

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OGD

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

JUN 06 2012

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

RECEIVED

WELL API NO. 30-041-00030
5. Indicate Type of Lease. STATE ☐ FEE ☒
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name Milnesand Unit
8. Well Number 123
9. OGRID Number 257420
10. Pool name or Wildcat 46930-Milnesand-San Andres
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

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
EOR Operating Company

3. Address of Operator
200 N. Lorraine, STE 1440 Midland, TX 79701

4. Well Location
Unit Letter L : 1980 feet from the S line and 660 feet from the W line
Section 7 Township 08S Range 35E NMPM County Roosevelt

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: Recomplete Horizontally ☒

OTHER: ☐

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 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

The MSU #123 is currently producing from the San Andres perforations located @ 4580'-4662'. Current PBTD is 4665'. EOR proposes to perform the attached operation in order to recomplete this well horizontally in the San Andres.

*Resubmitted - Original approved 10/27/11 but expired 4/19/12 due to expired ACO C-102 & C-144 CLEZ for this recompletion have been previously approved

Per ACO-277
Expires
Nov. 30, 2012

APPROVED BY BLM
08/08/2011

Spud Date:

Rig Release Date:

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

SIGNATURE Jana True TITLE Regulatory Mgr. DATE 6/6/12

Type or print name Jana True E-mail address: jtrue@enhancedoilres.com PHONE: 432-687-0303

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE JUN 21 2012

Conditions of Approval (if any):

JUN 21 2012



Milnesand Unit Well #123
Proposed Horizontal Drilling Program
API # 30-041-00030
1980 FSL 660 FWL
L-7-08S-35E
Roosevelt Co, NM

Proposed Procedure

1. NU 3k BOPE and POH with rods and tubing.
2. RUWL and RIH with 5 ½" CIBP. Correlate depth, and set CIBP at KOP of 4264". POH and RDWL.
3. PU 4 3/4" bit and 5 ½" scraper on tubing. RIH and tag CIBP and test with weight. POH and LD bit and scraper.
4. Run 5 ½" whipstock on tubing to CIBP. Orient whipstock with gyro and set bottom trip anchor on CIBP, POH.
5. PU milling BHA, tag whipstock, and mill window in 5 ½" casing and 8' of new hole. POH with mill assembly.
6. PU drilling BHA and commence drilling with a 20°/100' build rate as per the attached directional plan and survey.
7. At TD, run 3 ½" 9.3# L80 FJ liner and set from TD to vertical section of 5 ½" casing. Liner will have packers (PEAK or equivalent) with frac ports and will not be cemented. Number of ports and packers run will be dictated by length and number of shows and porous interval drilled.
8. Fracture treat through ports separated by packers.

Mud Program

This lateral will be drilled with a closed loop mud system. After milling out the casing window with clear fresh water, the directional interval will be drilled with a polymer based fresh water system using the following parameters:

Hole Size (Inches)	Depth MD/TVD (ft)	Mud Density (ppg)	Viscosity (sec/1000cc)	Plastic Viscosity (cP)	Yield Point (lb/100ft ²)	API Fluid Loss (ml)	pH	LG5%
4.75	KOP-TD	8.4-8.7	34-36	4-10	4-12	10-12	9.5-10.0	<6



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HOBBS OCD

JUL 25 2011

RECEIVED

Drilling Services

Proposal

EOR OPERATING

MILNESAND UNIT 123

ROOSEVELT CO, NM

WELL FILE: **PLAN 1**

MAY 25, 2011

Weatherford International, Ltd.

P.O. Box 61028

Midland, TX 79711 USA

+1.432.561.8892 Main

+1.432.561.8895 Fax

www.weatherford.com

EOR Operating

Milnesand Unit 123
Roosevelt Co, NM

SECTION DETAILS

Sec	MD	Inr	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4263.77	0.00	0.00	4263.77	0.00	0.00	0.00	0.00	0.00	
3	4278.77	3.00	315.00	4278.76	0.28	-0.28	20.00	315.00	0.39	
4	4283.77	3.00	315.00	4283.75	0.46	-0.46	0.00	0.00	0.65	
5	4696.45	85.54	315.00	4554.37	186.99	-186.99	20.00	0.00	264.45	
6	5835.46	85.54	315.00	4643.00	989.95	-989.95	0.00	0.00	1400.00	Pbhl

