District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue,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 & Natural Resources

Oil Conservation Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

RECEIVED
SEP 2006
OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

[1] Operator Name and Address	[2] OGRID Number
Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705	015742
	[3] API Number 30- 15-22466

[4] Property Code	[5] Property Name	[6] Well No.
35999	B&B	1

[9] Proposed Pool 1	[10] Proposed Pool 2
Wildcat ; Glorieta/ Yeso	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
G	22	19S	25E		1988	North	1915	East	Eddy

[8] Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot. Idn	Feet from the	North/South Line	Feet from the	East/West line	County
B	22	19S	25E		330	North	2310	East	Eddy

Additional Well Location

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
Plugback	O		State	3456
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	9484	Glorieta/ Yeso	Mesa	9/1/06

Depth to ground water	Distance from nearest fresh water well	Distance from nearest surface water

Pit: Liner: Synthetic ☐ _____ mils thick Clay ☐ Pit Volume _____ bbls Drilling Method:

Closed-Loop System ☐ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48	327	325	NA
12-1/4	8-5/8	32	1200	750	NA
7-7/8	4-1/2	11.6	9484	1025	NA
All csg is existing					

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to plugback and horizontal drill the well to evaluate the Yeso formation. Perf, test and stimulate as necessary to establish production.
See attached procedure.

*John West Surveying restaked the well and the SHL measured out differently than the old play. See attached C102

[23] I hereby certify that the information given above is true and complete to the best of my knowledge and belief. **I further certify that the drilling pit will be constructed according to NMOCD guidelines** ☒ **a general permit** ☐, **or an (attached) alternative OCD-approved plan** ☐ .

Signature: Sarah Jordan

Printed name: Sarah Jordan

Title: Production Analyst

E-mail Address: sjordan@nearburg.com

Date: 9.1.06 Phone: 432/686-8235 x 203

OIL CONSERVATION DIVISION

Approved by: BRYAN G. ARRANT

Title: DISTRICT II GEOLOGIST

Approval Date: SEP 06 2006 Expiration Date: SEP 06 2007

Conditions of Approval:

Attached ☐

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, 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 Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

SEP - 2006
RECEIVED
OCD - ARTESIA

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
30-015-32466	96065	Wildcat; Glorieta/Yeso

Property Code	Property Name	Well Number
	B & B	1

OGRID No.	Operator Name	Elevation
015742	NEARBURG PRODUCING COMPANY	3455'

