

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division  
1625 N. Broadway Drive  
Albuquerque, NM 87104  
FORM APPROVED  
OMB No. 1004-0137  
Expires: October 31, 2014

**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 page 2.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. Milnesand Unit
2. Name of Operator EOR Operating Company		8. Well Name and No. #523
3a. Address 200 N. Loraine, STE 1440 Midland, TX 79701	3b. Phone No. (include area code) 432-242-4544	9. API Well No. 30-041-20648
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 90 FNL & 90 FEL Sec. 13, T. 08S, R. 34E		10. Field and Pool or Exploratory Area Milnesand-San Andres
		11. County or Parish, State Roosevelt Co., NM

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 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 checked="" type="checkbox"/> Other <u>Recomplete</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Horizontally</u>
	<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 recomplete 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 recompletion 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.)

Previous approval of NOI will expire 1/5/14

The MSU #523 is currently producing from the San Andres perforations located @ 4240'-4286, 4576'-4616' & 4624'-4626'. Current PBTD is 4740'. EOR Operating Company proposes the attached plans to recomplete this well horizontally in the San Andres formation.

A representative of EOR Operating will contact BLM 24 hours prior to the beginning of procedures as well as any BOPE tests.

This lateral will be drilled with a closed loop mud system.

**APPROVED FOR 6 MONTH PERIOD**  
**ENDING JUL 05 2014**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Jana True	Title Prodction/Regulatory Mgr
Signature <i>Jana True</i>	Date 11/05/2013

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

Approved by <b>/S/ DAVID R. GLASS</b>	Title PETROLEUM ENGINEER	Date NOV 21 2013
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 ROSWELL 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.

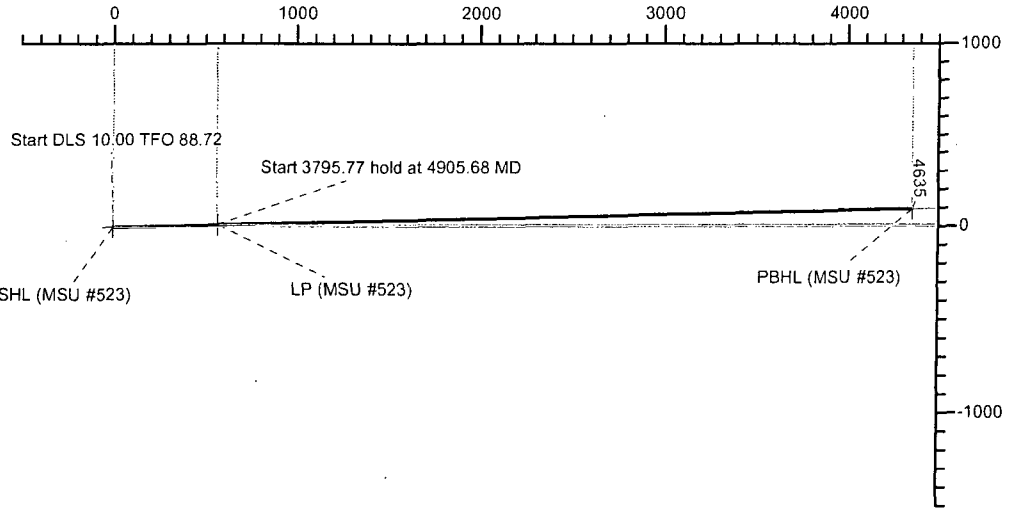
(Instructions on page 2)

DEC 19 2013

# Enhanced Oil Resources, Inc

Project: Roosevelt County, NM  
 Site: Milnesand Unit  
 Well: #523  
 Wellbore: OH  
 Design: Plan #1

