

Submit 3 Copies To Appropriate District
Office
District I
1625 N French Dr, Hobbs, NM 87401
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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

RECEIVED
MAY 18 2009
HOBBSOCD

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-34471
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: Cuerno 4 State
8. Well Number 1
9. OGRID Number 015742
10. Pool name or Wildcat Undesignated; Wolfcamp
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3624

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-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	7. Lease Name or Unit Agreement Name: Cuerno 4 State
2. Name of Operator Nearburg Producing Company	8. Well Number 1
3. Address of Operator 3300 N A St., Bldg 2, Ste 120, Midland, TX 79705	9. OGRID Number 015742
4. Well Location Unit Letter C : 660 feet from the North line and 1750 feet from the West line Section 4 Township 22S Range 35E NMPM County Lea	10. Pool name or Wildcat Undesignated; Wolfcamp
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3624	

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.

See attached for work performed during plugback

Spud Date:

7/7/08

Rig Release Date:

7/26/08

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 June 30 2009

s.jordan@nearburg.com

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

For State Use Only

PETROLEUM ENGINEER

APPROVED BY [Signature] TITLE Regulatory Analyst DATE JUN 30 2009

Conditions of Approval (if any):

ZA Grame Ridge Morrow East

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

Cuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

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

- 10/17/08 Remove TIW valve from tbg. Open BOP rams. POOH w/ 185 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, WRP retrieving head & RBP. LD RBP. PU & RIH w/ 2 7/8" x 7" AS 1x pkr w/ 1.81" F profile nipple, 2 7/8" x 2 3/8" x-over, 345 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" x 10' N-80 tubing sub, 1 jt- 2 3/8" N-80 4.7# EUE 8rd tubing (landing jt). Set pkr @ 10,848' in 10,000# compression. ND BOP & NU WH. Had Lucky reverse pump pressure csg backside to 1000# to make sure pkr set good. Held good pressure. RDMO Lucky Rental reverse unit. Tied wellhead into flowline. RU to swab 2 3/8" tbg to production tank. Made a total of 8 swab runs w/ IFL @ 6300' +/- . Brought back 5 Bbls Oil & 43 Bbls wtr total. Had a good gas blow after each run. Well tried to start flowing on last run, but loaded up & quit flowing. Left well open to frac tank full open on choke over the weekend. RD swab line. SDFW. Will swab again on Monday AM.
Current Operation This AM: Return well to production.
- 10/20/08 Well open to frac tank w/ 0# tbg pressure. RU to swab 2 3/8" tbg. IFL @ 5500' FS (scattered fluid). Made 2 swab runs when well started flowing. Had 200# tbg pressure flowing 650 Mcfpd rate on 30/64" choke. Kept opening the choke keeping the differential pen on chart. Watched for an hour w/ tbg pressure dropping to 60# on 40/64" choke. Decided to RDMO Lucky Services pulling unit. Well started slugging fluid & washing on gas chart. Had pumper check well @ 1:30 PM when well loaded up & stopped flowing. Opened well to blow to frac tank to try to get back to flowing. Will RU swab unit in the AM if well does not start flowing on its own.
Current Operation This AM: Check well.
- 10/21/08 Well open to frac tank w/ 0# tbg pressure. MIRU Mico Services to swab 2 3/8" tbg to frac tank. IFL @ 5000' FS. Made 3 swab runs when well started flowing. Had 100# tbg pressure flowing 569 Mcfpd rate on 40/64" choke after 1hr of flowing through separator. Flowed 25 Bbls oil in 1 hr. Left the swab unit rigged up overnight. SDFN. Will check well in the AM to make sure it's still flowing.
Current Operation This AM: Flowing to tanks.
- 10/22/08 Well stopped flowing, was loaded up with oil. RU to swab 2 3/8" tbg to frac tank again. IFL @ 6600' FS. Made a total of 5 swab runs before well started flowing. Flowed 30 minutes to frac tank on a 40/64" choke. Put well through separator w/ 90# tbg pressure flowing 672 Mcfpd rate. At 10:30 AM pinched choke back to 30/64". Flowed for 1 hr. Tbg pressure fell to 60# flowing 200 Mcfpd rate. Tbg pressure kept falling until well quit flowing @ 2:45 PM. RU to swab tbg again. Made 3 runs before well started flowing. Left well on 30/64" choke flowing through separator. RDMO Mico swab unit. FINAL REPORT.
Current Operation This AM: Returned to production.

