

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
OCD-ARTESIAFORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well

☐ Oil Well☒ Gas Well☐ Other

JAN 03 2008

OCD-ARTESIA

2. Name of Operator

ENCORE OPERATING, L. P. (BILLY JUROSKA 817-339-0788)

3a. Address 777 MAIN STREET SUITE 1400

FORT WORTH, TEXAS 76102

3b. Phone No. (include area code)

817-877-9955

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

660' FNL &amp; 1260' FEL SECTION 31 T20S-R28E EDDY CO. NM

5. Lease Serial No.

NM-01119

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

ENCORE "31" AVALON # 1

9. API Well No.

30 015 3.5714

10. Field and Pool, or Exploratory Area

BURTON FLAT-MORROW

11. County or Parish, State

EDDY CO. NEW MEXICO

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other Alter mud
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	program for surface hole.
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

1. Encore Operating, L. P. requests the approval to change their mud program for the surface hole from a fresh water mud system to an aeriated fresh water system in order to combat lost circulation problems.
2. This system will be kept on location in case it will be required to drill the production hole.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)

Joe T. Janicea

Title Permit Engineer

Signature

Date

12/14/07

APPROVED

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

DEC 17 2007

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

WESLEY W. INGRAM  
PETROLEUM ENGINEER

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**Arrant, Bryan, EMNRD**

**From:** Debbie Caffall [debbiec@YPCNM.COM]  
**Sent:** Tuesday, December 11, 2007 2:40 PM  
**To:** Arrant, Bryan, EMNRD  
**Subject:** Roomba BKM #001  
**Importance:** High

**Operator:** YATES PETROLEUM CORPORATION , 25575  
**Well:** ROOMBA BKM #001  
**API:**

Created By	Comment	Comment Date
DCAFFALL	BOPE PROGRAM: A 2000# Double Ram BOPE will be installed on the 11 3/4" casing and tested for operational	12/10/2007
DCAFFALL	Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Siluro-Devonian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	12/10/2007
DCAFFALL	MUD PROGRAM: 0-600' – FW Gel; 600' – 1600' - FW; 1600'-4200' Brine Water; 4200'– 6000' (TD) SW Gel/Starch.	12/10/2007
DCAFFALL	*Drill out from surface casing with 7 7/8" hole to 1600'. If lost circulation is encountered, make decision to set cement plug or ream hole to 11" and set 8 5/8" intermediate casing. If intermediate casing is not run, continue drilling 7 7/8" hole to TD where 5 1/2" casing will be set and cemented to surface	12/10/2007
BArrant	All wells in this area have surface casing set at i 100', down into the San Andres. In addition, please explain why this well location should not be placed in the Foor Ranch; Pre-Permian Gas Pool. Please notify when NSL is received.	12/10/2007

Bryan, I spoke to Jeremiah earlier today and he indicated that the surface casing was okay at the 600 feet?

I put the pool name as the Siluro-Devonian reflecting the Formation. – I have changed the pool to reflect Foor Ranch; Pre-Permian Gas Pool.

You will be notified when NSL is received.

Let me know if you need anything else.

Debbie L. Caffall  
Yates Petroleum Corporation

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This inbound email has been scanned by the MessageLabs Email Security System.

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12/12/2007

**NADEL AND GUSSMAN PERMIAN, L.L.C.**

601 N. Marienfeld, Suite #508

Midland, Texas 79701

(432) 682-4429

Fax (432) 682-4325

January 2, 2008

Mr. Bryan Arrant  
District 2 Geologist  
New Mexico Oil and gas Division  
1301 West Grand  
Artesia, NM 88210

**RE: Little Box State #3**

**1980 FNL 1980 FWL**

**UL F Sec. 36 T20S R 21E**

**Rule 118 H2S Exposure**

Dear Mr. Arrant,

Nadel and Gussman Permian has evaluated this well and we do not expect to encounter hydrogen sulfide in excess of 100 ppm. This well is approx 2.640' North of the Little Box State #4 which also produces from the Upper Penn. The production from the Little Box State #4 is sweet.

Please contact me if you have any additional questions.

Sincerely,

*Kem E. McCready*  
Kem E. McCready  
Operations Engineer