

JUL 10 2013

Form 3160-3
(March 2012)

Split Estate

RECEIVED

UNITED STATES

OCD Hobbs

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014BLM Lease Serial No. SHL
NMNM113422 NMNM115426

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER		7. If Unit or CA Agreement, Name and No.	
1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		8. Lease Name and Well No. <40023> Bill Federal Com #1H	
2. Name of Operator Regeneration Energy Corp.		9. API Well No. 30-025-41265	
3a. Address PO Box 210 Artesia, NM 88211-0210	3b. Phone No. (include area code) <280240> (575)736-3535	10. Field and Pool, or Exploratory <96341> Cinta rojo; delaware KZ	
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 330' FSL 1980' FEL Unit letter O (MWNE) SHL At proposed prod. zone 330' FNL 1980' FEL Unit letter B BHL		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 19 T23S R35E	
14. Distance in miles and direction from nearest town or post office* 20 miles from Jal		12. County or Parish Lea County	13. State NM
15. Distance from proposed* 330" location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No. of acres in lease 472.02 (NM113422) 279.450 (NM115426)	17. Spacing Unit dedicated to this well 160	
18. Distance from proposed location* About 1000' to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth MD:13085' TVD:8188'	20. BLM/BIA Bond No. on file NMB000764	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3394' GL	22. Approximate date work will start* 04/01/2013	23. Estimated duration 35 days	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|--|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) William Miller	Date 03/03/2013
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Title

Landman

Approved by (Signature) /s/George MacDonell	Name (Printed/Typed) /s/George MacDonell	Date JUN 28 2013
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval 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.

Conditions of approval, if any, are attached.

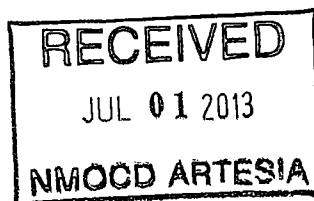
APPROVAL FOR TWO YEARS

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.

(Continued on page 2)

*(Instructions on page 2)

Capitan Controlled Water Basin

Approval Subject to General Requirements
& Special Stipulations AttachedSEE ATTACHED FOR
CONDITIONS OF APPROVAL

JUL 16 2013

dm

STATEMENT ACCEPTING RESPONSIBILITY FOR OPERATIONS

The undersigned accepts all applicable terms, conditions, stipulations, and restrictions concerning operations conducted on the leased land or portion thereof, as described below:

Date: March 6, 2013

Lease #: _____NMNM113422 NMNM115426_____
Bill Fedreal Com #1H

Legal Description: Sec. 19-T23S-R35E
Lea County, New Mexico

Formation(s): Permian

Bond Coverage: Statewide

BLM Bond File #: NMB000764

Regeneration Energy Corp.



William Miller
Land Department

Bill Federal #1H SUP

Private Ownership

The location and access road is owned by Limestone Livestock LLC.

The existing two-track road will be upgraded and location will be fenced per request by Limestone Livestock LLC. A SOPA agreement has been agreed upon with Mr. Angell and surface damages have been discussed and will be paid according to SOPA agreement. We have a good working relationship with Limestone Livestock LLC.

Limestone Livestock LLC

76 Angell Rd

Lovington NM 88260

Mr. Bill Angell

(575) 369-6303

Regeneration Energy Corp.
DRILLING AND OPERATIONS PROGRAM

Bill Federal Com #1H
Surf: 330' FSL & 1980' FEL,
BHL: 330' FNL & 1980' FEL
Section 19, T23S, R35E
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Regeneration Energy Corp. submits the following ten items of pertinent information in accordance with BLM requirements.

1. Geological surface formation: Permian
2. The estimated tops of geologic markers & estimated depths at which anticipated water, oil or gas formations are expected to be encountered are as follows:

Fresh Water	475'	
Rustler	1186'	
Top Salt	1560'	
Bottom Salt	4841'	
Delaware	5261'	Oil
TD	13100'	

No other formations are expected to give up oil, gas, or fresh water in measurable quantities.

3. Proposed Casing Program:

*****IF No Lost Circulation*****

Hole Size	Interval	OD Casing	New or Used	Wt	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17 1/2"	0' - 1500'	13 3/8"	New	54.5#	STC	J-55	1.125	1.125	1.6
12 1/4"	0' - 5160'	9 5/8"	New	40#	LTC	J-55	1.125	1.125	1.6
7 7/8"	0' - 13100'	5 1/2"	New	17#	LTC	P110	1.125	1.125	1.6

In the 9 5/8", we will have fluid with a minimum of 35% filled to protect from collapse. We are anticipating encountering a lost circulation zone around 1400' and have designed a casing program if that zone is encountered. See next page.

See
COA

*****IF Lost Circulation ~1400'*****

Hole Size	Interval	OD Casing	New or Used	Wt	Collar	Grade	Collapse Design Factor	Burst Design Factor	Tension Design Factor
17 1/2"	0' - 1600'	13 3/8"	New	54.5#	STC	J-55	1.125	1.125	1.6
12 1/4"	0' - 5150' 5180'	9 5/8"	New	40#	LTC	J-55	1.125	1.125	1.6
7 7/8"	0' - 13100'	5 1/2"	New	17#	LTC	P110	1.125	1.125	1.6

A 13 3/8" DL Stage Packer will be set 80' above loss zone with 13 3/8" csg to 200' below loss zone. In the 9 5/8", we will have fluid with a minimum of 35% filled to protect from collapse.

4. Proposed Cement Program:

If no lost circulation

- a. 13 3/8" Surf Cement to surface with 875sx "CZ" 13.5ppg yield 1.75. Tail 440 sx "C" wt 14.8 ppg yield 1.35. 100 % excess.
- b. 9 5/8" Int Cement to surface with 1100 sx "C" 11.9ppg yield 2.44. 10% excess. Tail 300 sx "C" wt 14.8ppg yield 1.34. 100% excess.
- c. 5 1/2" Prod *5180'* Cement with 450 sx "HLH" 12.5ppg yield 2.04. 10% excess. Tail 975 sx "H" wt 14.4ppg yield 1.24. 45% excess.

If lost circulation

- a. 13 3/8" Surf Cement to surface with 1st stage lead with with 200sx "Thixotropic Cement" 14.2ppg yield 1.67. Tail 350 sx "C" wt 14.8 ppg yield 1.35. 2nd stage lead with 970 sx "CZ" 13.5ppg yield 1.75. Tail in with 100 sk "C" wt 14.8 yield 1.33. 100% excess. DV tool @1320'
- b. 9 5/8" Int Cement to surface with 1000 sx "C" 11.9ppg yield 2.44. 10% excess. Tail 300 sx "C" wt 14.8ppg yield 1.34. 100% excess
- c. 5 1/2" Prod *5180'* Cement with 1st Stage lead with 205 sx "HLH" wt 12.5ppg yield 2.04. 10% excess. Tail 975sx "H" 14.4ppg yield 1.24. 10% excess. 2nd Stage lead with 830 sx "HLC" 12.5ppg yield 2.04. 50% excess. Tail in with 100 sk "C" wt 14.8 yield 1.33. 40% excess. DV Tool @8100'

Proposed Cement Program (Additives) :

****If lost circulation zone NOT encountered****

13 3/8 Surface

Fluid 1: Pump 20 bbl Gel Spacer
2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid Volume: 20 bbl

Fluid 2: Lead with 875 sks
ExtendaCem – CZ
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 13.50 lbm/gal
Slurry Yield: 1.75 ft³/sk
Total Mixing Fluid: 9.18 Gal/sk
Volume: 271.95 bbl
Proposed Sacks: 875 sks

Fluid 3: Tail-in with 440 sks
HalCem – C
2 % Calcium Chloride - Flake (Accelerator)

Fluid Weight 14.80 lbm/gal
Slurry Yield: 1.35 ft³/sk
Total Mixing Fluid: 6.39 Gal/sk
Volume: 105.56 bbl
Proposed Sacks: 440 sks

Proposed Cement Program (Additives) :

******If lost circulation zone NOT encountered******

9 5/8" Int

Fluid 1: Pump 20 bbl Gel Spacer
2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid Volume: 20 bbl

Fluid 2: Lead with 1100 sks
EconoCem – C
1 % Calcium Chloride - Flake (Accelerator)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 11.90 lbm/gal
Slurry Yield: 2.44 ft³/sk
Total Mixing Fluid: 13.91 Gal/sk
Volume: 478.04 bbl
Proposed Sacks: 1100 sks

