

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

JUN 25 2007 *Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

OCD-ARTESIA

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

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

1980 FSL and 1980 FEL, Sec 3, 20S, 25E

5. Lease Serial No.

NM14758

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.

Huber Federal #1

9. API Well No.

30-015-23958

10. Field and Pool, or Exploratory Area

Undesignated; Morrow

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

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☐ Plug and Abandon

☒ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

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 recompleat 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 recompleat 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.)

Please find attached detail of plugback operations

ACCEPTED FOR RECORD

JUN 21 2007

LES BABYAK
PETROLEUM ENGINEER

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Sarah Jordan

Title

Production Analyst

Date 6/13/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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 to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

Huber Federal #1

1,980' FSL and 1,980' FEL, Section 3, T20S, R25E

Morrow

Eddy County, New Mexico

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

01/10/07 Move rig & crew to location from B&B #4. MIRU Lucky Services pulling unit. ND WH & NU BOP. RU JSI electric line truck to RIH w/ GR/CCL/CBL tools to 7650' start logging csg to identify cmt tops. Had TRM pump truck fill csg w/ 2% KCL wtr. Pulled first pass w/ no pressure. Correlate tools to get on depth w/ Schlumberger log. Found good cmt from 7650' up to 6870' +/- . From 6870' up to 6000' (partial cmt) there is a void in cmt (free csg). From 6000' (5750' starts better cmt) up to 2200' +/- there is good cmt. From 2200' to surface there is no cmt (free pipe). The above depths are field evaluations and will be looked at by engineer to determine what needs to be done. RIH to 3000' w/ tools to make second pass w/ 500# pressure on csg. Showed good cmt from 3000' up to 2150'. Bled dn csg pressure. POOH w/ GR/CCL/CBL tools. Close BOP blinds. SI well. SDFN. Will wait to hear from engineer in the AM on what procedure needs to be done.
Current Operation This AM: Set CIBP's isolating Wolfcamp.

01/11/07 Wait on orders from OCD to continue. At 10:30 AM we PU & RIH w/ 5 1/2" 17# CIBP (4.24" OD) & set @ 7030' after correlating w/ Schlumberger log. RIH w/ cmt dump bailer to make 2 runs putting 35' cement on top of CIBP. TOC @ 6995'. LD dump bailer. PU & RIH w/ 4" gun to jet perf 4 squeeze holes @ 6570' correlated to Schlumberger log. RDMO JSI electric line truck. Had Two-State deliver 210 jts- 2 7/8" N-80 6.5# EUE 8rd tbg from pipe yard & set on Lucky Rental pipe racks. Tally tbg on rack. PU & RIH w/ 113 jts- 2 7/8" N-80 tbg. Put TIW valve in tbg. Close BOP rams. SI well. Had Two-State bring another 500 Bbl frac tank & set to put fresh wtr in for cmt squeeze job. Had TRM put 360 Bbls fresh wtr in frac tank. Two-State also brought 250 Bbl gas buster frac tank to reverse circulate back into when squeezing. TRM trucks worked on filling other frac tanks up w/10# brine for frac job. Will continue to RIH w/ tbg & pkr in the AM to get pump in rate through squeeze holes. SDFN.
Current Operation This AM: Finish RIH w/ tbg.