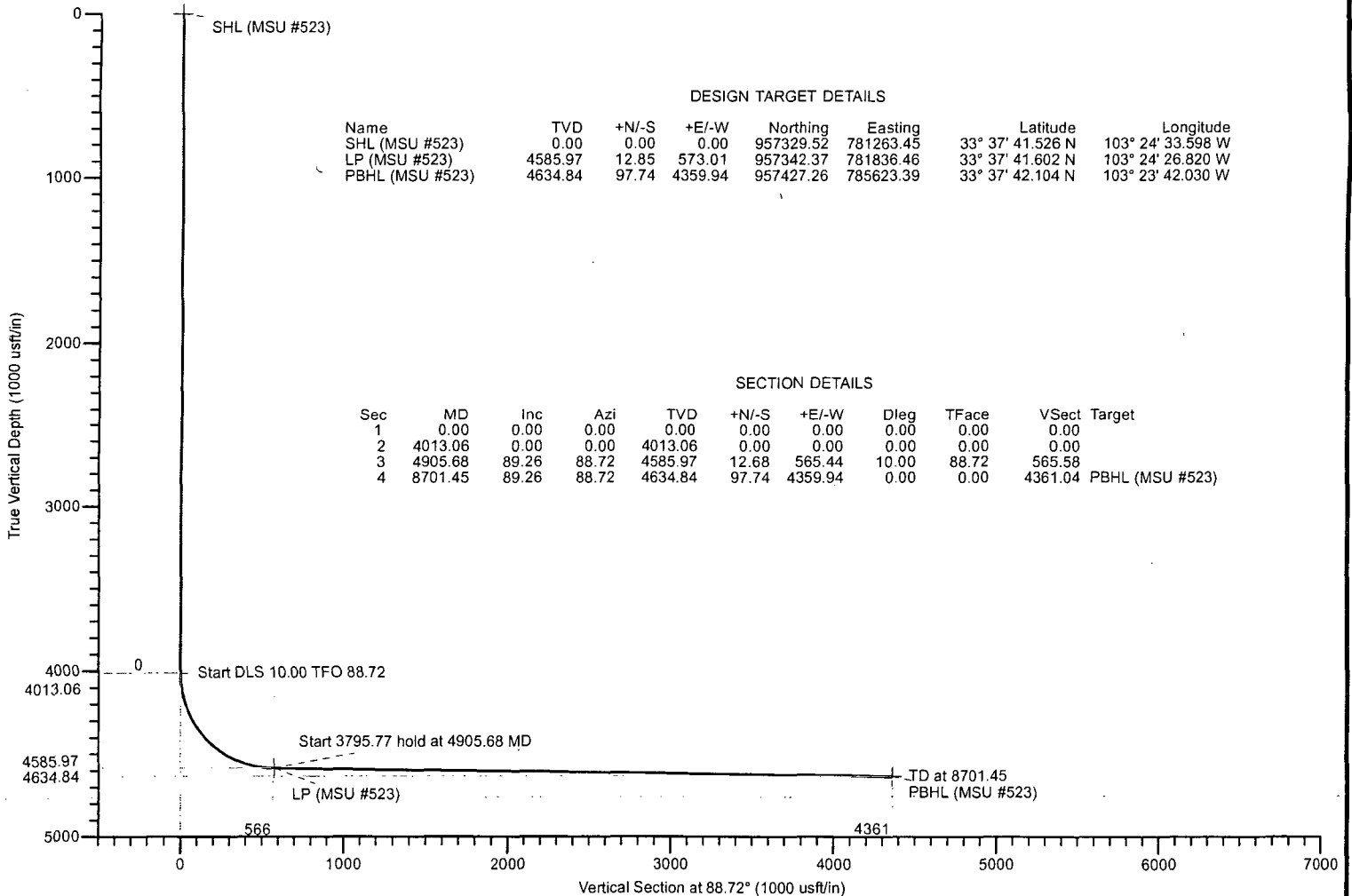
West(-)/East(+) (1000 usft/in)



Azimuths to Grid North  
 True North: -0.51°  
 Magnetic North: 6.92°  
 Magnetic Field  
 Strength: 49215.5snT  
 Dip Angle: 61.44°  
 Date: 11/8/2013  
 Model: BGGM2013

## PROJECT DETAILS: Roosevelt County, NM

Geodetic System: US State Plane 1927 (Exact solution)  
 Datum: NAD 1927 (NADCON CONUS)  
 Ellipsoid: Clarke 1866  
 Zone: New Mexico East 3001



### DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
SHL (MSU #523)	0.00	0.00	0.00	957329.52	781263.45	33° 37' 41.526 N	103° 24' 33.598 W
LP (MSU #523)	4585.97	12.85	573.01	957342.37	781836.46	33° 37' 41.602 N	103° 24' 26.820 W
PBHL (MSU #523)	4634.84	97.74	4359.94	957427.26	785623.39	33° 37' 42.104 N	103° 23' 42.030 W

### SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	4013.06	0.00	0.00	4013.06	0.00	0.00	0.00	0.00	0.00	
3	4905.68	89.26	88.72	4585.97	12.68	565.44	10.00	88.72	565.58	
4	8701.45	89.26	88.72	4634.84	97.74	4359.94	0.00	0.00	4361.04	PBHL (MSU #523)