Fluid 3: Tail-in with 300 sks
HalCem – C
1 % Calcium Chloride - Flake (Accelerator)

Fluid Weight 14.80 lbm/gal
Slurry Yield: 1.34 ft³/sk
Total Mixing Fluid: 6.36 Gal/sk
Volume: 71.39 bbl
Proposed Sacks: 300 sks

Proposed Cement Program (Additives) :

****If lost circulation zone NOT encountered****

5 ½" Prod

Fluid 1: Pump 20 bbl Gel Spacer
2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid Volume: 20 bbl

Fluid 2: Lead with 450 sks
EconoCem – HLH
3 % Salt (Salt)
0.3 % Halad(R)-322 (Low Fluid Loss Control)
3 lbm/sk Kol-Seal (Lost Circulation Additive)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)
0.3 % HR-601 (Retarder)

Fluid Weight 12.50 lbm/gal
Slurry Yield: 2.04 ft³/sk
Total Mixing Fluid: 11.02 Gal/sk
Volume: 163.26 bbl
Proposed Sacks: 450 sks

Fluid 3: Tail-in with 975 sks
VersaCem – H
0.55 % GasStop (Gas Migration Control)
0.3 % CFR-3 (Dispersant)
1 % Salt (Salt)
0.25 lbm/sk D-AIR 5000 (Defoamer)
0.1 % HR-601 (Retarder)

Fluid Weight 14.40 lbm/gal
Slurry Yield: 1.24 ft³/sk
Total Mixing Fluid: 5.51 Gal/sk
Volume: 214.46 bbl
Proposed Sacks: 975 sks

Proposed Cement Program (Additives) :

******If lost circulation zone encountered******

13 3/8" Surface

Stage 1

Fluid 1: Pump 20 bbl Gel Spacer

Fluid Volume: 20 bbl

2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid 2: Lead with 200 sks

Thixotropic Cement

94 lbm/sk Premium Plus Cement (Cement)

10 lbm/sk Cal-Seal 60 (Accelerator)

1 % Calcium Chloride - Flake (Accelerator)

10 lbm/sk Kol-Seal (Lost Circulation Additive)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 14.20 lbm/gal

Slurry Yield: 1.67 ft³/sk

Total Mixing Fluid: 7.46 Gal/sk

Volume: 59.42 bbl

Proposed Sacks: 200 sks

Fluid 3: Tail-in with 350 sks

HalCem – C

2 % Calcium Chloride - Flake (Accelerator)

Fluid Weight 14.80 lbm/gal

Slurry Yield: 1.35 ft³/sk

Total Mixing Fluid: 6.39 Gal/sk

Volume: 83.97 bbl

Proposed Sacks: 350 sks

Stage 2

Fluid 1: Pump 20 bbl Gel Spacer

Fluid Volume: 20 bbl

2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid 2: Lead with 970 sks

ExtendaCem – CZ

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 13.50 lbm/gal

Slurry Yield: 1.75 ft³/sk

Total Mixing Fluid: 9.18 Gal/sk

Volume: 301.47 bbl

Proposed Sacks: 970 sks

Fluid 3: Tail-in with 100 sks

HalCem – C

2 % Calcium Chloride - Flake (Accelerator)

Fluid Weight 14.80 lbm/gal

Slurry Yield: 1.35 ft³/sk

Total Mixing Fluid: 6.39 Gal/sk

Volume: 23.99 bbl

Proposed Sacks: 100 sks

Proposed Cement Program (Additives) :

******If lost circulation zone encountered******

9 5/8" Int

Fluid 1: Pump 20 bbl Gel Spacer
2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid Volume: 20 bbl

Fluid 2: Lead with 1000 sks
EconoCem – C
1 % Calcium Chloride - Flake (Accelerator)
0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

Fluid Weight 11.90 lbm/gal
Slurry Yield: 2.44 ft³/sk
Total Mixing Fluid: 13.91 Gal/sk
Volume: 434.58 bbl
Proposed Sacks: 1000 sks

Fluid 3: Tail-in with 300 sks
HalCem – C
1 % Calcium Chloride - Flake (Accelerator)

Fluid Weight 14.80 lbm/gal
Slurry Yield: 1.34 ft³/sk
Total Mixing Fluid: 6.36 Gal/sk
Volume: 71.39 bbl
Proposed Sacks: 300 sks

Proposed Cement Program (Additives) :

****If lost circulation zone encountered****

5 ½" Prod

Stage 1

Fluid 1: Pump 20 bbl Gel Spacer
2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid Volume: 20 bbl

Fluid 2: Lead with 205 sks

EconoCem – HLH

3 % Salt (Salt)

0.3 % Halad(R)-322 (Low Fluid Loss Control)

3 lbm/sk Kol-Seal (Lost Circulation Additive)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

0.3 % HR-601 (Retarder)

Fluid Weight 12.50 lbm/gal

Slurry Yield: 2.04 ft³/sk

Total Mixing Fluid: 11.02 Gal/sk

Volume: 74.37 bbl

Proposed Sacks: 205 sks

Fluid 3: Tail-in with 975 sks

VersaCem – H

0.55 % GasStop (Gas Migration Control)

0.3 % CFR-3 (Dispersant)

1 % Salt (Salt)

0.25 lbm/sk D-AIR 5000 (Defoamer)

0.1 % HR-601 (Retarder)

Fluid Weight 14.40 lbm/gal

Slurry Yield: 1.24 ft³/sk

Total Mixing Fluid: 5.51 Gal/sk

Volume: 214.46 bbl

Proposed Sacks: 975 sks

Stage 2

Fluid 1: Pump 20 bbl Gel Spacer
2.5 lbm/bbl WG-19 (Gelling Agent)

Fluid Volume: 20 bbl

Fluid 2: Lead with 830 sks

EconoCem – HLH

3 % Salt (Salt)

0.3 % Halad(R)-322 (Low Fluid Loss Control)

3 lbm/sk Kol-Seal (Lost Circulation Additive)

0.125 lbm/sk Poly-E-Flake (Lost Circulation Additive)

0.3 % HR-601 (Retarder)

Fluid Weight 12.50 lbm/gal

Slurry Yield: 2.04 ft³/sk

Total Mixing Fluid: 11.02 Gal/sk

Volume: 301.13 bbl

Proposed Sacks: 830 sks

Fluid 3: Tail-in with 100 sks

HalCem – C

Fluid Weight 14.80 lbm/gal

Slurry Yield: 1.33 ft³/sk

Total Mixing Fluid: 6.34 Gal/sk

Volume: 23.62 bbl

Proposed Sacks: 100 sks

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement on the production string is designed to reach approximately 200' above the 9 5/8" casing shoe. The surface casing shoe shall be set in the anhydrite to ensure adequate sealing. **All casing is new and API approved.**

6. Minimum Specifications for Pressure Control:

see COF

Nipple up on 13 3/8" casing with a 2M system (Hydril) and test to 50% by independent tester, nipple up on 9 5/8" with 3M system & test to 3000# with independent tester.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a Kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

7. Estimated BHP: 3785 psi.

8. Mud Program: The applicable depths and properties of this system are as follows:

If no lost circulation

Depth	Type System	Mud Weight	Viscosity (sec)	Waterloss (cc)
0' - 1500'	Fresh Water	8.4 - 8.6	29	N.C.
1500' - 5160'	Brine	9.9 - 10.0	29	N.C.
5160' - 13100'	Cut Brine	8.8 - 9.0	29	N.C.

13085

If lost circulation

Depth	Type System	Mud Weight	Viscosity (sec)	Waterloss (cc)
0' - 1600'	Fresh Water	8.4 - 8.6	29	N.C.
1600' - 5160'	Brine	9.9 - 10.0	29	N.C.
5160' - 13100'	Cut Brine	8.8 - 9.0	29	N.C.

13085

- The necessary mud products for weight addition and fluid loss control will be on location at all times.
- A visual and electronic mud monitoring system will be rigged up prior to spud to detect changes in the volume of mud system. The electronic system consists of a pit volume totalizer, stroke counter and flow sensor at flow line.
- If weight and/or viscosity are introduced to the mud system a daily mud check will be performed by mud contractor, along with tourly check by rig personnel.
- After setting intermediate casing, a third party gas unit detection system will be installed at the flow line.

9. Auxiliary Well Control and Monitoring Equipment:

- a. A Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connections will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 13 3/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 13 3/8" shoe until total depth is reached.