WELL DETAILS

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
MSU 123	0.00	0.00	959374.65	782140.99	33°38'01.680N	103°24'23.004W	N/A

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
Pbhl	4643.00	989.95	-989.95	960355.69	781142.21	Point

FIELD DETAILS

Roosevelt Co, NM (Nad 27)
Geodetic System: US State Plane Coordinate System 1927;
Ellipsoid: NAD27 (Clarke 1866)
Zone: New Mexico, Eastern Zone
Magnetic Model: IGRF2010

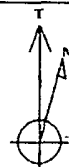
System Datum: Mean Sea Level
Local North: True North

SITE DETAILS

Milnesand Unit 123
Site Centre Latitude: 33°38'01.680N
Longitude: 103°24'23.004W
Ground Level: 4249.00
Positional Uncertainty: 0.00
Convergence: 0.51

FORMATION TOP DETAILS

No.	TVDPath	MDPath	Formation
1	4554.37	4696.46	Top Fl



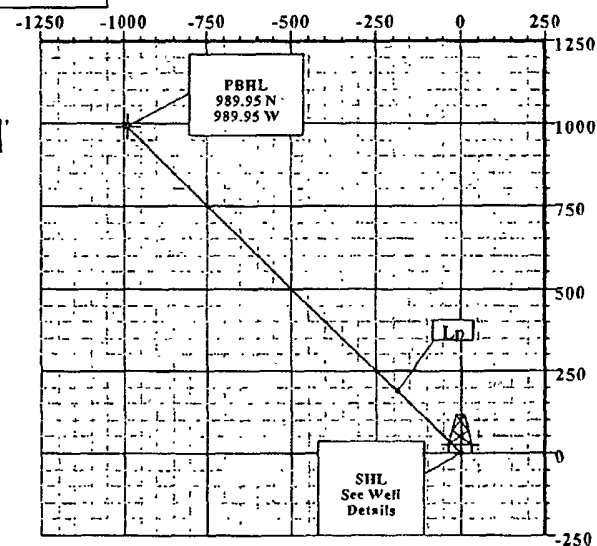
Asimuths to True North
Magnetic North: 7.59°
Magnetic Field
Strength: 49490nT
Dip Angle: 61.50°
Date: 8/15/2011
Model: IGRF2010

