

Form 3160-5  
(August 2007)UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENTFORM APPROVED  
OMB No. 1004-0137  
Expires: July 31, 2010**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.**5. Lease Serial No.  
NM59385

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2.**

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

1. Type of Well



Oil Well



Gas Well



Other

8. Well Name and No.  
HB '3' Federal #3H2. Name of Operator  
Unit Petroleum Company9. API Well No.  
30-015-390763a. Address  
PO Box 702500  
Tulsa, OK 74170

3b. Phone No. (include area code)

9184937700

10. Field and Pool or Exploratory Area

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec. 3-24S-28E  
2170' FSL and 330' FEL11. Country or Parish, State  
Eddy, NM**12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" 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
	<input checked="" type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 recompleat 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 must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Cementing of 5 1/2" long string will be changed to a 2-stage job to meet BLM requirements of having cement at a minimum of 500' into previous casing string. Propose to set DV-tool at 4,500' and raise cement behind 5 1/2" casing to 2,000'. (Previously set 9 5/8" casing is cemented at 2,980'.

RECEIVED

AUG 4 2011

NMOCD ARTESIA

SEE ATTACHED FOR  
CONDITIONS OF APPROVAL

SECRETARY'S POTASH

Accepted for record - NMOCD  
33 8-15-1114. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)  
Greg Porter

Title Engineering Technician

Signature

Date 07/21/2011

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Petroleum Engineering  
Title

APPROVED

JUL 28 2011  
Date

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

BUREAU OF LAND MANAGEMENT  
CARLSBAD FIELD OFFICE

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)



"Brent Keys"  
<brent.keys@unitcorp.com>  
07/28/2011 08:54 AM

To <tmmorgan@blm.gov>  
cc  
bcc  
Subject HB3 Federal #3H cementing

Ted,

Thank you for all your help and your patience with me on these two wells. As I told you on the phone yesterday, I will be performing the cement job thru the FO tool on my upcoming HB3 Federal #4H (Sundry already submitted) with the drilling rig on location. Please call with any other questions.

These are the answers to your questions on the upcoming cement jobs for the HB3 Federal #3H:.

30-015-39076

8-3/4" hole drilled to 12,300' M.D.  
5-1/2", 17#, P-110 casing ran from surface to T.D.

Cement to be pumped by Halliburton:

**Stage #1 Cement to be from 12,300' T.D. up to 7,000' (5,300' fill) w/ 20% excess**

Fluid 1: 1000 gallons Mud Flush III

Fluid 2: 0.7% Halad(R) -344—Fluid loss control  
0.25 lbm/sk D-AIR 3000 (Defoamer)  
0.8% HR-601 (Retarder)

Fluid Weight: 15.00 lbm/gal  
Slurry Yield: 2.63 ft<sup>3</sup>/sk  
Total Mixing Fluid: 11.39 gal/sk  
Top of Fluid: 7,000 ft  
Calc. Fill: 5,300 ft  
Volume: 288.01 BBL  
Calc. sks: 616 sks  
Proposed sacks: 620 sks

**Existing 9-5/8", 40# J-55 casing set at 2,980' (Cemented to surface)**

**Stage #2 Cement to be pumped thru DV-tool at 4,500' up to 2,000' (2,500' Fill) w/ 30% excess**

Fluid 1: 20 BBL fresh water

Fluid 2: 0.25% lbm/sk Poly E flake

Fluid Weight: 12.20 lbm/gal  
Slurry yield: 2.11 ft<sup>3</sup>/sk  
Total mix fluid: 12.02 gal/sk  
Top of fluid: 2,000 ft  
Calculated Fill: 2,062.54 ft  
Volume: 107.01 BBLS  $\times 5.6146 = 601 \text{ cu ft}$   
Calc. sacks: 284.77 sks  
Proposed sacks: 285 sks

Fluid 3: Halcem System

0.3% Halad R-322 (fluid loss)

Fluid Weight: 14.80 lbm

Slurry yield: 1.33 ft<sup>3</sup>/sk

Total mix Fluid: 6.34 gal/sk

Top of fluid: 4,062.54 ft

Calc. Fill: 437.46 ft

Volume: 25.58 BBL  $\times 5.6146 = 144 \text{ cu ft}$

Calc. sacks: 110 sks

Proposed sks: 110 sks

**Brent A. Keys**  
**District Engineer**  
**Unit Petroleum**  
**918-477-4510**  
**brent.keys@unitcorp.com**

745 cu ft for stage 2

**HB 3 Federal #3H  
Unit Petroleum Company  
30-015-39076  
July 28, 2011  
Conditions of Approval**

**Summary of Current Status:**

- Well is currently being drilled and 9-5/8" casing has been cemented at 2980'.

**Requests:**

Sundry dated 7/21/2011 requests approval to utilize a two stage cement program instead of one stage as originally approved. A DV tool would be placed at 4500' and planned TOC will be 2000'.

**Conditions of Approval:**

1. First stage to DV tool:

☒ Cement to circulate. If cement does not circulate, contact the appropriate BLM office before proceeding with second stage cement job. Operator should have plans as to how they will achieve circulation on the next stage.

2. Second stage above DV tool:

☒ Cement should tie-back at least 500 feet into previous casing string. Operator shall provide method of verification.

Note: Cement Slurry volumes proposed in Sundry request will require review, since volumes appear insufficient to provide the required circulation and TOC.

TMM 07/28/2011