LEAM DRILLING SYSTEMS LLC  
 2010 East Davis, Conroe, Texas 77301  
 Phone: 936/756-7577, Fax: 936/756-7595

Plan: Plan #1 (#523/OH)  
 Milnesand Unit  
 Created By: Dustin Childers Date: 10:48, November 08 2013  
 Date: \_\_\_\_\_  
 Approved: \_\_\_\_\_ Date: \_\_\_\_\_

**LEAM Drilling Systems LLC**  
 Planning Report

<b>Database:</b>	EDM 5000.1 Multi_User Db	<b>Local Coordinate Reference:</b>	Well #523
<b>Company:</b>	Enhanced Oil Resources, Inc	<b>TVD Reference:</b>	GE 4238.6 + KB 22' @ 4260.60usft (Original Well Elev)
<b>Project:</b>	Roosevelt County, NM	<b>MD Reference:</b>	GE 4238.6 + KB 22' @ 4260.60usft (Original Well Elev)
<b>Site:</b>	Milnesand Unit	<b>North Reference:</b>	Grid
<b>Well:</b>	#523	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	Plan #1		

<b>Project:</b>	Roosevelt County, NM		
<b>Map System:</b>	US State Plane 1927 (Exact solution)	<b>System Datum:</b>	Mean Sea Level
<b>Geo Datum:</b>	NAD 1927 (NADCON CONUS)		
<b>Map Zone:</b>	New Mexico East 3001		

<b>Site:</b>	Milnesand Unit				
<b>Site Position:</b>	<b>Northing:</b>	949,550.21 usft	<b>Latitude:</b>	33° 36' 24.322 N	
<b>From:</b>	Lat/Long	<b>Easting:</b>	784,017.28 usft	<b>Longitude:</b>	103° 24' 1.862 W
<b>Position Uncertainty:</b>	0.00 usft	<b>Slot Radius:</b>	13-3/16 "	<b>Grid Convergence:</b>	0.52 °

<b>Well:</b>	#523					
<b>Well Position</b>	<b>+N/-S</b>	7,779.31 usft	<b>Northing:</b>	957,329.53 usft	<b>Latitude:</b>	33° 37' 41.526 N
	<b>+E/-W</b>	-2,753.83 usft	<b>Easting:</b>	781,263.45 usft	<b>Longitude:</b>	103° 24' 33.598 W
<b>Position Uncertainty</b>	0.00 usft	<b>Wellhead Elevation:</b>	0.00 usft	<b>Ground Level:</b>	4,238.60 usft	

<b>Wellbore:</b>	OH				
<b>Magnetics</b>	<b>Model Name</b>	<b>Sample Date</b>	<b>Declination</b>	<b>Dip Angle</b>	<b>Field Strength</b>
	BGGM2013	11/8/2013	(°) 7.44	(°) 61.44	(nT) 49,216

<b>Design:</b>	Plan #1			
<b>Audit Notes:</b>				
<b>Version:</b>	<b>Phase:</b>	PLAN	<b>Tie On Depth:</b>	0.00
<b>Vertical Section:</b>	<b>Depth From (TVD)</b>	<b>+N/-S</b>	<b>+E/-W</b>	<b>Direction</b>
	(usft)	(usft)	(usft)	(°)
	0.00	0.00	0.00	88.72

<b>Plan Sections</b>										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	TFO (°)	Target
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,013.06	0.00	0.00	4,013.06	0.00	0.00	0.00	0.00	0.00	0.00	
4,905.68	89.26	88.72	4,585.97	12.68	565.44	10.00	10.00	9.94	88.72	
8,701.45	89.26	88.72	4,634.84	97.74	4,359.94	0.00	0.00	0.00	0.00	PBHL (MSU #523)

**LEAM Drilling Systems LLC**  
Planning Report

<b>Database:</b>	EDM 5000.1 Multi_User Db	<b>Local Co-ordinate Reference:</b>	Well #523
<b>Company:</b>	Enhanced Oil Resources, Inc	<b>TVD Reference:</b>	GE 4238.6 + KB 22' @ 4260.60usft (Original Well Elev)
<b>Project:</b>	Roosevelt County, NM	<b>MD Reference:</b>	GE 4238.6 + KB 22' @ 4260.60usft (Original Well Elev)
<b>Site:</b>	Milnesand Unit	<b>North Reference:</b>	Grid
<b>Well:</b>	#523	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	Plan #1		