Surface Location

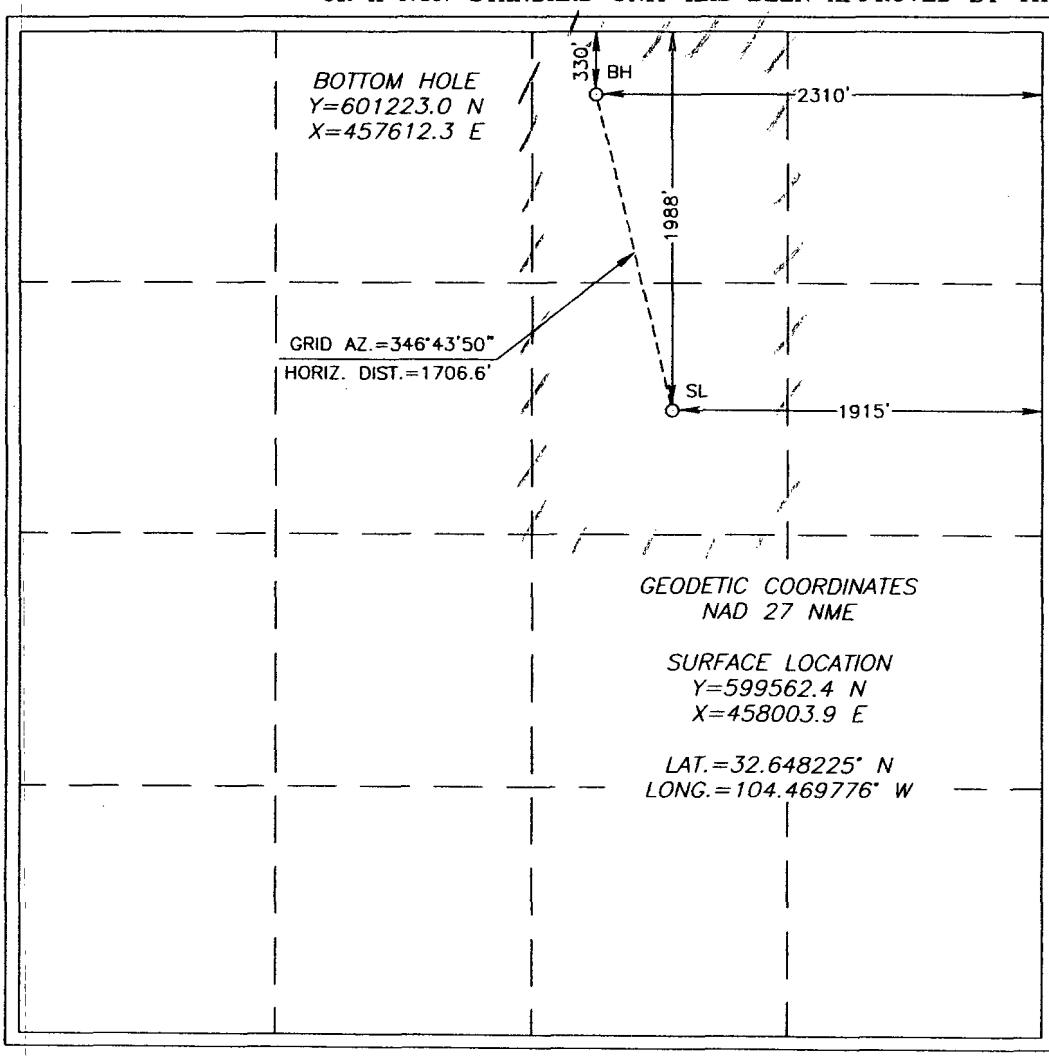
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	22	19-S	25-E		1988	NORTH	1915	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	19-S	25-E		330	NORTH	2310	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
80			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Date 9-1-06

