

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

RECEIVED

Form C-101
May 27, 2004

Oil Conservation Division

JUN 11 2008

Submit to appropriate District Office

1220 S. St. Francis Dr.

Santa Fe, NM 87505

HOBBS OGD

AMENDED REPORT

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

¹ Operator Name and Address Nearburg Producing Company 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705		² OGRID Number 015742 ✓
		³ API Number 30- 025-34471 ✓
⁴ Property Code 23540 ✓	⁵ Property Name Cuerno 4 State	⁶ Well No. 1 ✓
⁹ Proposed Pool Undesignated; Wolfcamp		¹⁰ Proposed Pool 2

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
C	4	22S	35E		660	North	1750	West	Lea

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

Additional Well Location

¹¹ Work Type Code PB/ Dual Complete	¹² Well Type Code 0	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3607
¹⁶ Multiple Yes	¹⁷ Proposed Depth 13190	¹⁸ Formation Wolfcamp	¹⁹ Contractor Lucky	²⁰ Spud Date 7/1/8
Depth to ground water		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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	1208	930	Surface
12-1/4	9-5/8	36 & 40	5600	2400	
8-3/4	7	23, 26 & 29	11840	1870	5000
6-1/8	4-1/2	13.5	13175	152	
all csg is existing					

Permit Expires 2 Years From Approval

Date Unless Drilling Underway

²² Describe the proposed program If this application is to DEEPEN or PLUGBACK, give the data on the present productive zone and proposed new zones separate and run Packer Leakage Test 20 days after completion.

NPC proposes to move uphole and test the existing Wolfcamp production.

If commercial quantities are produced, NPC would like to dual produce from the Wolfcamp and existing Morrow production.

See attached procedure and plat.

Permit Expires 2 Years From Approval

Date Unless Drilling Underway

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 OGD-approved plan ☐.

Signature: *S Jordan*

Printed name: Sarah Jordan

Title: Production Analyst

E-mail Address: sjordan@nearburg.com

Date: 6-10-08

Phone: 432/686-8235

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: OGD DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date: JUL 01 2008 Expiration Date:

Conditions of Approval:

Attached ☐

OCD Conditions of Approval: Operator must follow Rule 19.15.3.112. Keep production of zones separate and run Packer Leakage Test 20 days after completion.

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-34471		² Pool Code 53690		³ Pool Name Undesign, San Juan	
⁴ Property Code		⁵ Property Name Cuerno N State			⁶ Well Number 1
⁷ OGRID No. 015740		⁸ Operator Name Nearburg Producing Company			⁹ Elevation 3607
¹⁰ Surface Location					
UL or lot no.	Section 4	Township 22S	Range 35E	Lot Idn	Feet from the 660
				North/South line North	Feet from the 1750
				East/West line West	County Lea
¹¹ 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
¹² Dedicated Acres 160		¹³ Joint or Infill		¹⁴ Consolidation Code	
				¹⁵ Order No.	

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.

	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained 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 a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</p> <p>Signature: <u>Jordan</u> Date: <u>6.10.08</u></p> <p>Printed Name: <u>Sarah Jordan</u></p>
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>See Attached Certified Copy</p>
	<p>Certificate Number</p>

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
P.O. Box 2088, Santa Fe, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34471	Pool Code CUERNO 4	Pool Name CUERNO 4 STATE
Property Code 23540	Property Name CUERNO 4 STATE	Well Number 1
OGRID No. 015742	Operator Name NEARBURG PRODUCING COMPANY	Elevation 3607

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 3	4	22 S	35 E		660	NORTH	1750	WEST	LEA

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
Dedicated Acres 327.4	Joint or Infill N	Consolidation Code	Order No.						