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

Cuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

09/03/08 Well shut in w/ 850# tbg pressure. MIRU Pro wireline mast truck to RIH w/ pressure bomb recorder to get static gradient pressures while RIH. Made 5 minute stops @ following depths w/ pressures recorded & gradient.

Depth	Psi	Temperature	Gradient
2000'	889.55#	82.24 degree	0.0248
4000'	950.82#	92.86 degree	0.0256
6000'	1532.69#	108.03 degree	0.2909
8000'	2139.62#	126.63 degree	0.3035
10000'	2727.79#	147.68 degree	0.2941
10983'	3014.05#	158.96 degree	0.2912

Fluid level @ 4045'. POOH w/ pressure bombs. RDMO Pro wireline truck. Put well back on production through seperator after running BHP. FINAL REPORT.

Current Operation This AM: Returned to production.

09/22/08 Well Repair Purpose: Loaded Up.
MIRU Mico swab rig. RIH w/ one swab cup down to 1750' fs. Operator thought we were in fluid, POOH w/ no fluid, but lots of paraffin. Cleaned up tools. Tried to RIH w/ one swab cup again and couldn't get down 20'fs. POOH changed tools, RIH w/ fishing tool and worked thru paraffin. Ran down to 9800'fs. POOH changed tools. RIH w/ half swab cup, and hit fluid @ 4100fs. POOH w/ 2bbls of oil. Change to one cup. RIH hit fluid level @ 3000'fs. POOH w/ 2bbls of oil. Was changing to two cup and well kicked off flowing. Returned well back to production. RDMO Final Report
Current Operation This AM: Returned to production.

10/03/08 Well Repair Purpose: Run Static Gradient.
On location, RU Pro Wire Line to run Static Gradient. Made stops every 2000' for 2 min. Stopped @ mid perms for 10965' for 2 min. POOH w tools. Left well shut in.
Current Operation This AM: Well SI.

10/04/08 Well Repair Purpose: Swab.
MIRU Mico swab unit. Hit fluid level @ 4000'fs. Made 3 swab runs recovered 10 bbls of oil. Well kicked off, put choke on 30/64ths. Returned well back to production.
RDMO.
Current Operation This AM: Returned to production.

10/15/08 Road rig & crew to location from Emerald 32 Fed #1. MIRU Lucky Services pulling unit. Had Lucky Rental bring matting board to RU on & BOP. SDFN. Will release pkr & POOH in the AM.
Current Operation This AM: Release pkr.

10/16/08 Had Lucky Rental set reverse unit pump & pit. Had TRM put 100 Bbls 2% KCL wtr in reverse pit. ND WH & NU BOP. Release pkr. POOH & LD 1 jt- 2 3/8" N-80 4.7# EUE 8rd tubing & 2 3/8" x 10' N-80 tbg sub. Continue to POOH w/ 345 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" x 5 1/2" On/Off tool w/ 1.81" F profile nipple, 2 3/8" x 7" AS 1x pkr. LD pkr. RIH w/ WRP retrieving head, 353 jts- 2 3/8" N-80 4.7# EUE 8rd tubing. Latch onto RBP & release. POOH w/ 168 jts- 2 3/8" N-80 4.7# EUE 8rd tubing. Put TIW valve in tbg & leave open to frac tank overnight. SDFN. Had Lucky reverse unit pump 2% KCL wtr dn csg to kill gas several times to keep well dead while RIH & POOH w/ tbg. Will finish POOH w/ 2 3/8" tbg & RBP in the AM.
Current Operation This AM: POH w/ tbg.

