

Order Number

HOB
0295

API Number

30-025-38961

Operator

Encore Operating LP

County

Lea

Order Date

2/24/09

Well Name

Encore m State

Number

001

Location

A

UL

30

Sec

225

T (+Dir)

37e

R (+Dir)

Oil %

50%

Gas %

50%

Pool 1

06660

Blindbry 046 <0:17

Pool 2

19190

Drinkard

50%

50%

Pool 3

Pool 4

Comments:

Posted 3/24/09 RBDMS dm

DOWNHOLE COMMINGLE CALCULATIONS:

30-025-38961

OPERATOR: Encore Operating LP

PROPERTY NAME: Encore M State

WNULSTR: 1-A, 20-22s-37e

SECTION I:

POOL NO. 1 Blinberry DAG (oil)

ALLOWABLE AMOUNT

107 428 MCF 4000

POOL NO. 2 Drinkard

142 852 MCF 6000

POOL NO. 3 _____

_____ MCF

POOL NO. 4 _____

_____ MCF

POOL TOTALS 249

SECTION II:

POOL NO. 1 Blinberry DAG (oil)

oil
50% X 249 = 124.5 GAS
50% 50%

POOL NO. 2 Drinkard

POOL NO. 3 _____

POOL NO. 4 _____

OIL

GAS

SECTION III:

107 ÷ 50 = 214

SECTION IV:

214 X 50% = 107

214 X 50% = 107

Submit 3 Copies To Appropriate District
Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1000 S. St. Francis Dr., Santa Fe, NM 87505

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

30-025-38961 Form C-103
June 19, 2008

RECEIVED

HOBBSOCD

WELL API NO. 30-025-38303

5. Indicate Type of Lease
STATE ☒ FEE ☐
6. State Oil & Gas Lease No.

7. Lease Name or Unit Agreement Name

ENCORE "M" STATE

8. Well Number 001

9. OGRID Number 189951

10. Pool name or Wildcat
DRINKARD OIL & GAS/BLINEBRY

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 ☒ Gas Well ☐ Other ☐

2. Name of Operator
ENCORE OPERATING, L.P.

3. Address of Operator
777 MAIN STREET, STE. 1400 FORT WORTH, TX. 76102

4. Well Location

Unit Letter A : 742 feet from the NORTH line and 1294 feet from the EAST line
Section 30 22S Township 37E Range NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)
3406'

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 ☐

SUBSEQUENT REPORT OF:

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

OTHER: ☐

OTHER: ☒

3. 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.

DHC-HOB-0295

Encore Operating, L.P. respectfully request approval to downhole commingle the Blinebry Oil & Gas(6660) and Drinkard(19190) formations according to Division Order No. R-11363. The perms for the Blinebry are 5807' - 6104' and the Drinkard are 6645' - 6802'. Ownership and percentage of ownership between the pools is identical. Encore will use periodic annual testing as the allocation method. The commingling will not reduce the value of the total remaining production. The ownership between the two pools to be commingled is the same. Encore notified the State on 01/06/2009.

Blinebry Oil 50% GAS 50%
Drinkard Oil 50% GAS 50% Per ABW

Spud Date:

7/04/2008

Rig Release Date:

8/16/2008

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Ann Burdette Wiley TITLE REGULATORY MANAGER DATE 01/06/2009

Type or print name ANN BURDETTE WILEY E-mail address: awiley@encoreacq.com PHONE: 817-877-9955

State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAR 23 2009

Conditions of Approval (if any):

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DISTRICT I

1825 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

JAN 09 2009

State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised October 12, 2005Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies**HOBBS****CONSERVATION DIVISION**1220 South St. Francis Dr.
Santa Fe, New Mexico 87505☒ AMENDED REPORT

30-025-38961

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38303	Pool Code 6660/19190	Pool Name Blinebry / Drinkard
Property Code 37138	Property Name ENCORE "M" STATE	Well Number 1
OCRID No 189951	Operator Name ENCORE OPERATING, L.P.	Elevation 3406'

Surface Location

UL or lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	30	22 S	37 E		742	NORTH	1294	EAST	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
A	30	22 S	37 E		628	N	1030	E	Lea
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No N/SL-5837-A						

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

	SURFACE LOCATION LAT - N32°22'04.52" LONG - W103°11'50.39" NAD-27
	OPERATOR CERTIFICATION 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 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. Signature: <u>[Signature]</u> Date: <u>12/23/08</u> Printed Name: <u>Ann Wiley</u>
	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. APRIL 18, 2008 Date Surveyed: <u>APR 18, 2008</u> Signature: <u>[Signature]</u> Professional Seal:
	Certificate No. <u>Gary L. Jones</u> 7977 BASIN SURVEYS