	6:00	5#	9
	Time	Csg psi	Bbbs flowed
3-21-2008	7:00 AM	5#	8
(Friday)	8:00	5#	10
	9:00	5#	10

From 8:00 AM 3-20-2008 to 6:00 AM the well flowed back 429 Bbbs wtr & csg psi fell to 5#. Well flowed back a total of 457 Bbbs in 25 hrs. Flowed back an average of 20.55 bph in 20 hrs before well psi fell dn. Still have 3054 Bbbs load to recover. Sent the flowback hand home @ 9:00 AM due to well not flowing enough to warrant being watched. Have plenty of frac tank room. Will gauge in the AM to see how much more well flowed overnight.

Current Operation This AM: RIH w/ bit to clean out rathole.

03/24/08 Gauge frac tanks. Well flowed back 165 Bbbs wtr since 9:00 AM Friday morning. As of 7:00 AM this morning there is still 2889 Bbbs load wtr left to recover. Had TRM vac truck hook up to csg & pull free flowing wtr from well as we ND frac valve. RD flowback line to frac tank. ND Stinger 6" frac valve. NU BOP. Kept TRM vac truck pulling wtr from csg. RIH w/ 6 1/8" bit on btm of 98 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Did not tag any fill @ 3078'. NU stripper head & tie into reverse pit. Had Lucky Rental reverse unit start reverse circulating well. Reversed to clean out proppant that may have been floating in wellbore. RD Lucky Rental reverse unit pump. Let fluid equalize and stop flowing. POOH & LD 5 jts- 2 7/8" J-55 tbg on ground. Continue to POOH standing back 93 jts- 2 7/8" J-55 6.5# EUE 8rd tubing to be used as production. PU & RIH w/ 2 jts- 2 7/8" J-55 6.5# EUE 8rd tbg (open ended), 2 7/8" x 4' Perf tbg sub, new 2 7/8" API SSN, 91 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Seat Nipple @ 2873'. ND BOP & NU WH. Put TIW valve in pumping tee. Hook up tbg & csg to flow to frac tank overnight. Had Weatherford bring (8) 1 3/8" sinker bars & (108) 3/4" KD rods to location. Removed thread protectors & installed FHTC. SDFN. Will PU & RIH w/ pump & rods in the AM. Had Weatherford set 114 pumping unit over well.

Current Operation This AM: RIH w/ pump and rods.

Nearburg Producing Company

~~CONFIDENTIAL RELEASE~~

B & B #9

1,980' FSL and 1,980' FEL

Cisco/Canyon

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

- 03/25/08 Remove TIW valve from pumping tee. Had TRM vac truck on location to pull free flowing oil/wtr from well as we RIH w/ pump & rods. PU & RIH w/ 2 1/2" x 1 1/2" x 16' RHBC HVR pump w/ HW SCID Bbl (+.001"), 1 1/2" x 4' SM plngr (-.003"), DV T/C b&s, 1' LS & SRG w/ 1 1/4" x 30' GA. (8) 1 3/8" x 25' Grade K Sinker bars w/ 3/4" pins & FHTC, (104) 3/4" x 25' KD rods w/ FHTC, (3) 3/4" x 2' x 6' x 8' KD pony rod sub w/ FHTC, 1 1/4" x 22' PR w/ 1 1/2" x 12' PRL. Space pump 9" off btm. RU Lucky reverse unit to load & test tbg. Tbg was full. Tested tbg to 500#. Held good pressure and had good pump action. Bled dn tbg. Had Outlaw Enterprise roustabout crew build wellhead & tie into flowline. Had Malone welding bring a load of gravel to location to put around wellhead & pumping unit. Had Dean's electric change out transformers & set panel for pumping unit. Put well on production @ 12:45 PM @ 8 1/2 SPM. RDMO Lucky Services pulling unit. Release all equipment. FINAL REPORT. Current Operation This AM: Released to production.
- 03/26/08 Well Repair Purpose: Repair downhole problem and return to production. Road rig & crew to location from Kimbrough 20 State #1-Y. MIRU Reeco pulling unit. Had Key pump truck kill csg backside gas so we could blow dn tbg pressure. Unhang well. POOH w/ 1 1/4" x 22' PR w/ 1 1/2" x 12' PRL. Unseat pump. Continue to POOH w/ (3) 3/4" x 2' x 6' x 8' KD pony rod subs w/ FHTC, (104) 3/4" x 25' KD rods w/ FHTC, (8) 1 3/8" x 25' Grade K Sinker bars w/ 3/4" pins & FHTC, 2 1/2" x 1 1/2" x 16' RHBC HVR pump. LD pump. Pump pulled good vacuum. ND WH & NU BOP. Had Key pump truck keep csg gas dead w/ 2% KCL wtr. POOH w/ 91 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Found a split tbg collar in the 86th jt of tbg. POOH w/ 2 7/8 API SSN, 2 7/8" x 4' Perf tbg sub, 2 jts- 2 7/8" J-55 tbg (open ended as tail pipe). Close BOP blinds. Open csg into flowline. SDFN. Will change all tbg collars while RIH w/ tbg in the AM. Current Operation This AM: RIH w/ tbg.
- | | | | |
|----------------|---------|-----------------|-----------|
| DC Intangible: | \$7,820 | AFE Intangible: | \$0 |
| DC Tangible: | \$0 | AFE Tangible: | \$0 |
| TC Intangible: | \$7,820 | BAL Intangible: | (\$7,820) |
| TC Tangible: | \$0 | BAL Tangible: | \$0 |
- Daily Costs Intangible:
- | | |
|---------|------------------------|
| \$4,780 | Pulling/ Swabbing Unit |
| \$950 | Pump/ Vacuum Truck |
| \$1,200 | BOPE |
| \$250 | Contract Labor |
| \$40 | Phone |
| \$600 | Supervision |