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Cuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

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

08/28/08 Well had 220# tbg pressure when arriving on location. Gauged frac tank & well flowed 21 Bbls Oil & 34 Bbls wtr overnight. Put well through separator to check gas flow rate to be avg 200 Mcf/d rate. Oil was different color than oil from lower Wolfcamp zone. Wait for BJ lab tech to run acid compatibility test to make sure acid would not cause an emulsion. Oil checked OK. MIRU BJ acid pump truck & TRM pump truck. RU Stinger tree saver on wellhead. BJ tested lines to 7500#. Start pumping 15% NEFE HCL acid dn tbg @ 2 bpm w/ 4000# tbg psi. Well loaded w/ 26 Bbls acid pumped. Had TRM pump truck load csg w/ 7% KCL wtr & hold 700# while pumping job. Dropped 4 drops of 60 (total of 240) 7/8" bio ball sealers between 47 Bbls 15% NEFE acid flushing w/ 7% KCL wtr. Pumped a total of 10,000 gals 15% NEFE acid (238 Bbls) to breakdn perfs. Saw slight ball action on 1st set, no action on 2nd set and avg ball action on 3rd set. When pumping 7% KCL wtr to flush to btm perf BJ's pump had the transmission break. Only pumped 16 Bbls flush & should have pumped 47 Bbls to btm perf. Left 31 Bbls live acid in tbg. RDMO BJ Services acid trucks. SI well. RD Stinger tree saver. ISDP- 3300#. Treating pressures: MAX- 4670#, MIN- 4000#, AVG- 4400#. Injection rates: Treating fluid- 2.2 bpm, Flush- 2.2 bpm. Have a total of 257 Bbls load to recover. As soon as Stinger unstrung from well we opened well to start flowing back to frac tank to try to get the hot acid out of tbg. Was able to get all acid out of tbg. While pumping acid job there was a small leak (possibly through On/Off seals or tbg collar) that made the csg have an increase in pressure throughout the acid job. The leak got worse the further into job. When job was finished the TRM pump truck had 60 Bbls more fluid in tank than when he started with (having 60 Bbls acid on outside of tbg above pkr & on csg). Needed to set plug & get off On/Off to circulate acid out of csg. Had S&S slickline truck RIH w/ 1.81" F plug to set in profile. Could not get dn into tbg due to paraffin inside tbg wall. Had M&S Hot oiler pump 20 Bbls hot oil dn tbg to clear paraffin & flow hot oil back out to frac tank. RIH w/ 1.89" gauge ring on slickline to profile nipple. Still had some paraffin. Had M&S Hot oiler pump another 20 Bbls hot oil dn tbg. Had S&S wireline RIH w/ 1.81" F plug to 10,815' to set plug. Thought plug was set, but was unable to get sheared off plug. Plug moved up hole 25' & still could not get off plug. Decided to cutoff wireline above rope socket w/ drop cutter to get out of hole w/ wireline & release pkr to get acid off csg. Dropped two wireline drop cutters on top of each other & cut slickline. POOH w/ slickline leaving bar, jars & plug in tbg above pkr. Worked throughout the night & was morning again. Current Operation This AM: Cut slickline wire to release from plug.