Planned Survey:									
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)
4,013.06	0.00	0.00	4,013.06	0.00	0.00	0.00	0.00	0.00	0.00
4,050.00	3.69	88.72	4,049.97	0.03	1.19	1.19	10.00	10.00	0.00
4,100.00	8.69	88.72	4,099.67	0.15	6.58	6.58	10.00	10.00	0.00
4,150.00	13.69	88.72	4,148.70	0.37	16.28	16.29	10.00	10.00	0.00
4,200.00	18.69	88.72	4,196.70	0.68	30.22	30.23	10.00	10.00	0.00
4,250.00	23.69	88.72	4,243.30	1.08	48.29	48.30	10.00	10.00	0.00
4,300.00	28.69	88.72	4,288.16	1.58	70.34	70.36	10.00	10.00	0.00
4,350.00	33.69	88.72	4,330.91	2.16	96.23	96.25	10.00	10.00	0.00
4,400.00	38.69	88.72	4,371.25	2.82	125.74	125.77	10.00	10.00	0.00
4,450.00	43.69	88.72	4,408.86	3.56	158.65	158.69	10.00	10.00	0.00
4,500.00	48.69	88.72	4,443.46	4.36	194.71	194.76	10.00	10.00	0.00
4,550.00	53.69	88.72	4,474.79	5.24	233.65	233.71	10.00	10.00	0.00
4,600.00	58.69	88.72	4,502.60	6.17	275.17	275.24	10.00	10.00	0.00
4,650.00	63.69	88.72	4,526.68	7.15	318.96	319.04	10.00	10.00	0.00
4,700.00	68.69	88.72	4,546.86	8.18	364.68	364.77	10.00	10.00	0.00
4,750.00	73.69	88.72	4,562.97	9.24	411.99	412.09	10.00	10.00	0.00
4,800.00	78.69	88.72	4,574.90	10.32	460.51	460.63	10.00	10.00	0.00
4,850.00	83.69	88.72	4,582.55	11.43	509.90	510.03	10.00	10.00	0.00
4,900.00	88.69	88.72	4,585.87	12.55	559.76	559.90	10.00	10.00	0.00
4,905.68	89.26	88.72	4,585.97	12.68	565.44	565.58	10.00	10.00	0.00
4,913.26	89.26	88.72	4,586.07	12.85	573.01	573.15	0.00	0.00	0.00
<b>LP (MSU #523)</b>									
5,000.00	89.26	88.72	4,587.18	14.79	659.72	659.89	0.00	0.00	0.00
5,100.00	89.26	88.72	4,588.47	17.03	759.69	759.88	0.00	0.00	0.00
5,200.00	89.26	88.72	4,589.76	19.27	859.66	859.87	0.00	0.00	0.00
5,300.00	89.26	88.72	4,591.05	21.51	959.62	959.87	0.00	0.00	0.00
5,400.00	89.26	88.72	4,592.33	23.75	1,059.59	1,059.86	0.00	0.00	0.00
5,500.00	89.26	88.72	4,593.62	25.99	1,159.56	1,159.85	0.00	0.00	0.00
5,600.00	89.26	88.72	4,594.91	28.24	1,259.52	1,259.84	0.00	0.00	0.00
5,700.00	89.26	88.72	4,596.20	30.48	1,359.49	1,359.83	0.00	0.00	0.00
5,800.00	89.26	88.72	4,597.48	32.72	1,459.46	1,459.82	0.00	0.00	0.00
5,900.00	89.26	88.72	4,598.77	34.96	1,559.42	1,559.82	0.00	0.00	0.00
6,000.00	89.26	88.72	4,600.06	37.20	1,659.39	1,659.81	0.00	0.00	0.00
6,100.00	89.26	88.72	4,601.35	39.44	1,759.36	1,759.80	0.00	0.00	0.00
6,200.00	89.26	88.72	4,602.63	41.68	1,859.32	1,859.79	0.00	0.00	0.00
6,300.00	89.26	88.72	4,603.92	43.92	1,959.29	1,959.78	0.00	0.00	0.00
6,400.00	89.26	88.72	4,605.21	46.16	2,059.26	2,059.77	0.00	0.00	0.00
6,500.00	89.26	88.72	4,606.50	48.40	2,159.22	2,159.77	0.00	0.00	0.00
6,600.00	89.26	88.72	4,607.78	50.65	2,259.19	2,259.76	0.00	0.00	0.00
6,700.00	89.26	88.72	4,609.07	52.89	2,359.16	2,359.75	0.00	0.00	0.00
6,800.00	89.26	88.72	4,610.36	55.13	2,459.12	2,459.74	0.00	0.00	0.00
6,900.00	89.26	88.72	4,611.65	57.37	2,559.09	2,559.73	0.00	0.00	0.00
7,000.00	89.26	88.72	4,612.93	59.61	2,659.06	2,659.72	0.00	0.00	0.00
7,100.00	89.26	88.72	4,614.22	61.85	2,759.02	2,759.72	0.00	0.00	0.00
7,200.00	89.26	88.72	4,615.51	64.09	2,858.99	2,859.71	0.00	0.00	0.00
7,300.00	89.26	88.72	4,616.80	66.33	2,958.96	2,959.70	0.00	0.00	0.00
7,400.00	89.26	88.72	4,618.08	68.57	3,058.92	3,059.69	0.00	0.00	0.00
7,500.00	89.26	88.72	4,619.37	70.82	3,158.89	3,159.68	0.00	0.00	0.00
7,600.00	89.26	88.72	4,620.66	73.06	3,258.86	3,259.67	0.00	0.00	0.00
7,700.00	89.26	88.72	4,621.95	75.30	3,358.82	3,359.67	0.00	0.00	0.00
7,800.00	89.26	88.72	4,623.23	77.54	3,458.79	3,459.66	0.00	0.00	0.00
7,900.00	89.26	88.72	4,624.52	79.78	3,558.76	3,559.65	0.00	0.00	0.00