See
SCOA

10. Testing, Logging and Coring Program:

- a. Drill stem tests will be based on geological sample shows.
- b. The open hole electrical logging program will be:
 - i. Total Depth to Intermediate Casing: Dual Laterolog-Micro Laterolog and Gamma Ray. Compensated Neutron – Z Density log with Gamma Ray and Caliper.
 - ii. Total Depth to Surface: Compensated Neutron with Gamma Ray
 - iii. No coring program is planned
 - iv. Additional testing will be initiated subsequent to setting the 5 1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

11. Potential Hazards:

- a. No abnormal pressures or temperatures are expected. There is no known presence of H2S in this area. If H2S is encountered the operator will comply with the provisions of Onshore Oil and Gas Order No. 6. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used to drill this well. Estimated BHP: 3785 psi. Estimated BHT: 135°. No H2S is anticipated to be encountered.

12. Anticipated starting date and Duration of Operations:

- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as possible after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 45 days.

Regeneration Energy Corporation

Lea County, NM

Bill Federal Com

#1H

OH

Plan: Plan #1

Standard Planning Report

27 February, 2013

Planning Report

Database:	Houston R5000 Database	Local Co-ordinate Reference:	Well #1H
Company:	Regeneration Energy Corporation	TVD Reference:	WELL @ 3411.0usft (17' KB)
Project:	Lea County, NM	MD Reference:	WELL @ 3411.0usft (17' KB)
Site:	Bill Federal Com	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

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

Site	Bill Federal Com		
Site Position:		Northing:	468,145.60 usft
From:	Map	Easting:	787,168.20 usft
Position Uncertainty:	2.0 usft	Slot Radius:	7-7/8 "
		Latitude:	32° 17' 1.067 N
		Longitude:	103° 24' 14.811 W
		Grid Convergence:	0.50 °

Well	#1H		
Well Position	+N/-S	0.0 usft	Northing: 468,145.60 usft
	+E/-W	0.0 usft	Easting: 787,168.20 usft
Position Uncertainty	0.0 usft	Wellhead Elevation:	Ground Level: 3,394.0 usft

Wellbore	OH		
Magnetics	Model Name	Sample Date	Declination
			(°)
	IGRF2010	2/27/2013	7.30
			Dip Angle (°)
			60.23
			Field Strength (nT)
			48,500

Design:	Plan #1		
Audit Notes:			
Version:	Phase:	PLAN	Tie On Depth: 0.0
Vertical Section:	Depth From (TVD)	+N/-S	+E/-W
	(usft)	(usft)	(usft)
	0.0	0.0	0.0
			Direction (°)
			359.44

Plan Sections:										
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
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
8,188.5	0.00	0.00	8,188.5	0.0	0.0	0.00	0.00	0.00	0.00	
8,938.6	90.00	359.44	8,666.0	477.5	-4.7	12.00	12.00	0.00	359.44	
13,085.2	90.00	359.44	8,666.0	4,623.9	-45.2	0.00	0.00	0.00	0.00	PBHL (B#1H)

Planning Report

Database:	Houston R5000 Database	Local Co-ordinate Reference:	Well #1H
Company:	Regeneration Energy Corporation	TVD Reference:	WELL @ 3411.0usft (17' KB)
Project:	Lea County, NM	MD Reference:	WELL @ 3411.0usft (17' KB)
Site:	Bill Federal Com	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	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)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	0.00	0.00	500.0	0.0	0.0	0.0	0.00	0.00	0.00
600.0	0.00	0.00	600.0	0.0	0.0	0.0	0.00	0.00	0.00
700.0	0.00	0.00	700.0	0.0	0.0	0.0	0.00	0.00	0.00
800.0	0.00	0.00	800.0	0.0	0.0	0.0	0.00	0.00	0.00
900.0	0.00	0.00	900.0	0.0	0.0	0.0	0.00	0.00	0.00
1,000.0	0.00	0.00	1,000.0	0.0	0.0	0.0	0.00	0.00	0.00
1,100.0	0.00	0.00	1,100.0	0.0	0.0	0.0	0.00	0.00	0.00
1,200.0	0.00	0.00	1,200.0	0.0	0.0	0.0	0.00	0.00	0.00
1,300.0	0.00	0.00	1,300.0	0.0	0.0	0.0	0.00	0.00	0.00
1,400.0	0.00	0.00	1,400.0	0.0	0.0	0.0	0.00	0.00	0.00
1,500.0	0.00	0.00	1,500.0	0.0	0.0	0.0	0.00	0.00	0.00
1,600.0	0.00	0.00	1,600.0	0.0	0.0	0.0	0.00	0.00	0.00
1,700.0	0.00	0.00	1,700.0	0.0	0.0	0.0	0.00	0.00	0.00
1,800.0	0.00	0.00	1,800.0	0.0	0.0	0.0	0.00	0.00	0.00
1,900.0	0.00	0.00	1,900.0	0.0	0.0	0.0	0.00	0.00	0.00
2,000.0	0.00	0.00	2,000.0	0.0	0.0	0.0	0.00	0.00	0.00
2,100.0	0.00	0.00	2,100.0	0.0	0.0	0.0	0.00	0.00	0.00
2,200.0	0.00	0.00	2,200.0	0.0	0.0	0.0	0.00	0.00	0.00
2,300.0	0.00	0.00	2,300.0	0.0	0.0	0.0	0.00	0.00	0.00
2,400.0	0.00	0.00	2,400.0	0.0	0.0	0.0	0.00	0.00	0.00
2,500.0	0.00	0.00	2,500.0	0.0	0.0	0.0	0.00	0.00	0.00
2,600.0	0.00	0.00	2,600.0	0.0	0.0	0.0	0.00	0.00	0.00
2,700.0	0.00	0.00	2,700.0	0.0	0.0	0.0	0.00	0.00	0.00
2,800.0	0.00	0.00	2,800.0	0.0	0.0	0.0	0.00	0.00	0.00
2,900.0	0.00	0.00	2,900.0	0.0	0.0	0.0	0.00	0.00	0.00
3,000.0	0.00	0.00	3,000.0	0.0	0.0	0.0	0.00	0.00	0.00
3,100.0	0.00	0.00	3,100.0	0.0	0.0	0.0	0.00	0.00	0.00
3,200.0	0.00	0.00	3,200.0	0.0	0.0	0.0	0.00	0.00	0.00
3,300.0	0.00	0.00	3,300.0	0.0	0.0	0.0	0.00	0.00	0.00
3,400.0	0.00	0.00	3,400.0	0.0	0.0	0.0	0.00	0.00	0.00
3,500.0	0.00	0.00	3,500.0	0.0	0.0	0.0	0.00	0.00	0.00
3,600.0	0.00	0.00	3,600.0	0.0	0.0	0.0	0.00	0.00	0.00
3,700.0	0.00	0.00	3,700.0	0.0	0.0	0.0	0.00	0.00	0.00
3,800.0	0.00	0.00	3,800.0	0.0	0.0	0.0	0.00	0.00	0.00
3,900.0	0.00	0.00	3,900.0	0.0	0.0	0.0	0.00	0.00	0.00
4,000.0	0.00	0.00	4,000.0	0.0	0.0	0.0	0.00	0.00	0.00
4,100.0	0.00	0.00	4,100.0	0.0	0.0	0.0	0.00	0.00	0.00
4,200.0	0.00	0.00	4,200.0	0.0	0.0	0.0	0.00	0.00	0.00
4,300.0	0.00	0.00	4,300.0	0.0	0.0	0.0	0.00	0.00	0.00
4,400.0	0.00	0.00	4,400.0	0.0	0.0	0.0	0.00	0.00	0.00
4,500.0	0.00	0.00	4,500.0	0.0	0.0	0.0	0.00	0.00	0.00
4,600.0	0.00	0.00	4,600.0	0.0	0.0	0.0	0.00	0.00	0.00
4,700.0	0.00	0.00	4,700.0	0.0	0.0	0.0	0.00	0.00	0.00
4,800.0	0.00	0.00	4,800.0	0.0	0.0	0.0	0.00	0.00	0.00
4,900.0	0.00	0.00	4,900.0	0.0	0.0	0.0	0.00	0.00	0.00
5,000.0	0.00	0.00	5,000.0	0.0	0.0	0.0	0.00	0.00	0.00
5,100.0	0.00	0.00	5,100.0	0.0	0.0	0.0	0.00	0.00	0.00
5,200.0	0.00	0.00	5,200.0	0.0	0.0	0.0	0.00	0.00	0.00
5,300.0	0.00	0.00	5,300.0	0.0	0.0	0.0	0.00	0.00	0.00