08/29/08 Tried to blow dn tbg, but tbg would not blow dn. Had 130 Bbls of 10# brine wtr brought to location to kill well. Had TRM pump truck kill tbg pressure w/ 55 Bbls 10# brine wtr. Was able to ND WH & NU BOP. Release pkr. POOH w/ 1 jt- 2 3/8" N-80 6.5# EUE 8rd tbg (landing jt), 2 3/8" x 10' N-80 tubing sub, 345 jts- 2 3/8" N-80 6.5# EUE 8rd tubing, 2 7/8" x 2 3/8" x-over, 2 7/8" x 7" AS 1x pkr w/ 1.81" F profile nipple. Remove slick line's bar, jars, plug & excess wireline from last jt of tbg above pkr. Pulling unit tbg tongs broke had to repair. RIH w/ rebuilt 2 7/8" x 7" AS 1x pkr w/ 1.81" F profile nipple (L80 not frac hardened), 2 7/8" x 2 3/8" x-over, 345 jts- 2 3/8" N-80 6.5# EUE 8rd tubing, 2 3/8" x 10' N-80 tubing sub, 2 3/8" N-80 6.5# EUE 8rd tubing (landing jt). Had the btm 100 jts of tbg above pkr show acid had been on them (cleaned them up pretty good), but not to the point that they were bad. Had TRM pump truck circulate well dn csg & up tbg to get acid out of csg w/ 406 Bbls 7% KCL wtr. Let well try to equalize, but well kept flowing up tbg. Close valve on tbg. Set pkr @ 11,848' in 10k compression. Open valve on tbg. Had vac truck keep fluid pulled from around wellhead while ND BOP. NU wellhead. Tubing pressure kept climbing as soon as we set pkr. Flowed wtr while NU WH. Had TRM pump truck load & test csg to 450# to test pkr. Held good pressure. RDMO TRM pump truck. Flowed well to cleanup wtr to frac tank then shortly after well starting making oil & flowing gas. Put well through separator on 20/64" choke w/ 450# tbg pressure @ 2:30 AM. SDFW. FINAL REPORT. Current Operation This AM: Returned to production.

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

Cuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

08/04/08 Well shut in w/ 949# tbg pressure. MIRU Pro wireline mast truck to RIH w/ pressure bomb recorder to get static gradient pressures while RIH. Made 5 minute stops @ following depths w/ pressures recorded & gradient.

Depth	Psi	Temperature	Gradient
2000'	1005.08#	82.26 degree	0.0278
4000'	1062.16#	92.59 degree	0.0285
6000'	1122.23#	106.44 degree	0.0300
8000'	1186.79#	124.45 degree	0.0318
10000'	1619.83#	146.70 degree	0.2170
11000'	1913.82#	158.76 degree	0.2940
11089'	1939.87#	157.28 degree	0.2871

Fluid level @ 8578'. POOH w/ pressure bombs. RDMO Pro wireline truck. Will put well back on production through seperator in the AM. FINAL REPORT.

Current Operation This AM: Left well SI.

08/05/08 Well shut in w/ 949# tbg pressure. Opened well to flow through 2-phase separator dumping oil in frac tank & selling gas through total flow. FINAL REPORT.

Current Operation This AM: Flowing to frac tank.

08/25/08 Road rig & crew to location from Hobbs yard. MIRU Eunice Well Service pulling unit. Had Lucky Rental bring matting board to RU on. SDFN. Will Release pkr & POOH in the AM before setting RBP above middle Wolfcamp perfs.

Current Operation This AM: Release pkr and POH.

08/26/08 Blow dn csg to frac tank. Had TRM pump truck kill tbg w/ 40 Bbls 7% KCL wtr. ND WH & NU BOP. Release pkr. POOH w/ 1 jt- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" x 4' x 6' x 10' N-80 4.7# EUE 8rd tubing subs, 350 jts- 2 3/8" N-80 4.7# EUE 8rd tubing. LD pkr. MIRU JSI electricline truck to RIH w/ CCL/ 7" RBP. FL found @ 3300' +/- FS. Correlate RBP on depth w/ GR/CCL log. Set RBP @ 11,030'. POOH w/ setting tool. Close BOP blinds. SI well. SDFN. Will RIH w/ tbg in the AM to circ oil out of csg then test RBP before POOH w/ tbg.

Current Operation This AM: Perf.

