

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.

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SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

SEP - 3 2008

OCD-ARTESIA

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

Undesignated; Bone Spring

11. County or Parish, State

Eddy NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☒ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Work</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	<u>performed for</u>
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	<u>plugback</u>

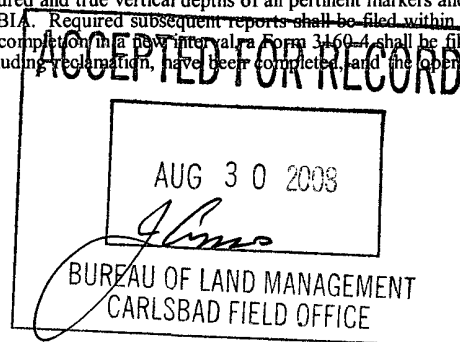
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomple horizontally, give subsurface locations and measured and true vertical depths 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 recompletion 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.)

See attached for work performed during plugback.

ACCEPTED FOR RECORD

SEP 1 - 2008

Gerry Guye, Deputy Field Inspector
NMOCD-District II ARTESIA



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

Name (Printed/Typed)

Sarah Jordan

Title

Production Analyst

Date

10/17/07

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

Dagger Draw 31 Federal #5

660' FNL and 1980' FWL, Section 31, T19S, R25E

Cisco Canyon

Eddy County, New Mexico

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

- 07/26/07 Road rig & crew to location from Wright #1. MIRU Lucky Services pulling unit. Had Two-State bring 238 jts- 2 7/8" tbg, 2 set of pipe racks, a 500 Bbl frac tank and our matting board to location from our yard. Had forklift set pipe racks & put tbg on them. Had to blow dn csg pressure to frac tank (which had oil at surface). ND B1 bonnet WH w/ 2" valve & NU BOP. Left csg overflow into frac tank while RIH w/ tbg. PU & RIH w/ 237 jts- 2 7/8" tbg (open ended) to 7498' by tbg tally. Close BOP rams. RU TRM pump truck to spot 92 Bbls abandonment mud (10# brine w/ salt gel from Nova mud added) from 7500' up to 5400' by pump dn tbg & flushing w/ 31 Bbls fresh wtr. RDMO TRM pump truck. Put TIW valve on tubing. SI well. Will POOH & LD 2100' of 2 7/8" tbg & stand back the rest, set CIBP & dump bail 35' cmt before RIH & pickling tubing.
Current Operation This AM: POH w/ tbg.
- 07/27/07 Arrived on location, POOH w/ tubing. Laid down 67 joints of tubing and stood back 170 joints. RU JSI to set CIBP @ 5450' + or - . RIH w/ GR/CCL to 5500', and logged to 5000'. Set 7" CIBP @ 5450', dumped 35' cement. TOC @ 5415'. RD JSI. RIH w/ 170 joints of 2 7/8" J-55 6.5# EUE tubing to 5374.96'. Installed TIW valve. RU Crain Acidizing to pickle tubing, pumped 8bbbls of 4% kcl to break circulation. Switched to Xylene, pumped 250gals @ 1.5bpm. Switched to 15% HCL, pumped 500gals @ 1.5bpm, switched to flush. Pumped 18bbbls of 4%kcl shut down, switched hoses. Pumped 220bbbls of 4%kcl down casing to reverse acid and xylene out of tubing @ 1.5bpm. Pumped first 40bbbls @ 1.5bpm, picked up rate 3bpm for last 180bbbls. Shut down, pressured up to 500# for 5min held ok. RD Crain. Shut well in and SDFN.
Current Operation This AM: Swab.
- 07/30/07 RU to swab 2 7/8" tbg to frac tank. IFL @ surface. Made 13 swab runs bringing back 78 Bbls wtr & leaving FFL approx 2000' FS. RD swab equipment. POOH w/ 162 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. POOH & LD 8 jts- 2 7/8" J-55 tbg on pipe racks. MIRU JSI electricline truck to RIH w/ 4" slick guns and CCL to perforate Bone Springs formation from 5221'- 5237', 4 spf making 64 holes & 5252'- 5257', 4 spf making 20 holes for a total of 84 holes w/ premium charges (E.H.) .44" (PEN.) 53.80", 120 degree phasing correlated to Atlas Wireline Compensated Neutron GR log. Tagged IFL on first gun @ 2180' +/- . Had a light blow on tbg after perforating. RDMO JSI electricline truck. MIRU Hydrostatic Tubing testers to test 2 7/8" J-55 tbg to 6000# above slips while RIH w/ treating pkr. PU & RIH w/ 2 7/8" x 4' N-80 tbg sub w/ WLEG, 2 7/8" x 7" CPW pkr w/ unloader, 2 7/8" API SSN, 162 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, 2 7/8" x 6' N-80 tbg sub. Set pkr in 25,000# compression. Close BOP rams. SI well. SDFN. Will swab well dn in the AM before having BJ Services pump acid job to break dn perfs.
Current Operation This AM: Swab.

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660' FNL and 1980' FWL, Section 31, T19S, R25E

Cisco Canyon

Eddy County, New Mexico

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

- 07/31/07 RU to swab 2 7/8" tbg to frac tank. IFL @ 100' +/- FS. Made 4 swab runs bringing back 25 Bbls black wtr. Pulled last run from SN. RD swab equipment. MIRU BJ Services trucks to break dn perfs w/ 1500 gals 7.5% NEFE acid dropping ball sealers for diversion & flush to top perf pumping dn tbg @ 5 bpm. Test lines to 7000#. Had TRM pump truck pressure csg backside to 500# w/ 4% KCL wtr & hold pressure while pumping acid job. Start pumping 300 gal (7 Bbls) 7.5% NEFE acid then dropped (25) 7/8" in. 1.3 sp gr ball sealers. Continue w/ 300 gals acid & (25) ball sealers schedule until all 1500 gals acid & 100 ball sealers were gone @ 4 bpm rate. Well loaded @ 28 Bbls pumped. Pressure went to 2100# before breaking back. Broke back to 1350#. Increased rate to 5 bpm. Flushed acid & balls w/ 34 Bbls 4% KCL wtr to top perf w/ tbg pressure gradually climbing to 1617#. Saw ball action when balls hit perfs. SD. ISDP @ 701#. 5 min- 591#, 10 min- 589#, 15 min- 589#. Treating pressure: MAX-1617#, MIN-1319#, AVG-1500#. Had 69 Bbls load to recover. RDMO BJ Services trucks. Opened well up to flow back to frac tank after being shut in for 45 minutes. Had 600# tbg pressure when opening. Took 3 hrs to flow back 57 Bbls (all wtr). RU to swab 2 7/8" tbg. IFL @ surface. Made 4 swab runs bringing back 20 Bbls wtr pulling last run from SN. No oil seen. Left well open on 24/64" choke to frac tank overnight to allow fluid entry. Will swab again in the AM.
Current Operation This AM: Swab.
- 08/01/07 RU to swab 2 7/8" tbg to frac tank. IFL @ 4100' +/- FS. First swab run brought back 4 Bbls fluid. Sample caught had a 20% oil cut. Wait 30 minutes. Made 2nd run hitting FL @ 4600' +/- FS bringing back 2 Bbls fluid. Sample caught was emulsified and hard to get clear oil cut. Wait 1 hr. Made 3rd run hitting FL same spot only bringing back 1 Bbl fluid. Wait 1 hr. Made 4th & 5th runs hitting FL @ 4700' FS and pulling from SN @ 5100' without bringing back any fluid. Fluid entering wellbore very slowly. Lucky pulling unit changed out tbg line drum brakes while waiting on fluid entry. Made last run hitting FL @ 4600' +/- FS only bring back 1 Bbl fluid pulling from the SN. Was emulsified fluid and could not tell how much oil in sample caught. Left well open to frac tank overnight to allow fluid entry. SDFN. Will swab again in the AM before RDMO pulling unit.
Current Operation This AM: Swab.
- 08/02/07 RU to swab 2 7/8" tbg to frac tank. IFL @ 4600' +/- FS. Only made 1 run which brought back 1 Bbl fluid. Sample caught had oil cut, but was too emulsified to get an accurate amount. Finally settled out @ 20% oil cut. Pulled from SN. RD swab line. RDMO Lucky Services pulling unit. SI well. Release all equipment. FINAL REPORT.
Current Operation This AM: Well SI.
- 08/14/07 MIRU Mico swab rig. Well had 350# on tubing, 20 on casing. Bled pressure to frac tank. Made 7 runs recovered 10bbls. First run hit fluid level @ 3600'fs. Swabbed dry and went to hourly swab runs. Left fluid level @ 5050'fs. Recovered 2 bbls of oil and 8 water. RDMO released swab unit.
Current Operation This AM: Well SI.

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Dagger Draw 31 Federal #5

660' FNL and 1980' FWL, Section 31, T19S, R25E

Cisco Canyon

Eddy County, New Mexico

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

- 09/13/07 Road rig & crew to location from Anaconda 11 Fed #1. MIRU Lucky Services pulling unit. Had Two-State deliver 170 jts- 3 1/2" 9.3# CS hydril tbg & set on pipe racks w/ catwalk. Blow dn tbg pressure. ND WH & NU BOP. Release CPW pkr. Let fluids equalize. POOH w/ 2 7/8" x 6' N-80 tbg sub, 75 jts- 2 7/8" N-80 6.5# EUE 8rd tubing, 87 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, 2 7/8" API SSN, 2 7/8" x 7" CPW pkr w/ unloader, 2 7/8" x 4' N-80 tubing sub w/ WLEG. Close BOP blinds. Change BOP rams from 2 7/8" to 3 1/2" rams. SI well. Tally al 3 1/2" tbg on pipe racks. SDFN.
Current Operation This AM: PU & RIH hydrotesting.
- 09/14/07 Open BOP blinds. RU Hydrostatic Tubing testers to test 3 1/2" 9.3# CS hydril tubing to 9000# above slips while RIH w/ pkr. PU & RIH w/ 2 7/8" x 7" AS 1x 26# J-55 pkr, 2 7/8" x 7" T-2 On/Off tool w/ 2.25" F frac hardened profile nipple, 2 7/8" x 3 1/2" CS hydril x-over, 163 jts- 3 1/2" P110 9.3# CS hydril tubing. Close BOP rams. Put TIW valve in tubing. Will set pkr & NU WH on Monday AM. The frac stack wellhead was not ready (waiting for parts to repair valve). RDMO Hydrostatic Tubing testers. SDFW.
Current Operation This AM: Set pkr, NU WH.
- 09/17/07 Open BOP rams. Remove TIW valve from tbg. ND BOP. Set pkr @ 5123' in 20k compression. NU frac stack wellhead. RU to swab 3 1/2" tbg to frac tank. IFL @ surface. Made 4 swab runs bringing back 24 Bbls fluid. On the 5th swab run tagged FL @ 2740' & pulled from 3450'. When cups was around 2000' while pulling out of hole the sand line broke. Pulled all the sand line out except a couple of feet above the rope socket. Left swab mandrel, jars & sinker bar in the hole on top of profile nipple. ND frac stack wellhead. NU BOP. Release pkr. POOH w/ 163 jts- 3 1/2" P110 9.3# CS hydril tbg, 2 7/8" x 3 1/2" x-over, 2 7/8" x 7" T-2 On/Off tool w/ 2.25" F (FH) profile, 2 7/8" x 7" AS 1x 26# J-55 pkr. Removed the swab mandrel, jars & sinker bar from jt above pkr. Close BOP blinds. SI well. SDFN. Will RIH w/ redressed pkr on 3 1/2" tbg in the AM.
Current Operation This AM: RIH w/ pkr.
- 09/18/07 Open BOP blinds. PU & RIH w/ redressed 2 7/8" x 7" AS 1x 26# J-55 pkr, 2 7/8" x 7" T-2 On/Off tool w/ 2.25" F (FH) profile nipple, 2 7/8" 8rd x 3 1/2" CS hydril x-over, 163 jts- 3 1/2" P110 9.3# CS hydril tbg. ND BOP. Set pkr @ 5123' in 20k compression. NU frac stack wellhead. Had TRM pump truck load & test csg w/ 18 Bbls 4% KCL wtr. Pressured csg to 1000# to test pkr. Held good pressure for 10 minutes. RDMO TRM pump truck. RU to swab 3 1/2" tbg to frac tank. IFL @ 300' FS. Made a total of 10 swab runs bringing back 65 Bbls wtr. Made hourly runs on the last two runs pulling from 5000' FS. Left tbg open to frac tank overnight. SDFN. Will RU BJ Services to frac well in the AM.
Current Operation This AM: BJ to frac well.