Printed Name Sarah Jordan

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

AUGUST 25, 2006

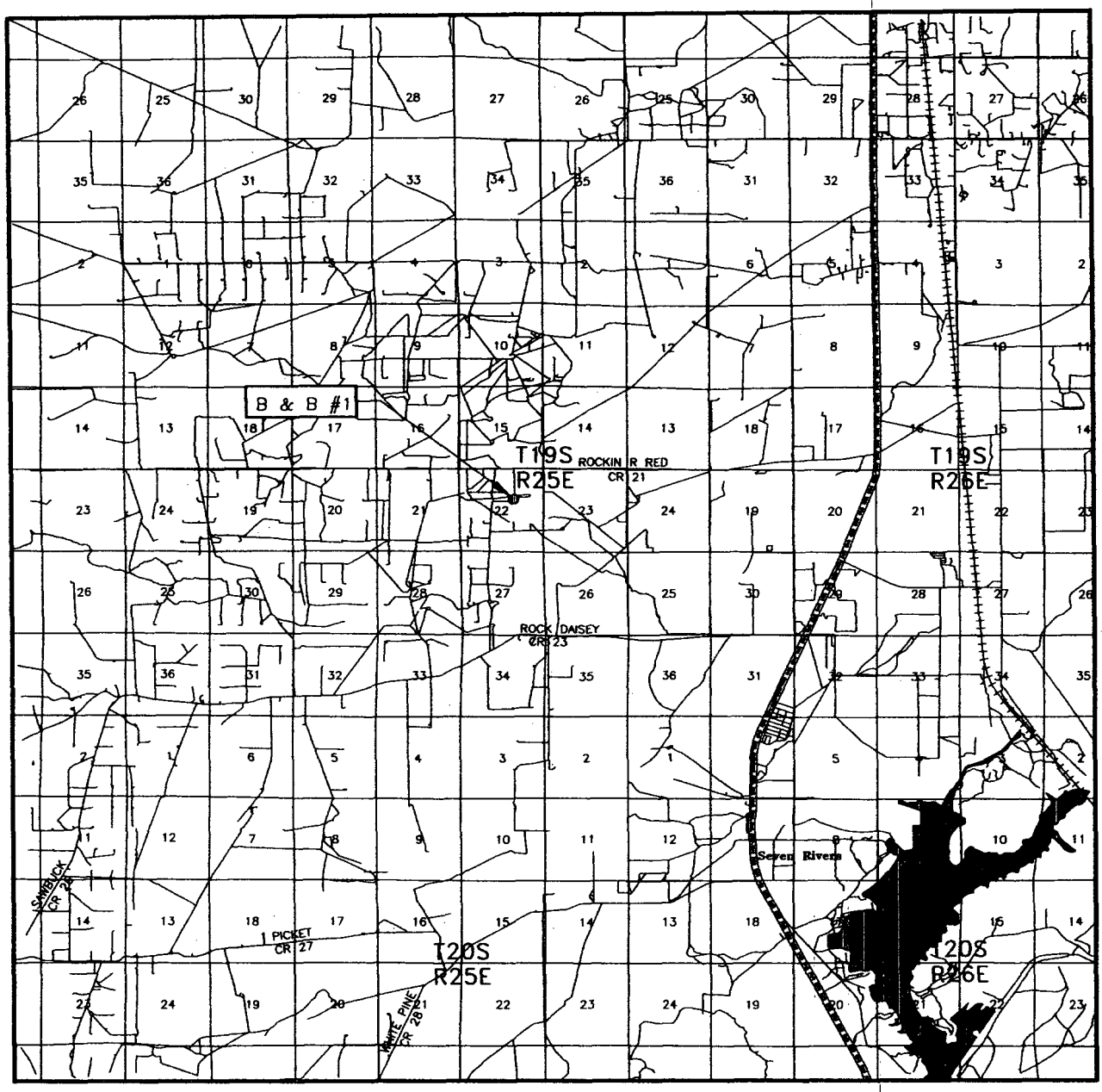
Date Surveyed MR

Signature & Seal of Professional Surveyor

GARY L. EIDSON
NEW MEXICO
12641
8/29/06
06.11.1369

Certificate No. GARY EIDSON 12641

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 22 TWP. 19-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1988' FNL & 1915' FEL

ELEVATION 3455'

OPERATOR NEARBURG PRODUCING COMPANY

LEASE B & B

DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #285 AND CO. RD. #21 (ROCKIN R RED RD.), GO WEST ON CO. RD. #21 APPROX. 4.25 MILES. TURN LEFT AND GO SOUTH APPROX. 0.33 MILES. ROAD BENDS AROUND LOCATION (OLD WELL CAPPED).

PROVIDING SURVEYING SERVICES SINCE 1946

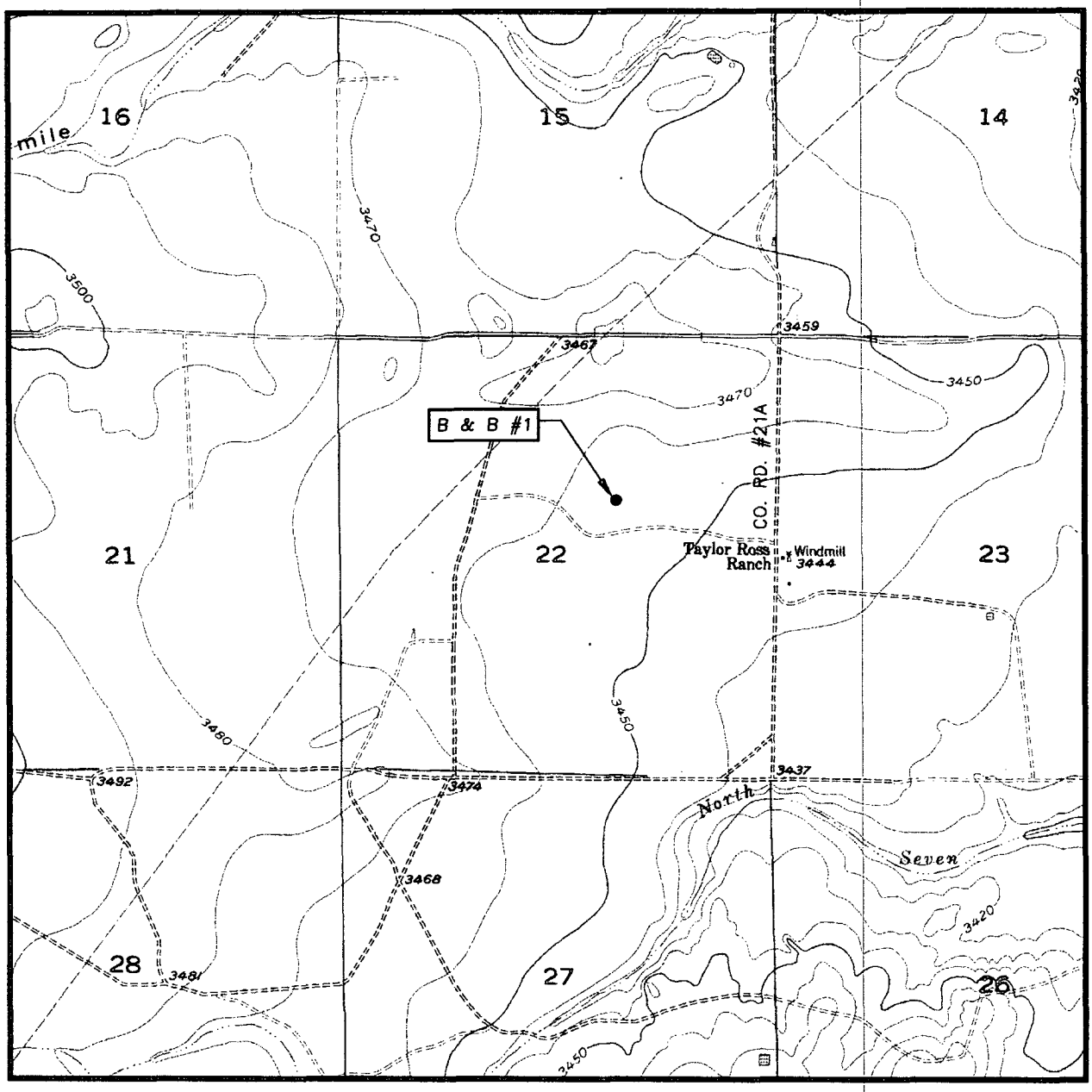
JOHN WEST SURVEYING COMPANY

412 N. DAL PASO

HOBBS, N.M. 88240

(505) 393-3117

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
DAYTON, N.M. – 10'

SEC. 22 TWP. 19-S RGE. 25-E

SURVEY N.M.P.M.

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 1988' FNL & 1915' FEL

ELEVATION 3455'

OPERATOR NEARBURG PRODUCING COMPANY

LEASE B & B

U.S.G.S. TOPOGRAPHIC MAP
DAYTON, N.M.

PROVIDING SURVEYING SERVICES
SINCE 1946
JOHN WEST SURVEYING COMPANY
412 N. DAL PASO
HOBBS, N.M. 88240
(505) 393-3117

RECOMMENDED PROCEDURE:

1) MIRU PU. ND WH NU BOP.

2) RU JSI to RIH & dump 35' cmt on CIBP @ 7630'. Set 2nd balanced plug from 6150-6250' to cover the top of the Wolfcamp.

3) Free point casing or run CBL to determine free pipe on 4.5" casing. TS showed the TOC @ 5410'. Cut or back off casing @ +/- 5000' and POH 4.5" laying down. RIH w/7-7/8" bit & scrapper to "clean" 7.875" hole to 5000'. POH w/bit & scrapper. TIH w/ tbg, set 100' plug (50' inside 4-1/2 & 50' on top of stub).

3.5) RU Schlumberger to run FMI/NGT from 2900' to 1900' and run one sidelwall core run to collect 20 to 24 sidewall cores as per geology recommendation. RD Schlumberger.

4) Set Cmt plug from from 3000' to 2900' (100'). Set kick off plug at 2500 to 2000'. RDMO PU.

5) MIRU Drilling Rig.

6) RIH w/7-7/8" bit and drill pipe to 1950'. Drill cmt to kick off point for horizontal @ proposed TVD of 2395' (+1073' SS).

7) RU directional compay and Drill lateral at TVD of 2395' and with a lateral extending to a point 2310' from East Line and 330' from the North line of Section 22, T19S R25E. Have mud logger on location throughout the lateral drilling.

7.5) Run 5.5" 17# casing to TD and Cement to surface.

8) Move out Drilling Rig.

