

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

WELL API NO. 30-015-28375
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: Ross Ranch 22
8. Well Number 3
9. OGRID Number 015742
10. Pool name or Wildcat North Seven Rivers; Glorieta/ Yeso
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3470

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-104) 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 C : 660 feet from the North line and 1980 feet from the West line
Section 22 Township 19S Range 25E NMPM County Eddy

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 ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

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

OTHER: Plug back ☒

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 for worked performed during plugback.

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 Production Analyst DATE 1-25-10

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

For State Use Only

APPROVED BY [Signature] TITLE Geologist DATE 1/25/10

Conditions of Approval (if any)

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

Ross Ranch 22 #3

660' FNL & 1,980' FWL, Section 22, T19S, R25E

Cisco/Canyon

Eddy County, New Mexico

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

- 12/15/09 MIRU Luck's pulling unit. Got rig ready to POOH w/ tubing and pump. Blew well down to air. Replaced both casing valves w/ 5000# KF valves. Closed well in and SDFN.
Current Operation: POOH w/tbg and ESP pump
- 12/16/09 Arrived on location, blew well to air. Pumped 70bbls of water to kill well. ND wellhead, NU BOP. RU Woods Group spoolers. POOH w/ 249 joints of 2 7/8" J-55 6.5# EUE 8rd tubing. (1) 2 7/8" x 10' J-55 6.5# EUE 8rd tubing sub, (1) 2 7/8" API SSN.LD ESP pump and 38" shroud. Sent pump, ele cable, and cap string to Woods Group shop. RD Spoolers. MIRU JSI RIH w/ 5.719" gauge ring and junk basket. Could not get passed 6257' in casing w/ GR. POOH and RD JSI. Closed BOP and casing valves. SDFN.
Current Operation: RIH w/bit and bailer.
- 12/17/09 Arrived on location, RU TRM kill truck. Opened well and BOP. RIH w/ 6 1/8" bit and 7" scraper. Hit tight spot @ 6257' from surface. Worked thru tight spot, ran bit down to 7736' fs. POOH w/ tubing, laid down scraper and bit. RU JSI RIH w/ 7" (5.61) CIBP and set @ 7600'fs. POOH rigged up bailer and dumped 35' cement on top of plug. TOC @ 7565' POOH w/ bailer, RD JSI. RIH w/ (1) 2 7/8" perf sub, (226) joint of tubing. Left tubing above cement. Installed TIW valve in tubing. Closed BOP and casing valves. SDFN
Current Operation: Spotting Mud
- 12/18/09 Arrived on location, RIH w/ 17 joints and tagged TOC @ 7565'. POOH w/ 1 joint to 7533'. RU TRM and pumped 148bbls of abandonment mud Followed w/ 22 bbls of water to spot mud. RD TRM. RU Hydrostatic to scam tubing POOH. Scanned 249 joint of 2 7/8 J-55 6.5# EUE 8rd tubing. Had 64 yellow ban, 66 blue ban, 85 green ban, and 34 red ban. Carried 185 joints to yard and 66 joints back from yard. RD Hydrostatic. RU JSI RIH w/ 7" CIBP correlated w/ open hole log and set @ 5890'. Dump bailed 35' of cement. TOC @ 5855'. PU second 7" CIBP correlated to open hole log and set @ 3806'. Dump bailed 35' of cement. TOC @ 3771'. RD JSI. Closed well in. SDFN Final Report on Canyon Perfs.
Current Operation: Well was plugged back last report for Canyon Perfs.
- 12/19/09 Arrived on location opened well. RIH w/ (120) 2 7/8" J-55 6.5# EUE 8rd tubing. Tagged TOC @ 3771'. PUH (1) 2 7/8" J-55 6.5# EUE 8rd tubing. Bottom of tubing @ 3698'. RU Crain Acidizing, pumped 500gals of Xylene, 1500gals of 15% acid @ 1BPM down tubing. When acid cleared tubing pumped 150bbls of 2% KCL to flush casing. RD Crain. RU JSI Ran CBL from 3000' to 2000' with 0 pressure. Have good cement. TOC @ 410'. Had Crain pressure casing to 3500# held pressure for 15min. Released pressure. RU JSI to perf the following intervals w/ premium charges correlated to Schlumberger log. Perfs are as follows: 2295, 2321, 2336, 2343, 2355, 2357, 2361, 2373, 2377, 2385, 2391, 2402, 2407, 2412, 2426, 2441, 2468, 2493, 2525, 2543, 2738, 2768, 2772, 2779. RD JSI. RU Hydrostatic, PU packer and tested (70) joints 2 7/8" J-55 6.5# EUE 8rd tubing, to 6000# above the slips. RD Hydrostatic. Set Packer @ 2212.24. Had Crain pressure up backside to 1000# to test packer. Held pressure for 15min. Took 9bbls to load. Closed well in. SDFN.
Current Operation: Acidizing Perfs.