Planning Report

Database:	Houston R5000 Database	Local Co-ordinate Reference:	Well #1H
Company:	Regeneration Energy Corporation	TVD Reference:	WELL @ 3411.0usft (17' KB)
Project:	Lea County, NM	MD Reference:	WELL @ 3411.0usft (17' KB)
Site:	Bill Federal Com	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	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)
5,400.0	0.00	0.00	5,400.0	0.0	0.0	0.0	0.00	0.00	0.00
5,500.0	0.00	0.00	5,500.0	0.0	0.0	0.0	0.00	0.00	0.00
5,600.0	0.00	0.00	5,600.0	0.0	0.0	0.0	0.00	0.00	0.00
5,700.0	0.00	0.00	5,700.0	0.0	0.0	0.0	0.00	0.00	0.00
5,800.0	0.00	0.00	5,800.0	0.0	0.0	0.0	0.00	0.00	0.00
5,900.0	0.00	0.00	5,900.0	0.0	0.0	0.0	0.00	0.00	0.00
6,000.0	0.00	0.00	6,000.0	0.0	0.0	0.0	0.00	0.00	0.00
6,100.0	0.00	0.00	6,100.0	0.0	0.0	0.0	0.00	0.00	0.00
6,200.0	0.00	0.00	6,200.0	0.0	0.0	0.0	0.00	0.00	0.00
6,300.0	0.00	0.00	6,300.0	0.0	0.0	0.0	0.00	0.00	0.00
6,400.0	0.00	0.00	6,400.0	0.0	0.0	0.0	0.00	0.00	0.00
6,500.0	0.00	0.00	6,500.0	0.0	0.0	0.0	0.00	0.00	0.00
6,600.0	0.00	0.00	6,600.0	0.0	0.0	0.0	0.00	0.00	0.00
6,700.0	0.00	0.00	6,700.0	0.0	0.0	0.0	0.00	0.00	0.00
6,800.0	0.00	0.00	6,800.0	0.0	0.0	0.0	0.00	0.00	0.00
6,900.0	0.00	0.00	6,900.0	0.0	0.0	0.0	0.00	0.00	0.00
7,000.0	0.00	0.00	7,000.0	0.0	0.0	0.0	0.00	0.00	0.00
7,100.0	0.00	0.00	7,100.0	0.0	0.0	0.0	0.00	0.00	0.00
7,200.0	0.00	0.00	7,200.0	0.0	0.0	0.0	0.00	0.00	0.00
7,300.0	0.00	0.00	7,300.0	0.0	0.0	0.0	0.00	0.00	0.00
7,400.0	0.00	0.00	7,400.0	0.0	0.0	0.0	0.00	0.00	0.00
7,500.0	0.00	0.00	7,500.0	0.0	0.0	0.0	0.00	0.00	0.00
7,600.0	0.00	0.00	7,600.0	0.0	0.0	0.0	0.00	0.00	0.00
7,700.0	0.00	0.00	7,700.0	0.0	0.0	0.0	0.00	0.00	0.00
7,800.0	0.00	0.00	7,800.0	0.0	0.0	0.0	0.00	0.00	0.00
7,900.0	0.00	0.00	7,900.0	0.0	0.0	0.0	0.00	0.00	0.00
8,000.0	0.00	0.00	8,000.0	0.0	0.0	0.0	0.00	0.00	0.00
8,100.0	0.00	0.00	8,100.0	0.0	0.0	0.0	0.00	0.00	0.00
8,188.5	0.00	0.00	8,188.5	0.0	0.0	0.0	0.00	0.00	0.00
KOP - 8188.5' MD, 8188.5' TVD									
8,200.0	1.38	359.44	8,200.0	0.1	0.0	0.1	12.00	12.00	0.00
8,225.0	4.38	359.44	8,225.0	1.4	0.0	1.4	12.00	12.00	0.00
8,250.0	7.38	359.44	8,249.8	4.0	0.0	4.0	12.00	12.00	0.00
8,275.0	10.38	359.44	8,274.5	7.8	-0.1	7.8	12.00	12.00	0.00
8,300.0	13.38	359.44	8,299.0	13.0	-0.1	13.0	12.00	12.00	0.00
8,325.0	16.38	359.44	8,323.1	19.4	-0.2	19.4	12.00	12.00	0.00
8,350.0	19.38	359.44	8,346.9	27.1	-0.3	27.1	12.00	12.00	0.00
8,375.0	22.38	359.44	8,370.3	36.0	-0.4	36.0	12.00	12.00	0.00
8,400.0	25.38	359.44	8,393.2	46.1	-0.5	46.1	12.00	12.00	0.00
8,425.0	28.38	359.44	8,415.4	57.4	-0.6	57.4	12.00	12.00	0.00
8,450.0	31.38	359.44	8,437.1	69.8	-0.7	69.8	12.00	12.00	0.00
8,475.0	34.38	359.44	8,458.1	83.4	-0.8	83.4	12.00	12.00	0.00
8,500.0	37.38	359.44	8,478.4	98.0	-1.0	98.1	12.00	12.00	0.00
8,525.0	40.38	359.44	8,497.8	113.7	-1.1	113.7	12.00	12.00	0.00
8,550.0	43.38	359.44	8,516.4	130.4	-1.3	130.4	12.00	12.00	0.00
8,575.0	46.38	359.44	8,534.2	148.1	-1.4	148.1	12.00	12.00	0.00
8,600.0	49.38	359.44	8,550.9	166.6	-1.6	166.6	12.00	12.00	0.00
8,625.0	52.38	359.44	8,566.7	186.0	-1.8	186.0	12.00	12.00	0.00
8,650.0	55.38	359.44	8,581.4	206.2	-2.0	206.2	12.00	12.00	0.00
8,675.0	58.38	359.44	8,595.1	227.1	-2.2	227.1	12.00	12.00	0.00
8,700.0	61.38	359.44	8,607.6	248.7	-2.4	248.7	12.00	12.00	0.00
8,725.0	64.38	359.44	8,619.0	271.0	-2.6	271.0	12.00	12.00	0.00
8,750.0	67.38	359.44	8,629.3	293.8	-2.9	293.8	12.00	12.00	0.00