Total Correction to True North: 7.59°

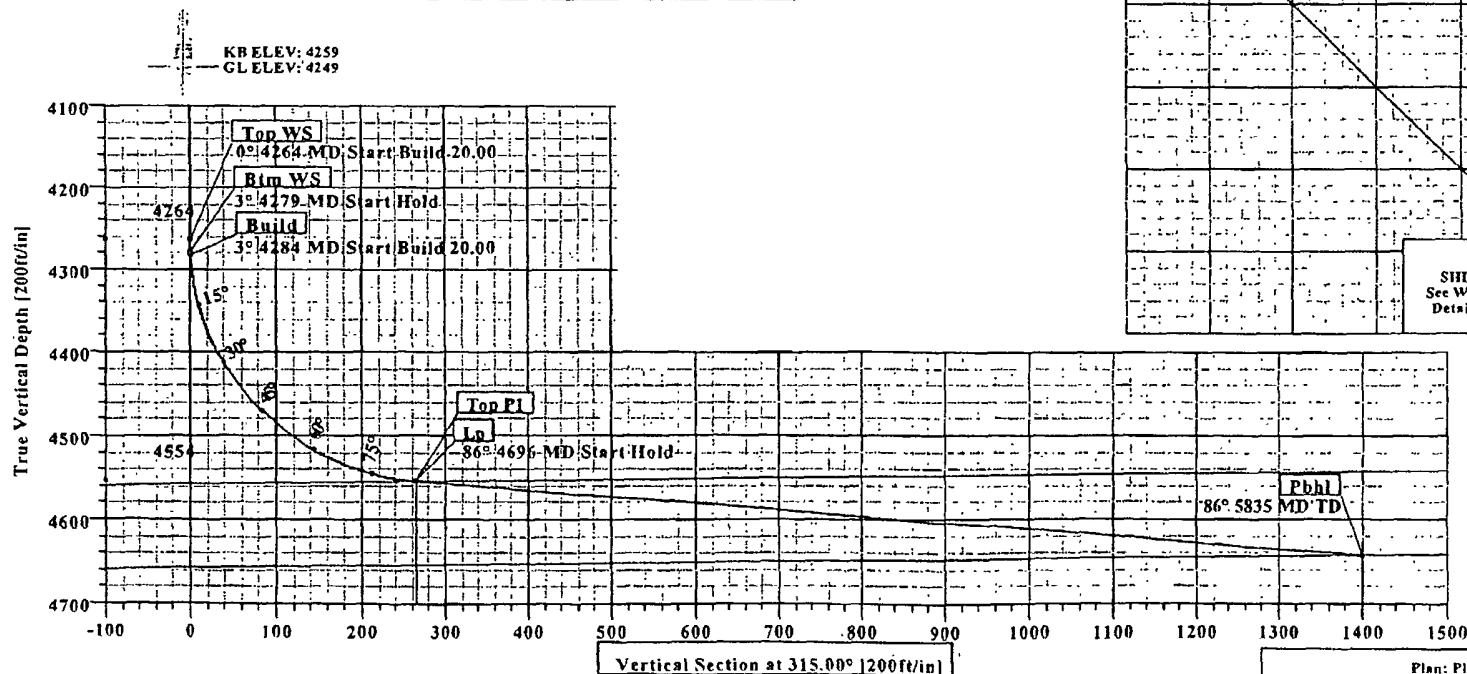


Weatherford

West(-)/East(+) [500ft/in]



South(-)/North(+) [500ft/in]



Plan: Plan #1 (MSU 123/1)

Created By: Russell W. Joyner

Date: 5/25/2011

Weatherford International Ltd.

WFT Plan Report Lat, Long



Weatherford

Company: EOR Operating Field: Roosevelt Co, NM (Nad 27) Site: Milnesand Unit 123 Well: MSU 123 Wellpath: 1				Date: 5/25/2011 Co-ordinate(N/E) Reference: Well, MSU 123, True North Vertical (TVD) Reference: SITE 4259 0 Section (VS) Reference: Well (0 00N,0.00E,315.00Azi) Survey Calculation Method: Minimum Curvature				Time: 14:28:33 Page: 1				
Plan: Plan #1 Principal: Yes				Date Composed: 5/24/2011 Version: 1 Tied-to: From Surface								
Field: Roosevelt Co, NM (Nad 27)												
Map System: US State Plane Coordinate System 1927 Geo Datum: NAD27 (Clarke 1866) Sys Datum: Mean Sea Level					Map Zone: New Mexico, Eastern Zone Coordinate System: Well Centre Geomagnetic Model: IGRF2010							
Site: Milnesand Unit 123												
Site Position: From: Geographic Position Uncertainty: 0.00 ft Ground Level: 4249.00 ft		Northing: 959374.65 ft Easting: 782140.99 ft		Latitude: 33 38 1.680 N Longitude: 103 24 23.004 W North Reference: True Grid Convergence: 0.51 deg								
Well: MSU 123												
Well Position: +N/-S 0.00 ft Position Uncertainty: 0.00 ft		Northing: 959374.65 ft Easting: 782140.99 ft		Slot Name: Latitude: 33 38 1.680 N Longitude: 103 24 23.004 W								
Wellpath: 1												
Current Datum: SITE Magnetic Data: 8/15/2011 Field Strength: 49490 nT Vertical Section: Depth From (TVD) ft		Height: 4259.00 ft +N/-S: 0.00 ft		Drilled From: Surface Tie-on Depth: 0.00 ft Above System Datum: Mean Sea Level Declination: 7.59 deg Mag Dip Angle: 61.50 deg +E/-W: 0.00 ft Direction: deg								
0.00		0.00		0.00 315.00								
Plan Section Information												
MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	TFO deg	Target		
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
4263.77	0.00	0.00	4263.77	0.00	0.00	0.00	0.00	0.00	0.00			
4278.77	3.00	315.00	4278.76	0.28	-0.28	20.00	20.00	0.00	315.00			
4283.77	3.00	315.00	4283.75	0.46	-0.46	0.00	0.00	0.00	0.00			
4696.45	85.54	315.00	4554.37	186.99	-186.99	20.00	20.00	0.00	0.00			
5835.46	85.54	315.00	4643.00	989.95	-989.95	0.00	0.00	0.00	0.00	Pbhl		
Survey												
MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Lat Min	Sec	Long Min	Sec	Comment
4200.00	0.00	0.00	4200.00	0.00	0.00	0.00	0.00	33	38	1.680	103	24 23.004
4263.77	0.00	0.00	4263.77	0.00	0.00	0.00	0.00	33	38	1.680	103	24 23.004 Top WS
4278.77	3.00	315.00	4278.76	0.28	-0.28	0.39	20.00	33	38	1.683	103	24 23.007 Blm WS
4283.77	3.00	315.00	4283.75	0.46	-0.46	0.65	0.00	33	38	1.685	103	24 23.009 Build
4300.00	6.25	315.00	4299.93	1.39	-1.39	1.96	20.00	33	38	1.694	103	24 23.020
4400.00	26.25	315.00	4395.45	21.07	-21.07	29.80	20.00	33	38	1.888	103	24 23.253
4500.00	46.25	315.00	4475.69	62.67	-62.67	88.63	20.00	33	38	2.300	103	24 23.745
4600.00	66.25	315.00	4530.97	121.16	-121.16	171.35	20.00	33	38	2.879	103	24 24.437
4696.45	85.54	315.00	4554.37	186.99	-186.99	264.45	20.00	33	38	3.530	103	24 25.215 Top Pt
4700.00	85.54	315.00	4554.64	189.50	-189.50	267.99	0.00	33	38	3.555	103	24 25.245
4800.00	85.54	315.00	4562.43	259.99	-259.99	367.68	0.00	33	38	4.252	103	24 26.079
4900.00	85.54	315.00	4570.21	330.49	-330.49	467.38	0.00	33	38	4.950	103	24 26.913
5000.00	85.54	315.00	4577.99	400.98	-400.98	567.08	0.00	33	38	5.647	103	24 27.746
5100.00	85.54	315.00	4585.77	471.48	-471.48	666.77	0.00	33	38	6.344	103	24 28.580
5200.00	85.54	315.00	4593.55	541.98	-541.98	766.47	0.00	33	38	7.042	103	24 29.414