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

<p>LOT 3</p> <p>LOT 2</p> <p>LOT 1</p> <p>1750'</p> <p>660'</p> <p>SEE DETAIL</p> <p>41.96 ACRES</p> <p>41.89 ACRES</p> <p>41.81 ACRES</p> <p>41.74 ACRES</p> <p>3607.4'</p> <p>3607.4'</p> <p>3608.1'</p> <p>3608.8'</p> <p>DETAIL</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>H. R. Willis</i></p> <p>Signature</p> <p>H. R. Willis</p> <p>Printed Name</p> <p>Drilling Supt.</p> <p>Title</p> <p>7/23/98</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JULY 15, 1998</p> <p>Date Surveyed</p> <p>DMCC</p> <p>Signature of <i>Ronald E. Edson</i></p> <p>Professional Surveyor</p> <p>NEW MEXICO</p> <p>3239</p> <p>88-11-1098</p> <p>7-21-98</p> <p>Certificate No. RONALD E. EDSON 3239</p> <p>12641</p> <p>12185</p>

Cuerno "4" State #1

RECOMMENDED PROCEDURE:

- 1) MIRU PU. Set plug in PLS pkr @ 12,448'. Test plug w/7% KCL +.5 gpt Claymaster 5C. Release from O/O tool. Dump 6 sx sand on plug/pkr. POH w/tbg.
- 2) RU JSI to set 7" RBP @ 11,400'. Test RBP to 500#. Drop 2 sx sand on RBP. Have JSI perforate from 11,068-11,110' w/4 spf phased 120 degrees under a 5,000# lubricator correlated to Schlumberger "Platform Express/Compensated Neutron/Three Detector Density" run 1 dated 08/OCT/1998. RD JSI.
- 3) PU & RIH w/new 2-3/8" N-80 tbg with a 7" trtg pkr testing to 9,000 #. Pickle tbg w/400 g Xylene and 1000g 15% NEFE. Displace to EOT then reverse out. Set pkr @ 11,200' and test RBP to 500#. PUH to 11,000'. Set pkr. Test bs to 500#.
- 4) RU BJ to breakdown Wolfcamp perms w/7,500g 15% NEFE acid in stages as follow (bio-balls);
 - a) Pump 1,500g 15% NEFE
 - b) Drop 50 7/8" Bio balls
 - c) Pump 1,500g 15% NEFE
 - d) Drop 50 7/8" Bio Balls
 - e) Pump 1,500g 15% NEFE
 - f) Drop 50 7/8" Bio Balls
 - g) Pump 1,500g 15% NEFE
 - h) Drop 50 7/8" Bio Balls
 - i) Pump 1,500g 15% NEFE
 - j) Displace w/FW to top perf
 - k) Get 5, 10, and 15 min SI pressures. RD BJ.
 - l) SI 1 to 2 hrs before flowing back.
 - m) Flow back up to 20 bph for the 1st 9 hours then reduce rate to 10 bph.
- 5) If well continues to flow leave it at a 125 to 150 bopd rate for 30 to 45 days then run a RU Pro Wireline to run a pressure buildup for 7 days. Return to production.

If well dies but Wolfcamp looks productive then RIH to Morrow & clean up sand and latch into o/o tool. Pull plug and clean up profile. Run new plug & POH w/tbg. RIH w/Weatherfords "Elder Parallel String Anchor with J-Latch Sub" on 2-3/8" Long String. Latch on to existing PLS pkr. RII w/Short string as shown on attached drawing. Pull plug from PLS pkr. We have a C912-365-168 in the yard. Rod string designs for various fluid rates are attached.

Tbg	Tubing Jplings (lb) Nt/Ft w/Cpl			ID	Drift	OD Upset	OD Non upset
2.375 N-80		4.6	4.7	1.995	1.901	2.594	2.875
	OD of Upset	Collapse	Burst				
	3.063	11,780	11,200				
			X .8				

CURRENT WELLBORE DIAGRAM

LEASE: Cuerno "4" State #1	WELL: #1	FIELD: Grama Ridge Morrow East	API: 30-025-34471
LOC: 660' FNL & 1750' FWL	SEC: 4	BLK:	Reservoir: Morrow
SVY: Sec 4 T22S R35E	GL: 3607'	CTY/ST: Lea / NM	SPUD: 8/31/1998
CURRENT STATUS: Producing	KB:	DF:	TD DATE: 10/23/1998
			COMP. DATE: 12/21/1998

FRESH WATER
DEPTH:

HOLE SIZE: 17.5"
SURF CSG & SIZE: 13-3/8" 48#
SET @: 1208'
SXS CMT: 930 sx
CIRC: yes: 410 sx
TOC AT:
TOC BY:

COMMENTS:

*****GEOLOGY*****

TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:
Yates: 3832'
Delaware: 5625'
Bone Springs: 8046'
Wolfcamp: 10812'
Strawn: 11420'
Atoka: 11875'
Morrow: 12000'
CURRENT PERFS:

TBG:
JTS:
SN:
TAC:
ROD SIZE:

PKR: PLS 10K @ 12,623.74'
TYPE:

OH ID:
COTD:
PBTD: 13086'
TD: 13175'

HOLE SIZE: 12.25"
INT. CSG & SIZE: 9-5/8" 36 & 40#
SET @: 5600'
SXS CMT: 2400 sx
CIRC: no
TOC AT: 2620' 1" cmt from 1300' to surface (450 sx)
TOC BY:

SQUEEZE JOBS:

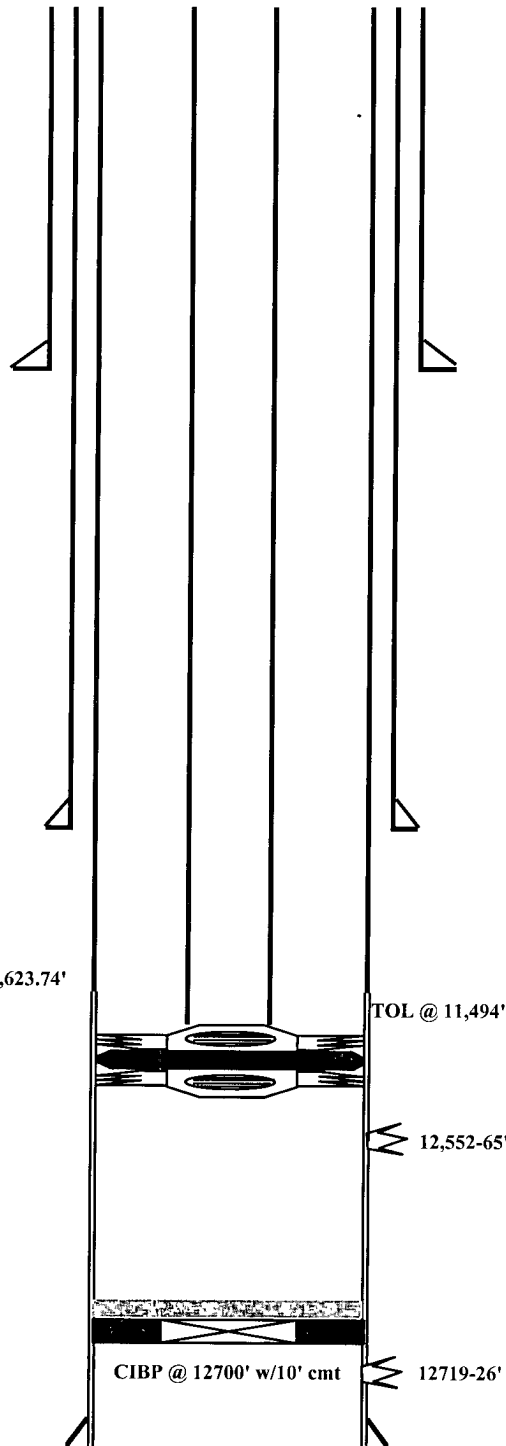
HOLE SIZE: 8-3/4"
PROD. CSG & SIZE: 7" 23,26 & 29#
SET @: 11840'
SXS CMT: 1870 sx
CIRC: no
TOC AT: 5000'
TOC BY: TS

HOLE SIZE: 6-1/8"
LINER SIZE: 4.5" 13.5#
SET @: 13,175'
SXS CMT: 152 sx 50/50 Poz H
CIRC:
TOC AT:
TOC BY:

Top @: 11,494'

BY: BHH
6/10/2008

OPEN HOLE:



PROPOSED WELLBORE DIAGRAM

Grama Ridge Morrow East

LEASE: Cuerno "4" State #1	WELL: #1	FIELD: San Simon Wolfcamp	API: 30-025-34471
LOC: 660' FNL & 1750' FWL	SEC: 4	BLK: 0	Reservoir
SVY: Sec 4 T22S R35E	GL: 3607'	CTY/ST: Lea / NM	SPUD: 8/31/1998
CURRENT STATUS: Producing	KB: 0	DF: 0	TD DATE: 10/23/1998
			COMP. DATE: 12/21/1998