9) MIRU PU. PU 2-7/8" tbg. RIH w/4.75" bit and DC's to clean out to the float collar. Pickle tbg and casing w/300 g Xylene and 900 g 15% NEFE HCL. Displace w/2% KCL w/1 gpt Clay Master 5C. Circulate out the annulus to clean out the casing. Test well to # for 10 minutes (**burst is 4910# or 3900# @ .8 safety factor for J-55** and 6280# for N-80 and 5000# for N-80 @ .8).

10) RU Halliburton and RIH w/TCP guns to perforate the following intervals at 3 spf:

Interval 1
Interval 2
Interval 3 6 zones w/6 holes per zone/total 36 shots
Interval 4
Interval 5
Interval 6

POH w/TCP assembly.

11) PU & RIH w/2-7/8" tbg to FC depth and spot X,000 g 15% NEFE acid across proposed perfs from _____' to ____'. PUH w/EOT @ +/- 1950'. Circulate acid & bio balls to EOT. Close Pipe rams and acidize horizontal section w/4000 g of 15% NEFE HCL as follows.

a) Drop 10 1.1 sp bio balls
b) Pump 1000 gal 7.5% acid then 10 1.1 sg bio balls
c) Pump 1000 gal 7.5% acid then 10 1.1 sg bio balls
d) Pump 1000 gal 7.5% acid then 10 1.1 sg bio balls
e) Pump 1000 gal 7.5% acid then
f) Flush acid to +/- 5100'

RD Halliburton. Swab/flow back acid load.

12) POH w/tbg. RU tree saver for 5-1/2" 17# casing.

13) RU Service Company to frac as follows:

a) Acid Spearhead	2,000g	7.5% NEFE HCl	
b) Spacer	3,000g	20# Borate Gel	
c) Pad	28,000g	20# Borate Gel	
d) 1 ppg stage	10,000g	20# Borate Gel	Premiuim Brown 16/30*
e) 2 ppg stage	16,000g	20# Borate Gel	Premiuim Brown 16/30*
d) 3 ppg stage	16,000g	20# Borate Gel	Premiuim Brown 16/30*
d) 4 ppg stage	16,000g	20# Borate Gel	Premiuim Brown 16/30*
d) Flush	5,100g	Linear Gel	

Job summary: 2,000g 7.5% NEFE
86,000 20# Borate Gel fluid
154,000# 16/30 sand
RD Service Company.

14) Flowback well at rates up to 20 bph.

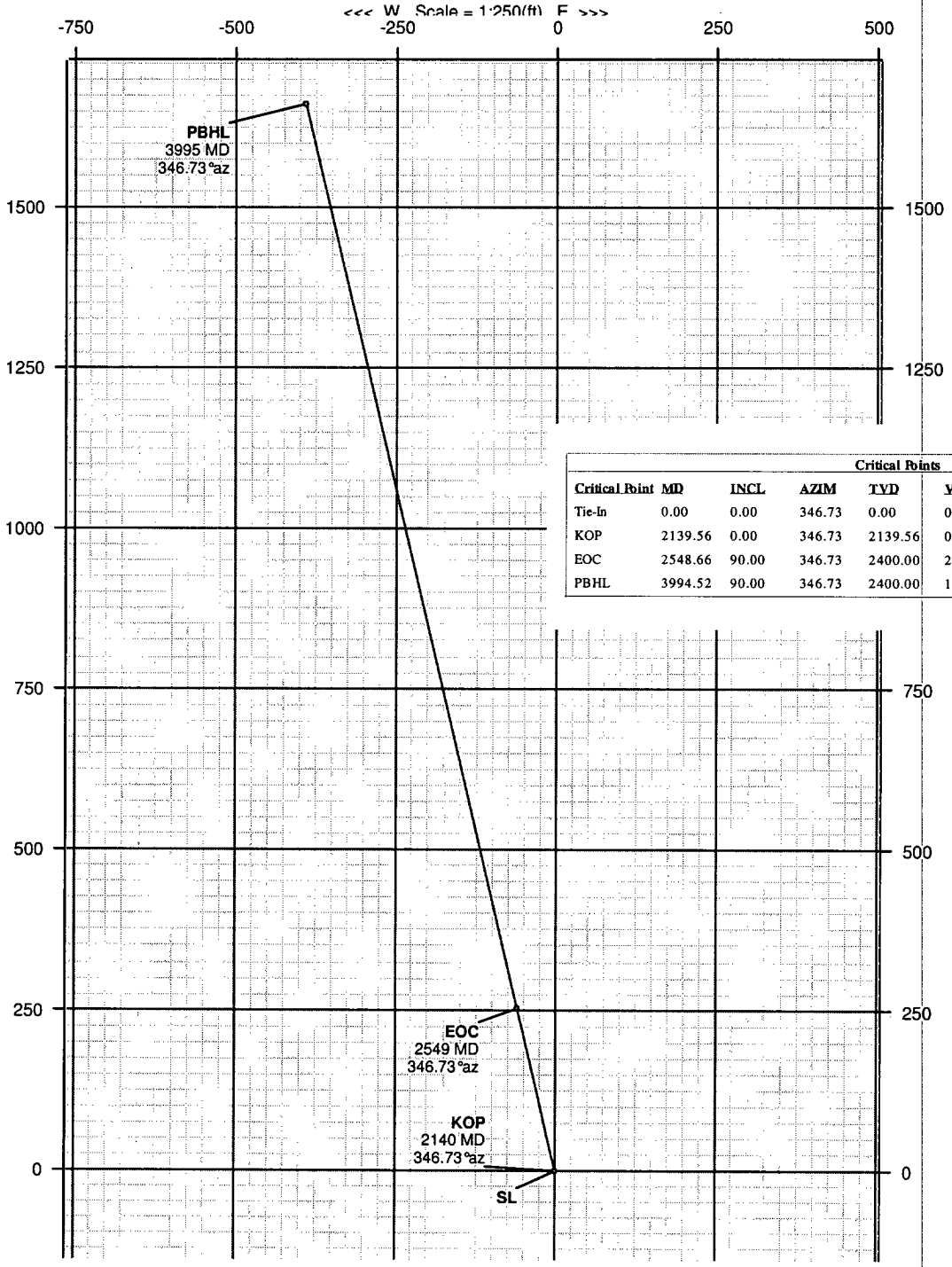
15) Turn over to operations to install pumping equipment.