Planning Report

Database:	Houston R5000 Database	Local Co-ordinate Reference:	Well #1H
Company:	Regeneration Energy Corporation	TVD Reference:	WELL @ 3411.0usft (17' KB)
Project:	Lea County, NM	MD Reference:	WELL @ 3411.0usft (17' KB)
Site:	Bill Federal Com	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	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)
8,775.0	70.37	359.44	8,638.3	317.1	-3.1	317.1	12.00	12.00	0.00
8,800.0	73.37	359.44	8,646.0	340.9	-3.3	340.9	12.00	12.00	0.00
8,825.0	76.37	359.44	8,652.6	365.0	-3.6	365.0	12.00	12.00	0.00
8,850.0	79.37	359.44	8,657.8	389.4	-3.8	389.5	12.00	12.00	0.00
8,875.0	82.37	359.44	8,661.8	414.1	-4.0	414.1	12.00	12.00	0.00
8,900.0	85.37	359.44	8,664.4	439.0	-4.3	439.0	12.00	12.00	0.00
8,925.0	88.37	359.44	8,665.8	463.9	-4.5	463.9	12.00	12.00	0.00
8,938.6	90.00	359.44	8,666.0	477.5	-4.7	477.5	11.96	11.96	0.00
EOC - 8938.6' MD, 8666.0' TVD, 90.00° INC, 477.5' VS									
9,000.0	90.00	359.44	8,666.0	538.9	-5.3	538.9	0.00	0.00	0.00
9,100.0	90.00	359.44	8,666.0	638.9	-6.2	638.9	0.00	0.00	0.00
9,200.0	90.00	359.44	8,666.0	738.9	-7.2	738.9	0.00	0.00	0.00
9,300.0	90.00	359.44	8,666.0	838.9	-8.2	838.9	0.00	0.00	0.00
9,400.0	90.00	359.44	8,666.0	938.9	-9.2	938.9	0.00	0.00	0.00
9,500.0	90.00	359.44	8,666.0	1,038.9	-10.2	1,038.9	0.00	0.00	0.00
9,600.0	90.00	359.44	8,666.0	1,138.9	-11.1	1,138.9	0.00	0.00	0.00
9,700.0	90.00	359.44	8,666.0	1,238.9	-12.1	1,238.9	0.00	0.00	0.00
9,800.0	90.00	359.44	8,666.0	1,338.9	-13.1	1,338.9	0.00	0.00	0.00
9,900.0	90.00	359.44	8,666.0	1,438.9	-14.1	1,438.9	0.00	0.00	0.00
10,000.0	90.00	359.44	8,666.0	1,538.9	-15.0	1,538.9	0.00	0.00	0.00
10,100.0	90.00	359.44	8,666.0	1,638.9	-16.0	1,638.9	0.00	0.00	0.00
10,200.0	90.00	359.44	8,666.0	1,738.9	-17.0	1,738.9	0.00	0.00	0.00
10,300.0	90.00	359.44	8,666.0	1,838.9	-18.0	1,838.9	0.00	0.00	0.00
10,400.0	90.00	359.44	8,666.0	1,938.9	-19.0	1,938.9	0.00	0.00	0.00
10,500.0	90.00	359.44	8,666.0	2,038.8	-19.9	2,038.9	0.00	0.00	0.00
10,600.0	90.00	359.44	8,666.0	2,138.8	-20.9	2,138.9	0.00	0.00	0.00
10,700.0	90.00	359.44	8,666.0	2,238.8	-21.9	2,238.9	0.00	0.00	0.00
10,800.0	90.00	359.44	8,666.0	2,338.8	-22.9	2,338.9	0.00	0.00	0.00
10,900.0	90.00	359.44	8,666.0	2,438.8	-23.8	2,438.9	0.00	0.00	0.00
11,000.0	90.00	359.44	8,666.0	2,538.8	-24.8	2,538.9	0.00	0.00	0.00
11,100.0	90.00	359.44	8,666.0	2,638.8	-25.8	2,638.9	0.00	0.00	0.00
11,200.0	90.00	359.44	8,666.0	2,738.8	-26.8	2,738.9	0.00	0.00	0.00
11,300.0	90.00	359.44	8,666.0	2,838.8	-27.7	2,838.9	0.00	0.00	0.00
11,400.0	90.00	359.44	8,666.0	2,938.8	-28.7	2,938.9	0.00	0.00	0.00
11,500.0	90.00	359.44	8,666.0	3,038.8	-29.7	3,038.9	0.00	0.00	0.00
11,600.0	90.00	359.44	8,666.0	3,138.8	-30.7	3,138.9	0.00	0.00	0.00
11,700.0	90.00	359.44	8,666.0	3,238.8	-31.7	3,238.9	0.00	0.00	0.00
11,800.0	90.00	359.44	8,666.0	3,338.8	-32.6	3,338.9	0.00	0.00	0.00
11,900.0	90.00	359.44	8,666.0	3,438.8	-33.6	3,438.9	0.00	0.00	0.00
12,000.0	90.00	359.44	8,666.0	3,538.8	-34.6	3,538.9	0.00	0.00	0.00
12,100.0	90.00	359.44	8,666.0	3,638.8	-35.6	3,638.9	0.00	0.00	0.00
12,200.0	90.00	359.44	8,666.0	3,738.8	-36.5	3,738.9	0.00	0.00	0.00
12,300.0	90.00	359.44	8,666.0	3,838.8	-37.5	3,838.9	0.00	0.00	0.00
12,400.0	90.00	359.44	8,666.0	3,938.8	-38.5	3,938.9	0.00	0.00	0.00
12,500.0	90.00	359.44	8,666.0	4,038.8	-39.5	4,038.9	0.00	0.00	0.00
12,600.0	90.00	359.44	8,666.0	4,138.7	-40.5	4,138.9	0.00	0.00	0.00
12,700.0	90.00	359.44	8,666.0	4,238.7	-41.4	4,238.9	0.00	0.00	0.00
12,800.0	90.00	359.44	8,666.0	4,338.7	-42.4	4,338.9	0.00	0.00	0.00
12,900.0	90.00	359.44	8,666.0	4,438.7	-43.4	4,438.9	0.00	0.00	0.00
13,000.0	90.00	359.44	8,666.0	4,538.7	-44.4	4,538.9	0.00	0.00	0.00
13,085.2	90.00	359.44	8,666.0	4,623.9	-45.2	4,624.1	0.00	0.00	0.00

TD @ 13085.2' MD, 8666.0' TVD

Planning Report

Database:	Houston R5000 Database	Local Co-ordinate Reference:	Well #1H
Company:	Regeneration Energy Corporation	TVD Reference:	WELL @ 3411.0usft (17' KB)
Project:	Lea County, NM	MD Reference:	WELL @ 3411.0usft (17' KB)
Site:	Bill Federal Com	North Reference:	Grid
Well:	#1H	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

Design Targets									
Target Name	Dip Angle	Dip Dir.	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
- hit/miss target	(°)	(°)	(usft)	(usft)	(usft)	(usft)	(usft)		
- Shape									
PBHL (B#1H)	0.00	0.00	8,666.0	4,623.9	-45.4	472,769.50	787,122.80	32° 17' 46.824 N	103° 24' 14.874 W
- plan misses target center by 0.2usft at 13085.2usft MD (8666.0 TVD, 4623.9 N, -45.2 E)									
- Point									

Plan Annotations				
Measured Depth	Vertical Depth	Local Coordinates		Comment
(usft)	(usft)	+N/-S (usft)	+E/-W (usft)	
8,188.5	8,188.5	0.0	0.0	KOP - 8188.5' MD, 8188.5' TVD
8,938.6	8,666.0	477.5	-4.7	EOC - 8938.6' MD, 8666.0' TVD, 90.00° INC, 477.5' VS
13,085.2	8,666.0	4,623.9	-45.2	TD @ 13085.2' MD, 8666.0' TVD

Regeneration Energy Corporation
 Project: Lea County, NM
 Site: Bill Federal Com
 Well: #1H
 Wellbore: OH
 Plan: Plan #1 (#1H/OH)

WELL DETAILS: #1H

Ground Elevation:: 3394.0
 RKB Elevation: WELL @ 3411.0usft (17' KB)
 Rig Name: 17' KB

Surface Hole Location
 Northing 468145.60 Easting 787168.20 Latitude 32° 17' 1.067 N Longitude 103° 24' 14.811 W



Azimuths to Grid North
 True North: -0.50°
 Magnetic North: 6.81°
 Magnetic Field
 Strength: 48500.1snT
 Dip Angle: 60.23°
 Date: 2/27/2013
 Model: IGRF2010

