(August 2007) DEPARTME	ITED STATES NT OF THE INTERIOR LAND MANAGEMENT	OCD Hobbs	FORM APPROVED OMB NO. 1004-0137 Expires July 31, 2010 5. Lease Serial No.		
Do not use this form for	AND REPORTS ON WEL proposals to drill or to re-e m 3160-3 (APD) for such pr		6 If Indian Allottee or Tribe Name		
SUBMIT IN TRIPLICATION 1. Type of Well X Oul Well Gas Well Other 2. Name of Operator Enervest Operating, LLC	TE - Other instructions on particular of the second s	ge 2 RECEIVED	 7. If Unit or CA/Agreement, Name and/or No. 8. Well Name and No. Blue Quail Federal #1 9. API Well No. 		
 3a. Address <u>1001 Fannin St. Ste 800 Houston</u> 4. Location of Well (Footage, Sec., T., R., M, or Survey) Sec 7 - T 23S - R 32E, UL O 660' FSL & 1980' FEL 	30-025-33222 10. Field and Pool, or Exploratory Area Sand Dunes; Bone Spring 11. County or Parish, State Lea County Image: Market				
12. CHECK APPROPRIAT	E BOX(ES) TO INDICATE 1	NATURE OF NOTICE, RE			
X Notice of Intent Subsequent Report Final Abandonment Notice	Alter Casing Fr Casing Repair N Change Plans Pl Convert to Injection Pl	racture Treat Reclam ew Construction X Record lug and Abandon Tempo lug Back Water			

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 shall 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 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 final site is ready for final inspection.)

Please see attached procedure.

SEE ATTACHED FOR CONDITIONS OF APPROVAL

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Bridget Helfrich	Title Regulatory Analyst APPPROVED
Signature Bridget Helfrich	Date 5-17-12
THIS SPACE FOR FEDERA	AL OR STATE OFFICE USE JUL 1 0 2012
Approved by	Title /s/ Claris Walls
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, makes it a crime for any person k fictitious or fraudulent statements or representations as to any matter within its jurisdiction.	nowingly and willfully to make to any department or agency of the United States any false,

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DISTRICT I	(ate of New M				Form C-102	
1625 N. French Dr., H Phone: (575) 393-616	1 Fax: (575) 393-	0720	Energy, M	finerals	& Natural R	lesources Dep	partment	R	evised August 1 2011	
DISTRICT II 811 S. First St., Artes Phone: (575) 748-128	ia, NM 88210 3 Fax: (575) 748-9	720	OI	L CON	ISERVATIO	N DIVISION	J	SUOLUIE O	ne copy to appropriate District Office	
DIPTOICT III				1220	South St. Fr	ancis Dr.			oldine.	
1000 Rio Brazos Road Phone: (505) 334-617 DISTRICT IV	8 Fax: (505) 334-0	51 70		Santa]	Fe, New Me	kico 87505			MENDED REPORT	
1220 S. St. Francis Dr Phone: (505) 476-346	., Santa Fc, NM 8 0 Fax: (505) 476-3	7505 3462								
1 10100 (****			L LOCAT	TION A	ND ACREA	GE DEDICA	TION PLA	Т		
	API Number		P	ool Code	10	<u> </u>	Pool Name	>		
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0	7	23-S	32-E		660	SOUTH	1983	EAST	LEA	
			E	Bottom Hol	e Location If Diffe	rent From Surface				
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
Dedicated Acre	s Joint or	Infill C	onsolidation Cod	de Ord	er No.	<u> </u>				
40										
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NU ALLUWABLE	WILL BE ASSIU	NED TO THIS C	JMPLETION UNT	IL ALL INTE	RESTS HAVE BEEN C	UNSULIDATED UK AT	NUN-STANDARD UN	T HAS BEEN APPROV	ED BY THE DIVISION	
1	T		T		I	····	OPE	ATOR CERTIF		
	ł		1		1		I hereby ce	tify that the information I	herein is two and	
							complete to that this on	the best of my knowledg	e and belief, and	
	ł		1		1		unieased m	ineral interest in the land in ottom hole location or has	including the	
					ļ		well at this	location pursuant to a con	trant with an anneal	
			1		1		pooling ag	neral or working interest, or reement or a compulsory p	or to a voluntary	
45.96	AC.						heretofore	entered by the division.		