	burst	**burst *.8**
5.5" J-55	4910	3928
5.5" N-80	6280	5024

Nearburg Producing Company

WELL	FIELD	STRUCTURE
B & B #1	Eddy County, NM	B & B #1

Magnetic Parameters				Surface Location					Miscellaneous		
Model: IGRF 2005	Dip: 60.541°	Date: August 30, 2006		Lat: N32 38 53.609	Northing: 599562.40 ftUS	NAD27 New Mexico State Planes, Eastern Zone, US Feet	Grid Conv: -0.07360787°		Slot: B & B #1	TVD Ref: RKB (0.00 ft above)	
	Mag Dec: +8.585°	FS: 49290.5 nT		Lon: W104 28 11.192	Easting: 458003.90 ftUS		Scale Fact: 0.9999111107		Plan: B & B #1 r1	Srvy Date: Wed 02:15 PM August 30, 2006	



Critical Points

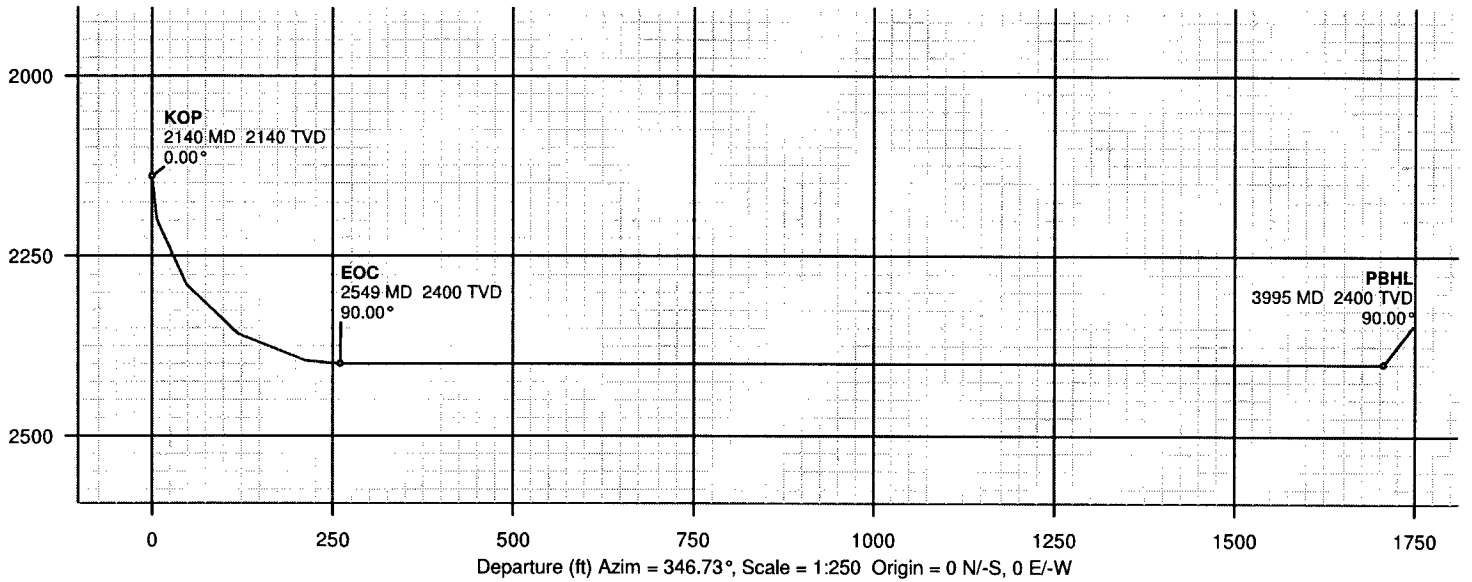
Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In	0.00	0.00	346.73	0.00	0.00	0.00	0.00	0.00
KOP	2139.56	0.00	346.73	2139.56	0.00	0.00	0.00	0.00
EOC	2548.66	90.00	346.73	2400.00	260.44	253.48	-59.78	22.00
PBHL	3994.52	90.00	346.73	2400.00	1706.30	1660.75	-391.64	0.00

INTREPID
Directional Drilling Specialists

Nearburg Producing Company

WELL	FIELD	STRUCTURE
B & B #1	Eddy County, NM	B & B #1

Magnetic Parameters				Surface Location				NAD27 New Mexico State Planes, Eastern Zone, US Feet				Miscellaneous			
Model:	IGRF 2005	Dip:	60.541°	Lat:	N32 36 53.509	Northing:	596562.40 ftUS	Grid Conv:	-0.07360787°	Slot:	B & B #1	TVD Ref:	RKB (0.00 ft above)
		Mag Dec:	+8.585°	Lon:	W104 28 11.192	Easting:	458003.90 ftUS	Scale Fact:	0.999911107	Plan:	B & B #1_r1	Srvy Date	Wed 02:15 PM August 30, 2006
		Date:	August 30, 2006										
		FS:	49290.5 nT										



