

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

III 22 2009

Form C-103  
June 19, 2008

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b> (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. 3001521141
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other SWD		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: Holstun SWD
4. Well Location Unit Letter <u>B</u> : <u>660</u> feet from the <u>North</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>4</u> Township <u>20S</u> Range <u>25E</u> NMPM <u>Eddy</u> County		8. Well Number 1
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3592.6 GR		9. OGRID Number 015742
		10. Pool name or Wildcat Undesignated

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 COMPL ☐  
DOWNHOLE COMMINGLE ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐  
COMMENCE DRILLING OPNS. ☐ P AND A ☐  
CASING/CEMENT JOB ☐

OTHER: ☐

OTHER: Repair and MIT Test ☒

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 see attached breakdown for work performed on subject SWD.

Also a successful MIT was run on 7/16/09 and witnessed by Richard Inge, NMOC rep. Mr Inge retained chart.

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 Sarah Jordan TITLE Regulatory Analyst DATE 7-21-09

Type or print name Sarah Jordan E-mail address: sjordan@nearburg.com PHONE 432/818-2950

For State Use Only

APPROVED BY Richard Inge TITLE Compliance Officer DATE 7/24/09

Conditions of Approval (if any):

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

**Holston #1 SWD**

Devonian

Eddy County, New Mexico

County/State

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

- 06/16/09    Well Repair Purpose: Repair downhole problem and return to production.  
Road rig & crew to location from Federal LS #1. Spot rig on well. SDFN. Will have anchors tested in the AM before rigging up pulling unit. Notified Richard Inge w/ the OCD of SD.  
Current Operation This AM: Release o/o tool and POH w/ tbg.
- 06/17/09    Well Repair Purpose: Repair downhole problem and return to production.  
Had Hobbs anchor pull test all anchors before pulling unit RU. MIRU Lucky Services pulling unit. ND WH & NU BOP. Tubing flange handy (not tight) on x-over sub. Found the 3 1/2" N-80 9.3# CS Hydril tbg (internally coated) parted when we did not pull into pkr when POOH. Had TRM vac trucks keep free flowing wtr picked up off ground and haul to disposal. POOH w/ 260 jts- 3 1/2" N-80 9.3# CS Hydril tubing. Found the 261st jt- 3 1/2" tbg w/ body parted 10' from tool jt (collar). Have 225 jts- 3 1/2" tbg stood back in derrick that will need tested. Have 36 jts- 3 1/2" tbg that was LD due to holes, bad pins or pitting. Close BOP blinds. SI well. SDFN. Will get Two-State to bring more 3 1/2" tbg to location in the AM to RIH w/ fishing tool to try to spear tbg part.  
Current Operation This AM: RIH w/ fishing tool to fish parted 3-1/2 tbg.
- 06/18/09    Well Repair Purpose: Repair downhole problem and return to production.  
Lucky Services pulling unit changed tbg line on rig. Had Two-State bring 50 jts- 3 1/2" N-80 9.3# CS Hydril tbg from yard and set on pipe racks. Had them take 36 jts- 3 1/2" bad tbg to yard. RIH w/ 3 1/2" tbg spear w/ 3.032" grapple, (2) x-over subs, 209 jts- 3 1/2" N-80 9.3# CS Hydril tbg. Crimped 4 more jts 3 1/2" tbg while RIH. The slip type elevators had a slip segment break into and could not continue RIH w/ tbg. Put TIW valve in tbg. Close BOP rams. Took the elevators in to shop to repair. SDFN. Will finish RIH w/ 3 1/2" tbg in the AM to try to spear tbg part.  
Current Operation This AM: Finish RIH w/ fishing tool.
- 06/19/09    Well Repair Purpose: Repair downhole problem and return to production.  
Remove TIW valve from tbg. Open BOP rams. Had TRM vac trucks pull free flowing wtr & haul to disposal. PU rebuilt 3 1/2" slip type elevators. RIH w/ 52 jts- 3 1/2" N-80 9.3# CS Hydril tbg to tag top of fish @ 8202 w/ spear. Have 261 jts total in well. Speared 12' of fish when tbg parted again. POOH w/ 261 jts- 3 1/2" tbg (standing back), (2) x-over subs, 3 1/2" tbg spear. LD spear w/ 12' piece of tbg. Had trouble w/ 2 set of elevators while POOH w/ tbg. Had to wait 2 times for other sets to get to location. PU & RIH w/ 1 jt- wash pipe (for 5 1/2" csg & 3 1/2" tbg) w/ guide & OS w/ 3.032" grapple on the end of wash pipe, x-over subs, bumper sub, x-over sub, 62 jts- 3 1/2" N-80 9.3# CS Hydril tbg. Put TIW valve in tbg. Close BOP rams. SI well. SDFW. Will finish RIH w/ 3 1/2" tbg on Monday morning to catch fish.  
Current Operation This AM: Finish RIH.