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12/20/09 MIRU Crain Acidizing KT to hold pressure on backside during acid job. RU Frac Tech to breakdown perms w/ 2000gals of 15% NeFe HCl using 30 1.3SG ball sealers in stages as follows. Started on 2% kcl well broke 2/3 bpm @ 3014#. Pumped 2 bbls of water ,on acid. a) Pump 8bbls acid, b) Drop 6 balls. Pressure was 3314# c) Pumped 8bbls acid, d) Drop 6 balls. Pressure was 2723#, e) Pump 8bbls acid, f) Drop 6 balls. Pressure was 2431# g) Pumped 8bbls acid, h) Drop 6 balls. Pressure was 2723#. i) Pump 8bbls acid, j) Drop 6 balls. Pressure was 4486# k) Pumped 8bbls acid, Well balled out, surged off balls. Let balls fall. Pumped 35 bbls of 2% kcl to bottom perf. Well had great ball action. ISIP was 1035#, 5 Min 981#, 10 Min 981#, 15 Min 957#. Max treating pressure was 4486#, Min treating pressure was 2723#. Average treating press 3604#, Average BPM 6.5. Left well shut in 2 hours. Started flowback, tubing pressure was 800#. Started on 12/64th choke. Flowed back 5bbls in first hour. By second hour well was dead. RU swab and RIH made 4 runs recovered 14bbls. Had 120bbls of fluid to recover. Need to recover 106bbls. Left well open to tank. SDFN.
Current Operation: Swabbing well

12/21/09 Arrived on location, RIH w/ swab cups . Hit fluid level @ 300' fs. Had 3% oil cut. Second run fluid level was 400' Made 9 runs for the day recovered 54 bbls. Released treating packer, POOH LD 70 jts 2 7/8" 6.5# J-55 EUE 8rd tubing, and packer. ND BOP. NU Frac valve. RDMO Luckys rig. Left well shut in. SDFN
Current Operation: Waiting on frac date.

12/29/09 MIRU Frac Tech pump trucks to frac well dn csg. RU Stinger csg saver on top of frac valve on wellhead. Frac Tech tested lines to 4661#. Open well with 204# csg pressure. Start pumping 48 Bbls 15% HCL acid ahead of pad @ 10 bpm w/ 1671# csg pressure. Staged to 1449 Bbls 20# Liner Gel pad (consisting of fresh wtr w/ 4.44gpt gel, 1.00gpt NE-100, 1.00gpt KCL .25gpt Biocide .05gpt ICI 445, .05gpt Enzyme Breaker) @ 45bpm, w/ 2833#. Staged to .25# 20/40 white sand w/485 Bbls 20# liner gel pumped . Swept sand w/ 243bbls 20# liner gel. The following is a break down of proppants/sweeps pumped:

Csg Psi	Bbls Pumped	BPM	Description
2675#	479	59.7	(11,212#) 0.50# (ppg) 20/40 white sand
2541#	203	59.5	Sweep (displace .5# sand from csg w/20# liner gel)
Shut down due to Sand King fuel filter plugging up. Had 2570# casing pressure when SD Bled down to 1121# in 30 min.			
1122#	102	48	Pumped 20# liner gel to est. rate.
2518#	476	59.8	(16,715#) 0.75# (ppg) 20/40 white sand
2553#	265	59.2	Sweep (displace .75# sand from csg w/20# liner gel)
2576#	707	59.8	(33,117#) 1.0# (ppg) 20/40 white sand
2091#	260	56	Sweep (displace 1.0# sand from csg w/20# liner gel)
2284#	354	59.5	(20,700#) 1.25# (ppg) 20/40 white sand
2278#	269	59.8	Sweep (displace 1.25# sand from csg w/20# liner gel)
1910#	192	45	(8,508#) 1.25# (ppg) Super LC 20/40 resin coated sand w/activator
2009#	302	50.2	Sweep (displace 1.25# sand from csg w/20# liner gel)

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12/29/09 **Shut down due to low flow. Had 2050# casing pressure when SD.**
cont **Bled down to 1121# in 15 min.**

1133#	74	55		Pumped 20# liner gel to est rate
2249#	766	60.2	(38,554#)	1.5# (ppg) Super LC 20/40 resin coated sand w/activator
2284#	240	59.2		Sweep (displaced 1.5# sand from csg w/20# liner gel)
2319#	272	60.1	(15,829#)	1.75# (ppg) Super LC 20/40 resin coated sand w/activator
2266#	289	59.3		Sweep (displaced 1.75# sand from csg w/20# liner gel)
2044#	451	58	(29,729#)	2.0# (ppg) Super LC 20/40 resin coated sand w/activator
2214#	87	59.4		Flush 3 Bbls short of top perf w/ 20# liner gel 3

Shutdown pumps. ISDP @ 1286#. 5 min- 1215#, 10 min- 1186#, 15 min- 1168#. Treating pressures: MAX- 2956#, MIN- 1122#, AVG- 2344#. Injection rates: Treating fluid- 59 bpm, Flush- 59 bpm. RD Stinger csg saver. RDMO Frac Tech pump trucks. Have 7922 Bbls load wtr to recover. RU Pro well testing flowback flange up to wellhead. Left well shut in overnight for resin to set. Will start flowing well back to frac tank in the AM. Pumped a total of 92,500# Super LC 20/40 proppant and 87,500# of 20/40 White sand into well bore.

Current Operation: Flowing well back.

12/30/09 Started flow back on well @ 9:00 AM. Starting tank gauge was 6". Had 810# pressure on casing. Choke has been set on 14/64ths

Time	Gauge	Bbls.	Bbls. Prod.
9:00	6"	8	
10:00	26"	75	67
11:00	32"	100	25
12:00	39"	132	32
1:00	46"	165	33
2:00	50"	185	20
3:00	58"	224	39
4:00	65"	260	36
5:00	71"	290	30
6:00	28"	83	53
7:00	37"	121	38

Hauled 260 Bbls.

Recovered 373 Bbls of fluid for the day. Need to recover 7922Bbls. Leaving 7549 Bbls left to recover.

Current Operation: Flowing well back.

12/31/09 Arrived on location, well was on 17/64ths choke w/ 545# of pressure on casing. From 7:00 PM Wednesday, until 3:30 PM Thursday, we recovered 775Bbls of fluid. Averaging 37.80bph. We have recovered total of 1148bbls, in 30.5hrs. Leaving 6774bbls still to recover. Released flowback hand. Will check well in AM. @ 3:30 PM casing pressure was 435# on 17/64ths choke.

Current Operation: Flowing well back.