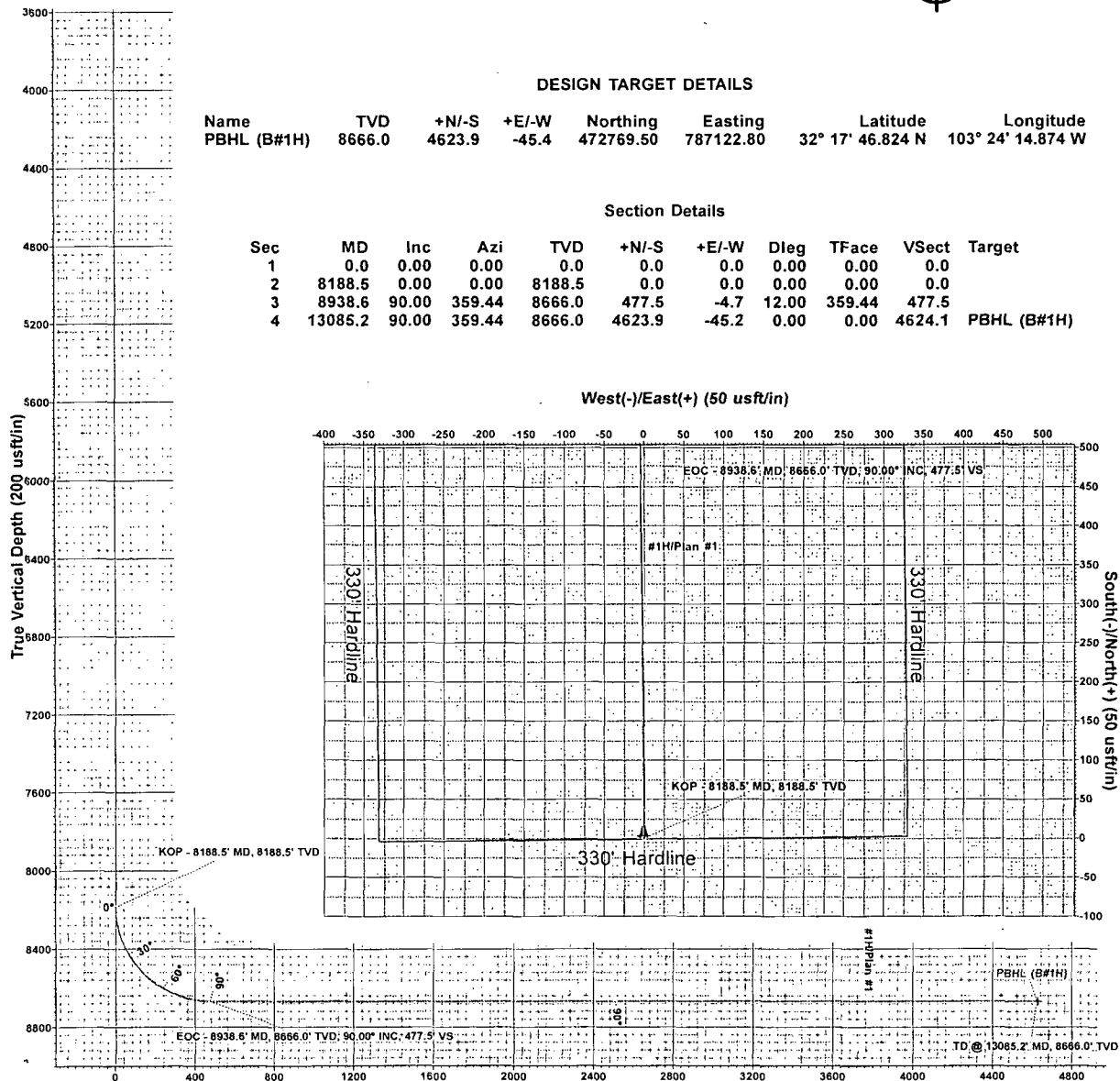
DESIGN TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude
PBHL (B#1H)	8666.0	4623.9	-45.4	472769.50	787122.80	32° 17' 46.824 N	103° 24' 14.874 W

Section Details

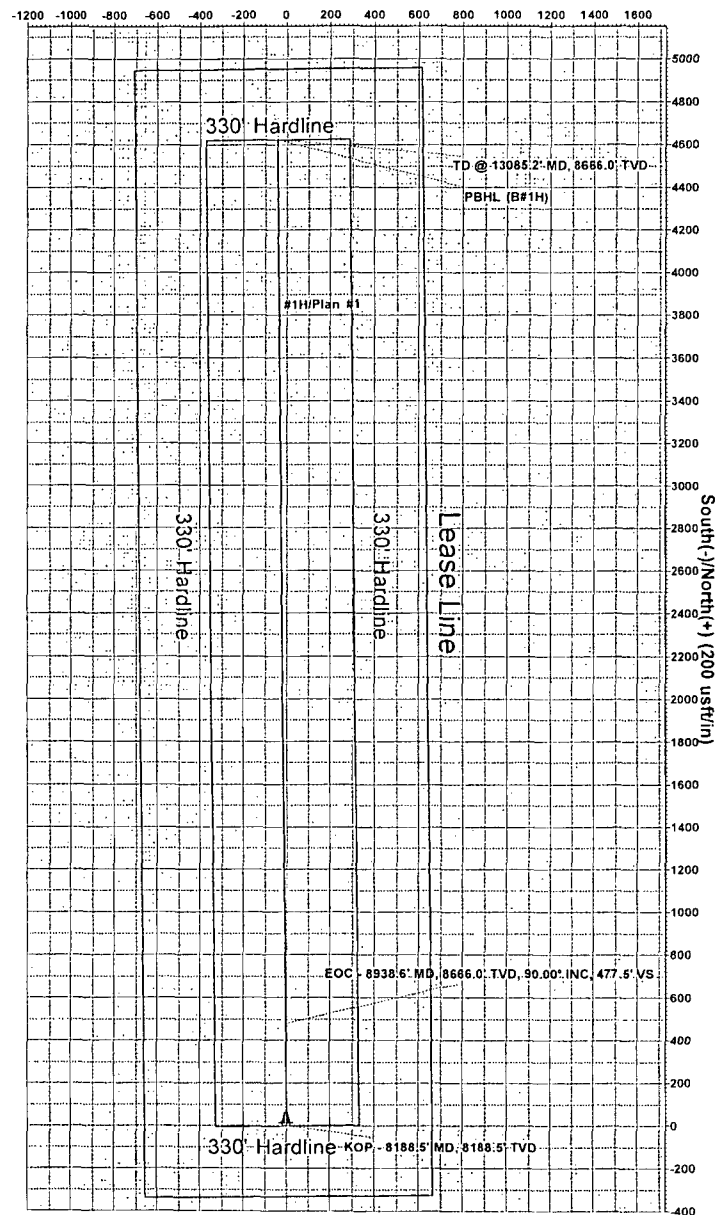
Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	Dleg	TFace	VSect	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	8188.5	0.00	0.00	8188.5	0.0	0.0	0.00	0.00	0.0	
3	8938.6	90.00	359.44	8666.0	477.5	-4.7	12.00	359.44	477.5	
4	13085.2	90.00	359.44	8666.0	4623.9	-45.2	0.00	0.00	4624.1	PBHL (B#1H)

West(-)/East(+) (50 usft/in)



Vertical Section at 359.44° (200 usft/in)

West(-)/East(+) (200 usft/in)



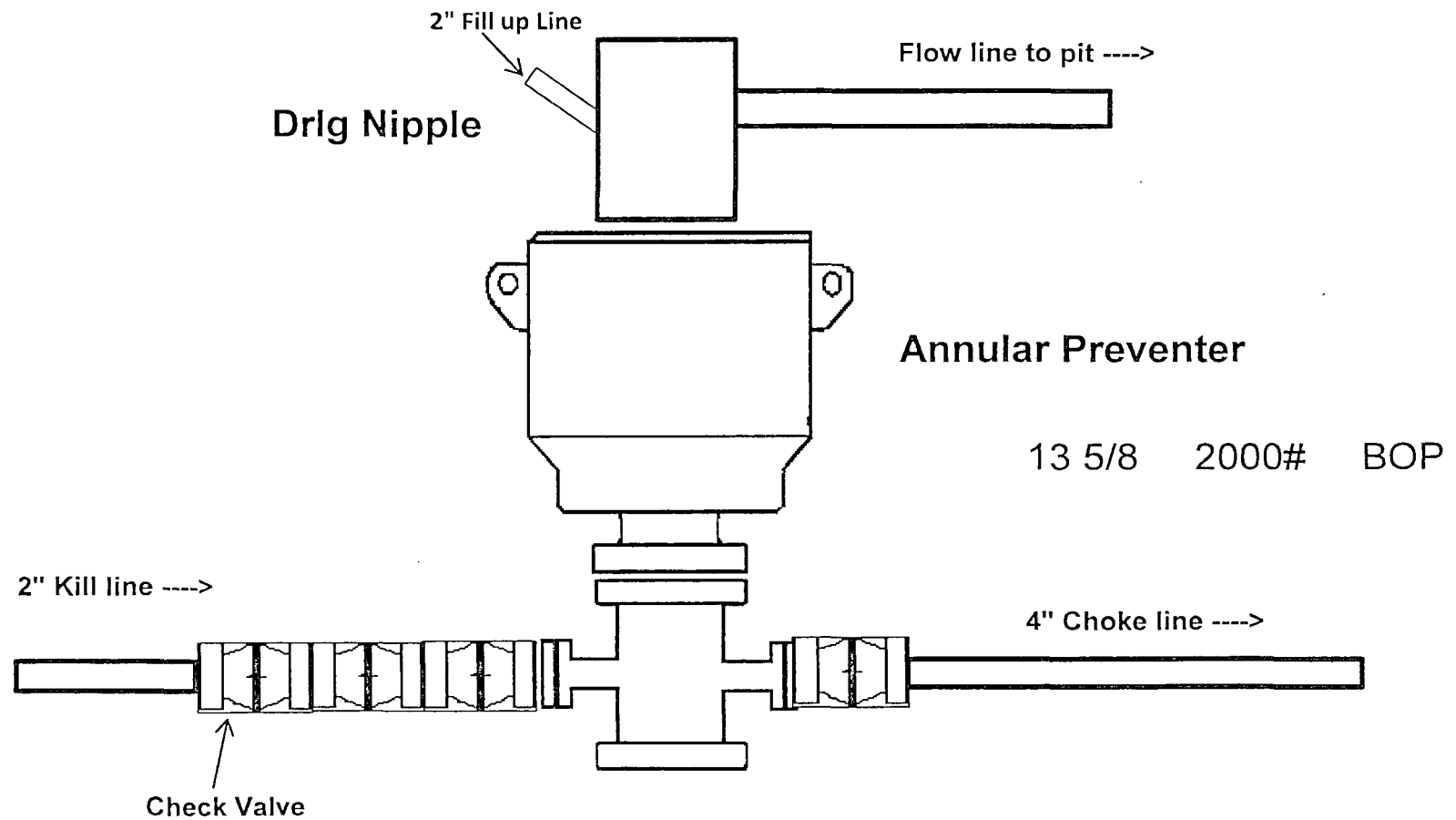
PROJECT DETAILS: Lea County, NM
 Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: New Mexico East 3001
 System Datum: Mean Sea Level
 Local North: Grid