08/27/08 Open BOP blinds. RIH w/ 130 jts- 2 3/8" N-80 4.7# EUE 8rd tubing (4100' +/-). RU TRM pump truck to circulate 200 Bbls 7% KCL wtr dn tbg & out csg to frac tank to get the oil out of csg. Close BOP rams. Pressure test RBP to 500# for 15 minutes. Held good pressure. Bled csg psi dn. Open BOP rams. POOH w/ 130 jts- 2 3/8" N-80 4.7# EUE 8rd tubing. MIRU JSI electricline truck to perforate the upper Wolfcamp formation. RIH w/ 4" expendable csg gun loaded w/ 4 spf phased 120 degree w/ CCL & 5000# lubricator. Correlated gun on depth w/ GR/CCL log. Perforated from 10,947'- 10,984' making 2 gun runs leaving 148 holes. POOH w/ shot gun. RDMO JSI electricline truck. PU & RIH w/ 2 7/8" x 7" AS 1x pkr w/ 1.81" F profile nipple, 2 7/8" x 2 3/8" x-over, 345 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" x 10' N-80 tbg sub, 1 jt- 2 3/8" N-80 4.7# EUE 8rd tubing (landing jt). Set pkr @ 11,848' in 10,000# compression. ND BOP & NU WH. Had TRM pump truck pressure csg backside to 1000# to make sure pkr set good. Held good pressure. RD TRM pump truck. Tied wellhead into flowline. Open choke to 20/64" & leave well open to frac tank overnight. Well flowing slight wtr flow to frac tank. SDFN. Will have BJ pump acid job to breakdn perfs in the AM. Current Operation This AM: Acidize.

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Cuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

07/25/08 Well opened to 36/64" w/ 80# tbg pressure. The following is a breakdown of the flowback results overnight & until releasing flowback hand:

Time	Tbg PSI	Choke	BPH	Water	Oil
6:00 PM	80#	36/64"	14	0	14
7:00 PM	95#	36/64"	18	0	18
8:00 PM	60#	36/64"	14	0	14
9:00 PM	60#	64/64" full open	17	0	17
10:00 PM	60#	64/64" full open	8	0	8
11:00 PM	50#	64/64" full open	16	0	16
12:00 PM	50#	64/64" full open	17	0	17
1:00 AM	40#	64/64" full open	7	0	7
2:00 AM	40#	64/64" full open	9	0	9
3:00 AM	25#	64/64" full open	11	0	11
4:00 AM	25#	64/64" full open	15	0	15
5:00 AM	25#	64/64" full open	15	0	15
6:00 AM	25#	64/64" full open	15	0	15
7:00 AM	25#	64/64" full open	15	0	15
8:00 AM	25#	64/64" full open	15	0	15
9:00 AM	25#	64/64" full open	15	0	15
10:00 AM	25#	64/64" full open	10	0	10
11:00 AM	25#	64/64" full open	10	0	10
12:00 AM	25#	64/64" full open	10	0	10
1:00 PM	25#	64/64" full open	10	0	10

Release flowback hand @ 1:00 PM today. Well flowed a total of 41 Bbls wtr & 573 Bbls Oil in 43 hrs. Left well flowing into frac tank. Set a third 500 Bbl frac tank & a vertical 250 frac tank to start moving oil into it to sell. FINAL REPORT.

Current Operation This AM: Flowing to frac tank.

07/29/08 Well shut in w/ 733# tbg pressure. MIRU Pro wireline mast truck to RIH w/ pressure bomb recorder to get static gradient pressures while RIH. Made 5 minute stops @ following depths w/ pressures recorded & gradient.

Depth	Psi	Temperature	Gradient
2000'	775.37#	81.30 degree	0.0209
4000'	817.47#	92.21 degree	0.0210
6000'	861.57#	106.02 degree	0.0221
8000'	1147.38#	125.27 degree	0.1429
10000'	1754.42#	146.50 degree	0.3035
11000'	2051.65#	155.98 degree	0.2972
11089'	2077.68#	156.53 degree	0.2924

Fluid level @ 7130'. POOH w/ pressure bombs. RDMO Pro wireline truck. Put well back on production through seperator. FINAL REPORT.