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- 06/22/09    Well Repair Purpose: Repair downhole problem and return to production.  
Remove TIW valve from tbg. Open BOP rams. Had TRM vac trucks pull free flowing wtr & haul to disposal. RIH w/ 199 jts- 3 1/2" N-80 9.3# CS Hydril tbg to tag top of fish @ 8212 w/ OS. Had to PU swivel to wash dn over fish to collar. Set grapple and pulled up on tbg. Tbg parted again. LD swivel. POOH w/ 261 jts- 3 1/2" tbg, bumper sub, 1 jt-washover pipe w/ 3.5" grapple & guide. Caught fish. Continue to POOH & LD 11 jts- 3 1/2" tbg & 5' of next jt where tbg was parted again. All 11 jts- 3 1/2" tbg were bad. Close BOP blinds. SI well. SDFN. Will RIH w/ new guide w/ cutrite & new grapple in OS w/ 1 jt- washover pipe on 3 1/2" tbg to catch fish in the AM. Top of fish now @ 8569'.  
Current Operation This a.m. RIH w/tubing.
- 06/23/09    Well Repair Purpose: Repair downhole problem and return to production.  
Open BOP blinds. Had TRM vac trucks pull free flowing wtr & haul to disposal. PU & RIH w/ new guide w/ cutrite inside guide, OS w/ 3.5" grapple on 1 jt- washover pipe, x-over sub, 272 jts- 3 1/2" N-80 9.3# CS Hydril tbg. Tag top of fish @ 8570'. PU swivel and work over fish approx 5'. Set grapple. Pulled 10 pts over tbg weight & released Lokset pkr. LD swivel. Had catwalk set to LD 3 1/2" tbg on racks. POOH & LD 64 jts- 3 1/2" N-80 9.3# CS Hydril tbg. Put TIW valve in tbg. Close BOP rams. SI well. SDFN. Will RU Big Bear LD machine in the AM & finish POOH w/ 3 1/2" tbg.  
Current Operation: Finish POH & LD 3 1/2" tbg.
- 06/24/09    Well Repair Purpose: Repair downhole problem and return to production.  
Remove TIW valve from tbg. Open BOP blinds. Had TRM vac trucks pull free flowing wtr & haul to disposal. Continue to POOH & LD w/ 208 jts- 3 1/2" N-80 9.3# CS Hydril tbg on racks to fish. POOH & LD bumper sub, 1 jt- washpipe w/ 3.5" grapple in OS & guide. Caught fish in OS. Continue to POOH & LD 52 jts- 3 1/2" tbg (badly pitted w/ holes) on racks. Found the 52nd jt (Jt tbg just above On/Off tool & pkr) parted leaving approx 20' in hole. Had Big Bear LD machine help LD all 3 1/2" tbg. Close BOP blinds. SI well. SDFN. RDMO Big Bear LD machine. Had Wilbanks Trucking haul all 3 1/2" tbg back to yard & bring 330 jts- 2 3/8" L-80 4.7# EUE 8rd tubing (yellow band from yard) & put on racks. Will RIH w/ OS & washpipe on 2 3/8" tbg in the AM to fish pkr.  
Current Operation: Fishing.
- 06/25/09    Well Repair Purpose: Repair downhole problem and return to production.  
Open BOP blinds. Had TRM vac trucks pull free flowing wtr & haul to disposal. Tallied 2 3/8" tbg on racks (330 jts). Wait for rebuilt tbg tongs to get to location. The tongs we were using broke the band. PU & RIH w/ new guide w/ cutrite 3.5" grapple in OS, bumper sub, x-over sub, 320 jts- 2 3/8" L-80 4.7# 8rd EUE tbg (yellow band) off racks. PU swivel on jt #321 and tag top of fish. Start washing over. Washed over approx 3' when we couldn't make any more hole. PU on tbg and went back down on top of fish when we noticed pkr was following us up hole (pkr moving up, but not down). POOH w/ 20 jts- 2 3/8" L-80 tbg (pkr hanging on csg collars on first 5 stands). Put TIW valve in tbg. Close BOP rams. SI well. SDFN. Will finish POOH w/ 2 3/8" tbg w/ fish & pkr in the AM before RIH w/ bit & scraper.  
Current Operation This AM: Finish POH w/ fish.
- 06/26/09    Well Repair Purpose: Repair downhole problem and return to production.  
Remove TIW valve from tbg. Open BOP rams. Had TRM vac trucks pull free flowing wtr & haul to disposal. POOH w/ 301 jts- 2 3/8" L-80 4.7# EUE 8rd tubing. Continue to POOH & LD bumper sub & 4 1/2" washpipe w/ OS w/ fish. Had approx 20' of last jt of