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Eddy County, New Mexico

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

09/19/07 MIRU BJ Services pump trucks to frac well dn 3 1/2" tbg. RU TRM pump truck to hold pressure on csg backside while pumping frac job. BJ tested lines to 7000#. Open well w/ 0# tbg pressure. Start pumping Medallion 3000 fluid as pad @ 14 bpm rate w/ 1410# tbg pressure. Had TRM hold 500# on csg. Pumped 429 Bbls pad then went to 1 ppg SB-Excel 20/40 sand pumping 249 Bbls Medallion 3000 fluid with it. Went to 2 ppg SB Excel 20/40 sand pumping 256 Bbls Medallion 3000 fluid with it @ 1320# tbg pressure. Went to 3 ppg SB Excel 20/40 sand pumping 264 Bbls Medallion 3000 fluid with it @ 1269# tbg pressure. Went to 4 ppg SB Excel 20/40 sand pumping only 80 Bbls Medallion 3000 fluid with it @ 1208# tbg pressure. Marked flush when inline dropped 1# & flushed w/ 46 Bbls Medallion 3000 fluid cutting flush 2 Bbls short of top perf. SD pumps. ISDP @ 1216#. 5 min- 1108#, 10 min- 1106#, 15 min- 1110#. Treating pressures: MAX- 1632#, MIN- 1208#, AVG- 1362#. Injection rates: Treating fluid- 14 bpm, Flush- 14 bpm. RDMO BJ Services pump trucks. Have 1250 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 in the AM. Put away 72, 799# proppant into formation.
Current Operation This AM: Flow back.

09/20/07 Well had 1040# tbg pressure when opening to frac tank @ 7:00 AM. Opened well to 12/64" positive choke to start flowing well back after BJ frac job. The following is a breakdown of the hourly flowback results:

Time	Tbg Pressure	Choke	Bbls/Hr	Remarks
8:00 AM	1020#	12/64	26	
9:00 AM	1000#	12/64	24	
10:00 AM	970#	12/64	22	Hauled 130 Bbls wtr
11:00 AM	940#	12/64	40	
12:00 PM	920#	12/64	26	
1:00 PM	890#	12/64	28	
2:00 PM	865#	12/64	27	
3:00 PM	810#	12/64	26	Hauled 130 Bbls wtr
4:00 PM	790#	10/64	22	
5:00 PM	790#	10/64	25	

Kept Pro flowback hand watching well overnight. Flowed back 266 Bbls wtr in 10 hrs. Have 984 Bbls load wtr left to recover. Will release pkr & LD 3 1/2" tbg when well stops flowing.
Current Operation This AM: Flow back.

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660' FNL and 1980' FWL, Section 31, T19S, R25E

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

09/21/07	Well had 0# tbg pressure when arriving @ 7:00 AM on location. Well opened to full choke @ 5:00 AM. The following is a breakdown of the hourly flowback results:				
	Time	Tbg Pressure	Choke	Bbls/Hr	Remarks
	6:00 PM	740#	10/64"	22	
	7:00 PM	600#	12/64"	23	
	8:00 PM	560#	12/64"	21	
	9:00 PM	500#	12/64"	24	
	10:00 PM	460#	14/64"	23	
	11:00 PM	410#	14/64"	20	
	12:00 AM	380#	14/64"	18	
	1:00 AM	340#	16/64"	16	
	2:00 AM	290#	16/64"	19	
	3:00 AM	220#	16/64"	17	
	4:00 AM	150#	18/64"	18	
	5:00 AM	0#	full open	19	Well still flowing wtr (wide open)
	6:00 AM	0#	full open	9	
	7:00 AM	0#	full open	5	Flowed back 254 Bbls load overnight. 730 Bbls left to recover.

ND frac stack wellhead. NU BOP. Release AS pkr. Let fluid equalize. RU Big Bear LD machine to LD 3 1/2" tbg on pipe racks. POOH w/ 163 jts- 3 1/2" P110 9.3# CS hydril tubing, 2 7/8" 8rd x 3 1/2" CS hydril x-over, 2 7/8" x 7" T-2 On/Off tool w/ 2.25" F frac hardened profile nipple, 2 7/8" x 7" 26# AS 1x pkr w/ WLEG. RDMO Big Bear LD machine. RIH w/ 2 7/8" notched collar, (2) 2 7/8" check valves, 20 jts- 2 7/8" J-55 tubing, 2 7/8" S&P bailer, 147 jts- 2 7/8" J-55 tbg. Tag TOS (fill) @ 5287' (30' below btm perf). Have 128' of fill to clean out. POOH w/ 10 jts- 2 7/8" J-55 tubing standing back in derrick. Close BOP rams. Put TIW valve in tubing. Left csg open to frac tank over the weekend. Will RIH w/ tbg on Monday AM & start bailing sand to btm. SDFW.
Current Operation This AM: Bail sand to PBTD.

09/24/07 Remove TIW valve from tbg. Open BOP rams. RIH w/ 10 jts- 2 7/8" J-55 tbg. Tag TOF (sand) @ 5287'. Start working bailer. Bailed for an hour and only cleaned out 4' of fill. The sand was too hard to break up w/ notched collar. Decided to POOH w/ tbg, bailer, check valves and 2 7/8" notched collar & RIH w/ drill bit on tbg & circulate sand out. RIH w/ 6 1/8" drill bit, x-over bit sub, 167 jts- 2 7/8" J-55 tbg. Tag TOF (sand) @ 5287'. Had TRM pump truck on location along w/ another vac truck with a total of 260 Bbls 2% KCL wtr to reverse circulate well while DO sand. Had Lucky Rental RU swivel on jt #167. DO sand reverse circulating to frac tank PU new jts to 5405'. Circulate btms up to clean sand from tbg till clean. RD swivel. POOH & LD 2 jts- 2 7/8" J-55 tbg. Continue to POOH standing back 20 jts- 2 7/8" J-55 tbg in derrick. Put TIW valve in tbg. Close BOP rams. SDFN. Will RIH w/ tbg in the AM to check TOF before POOH w/ bit.
Current Operation This AM: RIH w/ tbg.

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Dagger Draw 31 Federal #5

660' FNL and 1980' FWL, Section 31, T19S, R25E

Cisco Canyon

Eddy County, New Mexico

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

09/25/07 Remove TIW valve from tbg. Open BOP rams. RIH w/ 22 jts- 2 7/8" J-55 tbg. Tag TOF (sand) @ 5287'. Did not have any sand come in well overnight. POOH w/ 170 jts- 2 7/8" J-55 6.5# EUE 8rd tubing, x-over bit sub, 6 1/8" drill bit. RIH w/ 1 jt- 2 7/8" J-55 tbg (open ended as tail pipe), new 2 7/8" API Standard Seat Nipple, 6 jts- 2 7/8" J-55 tbg, 2 7/8" x 7" TAC w/ 45k shear, 162 jts- 2 7/8" J-55 tubing. ND BOP. Set TAC in 10k tension. NU WH. Csg standing full of wtr. PU & RIH w/ new 2 1/2" x 1 1/4" x 20' RHBC HVR pump w/ HW SCID Bbl (+.001"), 1 1/4" x 4' SM plngr (-.006"), DV T/C b&s, 1' LS & SRG w/ 6" strainer nipple, (16) new 1 3/8" x 25' Grade K sinker bars w/ 3/4" pins, (195) new 3/4" x 25' D rods w/ FHTC, 3/4" x 2' D pony rod sub, 1 1/4" x 22' PR w/ 1 1/2" x 12' PRL. Space pump 16" off btm. Hang well on. RU TRM pump truck to load & test tbg to 500#. Held good pressure. Had good pump action. Had Banta roustabout gang build wellhead & tie into flowline. RDMO TRM pump truck & Lucky Services pulling unit. Put well on production @ 7:00 PM. FINAL REPORT.
Current Operation This AM: Released to production.