Current Operation This AM: Released to production.

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Cuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

** ALL COSTS ARE FIELD ESTIMATES **

07/23/08 Open BOP blinds. MIRU Hydrostatic Tubing testers to test 2 3/8" tbg to 9000# above slips while RIH w/ On/Off tool. PU & RIH w/ 2 7/8" On/Off skirt. 2 3/8" x 2 7/8" x-over, 350 jts- 2 3/8" N-80 4.7# EUE 8rd tubing, 2 3/8" x 4' x 6' x 10' N-80 tbg subs, 1 jt- 2 3/8" N-80 tbg (landing jt). Latch up to On/Off & pkr. RDMO Hydrostatic Tubing testers. All tbg tested good. ND BOP & NU WH. Pkr set in 14k compression. Pkr has a 1.81" FSG plug in profile (which was run in place when WL set it). RU Crain pump truck to load csg w/ 9 Bbls 2% KCL wtr & tested pkr to 500#. Held good pressure. RD Crain pump truck. MIRU Pro slickline truck to RIH to pull equalizing prong in 1.81" FSG plug. Equalized well w/ 500# tbg pressure. RIH to pull plug from profile. POOH w/ plug. Had 525# on tbg when we started to flow well back to frac tank. RDMO Pro slickline truck. Had Pro flowback hand open well to start flowing to frac tank @ 6:30 PM w/ 525# tbg pressure. Will flowback @ 20 bph overnight. SDFN. Will check flowback in the morning.
Current Operation This AM: Flow well back to frac tank.

07/24/08 Well opened to start flowing @ 6:45 PM yesterday w/ IP @ 525# tbg pressure. The following is a breakdown of the flowback results overnight:

Time	Tbg PSI	Choke	BPH	Water	Oil
7:00 PM	275#	14/64"	20	6	14
8:00 PM	200#	14/64"	14	3	11
9:00 PM	130#	14/64"	17	5	12
10:00 PM	90#	14/64"	12	3	9
11:00 PM	30#	14/64"	4	7	0
12:00 PM	0#	14/64"	4	3	0
1:00 AM	0#	14/64"	5	0	3
2:00 AM	0#	14/64"	9	3	6
3:00 AM	0#	14/64"	9	4	5
4:00 AM	0#	14/64"	14	3	11
5:00 AM	0#	14/64"	9	4	5
6:00 AM	0#	14/64"	14	0	14

When arriving on location had flowback hand open choke to 24/64" & tbg pressure climbed to 610# & started unloading oil to frac tank. Kept opening choke to maintain 20 bph rate of fluid to frac tank. Well loaded up overnight due to not opening choke up. RDMO Lucky Services pulling unit. Release all equipment except frac tanks. Had Two-State bring another frac tank to manifold w/ other tank we're flowing into. The flowback results today are as follows:

Time	Tbg PSI	Choke	BPH	Water	Oil
7:00 AM	0#	14/64"	5	0	5
8:30 AM	610#	24/64"	10	0	10
9:00 AM	370#	32/64"	15	0	15
10:00 AM	300#	32/64"	15	0	15
11:00 AM	210#	40/64"	24	0	24
12:00 AM	200#	40/64"	26	0	26
1:00 PM	180#	40/64"	25	0	25
2:00 PM	160#	36/64"	25	0	25
3:00 PM	145#	36/64"	20	0	20
4:00 PM	130#	36/64"	20	0	20
5:00 PM	110#	36/64"	14	0	14

Have Pro flowback hand watch flowback overnight.

Current Operation This AM: Flowback.