Weatherford International Ltd.
WFT Plan Report Lat, Long



Weatherford

Company: EOR Operating Field: Roosevelt Co, NM (Nad 27) Site: Milnesand Unit 123 Well: MSU 123 Wellpath: 1	Date: 5/25/2011 Time: 14:28.33 Page: 2 Co-ordinate(NE) Reference: Well MSU 123, True North Vertical (TVD) Reference: SITE 4259.0 Section (VS) Reference: Well (0.00N,0.00E,315.00Azi) Survey Calculation Method: Minimum Curvature Db: Sybase
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Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS deg/100ft	Lat Min	Sec	Long Min	Sec	Comments
5300.00	85.54	315.00	4601.33	612.47	-612.47	866.17	0.00	33	38	7.739	103	24 30.248
5400.00	85.54	315.00	4609.12	682.97	-682.97	965.86	0.00	33	38	8.437	103	24 31.081
5500.00	85.54	315.00	4616.90	753.47	-753.47	1065.56	0.00	33	38	9.134	103	24 31.915
5600.00	85.54	315.00	4624.68	823.96	-823.96	1165.26	0.00	33	38	9.832	103	24 32.749
5700.00	85.54	315.00	4632.46	894.46	-894.46	1264.96	0.00	33	38	10.529	103	24 33.583
5800.00	85.54	315.00	4640.24	964.95	-964.95	1364.65	0.00	33	38	11.226	103	24 34.416
5835.46	85.54	315.00	4643.00	989.95	-989.95	1400.00	0.00	33	38	11.474	103	24 34.712 Pbhl

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	Latitude Deg Min Sec			Longitude Deg Min Sec		
Pbhl -Plan hit target		4643.00	989.95	-989.95	960355.69	781142.21	33	38	11.474 N	103	24.34	712 W

Casing Points

MD	TVD	Diameter	Hole Size	Name

Formations

MD ft	TVD ft	Formations	Lithology	Dip Angle deg	Dip Direction deg
4696.46	4554.37	Top P1		-0.57	315.00
	0.00	P3		-0.57	315.00

Annotation

MD ft	TVD ft	
4263.77	4263.77	Top WS
4278.77	4278.76	Btm WS
4283.77	4283.76	Build
4696.45	4554.37	Lp
5835.45	4643.00	Pbhl