Critical Points

Critical Point	MD	INCL	AZIM	TVD	VSEC	N(+) / S(-)	E(+) / W(-)	DLS
Tie-In	0.00	0.00	346.73	0.00	0.00	0.00	0.00	0.00
KOP	2139.56	0.00	346.73	2139.56	0.00	0.00	0.00	0.00
EOC	2548.66	90.00	346.73	2400.00	260.44	253.48	-59.78	22.00
PBHL	3994.52	90.00	346.73	2400.00	1706.30	1660.75	-391.64	0.00

INTREPID
Directional Drilling Specialists

Proposal

Report Date:	August 30, 2006	**Survey / DLS Computation Method:**	Minimum Curvature / Lubinski
Client:	Nearburg Producing Company	**Vertical Section Azimuth:**	346.730°
Field:	Eddy County, NM	**Vertical Section Origin:**	N 0.000 ft, E 0.000 ft
Structure / Slot:	B & B #1 / B & B #1	**TVD Reference Datum:**	RKB
Well:	B & B #1	**TVD Reference Elevation:**	0.0 ft relative to
Borehole:	B & B #1	**Sea Bed / Ground Level Elevation:**	0.000 ft relative to
UWI/API#:		**Magnetic Declination:**	8.585°
Survey Name / Date:	B & B #1_r1 / August 30, 2006	**Total Field Strength:**	49290.492 nT
Tort / AHD / DDI / ERD ratio:	90.000° / 1706.30 ft / 5.408 / 0.711	**Magnetic Dip:**	60.541°
Grid Coordinate System:	NAD27 New Mexico State Planes, Eastern Zone, US Feet	**Declination Date:**	August 30, 2006
Location Lat/Long:	N 32 38 53.609, W 104 28 11.192	**Magnetic Declination Model:**	IGRF 2005
Location Grid N/E Y/X:	N 599562.400 ftUS, E 458003.900 ftUS	**North Reference:**	Grid North
Grid Convergence Angle:	-0.07360787°	**Total Corr Mag North -> Grid North:**	+8.659°
Grid Scale Factor:	0.99991111	**Local Coordinates Referenced To:**	Well Head

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
Tie-In	0.00	0.00	346.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	100.00	0.00	346.73	100.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	200.00	0.00	346.73	200.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	300.00	0.00	346.73	300.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	400.00	0.00	346.73	400.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	500.00	0.00	346.73	500.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	600.00	0.00	346.73	600.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	700.00	0.00	346.73	700.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	800.00	0.00	346.73	800.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	900.00	0.00	346.73	900.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1000.00	0.00	346.73	1000.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1100.00	0.00	346.73	1100.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1200.00	0.00	346.73	1200.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1300.00	0.00	346.73	1300.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1400.00	0.00	346.73	1400.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1500.00	0.00	346.73	1500.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1600.00	0.00	346.73	1600.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1700.00	0.00	346.73	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1800.00	0.00	346.73	1800.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	1900.00	0.00	346.73	1900.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	2000.00	0.00	346.73	2000.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	2100.00	0.00	346.73	2100.00	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
KOP	2139.56	0.00	346.73	2139.56	0.00	0.00	0.00	0.00	0.00	0.00	-13.27M
	2200.00	13.30	346.73	2199.46	6.98	6.79	-1.60	6.98	346.73	22.00	0.00G
	2300.00	35.30	346.73	2290.04	47.87	46.60	-10.99	47.87	346.73	22.00	0.00G
	2400.00	57.30	346.73	2358.71	119.72	116.53	-27.48	119.72	346.73	22.00	0.00G
	2500.00	79.30	346.73	2395.47	212.06	206.40	-48.67	212.06	346.73	22.00	0.00G
EOC	2548.66	90.00	346.73	2400.00	260.44	253.48	-59.78	260.44	346.73	22.00	0.00G
	2600.00	90.00	346.73	2400.00	311.78	303.46	-71.56	311.78	346.73	0.00	0.00G
	2700.00	90.00	346.73	2400.00	411.78	400.79	-94.51	411.78	346.73	0.00	0.00G
	2800.00	90.00	346.73	2400.00	511.78	498.12	-117.47	511.78	346.73	0.00	0.00G
	2900.00	90.00	346.73	2400.00	611.78	595.45	-140.42	611.78	346.73	0.00	0.00G
	3000.00	90.00	346.73	2400.00	711.78	692.78	-163.37	711.78	346.73	0.00	0.00G
	3100.00	90.00	346.73	2400.00	811.78	790.11	-186.32	811.78	346.73	0.00	0.00G
	3200.00	90.00	346.73	2400.00	911.78	887.44	-209.27	911.78	346.73	0.00	0.00G
	3300.00	90.00	346.73	2400.00	1011.78	984.77	-232.23	1011.78	346.73	0.00	0.00G
	3400.00	90.00	346.73	2400.00	1111.78	1082.10	-255.18	1111.78	346.73	0.00	0.00G
	3500.00	90.00	346.73	2400.00	1211.78	1179.43	-278.13	1211.78	346.73	0.00	0.00G

Comments	Measured Depth (ft)	Inclination (deg)	Azimuth (deg)	TVD (ft)	Vertical Section (ft)	NS (ft)	EW (ft)	Closure (ft)	Closure Azimuth (deg)	DLS (deg/100 ft)	Tool Face (deg)
	3600.00	90.00	346.73	2400.00	1311.78	1276.76	-301.08	1311.78	346.73	0.00	0.00G
	3700.00	90.00	346.73	2400.00	1411.78	1374.09	-324.04	1411.78	346.73	0.00	0.00G
	3800.00	90.00	346.73	2400.00	1511.78	1471.42	-346.99	1511.78	346.73	0.00	0.00G
	3900.00	90.00	346.73	2400.00	1611.78	1568.75	-369.94	1611.78	346.73	0.00	0.00G
PBHL	3994.52	90.00	346.73	2400.00	1706.30	1660.75	-391.64	1706.30	346.73	0.00	0.00G