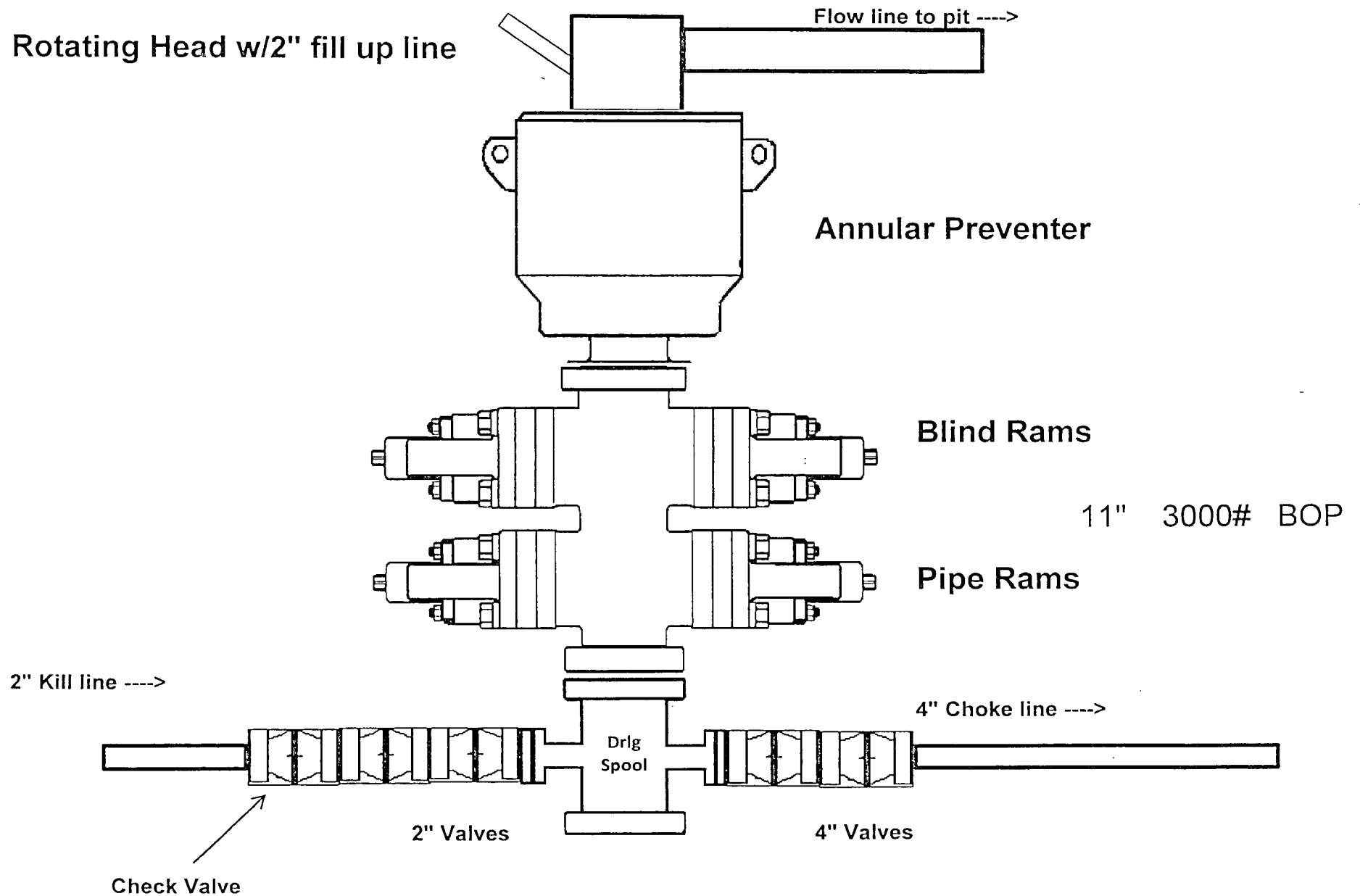
Crescent Directional Drilling
 7715 West Industrial Ave. Midland, Tx 79706
 Phone: 432-618-1135

Plan: Plan #1 (#1H/OH)
 Created By: Matt Higgins Date: 10:51, February 27 2013

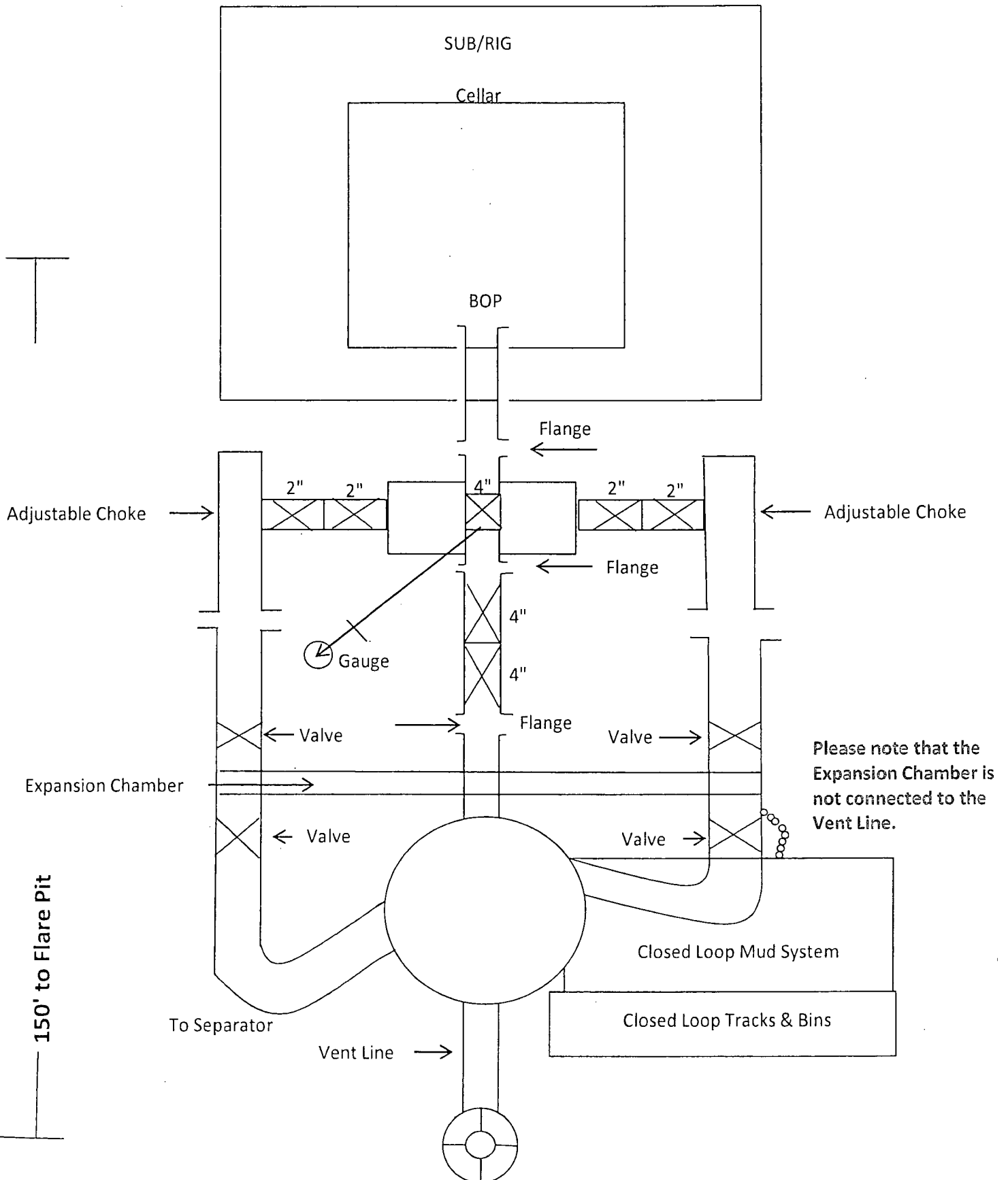
2,000 psi BOP Schematic



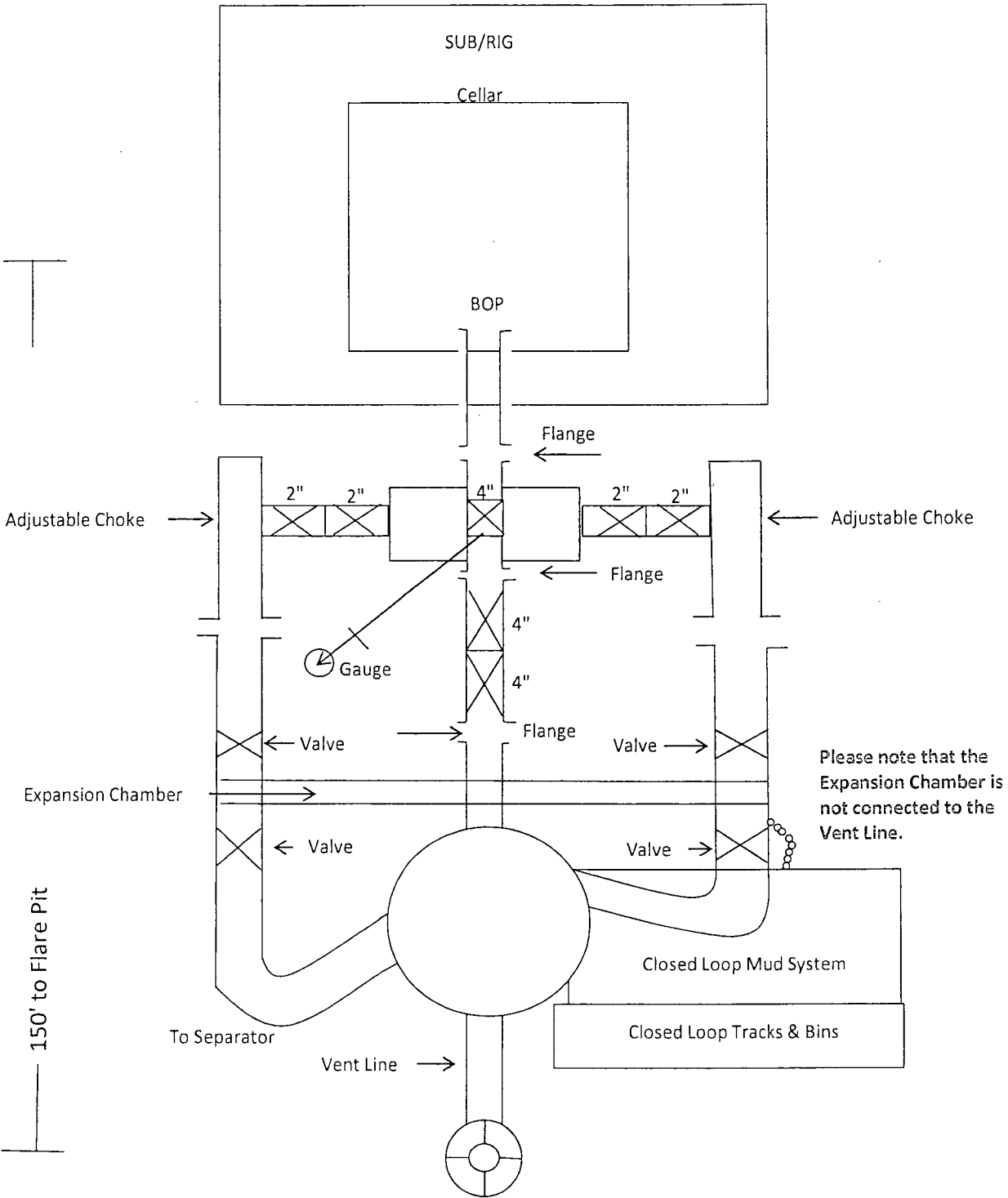
3,000 psi BOP Schematic



2M Choke Manifold Equipment



3M Choke Manifold Equipment



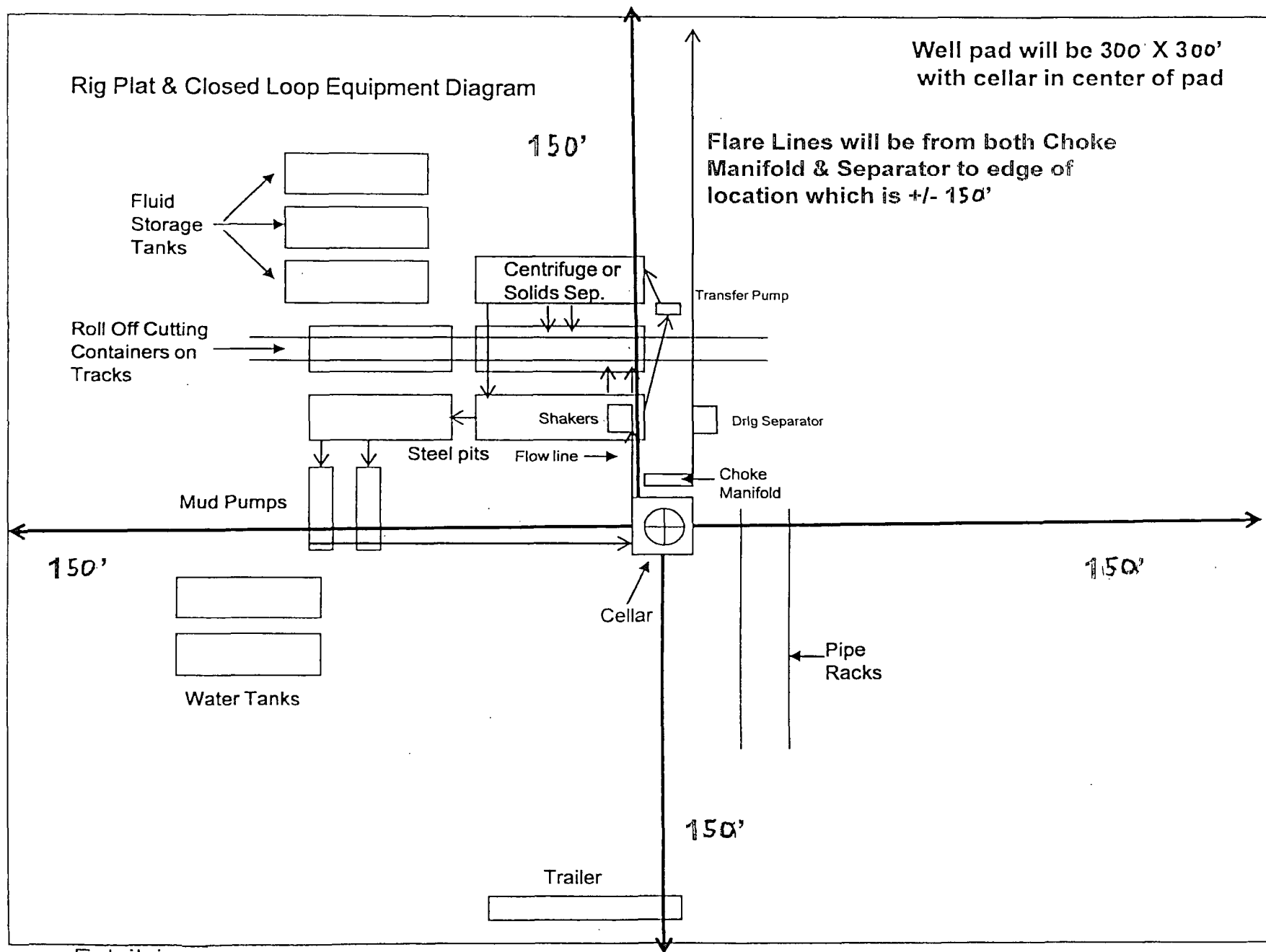


Exhibit 3