**Weatherford****Weatherford Drilling Services**

GeoDec v5.03

Report Date: May 24, 2011
Job Number: _____
Customer: EOR Operating
Well Name: Milnesand Unit MSU 123
API Number: _____
Rig Name: _____
Location: Roosevelt Co, NM
Block: _____
Engineer: RWJ

Geodetic Latitude / Longitude	Geodetic Latitude / Longitude
System: Latitude / Longitude	System: Latitude / Longitude
Projection: Geodetic Latitude and Longitude	Projection: Geodetic Latitude and Longitude
Datum: NAD 1927 (NADCON CONUS)	Datum: NAD 1927 (NADCON CONUS)
Ellipsoid: Clarke 1866	Ellipsoid: Clarke 1866
Latitude 33.6338000 DEG	Latitude 33.6338000 DEG
Longitude -103.4063900 DEG	Longitude -103.4063900 DEG

Geodetic Location WGS84	Elevation =	0.0 Meters
Latitude =	33.63380° N	33° 38 min 1.680 sec
Longitude =	103.40639° W	103° 24 min 23.004 sec

Magnetic Declination =	7.59°	[True North Offset]
Local Gravity =	.9989 g	Checksum = 6652
Local Field Strength =	49486 nT	Magnetic Vector X = 23403 nT
Magnetic Dip =	61.50°	Magnetic Vector Y = 3120 nT
Magnetic Model =	IGRF-2010g11	Magnetic Vector Z = 43491 nT
Spud Date =	Aug 15, 2011	Magnetic Vector H = 23610 nT

Signed: _____

Date: _____

EOR MILNESAND UNIT 123 P1 SVY

Weatherford International Ltd.
WFT Plan Report Lat, Long

Company: EOR Operating
Time: 14:29:02 Page: 1
Field: Roosevelt Co, NM (Nad 27)
Reference: Well: MSU 123, True North
Site: Milnesand Unit 123
Reference: SITE 4259.0
Well: MSU 123
Reference: Well (0.00N,0.00E,315.00Azi)
Wellpath: 1
Method: Minimum Curvature Db: Sybase

Date: 5/25/2011
Co-ordinate(NE)
Vertical (TVD)
Section (VS)
Survey Calculation

Plan: Plan #1
5/24/2011

Date Composed:

1
Principal: Yes
From Surface

Version:

Tied-to:

Field: Roosevelt Co, NM (Nad 27)

Map System: US State Plane Coordinate System 1927
New Mexico, Eastern Zone
Geo Datum: NAD27 (Clarke 1866)
Well Centre
Sys Datum: Mean Sea Level
IGRF2010

Map Zone:
Coordinate System:
Geomagnetic Model:

Site: Milnesand Unit 123

Site Position:	Northing:	959374.65 ft	Latitude:
33 38 1.680 N			
From: Geographic	Easting:	782140.99 ft	Longitude:
103 24 23.004 W			
Position Uncertainty: 0.00 ft			North Reference:
True			
Ground Level: 4249.00 ft			Grid Convergence:
0.51 deg			

Well: MSU 123

Slot Name:

Well Position: +N/-S 0.00 ft	Northing:	959374.65 ft	Latitude:
33 38 1.680 N			
+E/-W 0.00 ft	Easting :	782140.99 ft	Longitude:
103 24 23.004 W			
Position Uncertainty: 0.00 ft			

Wellpath: 1
Surface

Drilled From:

Tie-on Depth:

0.00 ft
Current Datum: SITE
Datum: Mean Sea Level
Magnetic Data: 8/15/2011

Height 4259.00 ft Above System

Declination:

EOR MILNESAND UNIT 123 P1 SVY

7.59 deg
Field Strength: 49490 nT Mag Dip Angle:

61.50 deg
Vertical Section: Depth From (TVD). +N/-S +E/-W
Direction

deg ft ft ft
0.00 0.00 0.00
315.00

Plan Section Information
MD Incl Azim TVD +N/-S +E/-W DLS Build
Turn TFO Target
ft deg deg ft ft ft
deg/100ft deg/100ft deg/100ft deg

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00						
4263.77	0.00	0.00	4263.77	0.00	0.00	0.00	0.00
0.00	0.00						
4278.77	3.00	315.00	4278.76	0.28	-0.28	20.00	20.00
0.00	315.00						
4283.77	3.00	315.00	4283.75	0.46	-0.46	0.00	0.00
0.00	0.00						
4696.45	85.54	315.00	4554.37	186.99	-186.99	20.00	20.00
0.00	0.00						
5835.46	85.54	315.00	4643.00	989.95	-989.95	0.00	0.00
0.00	0.00	Pbhl					

