

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM 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

2. Name of Operator

ENCORE OPERATING, L. P. (DON WOOD 432-686-5455)

3a. Address 10 DESTA DRIVE SUITE 300 W.
MIDLAND, TEXAS 797053b. Phone No. (include area code)
432-686-5455

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

660' FNL & 1260' FEL SECTION 31 T20S-R28E

JAN - 8 2008

OCD-ARTESIA

5. Lease Serial No.

NM-01119

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 35714

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

☒ Notice of Intent☐ Subsequent Report☐ Final Abandonment Notice☐ Acidize☐ Alter Casing☐ Casing Repair☐ Change Plans☐ Convert to Injection☐ Deepen☐ Fracture Treat☐ New Construction☐ Plug and Abandon☐ Plug Back☐ Production (Start/Resume)☐ Reclamation☐ Recomplete☐ Temporarily Abandon☐ Water Disposal☐ Water Shut-Off☐ Well Integrity☒ Other Alter cement on
9 5/8" casing.

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 shall 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 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.)

See attached cement proposal for the 9 5/8" casing string.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Joe T. Janica

Title Permit Engineer

Signature

Date 12/26/07

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

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

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)

Accepted for record - NMOC

APPROVED

DEC 28 2007

WESLEY W. INGRAM
PETROLEUM ENGINEER

Lost returns were encountered at 2,034' on the Encore "31" Avalon #1 on 12/25/07. Therefore, Encore will perform a two stage rather than the originally planned one stage cement job on the 9-5/8" casing. Casing will be set at $\pm 2,609'$ with a DV tool at 1,856' and an external casing packer (ECP) at 1,859 feet. The cement design is as follows:

Stage 1	Lead Slurry	125 sacks Interfill "C" + 1 lbm/sk Pheno-Seal + 0.125 lbm/sk Poly-E-Flake. Mixed at 11.9 ppg and 2.48 ft ³ /sk
	Tail Slurry	200 sacks Premium Plus + 1% CaCl ₂ . Mixed at 14.8 ppg and 1.34 ft ³ /sk
Stage 2	Lead Slurry	370 sacks Interfill "C" + 1 lbm/sk Pheno-Seal + 0.125 lbm/sk Poly-E-Flake. Mixed at 11.9 ppg and 2.48 ft ³ /sk
	Tail Slurry	100 sacks Premium Plus + 1% CaCl ₂ . Mixed at 14.8 ppg and 1.34 ft ³ /sk

With this cement design cement will be circulated back to surface. Please prepare a sundry notice on this cement design change and file it with the BLM in Carlsbad, NM. This morning Encore was drilling with an aerated fluid at 2,430' and will be at casing point later this morning. The BLM has already been contacted and verbally approved this cement design change.