# LEAM Drilling Systems LLC

## Planning Report

<b>Database:</b>	EDM 5000.1 Multi_User Db	<b>Local Co-ordinate Reference:</b>	Well #523
<b>Company:</b>	Enhanced Oil Resources, Inc	<b>TVD Reference:</b>	GE 4238.6 + KB 22' @ 4260.60usft (Original Well Elev)
<b>Project:</b>	Roosevelt County, NM	<b>MD Reference:</b>	GE 4238.6 + KB 22' @ 4260.60usft (Original Well Elev)
<b>Site:</b>	Milnesand Unit	<b>North Reference:</b>	Grid
<b>Well:</b>	#523	<b>Survey Calculation Method:</b>	Minimum Curvature
<b>Wellbore:</b>	OH		
<b>Design:</b>	Plan #1		

Planned Survey										
Measured Depth (usft)	Inclination (°)	Azimuth (°)	Vertical Depth (usft)	+N/-S (usft)	+E/-W (usft)	Vertical Section (usft)	Dogleg Rate (°/100usft)	Build Rate (°/100usft)	Turn Rate (°/100usft)	
8,000.00	89.26	88.72	4,625.81	82.02	3,658.72	3,659.64	0.00	0.00	0.00	
8,100.00	89.26	88.72	4,627.10	84.26	3,758.69	3,759.63	0.00	0.00	0.00	
8,200.00	89.26	88.72	4,628.38	86.50	3,858.66	3,859.63	0.00	0.00	0.00	
8,300.00	89.26	88.72	4,629.67	88.74	3,958.62	3,959.62	0.00	0.00	0.00	
8,400.00	89.26	88.72	4,630.96	90.98	4,058.59	4,059.61	0.00	0.00	0.00	
8,500.00	89.26	88.72	4,632.25	93.23	4,158.56	4,159.60	0.00	0.00	0.00	
8,600.00	89.26	88.72	4,633.53	95.47	4,258.52	4,259.59	0.00	0.00	0.00	
8,701.45	89.26	88.72	4,634.84	97.74	4,359.94	4,361.04	0.00	0.00	0.00	
<b>PBHL (MSU #523)</b>										

Design Targets										
Target Name	hit/miss target	Dip Angle (°)	Dip Dir (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude
SHL (MSU #523)		0.00	0.01	0.00	0.00	0.00	957,329.53	781,263.45	33° 37' 41.526 N	103° 24' 33.598 W
- plan misses target center by 4013.06usft at 4013.06usft MD (4013.06 TVD, 0.00 N, 0.00 E)										
- Point										
LP (MSU #523)		0.00	0.00	4,585.97	12.85	573.01	957,342.38	781,836.46	33° 37' 41.602 N	103° 24' 26.820 W
- plan misses target center by 0.10usft at 4913.26usft MD (4586.07 TVD, 12.85 N, 573.01 E)										
- Point										
PBHL (MSU #523)		0.00	0.00	4,634.84	97.74	4,359.94	957,427.27	785,623.39	33° 37' 42.104 N	103° 23' 42.030 W
- plan hits target center										
- Point										