Survey

Min	MD Sec ft	Incl Long deg	Azim Min deg	Sec	TVD ft	N/S Comment ft	E/W ft	VS ft	DLS deg/100ft	Lat
	4200.00	0.00	0.00		4200.00	0.00	0.00	0.00	0.00	33
38	1.680	103	24	23.004						
	4263.77	0.00	0.00		4263.77	0.00	0.00	0.00	0.00	33
38	1.680	103	24	23.004	Top WS					
	4278.77	3.00	315.00		4278.76	0.28	-0.28	0.39	20.00	33
38	1.683	103	24	23.007	Btm WS					
	4283.77	3.00	315.00		4283.75	0.46	-0.46	0.65	0.00	33
38	1.685	103	24	23.009	Build					
	4300.00	6.25	315.00		4299.93	1.39	-1.39	1.96	20.00	33
38	1.694	103	24	23.020						
	4400.00	26.25	315.00		4395.45	21.07	-21.07	29.80	20.00	33
38	1.888	103	24	23.253						
	4500.00	46.25	315.00		4475.69	62.67	-62.67	88.63	20.00	33
38	2.300	103	24	23.745						
	4600.00	66.25	315.00		4530.97	121.16	-121.16	171.35	20.00	33
38	2.879	103	24	24.437						
	4696.45	85.54	315.00		4554.37	186.99	-186.99	264.45	20.00	33
38	3.530	103	24	25.215	Top P1					
	4700.00	85.54	315.00		4554.64	189.50	-189.50	267.99	0.00	33
38	3.555	103	24	25.245						
	4800.00	85.54	315.00		4562.43	259.99	-259.99	367.68	0.00	33
38	4.252	103	24	26.079						
	4900.00	85.54	315.00		4570.21	330.49	-330.49	467.38	0.00	33
38	4.950	103	24	26.913						
	5000.00	85.54	315.00		4577.99	400.98	-400.98	567.08	0.00	33
38	5.647	103	24	27.746						
	5100.00	85.54	315.00		4585.77	471.48	-471.48	666.77	0.00	33

EOR MILNESAND UNIT 123 P1 SVY									
38	6.344	103	24	28.580					
	5200.00	85.54	315.00	4593.55	-541.98	-541.98	766.47	0.00	33
38	7.042	103	24	29.414					
	5300.00	85.54	315.00	4601.33	612.47	-612.47	866.17	0.00	33
38	7.739	103	24	30.248					
	5400.00	85.54	315.00	4609.12	682.97	-682.97	965.86	0.00	33
38	8.437	103	24	31.081					
	5500.00	85.54	315.00	4616.90	753.47	-753.47	1065.56	0.00	33
38	9.134	103	24	31.915					
	5600.00	85.54	315.00	4624.68	823.96	-823.96	1165.26	0.00	33
38	9.832	103	24	32.749					
	5700.00	85.54	315.00	4632.46	894.46	-894.46	1264.96	0.00	33
38	10.529	103	24	33.583					
	5800.00	85.54	315.00	4640.24	964.95	-964.95	1364.65	0.00	33
38	11.226	103	24	34.416					
	5835.46	85.54	315.00	4643.00	989.95	-989.95	1400.00	0.00	33
38	11.474	103	24	34.712	Pbhl				

Targets

Map		Latitude		Longitude		Map	
Name	Description	TV	D	TV	D	North	thing
Easting	Deg	Min	Sec	Deg	Min	ft	ft
ft	Dip.			Dir.		ft	ft
Pbhl						4643.00	989.95
781142.21	33	38	11.474 N.	103	24	34.712 W	-989.95
	-Plan hit target						

Casing Points				
MD	TVD	Diameter	Hole Size	Name

Formations

MD	TVD	Formations	Lithology
ft	ft	Dip Angle	
		Dip	
		deg	
4696.46	4554.37	Top P1	
	-0.57	315.00	
	0.00	P3	
	-0.57	315.00	

Annotation

MD	TVD	
ft	ft	
4263.77	4263.77	Top WS
4278.77	4278.76	Btm WS
4283.77	4283.76	Build
4696.45	4554.37	Lp
5835.45	4643.00	Pbhl

EOR MILNESAND UNIT 123 P1 SVY