

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM 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
NM53373

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 #4H

2. Name of Operator
Unit Petroleum Company

9. API Well No.

38993
3001589930 IMM

3a. Address
PO Box 702500, Tulsa, OK 74170

3b. Phone No (include area code)
918.493.7700

10. Field and Pool or Exploratory Area
Cedar Canyon

4. Location of Well (Footage, Sec T, R, M, or Survey Description)
3-24S-29E

11. Country or Parish, State
Eddy, NM

ULP 330' PSL 330' FEL

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

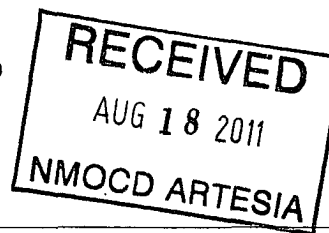
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input checked="" 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 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.)

This well is an approved horizontal Bone Springs drilling project. Current approval is to set 5-1/2", 17 #/ft, P-110 casing from surface to 12,288' (measured depth). This notice is to propose a change in completion to a completion made with a pinpoint frac system utilizing swellable packers for isolation between fracs. This frac system will be run on 5-1/2", 17 #/ft, P-110 casing to the same measured depth as approved. In order for the packers to swell, oil-based mud or diesel will need to be circulated in the annulus. The system will remain in this environment for a total of 8-12 days in order to achieve needed expansion to ensure the system's ability to isolate between frac ports. A Halliburton cementing tool will be placed at 7,200', and cement will be raised on the backside of the production casing to ~2,500' (~500' above 9-5/8" casing shoe). This well will likely be spudded 08/01/2011. With subsequent drilling and cementing likely taking 21-24 days, these proposed operations will likely begin by 08/25/2011.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record - NMOCD
D 8-23-11



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

Title Engineer

Signature

Date 06/22/2011

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by Ted M. Morgan	Petroleum Engineer	Date 12 Aug 2011
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.	Title	
	Office	

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.

HB 3 Federal #4H
Unit Petroleum Company
30-015-38993
Aug 12, 2011
Conditions of Approval

Summary of Current Status:

- Well is an approved horizontal Bone Springs drilling project - Secretary's Potash location
- Approved for TD 12,288' with TOC for 5-1/2" casing at approximately 2500' (500' above the previous shoe.

Requests:

Sundry dated 6/22/2011 for revised completion sequence to be:

- Revise full string design for 5-1/2" casing to include running 5-1/2" pinpoint frac system with swellable packer system activated with OBM.
- Changeout drilling rig with completion rig allowing for approximately 8-1/2 day activation time for the packers.
- Cement 5-1/2" casing from 7200' to surface by use of DV tool.
- Frac well using completion rig.
- NOTE: Email from Unit District Engineer confirms the 5-1/2" casing will be cemented prior to the drilling rig moving off of location.

Conditions of Approval:

1. Terms of original APD COA are still applicable for this Secretary's Potash location.
2. Operator to verify TOC for the 5-1/2" casing.
3. All BOP/BOPE testing to be per Onshore Order 2.
4. The original and four copies of Well Completion Report, Form 3160-4, detailing work is to be submitted within 30 days of well completion. The date the well is placed on production and the well test data are to be included in this report.

TMM 08/12/2011