01/12/07 Remove TIW valve from tbg. Open BOP rams. PU & RIH w/ 96 jts- 2 7/8" N-80 6.5# EUE 8rd tbg. EOT @ 6470'. Set pkr & put 20K compression on it. RU TRM pump truck to tbg to get a pump in rate through squeeze holes. Pump in injection rates were: 1 bpm- 650#, 2 bpm- 950# and 3 bpm- 1150#. Pumped a total of 15 Bbls (5 Bbls of that was @ 3 bpm). Held 700# steady before bleeding off pressure. Release pkr. POOH standing back 209 jts- 2 7/8" N-80 tbg & 2 7/8" API SSN. LD 2 3/8" HD pkr. MIRU Hydrostatic tbg testers to test 2 7/8" tbg to 6000# above slips while RIH w/ CICR. RIH w/ 2 3/8" CICR, 2 3/8" x 2 7/8" x-over, 2 7/8" API SSN, 209 jts- 2 7/8" N-80 tbg. RDMO Hydrostatic Tbg testers. RU TRM pump truck to tbg to pump 40 Bbls 2% KCL wtr through CICR. Had TRM vac truck catch circ wtr out of csg. Set CICR @ 6470'. Unsting from retainer & sting back into it. Close BOP rams. MIRU BJ Services cement trucks. Hook up pump truck to squeeze manifold. Put 500# on csg. Start pumping through retainer & get injection rate @ 2.5 bpm @ 889# pressure. Mix 150 sxs Class C cement @ 14.8 ppg @ 1.32 yield (35 Bbls total slurry). Squeezed 110 sxs to top perf @ 6570' @ 3 bpm w/ 1010# pressure. Displaced cmt w/ 30 Bbls fresh wtr @ 800#. Unsting from retainer and POOH w/ tbg 30' above retainer w/ swing joints. Close BOP rams. Reverse circulate 40 sxs cmt to pit using 47 Bbls fresh wtr leaving 30' cmt above CICR. SD BJ pump truck. LD 1 jt- 2 7/8" N-80 tbg w/ swivel & BJ swing jts. Continue to POOH standing back 20 jts- 2 7/8" N-80 tbg in derrick. Close BOP rams. SI well. SDFW. Will RIH w/ tbg to tag TOC above CICR on Monday AM before POOH & LD tbg on racks.
Current Operation This AM: Tag TOC.

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

Huber Federal #1

1,980' FSL and 1,980' FEL, Section 3, T20S, R25E

Morrow

Eddy County, New Mexico

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

- 01/15/07 Remove TIW valve from tbg. Open BOP rams. RIH w/ 20 jts- 2 7/8" N-80 tbg (from derrick). PU & RIH w/ jt of tbg off pipe rack & tag 6' in on that jt. The CICR is set @ 6484' (total tallied depth). Tagged TOC that was left on top of CICR @ 6456' (which is 28' cmt on top of retainer). POOH & LD 209 jts- 2 7/8" N-80 6.5# EUE 8rd tubing. Had Two-State forklift load 210 jts- 2 7/8" N-80 tbg on truck to take back to Artesia pipe yard. Lea County Pkr loaded the retainer stinger & squeeze manifold in truck to release. MIRU JSI electric line truck to RIH w/ 5 1/2" CIBP & CCL & set @ 5588' (WL depth) correlated back to CBL/CCL. Made 2 cement dump bailer runs putting 35' cement on top of CIBP. TOC @ 5553'. RIH w/ another 5 1/2" CIBP & CCL & set @ 3910' (WL depth) correlated back to CBL/CCL. Made 2 cement dump bailer runs putting 35' cement on top of CIBP. TOC @ 3875'. RD JSI truck from WH. Close BOP blinds. SDFN. Had Two-State deliver 80 jts- 3 1/2" P110 9.3# CS-hydril tbg & sub basket to location along w/ 89 jts- 2 7/8" J-55 6.5# EUE 8rd tbg. Will set catwalk & put 3 1/2" tbg on racks in the AM to RIH w/ AS pkr to frac well with. JSI will perforate Yeso interval first in AM.
Current Operation This AM: RU JSI to perf.
- 01/16/07 Changed out BOP rams (put in 3 1/2" rams). Key delivered a catwalk to location. Had Two-State forklift set catwalk & pipe racks to put 80 jts- 3 1/2" P110 9.3# CS hydril tbg on them. Tally tbg on rack. Change out elevators to 3 1/2" slip type. RU JSI electric line truck w/ 3000# lubricator to RIH w/ 3 1/8" premium guns phased 120 degrees & perforate the following intervals @ 2 spf making 68 holes. Perforate from 2422'- 2448', 2468'- 2472', 2482'- 2486' in 2 gun runs. Correlate guns on depth w/ Schlumberger Compensated Neutron-Formation Density log. IFL @ 570' FS. FFL @ 570' FS. RDMO JSI electric line truck. MIRU Hydrotest Tubing testers to test 3 1/2" P110 9.3# tbg to 10,000# above slips. Tested the first jt w/ bull plug. PU & RIH w/ 2 3/8" x 8' N-80 4.7# EUE 8rd tbg sub w/ WLEG, 2 3/8" x 5 1/2" AS 1x N-80 pkr, 2 3/8" On/Off tool w/ 1.81" F profile, 2 3/8" x 3 1/2" x-over, 76 jts- 3 1/2" P110 9.3# CS hydril tbg. POOH w/ tbg testers tools. Continue to RIH w/ 4 jts- 3 1/2" P110 9.3# tbg w/ EOT @ 2520'. RU TRM pump truck to reverse circulate 55 Bbls 2% KCL wtr dn csg & out tbg to have clean fluid @ perfs. POOH & LD 4 jts- 3 1/2" P110 9.3# tbg on racks. Pkr @ 2344' w/ EO WLEG @ 2352'. ND BOP & NU tbg spool adapter (3000# to 5000#). Set pkr in 20,000# compression. NU 15,000# frac stack WH w/ double pin CS hydril x-over. RU Tbg testers to RIH & test frac stack wellhead to 10,000#. All tested good. Had TRM test csg backside after pkr was set to 500#. Held good pressure. RDMO Hydrostatic Tbg testers. SDFN. Well ready to pump frac job.
Current Operation This AM: Waiting for frac.
- 01/17/07 Lucky pulling unit on standby waiting for BJ Services to frac well. Crew performed maintenance on rig. Also had them remove gate valve & bull plug from csg & replace w/ new 5000# ball valves. Had Guardian bring flowback manifold to location & hook up to 500 Bbl frac tank to flow well back to after frac. Had Banta roustabout crew rebuild flow line from wellhead to frac tank. They also hauled 4 jts- 3 1/2" P110 9.3# CS hydril tbg back to yard along w/ old wellhead & scrap pieces of pipe. SDFN. Will frac well in the AM.
Current Operation This AM: RU BJ to frac well.