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Morrow

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Lea County, New Mexico

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

- 07/18/08 Remove TIW valve from tbg. Open BOP rams. POOH & LD 393 jts- 2 3/8" N-80 4.7# EUE 8rd tubing on pipe racks w/ On/Off skirt. Had Two-State deliver 365 jts- 2 3/8" N-80 4.7# EUE 9rd tubing to location & set on pipe racks (331 jts from yard & 34 new jts from Toolpushers Supply). Had Two-State forklift move 396 jts 2 3/8" N-80 tbg from racks that was pulled from well & load on trucks to take & store in yard from the Morrow zone. MIRU JSI electricline truck to RIH w/ 6.08" Gauge ring JB/CCL to 11460' (WL depth) to profile nipple. Gauge ring had a slight drag on it while POOH. RIH w/ 7" Csg RBP w/ GR/CCL to set @ 11,400' correlating on depth w/ Schlumberger open hole log. POOH w/ setting tool. RIH w/ dump bailer w/ 3 sx sand to dump on top of RBP @ 11,400'. Logged up through proposed perms when setting RBP. POOH w/ dump bailer. RDMO JSI electricline truck. Tallied 2 3/8" tbg on racks to be ready to start RIH on Monday AM. Close BOP blinds. SI well. SDFW. Will RIH w/ 7" scraper on btm of 2 3/8" tbg to pickle Monday morning. Current Operation This AM: PU and RIH.
- 07/21/08 Open BOP blinds. PU & RIH w/ used 6" drill bit, 7" csg scraper, x-over subs, 358 jts- 2 3/8" N-80 4.7# EUE 8rd tubing (yellow band) w/ EOT @ 11,208'. RU Crain acid pump truck to tbg to pump pickle job. Pump dn tbg w/ 400 gal xylene followed by 1000 gal 15% NEFE HCL acid flushing w/ 2% KCL wtr to take acid to EOT. Reverse acid out tbg to frac tank by pumping dn csg displacing hole w/ 450 Bbls 2% KCL wtr @ 1 bpm rate while acid in tbg then increasing rate to 3.5 bpm rate to have clean fluid in wellbore before perforating. RDMO Crain acid pump truck. Shut TIW valve in tbg. Left BOP rams closed. SI well. SDFN. Will POOH w/ tbg in the AM then RU JSI to perforate Wolfcamp zone. Had Crain pump truck break circulation w/ 2% KCL wtr & pressure test the RBP to 500# for 10 minutes before continuing pumping pickle job. RBP held good pressure. Current Operation This AM: Finish POH w/ tbg.
- 07/22/08 Remove TIW valve from tbg. Open BOP rams. POOH & LD 7 jts- 2 3/8" N-80 4.7# EUE 8rd tubing on pipe racks. Continue to POOH standing back 351 jts- 2 3/8" N-80 4.7# EUE 8rd tubing in derrick. LD x-over subs & 7" csg scraper w/ 6" used drill bit. MIRU JSI electricline truck to RIH w/ GR/CCL & 4" csg gun to perforate 7" csg from 11,068'- 11,110' w/ 4 spf making 168 holes correlating log w/ Schlumberger open hole log to get on depth. Made a total of 3 gun runs. Had a light blow after shooting first gun. After shooting the second gun the well was blowing wtr very well. Had 550# csg pressure. Had to RU grease head to pick up 3rd gun. RIH & shot last gun. Well still had 550# csg pressure. PU & RIH w/ 7" AS pkr on wireline w/ Baker setting tool. Had to PU 7" lubricator w/ grease head. RIH w/ 7" csg pkr to 11,000' & set getting on depth w/ GR/CCL log. Equalized pressure into lubricator. RDMO JSI electricline truck. Blew dn csg pressure. SDFN. Will RIH hydrotesting 2 3/8" tbg w/ On/Off skirt in the AM. Current Operation This AM: RIH hydrotesting tbg.