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3 1/2" tbg in OS, On/Off tool, 5 1/2" Lokset pkr. Pkr was badly corroded. LD pkr. PU & RIH w/ 5 1/2" Cline RBP w/ 2 3/8" x 5 1/2" Cline pkr, used 2 3/8" API SSN, 322 jts- 2 3/8" L-80 4.7# EUE 8rd tubing. Set RBP @ 10,184'. Release from RBP. POOH & LD 1 jt- 2 3/8" L-80 tbg. When setting RBP the water flow stopped flowing out of tbg & csg. Put TIW valve on tbg. Close BOP rams. SI well. SDFW. Will set pkr on Monday AM to make sure RBP tests OK then proceed to check csg for leak.

Current Operation this AM: Set pkr to test RBP

06/29/09 Well Repair Purpose: Repair downhole problem and return to production. Arrived on location, opened casing and tubing both on vacuum. RBP Set @ 10185'. Set packer @ 10170' pumped down tubing loaded and pressured to 1000#. Held good for 10 min. Released pressure, hooked to casing and tested from 10170' to surface. Pressured to 520#, bled to 475# lost 45# in 15 min. Released pressure, PUH to 9095' set packer. Hooked up to tubing and pressured to 525# bled to 510# lost 15# in 15 min. Released pressure, PUH to 8019' set packer. Hooked up to tubing and pressured to 510# bled to 485# lost 25# in 15 min. Released pressure, PUH to 6943' set packer. Hooked up to tubing pressured to 500# bled to 470# lost 30# in 15 min. Released pressured, hooked to casing pressured from 6943' to surface. Pressured to 525# bled to 510# lost 15# in 15min. Released pressure, released packer. Installed chart recorder pressured from 10185' to surface. Pressured to 510# bled to 495# in 30 min. Well will pass OCD test. Talked to Matt. RIH with tubing latched on to RBP released RBP. Started POOH w 2 3/8" tubing , packer and RBP. Water flowing back @ 130bbbls every 30 min. POOH w/ 232 joints of tubing. Installed valve in tubing and closed. Closed casing and BOP. SDFN. Hauled 5 loads to Aikman SWD and 2 loaded to Ann SWD.  
Current Operation this AM: POOH w/ 2 3/8" tubing, pkr. and RBP laying down.

06/30/09 Remove TIW valve from tbg. Open BOP rams. POOH & LD 80 jts- 2 3/8" L-80 tbg on racks w/ pkr & RBP. LD pkr & RBP. Had TRM vac trucks hauling free flowing wtr to Aikman SWD while POOH w/ tbg. Close BOP blinds. SI well. RDMO Lucky Services pulling unit. Had Two-State take 2 3/8" L-80 tbg back to yard. Will have Two-State take 2 7/8" L-80 tbg to get coated in Odessa. Left BOP on wellhead. FINAL REPORT.  
Current Operation: SI well. Waiting for tbg. to be coated.

07/13/09 Move rig & crew to location from Parino 23M Fee #1. Wait for matting board to be set before rigging up. MIRU Lucky Services pulling unit. SDFN. Will change BOP rams in the AM before RIH w/ nickel plated AS 1x pkr on new IPC 2 7/8" L-80 6.5# EUE 8rd tubing.  
Current Operation: RIH w/pkr on 2 7/8" IPC tbg.

07/14/09 Had Lucky pulling unit crew change BOP rams from 2 3/8" to 2 7/8" rams. Had Two-State deliver 2 set of pipe racks & 330 jts- 2 7/8" L-80 6.5# EUE 8rd (IPC @ Tuboscope) from Artesia yard & set on racks. Have 2 TRM vac trucks on location to catch free flowing wtr from well & keep hauled to Aikman SWD. PU & RIH w/ 2 3/8" x 5 1/2" AS 1x pkr (nickle plated) w/ 1.87 F profile & T2 On/Off tool. Have a pump out plug in btm of pkr set to release @ 2500#. Put a stainless steel 2 3/8" x 2 7/8" x-over on top of pkr then 240 jts- 2 7/8" L-80 6.5# EUE 8rd IPC tbg. Put TIW valve in tbg. Close BOP rams. SD due to lightning in the area. SDFN. Will finish RIH w/ pkr on 2 7/8" IPC tbg in the AM.  
Current Operation: Finish RIH 2/pkr on 2 7/8" IPB tbg. Set pkr, circ pkr fluid, NU WH, test csg.

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- 07/15/09     Remove TIW valve from tbg. Open BOP rams. Continue to RIH w/ 82 jts- 2 7/8" L-80 6.5# EUE 8rd IPC tbg for a total of 322 jts- 2 7/8" tbg in well (10,169.26'). Had TRM pump truck load tbg w/ 57 Bbls fresh wtr w/ double inhibited pkr fluid. Set pkr @ 10,183.72' in 12,000# compression w/ btm of pkr pump out plug WLEG @ 10,184.07'. Release from On/Off tool. Had TRM pump truck conventionally circulate 158 Bbls fresh wtr w/ double inhibited pkr fluid until good pkr fluid came out csg backside @ surface. Latch back up to pkr. Tested pkr dn csg to 500# and held good pressure. ND BOP & NU WH. Had TRM pump truck try to pump out plug @ 4900#, but shear pins would not break. Wait for Crain pump truck w/ 10,000# pump to arrive on location. Had TRM pump truck put 500# on csg and hold while Crain pump truck put 5000# on tbg to pump out plug. NU wellhead. Had TRM pump truck get a 30 minute chart @ 500# on csg. Pressure fell approx 25# in 30 min. Will RDMO Lucky Services pulling unit in the AM and have OCD on location @ 8:00 AM to do csg integrity test.  
Current Operation This AM: RDMO Lucky Services and have OCD to do csg integrity test
- 07/16/09     Had Lucky pulling unit crew build wellhead & put meter in service. Had TRM pump truck hook up to csg w/ 1000# chart recorder to do mechanical integrity test for the OCD. Had OCD representative Richard Inge on location @ 8:00 AM to witness MIT. Pressured csg to 500# for 30 minutes. Had 475# afterwards which was within allowable pressure loss for OCD to pass the MIT. Richard Inge w/ OCD took chart and will wait for C-103 from Midland. Bled dn csg pressure & RDMO TRM pump truck. Opened tbg valve & started injection pump. Had initial startup of 3314 bpd w/ 510# tbg pressure. The tbg pressure started falling the longer pump injected wtr downhole. RDMO Lucky Services pulling unit. Will have backhoe backdrag location when rainwater dries up. FINAL REPORT.  
Current Operation: Return well to injection.