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- 01/01/10 Arrived on location , well was flowing w/ 245# casing pressure. Well was on 15/64ths choke. In 15hrs flowed back 404bbl. We have recovered 1552Bbls of fluid. Still have 6370Bbls of fluid left to recover. Opened choke to 16/64ths choke, waited one hour well was flowing @ 25BPM.
Current Operation: Flowing well back.
- 01/02/10 Arrived on location , well was flowing w/ 85# casing pressure. Well was on 16.5/64ths choke. In 25hrs flowed back 420bbl. We have recovered 1972Bbls of fluid. Still have 5950Bbls of fluid left to recover. Opened choke to full choke.
Current Operation: Flowing well back.
- 01/03/10 Arrived on location , well was flowing w/ 5# casing pressure. Well was on full open choke. In 24hrs flowed back 456bbl. We have recovered 2428Bbls of fluid. Still have 5494Bbls of fluid left to recover. Well is wide open to tank.
Current Operation: Flowing well back.
- 01/04/10 Arrived on location , well was flowing w/ 5# casing pressure. Well was on full open choke. In 24hrs flowed back 396bbl. We have recovered 2824Bbls of fluid. Still have 5098 Bbls of fluid left to recover. Well is wide open to tank.
Current Operation: Completing well.
- 01/05/10 Moved in rigged up Lucky Service Unit. The well flowed back 132 Bbls wtr in 24 hrs. Flowed back 2956 Bbls of fluid as of 7:30 AM 1-5-10. At 7:30 AM had 1# casing pressure and still flowing approx 5.5 bph. Have 4966 Bbls load to recover. Had TRM vac truck tie onto csg and pull free flowing water while ND frac valve, and NU BOP. Recovered another 55 Bbls wtr on vac truck bringing total recovered to 3011 Bbls. Need to still recover 4911 Bbl. PU & RIH w/ 6 1/8 " drill bitx-over bit sub, 106 jts- 2 7/8" J-55 6.5# EUE 8rd tubing. Didn't tag @ 3316.63' by tbg tally. We have 537' of rathole below bottom perf. (plenty enough to not need to clean out sand). POOH & LD 11 jts- 2 7/8" J-55 tbg on racks (have 11 jts total on racks) and stood back 92 jts 2 7/8" J-55 6.5# EUE 8rd tbg in derrick. LD 1 jt. PUH w/ 1 stand, LD x-over bit sub & used 6 1/8" drill bit. RIH w/ 2 jts 2 7/8" J-55 tbg, as TP, new 2 7/8" slotted Seat Nipple, new 2 7/8" API Standard Seat Nipple, 93 jts 2 7/8" J-55 6.5# EUE 8rd tbg. ND BOP & NU WH. Had TRM truck tie onto csg to pull free flowing wtr from well while RIH w/ pump & rods. PU & RIH w/ new 2 1/2" x 1 1/2" x 12' RWBC HVR pump w/ SCID Bbl(+.001"), 1 1/2" x 4' SM plngr (-.003"), DV T/C b&s, 1' LS & SRG w/ 1 1/4" x 16' gas anchor, (8) 1 3/8" x 25' Grade K sinker bars w/ 3/4" pins & FHTC, (39) 3/4" x 25' "KD" rods w/ FHTC. Closed rod wiper off for night. SDFN. Left csg and tubing open to frac tank with no flow. Will finish RIH w/ rods in the AM and hang well on.
Current Operation: Finnish running rods.
- 01/06/10 Arrived on location, well had flowed 42bbls over night. Hooked up TRM to casing to pull free flowing water as we run rods. Recovered 30bbls while running rods. Making 72Bbls for the day. Recovered 3083 Bbls so far and have 4839 Bbls left to recover. Opened rod wiper PU RIH w/ (67) 3/4" x 25' "KD" rods w/ FHTC, (4) 3/4" x 8' x 6' x 2" "KD" pony rods w/ FHTC, (1) 1 1/4" x 22" PR w/ 1 1/2" x 12' PRL. Spaced out pump. Well was loaded. Hooked Musselwhites KT and filled flowing and FWKO up w/ 25 Bbls. RDMO Deans tied in Eletricity. Started well, set back pressure valve on well head. Returned well back to production @ 11:11AM. FINAL REPORT. Need to recover 4839Bbls.
Current Operation: Flowing well