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

Cuerno 4 State #1

Morrow

660' FNL and 1,750' FWL, Section 4, T22S, R35E

Lea County, New Mexico

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

- 07/07/08 Road rig & crew to location from Salt Draw 11 Fed #1. MIRU Lucky Well Service pulling unit. Had matting board, BOP and 2 set of pipe racks delivered to location from Lucky Rental. Had TRM pump truck bring 100 Bbls 7% KCL wtr. MIRU Pro wireline truck to RIH w/ 1.90" gauge ring to 11,834' where we found a block in the tubing & couldn't go any deeper. POOH w/ gauge ring. RIH w/ 1.5" sinker bar to try to get through blockage. Could not get any deeper w/ sinker bar. POOH w/ sinker bar. RIH w/ sample bailer to catch a sample of what was in the tbg. POOH & looked at the sample caught (black compressed sand). RDMO Pro slickline truck. Put well back on production. SDFN. Will RDMO Lucky pulling unit in the AM. Will have coiled tbg unit clean out to profile nipple when unit comes available.
Current Operation This AM: Returned to production.
- 07/16/08 MIRU BJ Coiltech coiled tbg unit. Had Two-State bring a 400 Bbl flowback tank & set on location to wash into. MIRU BTI flowback equipment. Had Lucky Rental bring BOP to location (matting board & 2 set of pipe racks already on location). Moved matting board for coiled tbg unit to be able to RU. NU Coiled tbg BOP's & RIH w/ jet wash nozzle on the end of 1 1/4" tbg washing dn tbg while RIH w/ 0.13 bpm 7% KCL wtr w/ .5 gpt ClayMaster 5C mixed w/ 300 scf Nitrogen @ 72' per minute. Washed dn to 11,779' where we tagged up on blockage in tbg. Washed on top of blockage a short time until it was clear. Continued to wash dn tbg to 12,000'. Started loosing wellhead pressure & had an increase in circulation pressure. POOH w/ CT to 11,550'. Circulated hole for awhile until circulation pressure came back dn. Continued to wash dn tbg @ same rates to 12,645' @ 30' per minute,. Circulated hole for awhile. Shut off 7% KCL wtr & increased Nitrogen rate to 500 scf. Continued to dry well up RIH w/ CT to below btm perf @ 12,585'. Circulated nitrogen below btm perf until well dried up. POOH w/ CT cutting nitrogen @ 4000' FS. RDMO BJ Coiled tbg unit. Used a total of 54 Bbls 7% KCL to wash with. Gauged the frac tank we were flowing back into. Flowed back a total of 70 Bbls fluid while washing. Used 1891 c-scf Nitrogen total to clean well out. Had BTI flowback hand flow well back to frac tank overnight to make sure all nitrogen was out of well before putting back on production. SDFN. Put well back on production @ 7:00 AM Thursday morning @ 86 Mcfpd rate.
Current Operation This AM: MIRU Lucky Services
- 07/17/08 MIRU Lucky Services pulling unit. MIRU Pro slickline truck to RIH w/ 1.906" gauge ring to 12,450' to make sure tbg was clear to set plug in profile. There were no obstructions. POOH w/ gauge ring. RIH w/ 1.875" FSG plug & set in profile nipple @ 12,450' +/- . RDMO Pro slickline truck. Had TRM pump truck load 2 3/8" tbg w/ 47 Bbls 7% KCL wtr w/ .5 gpt ClayMaster 5C & pressure test plug to 1000#. Held good pressure. Bled tbg pressure dn. ND WH & NU BOP. Release from O/O tool. POOH & LD 3 jts- 2 3/8" N-80 tbg on pipe racks. Well was out of balance & waited for well to stop running over wtr. Poured 4 sacks of sand dn tbg mixing w/ 7% KCL wtr to put sand on top of plug & pkr. Had TRM pump truck flush sand dn tbg w/ 8 Bbls 7% KCL wtr. Left well shut in so that sand could fall to btm. SDFN. Will POOH & LD 2 3/8" N-80 tbg on pipe racks in the AM.
Current Operation This AM: POH and LD tbg.