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Huber Federal #1

1,980' FSL and 1,980' FEL, Section 3, T20S, R25E

Morrow

Eddy County, New Mexico

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

01/18/07 MIRU BJ Services pump trucks & equipment to frac well dn 3 1/2" P110 9.3# CS hydril tbg. Pkr set @ 2344' w/ EO WLEG @ 2352'. Test lines to 6000#. Open frac stack wellhead. Had 0# tbg pressure. Start pumping 10# brine as pad. Formation broke back @ 2650# @ 25 bpm. Continue to pump pad w/ tbg psi climbing to 3487# @ 25 bpm. Started .25# 20/40 100% sacked sand early (500 lbs). Continued to pump pad (595 Bbls 10# brine) w/ 3528# tbg psi. At end of pad finished w/ scour sand (.25# 20/40 100% sacked sand 500 lbs) w/ 96 Bbls 10# brine wtr. Went to 0.1# 14/30 liteprop w/ tbg psi climbing to 3908#. Had some pressure breaks w/ proppant opening more perms. Tbg psi came dn to 3191# before starting to climb again. Pumped 2500 lbs 0.1# 14/30 liteprop w/ 600 Bbls 10# brine wtr slowing rate at end of stage to 24 bpm. Csg pressure also started climbing slowly & at end of 0.1# liteprop stage it was 532# & climbing. Went to 0.2# 14/30 liteprop w/ tbg psi @ 5379#. Csg psi @ 748#. Pumped 173 Bbls 10# brine w/ 0.2# 14/30 liteprop dropping rate to 18 bpm when we shut down to bleed off csg pressure dn flow line to frac tank. Started pumping 0.2# 14/30 liteprop again @ 13 bpm w/ tbg psi @ 5741#. Pumped 30 Bbls 10# brine w/ 0.2# liteprop until shutting down on overpressure @ 6038#. SD. ISDP @ 1048#. 5 min- 1009#. 10 min- 999#. 15 min- 992#. Final pressure @ 980# in 30 minutes. Closure happened right after shut down. MAX- 5900#, MIN- 3191#, AVG- 4546#. Injection rates: Treating fluid- 25 bpm, Avg- 19 bpm. RDMO BJ Services pump trucks. Have 1518 Bbls fluid to recover. Pumped 6140 lbs white sand 20/40 & 16,000 lbs 14/30 liteprop for a total of 22,140 lbs proppant. RU Guardian flowback manifold & start flowing well back to frac tank. Flowed back @ 100 bph w/ tbg psi slowly dropping. Left choke on 30/64" to frac tanks to bleed dn pressure to release pkr & LD 3 1/2" tbg on racks in the AM. Recovered 400+ Bbls before SDFN. Current Operation This AM: POH and LD tbg.

01/19/07 Had Lucky crew gauge frac tanks. Flowed back 234 Bbls wtr after leaving location to this morning. Have recovered 634 Bbls total fluid since starting to flow back. No oil show- 100% wtr. Still have 884 Bbls load wtr left to recover. Had 0# tbg pressure, but well was still flowing to frac tank on full open choke. Wait for vacuum truck to arrive on location (ground was snow covered). ND frac stack WH & csg spool. NU BOP. Release AS pkr. POOH & LD 76 jts- 3 1/2" P110 9.3# CS hydril tbg, 3 1/2" x 2 3/8" x-over, 2 3/8" On/Off tool w/ 1.81" F profile, 2 3/8" x 5 1/2" AS 1x N-80 pkr, 2 3/8" x 8' N-80 tbg sub w/ WLEG. Had Two-State forklift load 76 jts- 3 1/2" P110 9.3# CS hydril tbg from pipe racks onto truck & take back to yard w/ sub basket. While on location had forklift put 85 jts- 2 7/8" J-55 6.5# EUE 8rd tbg on pipe racks. Tally 2 7/8" tbg on racks. PU & RIH w/ 1 jt- 2 7/8" J-55 tbg (open ended), 2 7/8" API SSN, 81 jts- 2 7/8" J-55 tbg. EOT @ 2608'. Close BOP rams. RU TRM pump truck to csg to reverse circulate 185 Bbls 10# brine wtr dn csg & out tbg to frac tank @ 4 bpm rate to clean liteprop from well bore. RDMO TRM pump truck. Had TRM vac truck haul flowback wtr to disposal. Tie tbg & csg into flow line to frac tank & leave open over the weekend. SDFW. Will swab well on Monday AM. Current Operation This AM: Swab.

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Huber Federal #1

1,980' FSL and 1,980' FEL, Section 3, T20S, R25E

Morrow

Eddy County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

01/22/07 Well was not flowing when we arrived on location. Had crew gauge frac tank. Well flowed 42 Bbls wtr to frac tank over the weekend. Start gauge this AM @ 1'-9" (55 Bbls). RU to swab 2 7/8" tbg. IFL @ surface. The following is a breakdown of runs:

TIME	# RUNs	GAUGE	BBLS	FL @ 1430'
10:30 AM	10	2'- 7" (95 Bbls)	40	FL @ 1500'
11:30 AM	7	3'- 2" (127 Bbls)	32	FL @ 1500'
2:30 PM	9	3'- 9" (160 Bbls)	33	FL @ 2000'
3:30 PM	5	4'- 1" (180 Bbls)	20	FL @ 2000'
5:15 PM	5	2'- 4" (83 Bbls)	28	

36 runs

153 Bbls swabbed

All fluid swabbed back was wtr. Started this AM w/ 634 Bbls recovered. With the 42 Bbls well flowed this weekend plus the 153 Bbls swabbed today, we have recovered a total of 829 Bbls load wtr out of the 1518 total to recover. Still have 689 Bbls load to recover. Pulled the last 7 runs from the SN. SDFN. Will swab again in the AM.
Current Operation This AM: Swab.

01/23/07 Well was not flowing when we arrived on location. Had crew gauge frac tank. Well did not flow any wtr to frac tank overnight. Start gauge this AM @ 0'-0" (0 Bbls). RU to swab 2 7/8" tbg. IFL @ 300' FS. Gained 1700' FL overnight. Made a total of 13 swab runs bringing back 50 Bbls wtr. FL pulled dn to 2000' FS on the 7th swab run. Pulled from SN starting on 8th run. From the 8th run to the 13th had 1% to 3% oil cut in samples caught off pumping tee. Waited 30 minutes between 12th & 13th run. FL came up 400' in 30 minutes. SDFN. Will swab again in the AM before RDMO pulling unit.
Current Operation This AM: Swab.

01/24/07 Well was not flowing when we arrived on location. Had crew gauge frac tank. Well did not flow any wtr to frac tank overnight. Start gauge this AM @ 1'-7" (47 Bbls). RU to swab 2 7/8" tbg. IFL @ 500' FS. Gained 1500' FL overnight. Made a total of 5 swab runs bringing back 19 Bbls wtr. Had a 5% oil cut on first 2 runs. The 3rd, 4th & 5th runs was 100% wtr. Finish gauge @ 2'-0" (66 Bbls). ND BOP & NU B1 bonnet w/ 2 7/8" swab valve on top. Left csg open to frac tank. RDMO Lucky Services pulling unit. Had TRM vac truck pull 10# brine out of frac tanks. Will move 7 jts- 2 7/8" J-55 left on location back to pipe yard along w/ old wellhead.
Current Operation This AM: Open to frac tank.

03/15/07 Move rig & crew to location from Aikman SWD #1. MIRU Lucky Services pulling unit. ND WH. NU BOP. PU & RIH w/ 5 jts- 2 7/8" N-80 6.5# EUE 8rd tubing. ND BOP & NU WH. SDFN. Will RDMO pulling unit in the AM.
Current Operation This AM: Waiting on rods. FINAL REPORT.

03/16/07 Have 2" valve on top of pumping tee w/ tbg shut in. Have csg open to flow line venting to frac tank. RDMO Lucky Services pulling unit. Will have 7/8" rods & sinker bars along w/ pump brought to location to put well on rods. Went to repair rod part on B&B 22 #1. Came back to location & MIRU Lucky Services pulling unit. Will RIH w/ pump & PU 7/8" rods on Monday AM. SDFW.
Current Operation This AM: Well left w/ csg open to flowline.

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Huber Federal #1

1,980' FSL and 1,980' FEL, Section 3, T20S, R25E

Morrow

Eddy County, New Mexico

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

- 03/19/07 RU to swab 2 7/8" tbg to frac tank. IFL @ 1000' FS. Made 3 swab runs bringing back 15 Bbls total fluid (had some oil in each run). RD swab line. RU MCI Chemical to pump 55 gals C-280 (corrosion inhibitor) dn tbg to coat pump, sinker bars and rods while RIH w/ them to protect from corrosive fluid. RD MCI Chemical. PU & RIH w/ 2 1/2" x 1 1/2" x 24' RHBC HVR pump w/ HW SCID Bbl (+.001"), 1 1/2" x 6' SM plngr (-.002"), DV T/C b&s, 199" stroke w/ 1' LS & SRG w/ 1 1/4" x 6" strainer nipple, (6) 1 1/2" x 25' Grade C sinker bars w/ 3/4" pins, (100) 7/8" x 25' T-66 rods w/ SHTC, (1) 7/8" x 8' T-66 pony rod sub, 1 1/4" x 26' PR w/ 1 1/2" x 16' PRL. Left polish rod stacked out on stuffing box between 48"- 60" from portable pumping unit plate to top of cplg on PR. RU TRM pump truck to load & test tbg w/ 1 Bbl 2% KCL wtr. Tubing tested to 500# & held good pressure. Long stroked pump w/ pulling unit. Has good pump action. RDMO TRM pump truck & Lucky Services pulling unit. Will have Banta roustabouts hookup wellhead to flow line in the AM. Will move portable pumping unit from Kimbrough & set on well in a couple of days. FINAL REPORT.
Current Operation This AM: Waiting on pumping unit.
- 03/26/07 Went to Kimbrough and removed portable pumping unit. Pulled to Huber # 1 and set unit on well. Came back on 3-28-07 hooked up rods to unit put well on production. Final Report.
Current Operation This AM: Released to production.