8/29/12 Date

NAD 27 NME Signature SURFACE LOCATION BANT THEVINC Printed Name Y=478303.4 N X=692215.6 E BTRÓVINO C ÊNERVEST. NET LAT.=32.313439" N E-mail Address LONG.=103.711152* W 45.98 AC. 3 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat Interfy centry units as the nonaton subwh on this pian was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. AUGUST 1, 2012 Date of Survey Signature & Steal of Professional Surveyor: 45.98 AC. 4 DETAIL 3555.1 3562.4 S.L. SEE DETAIL 3239 . 0 0 0 1983 <u>600'</u> 3560.6' 08/27/2012 Certificale Multiper......GatXG_Bidson 12641 introduction in the second 660 3566.8

45.96 AC. 2

46.00 AC.

GEODETIC COORDINATES

Blue Quail #1

Sand Dunes

Abandon Avalon Sand and Re-Complete Well In Brushy Canyon with 3 Stage Frac Lea County, NM 5/11/2012

Well Data:

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Location:	660' FSL & 1980' FEL Section 7, T-23-S, R-32-E
GR:	3559'
TD:	8850'
Surface Casing:	13-3/8" 48# H-40 @ 850' Cmt w/ 600 sx (circ)
Intermediate Casing:	8-5/8" 32# J-55 @ 4527' Cmt w/ 1600 sx (circ)
Production Casing:	5-1/2" 17# J-55 @ 8,849' (41 jts of N-80) Cmt w/ 450 sx DV tool @ 6,844', cmt w/ 900 sx (TOC @ 380' - CBL)
	Capacity: 0.0233 bbl/ft Burst (80% of K-55): 4,257 psi
Current PBTD:	8,810'
Perfs:	8,646'-8,666' (Avalon Sand, 32 holes, Producing)
	8,319'-8,337' (Brushy Canyon, 20 holes, Abandoned 2000)
Production Tubing:	2-7/8" 6.5# J-55 EUE 8Rd 2-7/8" 6.5# J-55 capacity = 0.0058 2-7/8" X 5-1/2" 17# annular volume = 0.0152 bbl/ft

Procedure:

- 1. Clean Location; Test anchors.
- 2. MIRU workover unit; MIUL tag joints.
- 3. If necessary, kill well with 2% KCl...keep kill truck on location as needed.
- 4. POOH w/ rods and pump; carefully inspect for any buildup and/ or rod damage; LD and replace any bad rods; R&R pump.
- 5. NDWH, NUBOP and test.

- Unseat TAC and lower tubing to tag for fill; Note # of jts to tag; POOH, tally tbg and note tag depth.
- RU Scanner and scan tubing while POOH. LD all red and green jts (do not paint red & green jts!).
- 8. PU CIBP and RIH to 8,600' and set. Dump 20' cement on top. Test.
- 9. POOH and LD tubing.

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- 10. MIRU wireline. RIH w/ perf guns and perf from 8,319'-8,500'.
- 11. POOH w/ guns and RD wireline. Verify that guns fired.
- 12. RU Frac crew. Frac stage 1 according to service company recommendation.
- 13. RU wireline. RIH and set CBP @ 8,250'. Perf from 7,693'-8,125'.
- 14. POOH w/ guns and RD wireline. Verify that guns fired.
- 15. Frac stage 2 according to service company recommendation.
- 16. RU wireline. RIH and set CBP @ 7,600'. Perf from 7,228'-7,445'.
- 17. POOH w/ guns and RD wireline. Verify that guns fired.
- 18. Frac stage 3 according to service company recommendation.
- 19. RDMO frac crew and wireline.
- 20. MIRU workover rig and work string. ND frac valve and NU BOP and function test. PU 4-3/4" bit and bit sub on 2-7/8" production string. RIH.
- 21. RU reverse unit and power swivel.
- 22. Drill out frac plugs. Clean out to 8,575' +/- PBTD.
- 23. POOH and LD BHA.
- 24. PU & RIH w/ 3-1/2" BPMAJ, perf sub, SN, and tubing.
- 25. NDBOP, NUWH.
- 26. RIH w/ gas anchor, pump, and rods. Space out, hang on, load and test. Ensure good pump action. RDMO.

Blue Quail Fed 1 30-025-33222 Enervest Operating, LLC Conditions of Approval

- 1. Contact BLM 575-393-3612 (Lea County) a minimum of 24 hours prior to setting CIBP above perforations.
- 2. 35 feet of class H cement must be bailed on top of CIBP at 8600'.
- 3. Surface disturbance beyond the originally approved pad must have prior approval.
- 4. Closed loop system required.
- 5. Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.
- 6. Subsequent sundry and completion report required.

CRW 071012

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