FRESH WATER
DEPTH:

HOLE SIZE: 17.5"
SURF CSG & SIZE: 13-3/8" 48#
SET @: 1208'
SXS CMT: 930 sx
CIRC: yes: 410 sx
TOC AT:
TOC BY:

COMMENTS:

SEE ATTACHED DRAWING FOR DETAIL
TURNED DOWN COLLARS ON BOTH STRINGS

HOLE SIZE: 12.25"
INT. CSG & SIZE: 9-5/8" 36 & 40#
SET @: 5600'
SXS CMT: 2400 sx
CIRC: no
TOC AT: 2620' 1" cmt from 1300' to surface (450 sx)
TOC BY:

*****GEOLOGY*****

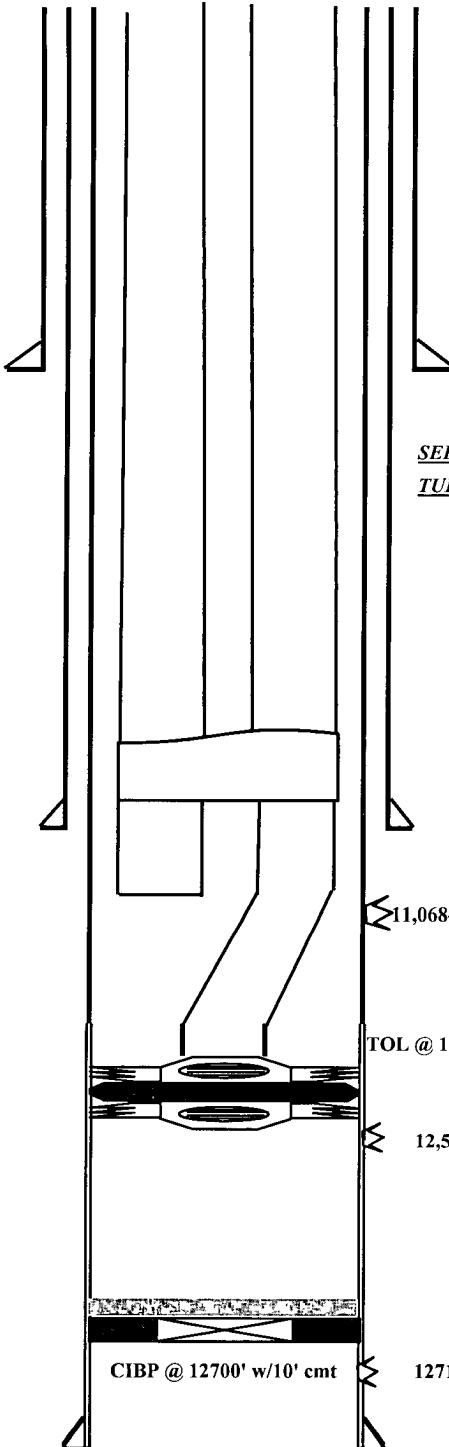
TOPS OF ALL ZONES
PRODUCTIVE OF HYDRO-
CARBONS:

Yates: 3832'
Delaware: 5625'
Bone Springs: 8046'
Wolfcamp: 10812'
Strawn: 11420'
Atoka: 11875'
Morrow: 12000'
CURRENT PERFS:

TBG: 0
JTS: 0
SN: 0
TAC: 0
ROD SIZE:

PKR:
TYPE:

OH ID:
COTD:
PBSD: 13086'
TD: 13175'



SQUEEZE JOBS:

HOLE SIZE: 8-3/4"
PROD. CSG & SIZE: 7" 23,26 & 29#
SET @: 11840'
SXS CMT: 1870 sx
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TOC AT: 5000'
TOC BY:

HOLE SIZE: 6-1/8"
LINER SIZE: 4.5" 13.5#
SET @: 13,175'
SXS CMT: 152 sx
CIRC:
TOC AT:
TOC BY:

Top @: 11,494'

BY: BHH
6/10/2008

OPEN HOLE: