

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

New Mexico Oil Conservation Division, District 1
1625 N. French Drive
Hobbs, NM 88240

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.

5. Lease Serial No.
NMLC-062178

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2 **HOBBS OCD**

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

DEC 02 2013

2. Name of Operator
EOR Operating Company

7. If Unit of CA/Agreement, Name and/or No.
Milnesand Unit

8. Well Name and No.
#524

9. API Well No.
30-041-20649

3a. Address
200 N. Loraine, STE 1440
Midland, TX 79701

3b. Phone No. (include area code)
432-242-4544

10. Field and Pool or Exploratory Area
Milnesand-San Andres

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1360 FNL & 90 FEL
Sec. 13, T. 08S, R. 34E

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			
☒ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☐ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☒ Other <u>Recomplete</u>
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	<u>Horizontally</u>
	☐ Convert to Injection	☐ Plug Back	☐ 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 #524 is currently producing from the San Andres perforations located @ 4536'-4568', 4576'-4616' & 4624'-4626'. Current PBD 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 Production/Regulatory Mgr

Signature

Date 11/05/2013

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/S/ DAVID R. GLASS

PETROLEUM ENGINEER

Title

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)

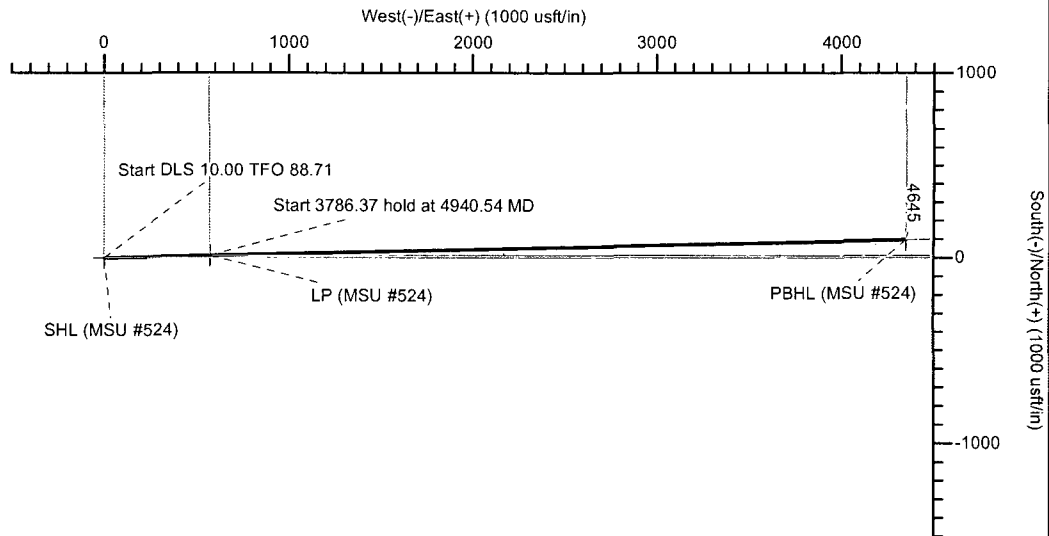
DEC 19 2013

Enhanced Oil Resources, Inc

Project: Roosevelt County, NM
 Site: Milnesand Unit
 Well: #524
 Wellbore: OH
 Design: Plan #1

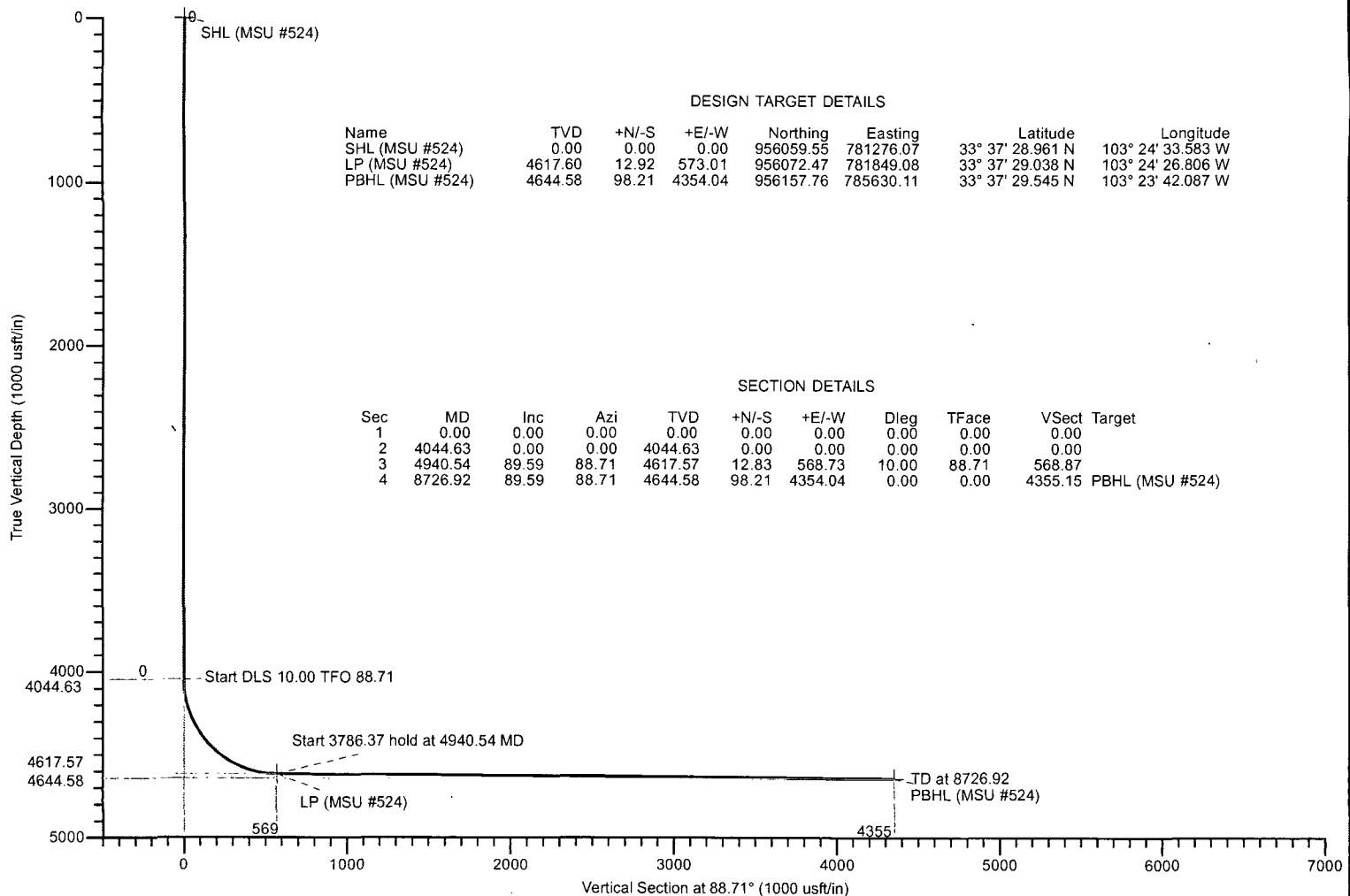


Azimuths to Grid North
 True North: -0.51°
 Magnetic North: 6.92°
 Magnetic Field
 Strength: 49213.4snT
 Dip Angle: 61.44°
 Date: 11/8/2013
 Model: BGM2013



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



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

Plan: Plan #1 (#524/OH)
 Milnesand Unit
 Created By: Dustin Childers
 Date: 10:56, November 08 2013
 Approved: _____
 Date: _____

LEAM Drilling Systems LLC

Planning Report

HOBBS.OCD

DEC 02 2013

RECEIVED

Database:	EDM 5000.1 Multi_User Db	Local Co-ordinate Reference:	Well #524
Company:	Enhanced Oil Resources, Inc	TVD Reference:	GE 4239.7' + KB 22' @ 4261.70usft (Original Well Elev)
Project:	Roosevelt County, NM	MD Reference:	GE 4239.7' + KB 22' @ 4261.70usft (Original Well Elev)
Site:	Milnesand Unit	North Reference:	Grid
Well:	#524	Survey Calculation Method:	Minimum Curvature
Wellbore:	OH		
Design:	Plan #1		

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

Well	#524		
Well Position	+N/-S	6,509.34 usft	Northing:
	+E/-W	-2,741.22 usft	Easting:
Position Uncertainty	0.00 usft	Wellhead Elevation:	0.00 usft
		Latitude:	33° 37' 28.961 N
		Longitude:	103° 24' 33.583 W
		Ground Level:	4,239.70 usft

Wellbore	OH				
Magnetics	Model Name	Sample Date	Declination (°)	Dip Angle (°)	Field Strength (nT)
	BGGM2013	11/8/2013	7.43	61.44	49,213

Design	Plan #1			
Audit Notes:				
Version:	Phase:	PLAN	Tie On Depth:	0.00
Vertical Section:	Depth From (TVD) (usft)	+N/-S (usft)	+E/-W (usft)	Direction (°)
	0.00	0.00	0.00	88.71

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
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
4,044.63	0.00	0.00	4,044.63	0.00	0.00	0.00	0.00	0.00	0.00	
4,940.54	89.59	88.71	4,617.57	12.83	568.73	10.00	10.00	9.90	88.71	
8,726.92	89.59	88.71	4,644.58	98.21	4,354.04	0.00	0.00	0.00	0.00	PBHL (MSU #524)

LEAM Drilling Systems LLC

Planning Report

Database:	EDM 5000.1 Multi_User Db	Local Co-ordinate Reference:	Well #524
Company:	Enhanced Oil Resources, Inc	TVD Reference:	GE 4239.7' + KB 22' @ 4261.70usft (Original Well Elev)
Project:	Roosevelt County, NM	MD Reference:	GE 4239.7' + KB 22' @ 4261.70usft (Original Well Elev)
Site:	Milnesand Unit	North Reference:	Grid
Well:	#524	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)
4,044.63	0.00	0.00	4,044.63	0.00	0.00	0.00	0.00	0.00	0.00
4,050.00	0.54	88.71	4,050.00	0.00	0.03	0.03	10.00	10.00	0.00
4,100.00	5.54	88.71	4,099.91	0.06	2.67	2.67	10.00	10.00	0.00
4,150.00	10.54	88.71	4,149.41	0.22	9.66	9.66	10.00	10.00	0.00
4,200.00	15.54	88.71	4,198.10	0.47	20.93	20.94	10.00	10.00	0.00
4,250.00	20.54	88.71	4,245.63	0.82	36.40	36.41	10.00	10.00	0.00
4,300.00	25.54	88.71	4,291.63	1.26	55.96	55.97	10.00	10.00	0.00
4,350.00	30.54	88.71	4,335.75	1.79	79.45	79.47	10.00	10.00	0.00
4,400.00	35.54	88.71	4,377.65	2.41	106.69	106.72	10.00	10.00	0.00
4,450.00	40.54	88.71	4,417.02	3.10	137.48	137.52	10.00	10.00	0.00
4,500.00	45.54	88.71	4,453.55	3.87	171.59	171.63	10.00	10.00	0.00
4,550.00	50.54	88.71	4,486.97	4.71	208.74	208.80	10.00	10.00	0.00
4,600.00	55.54	88.71	4,517.03	5.61	248.67	248.74	10.00	10.00	0.00
4,650.00	60.54	88.71	4,543.49	6.57	291.07	291.14	10.00	10.00	0.00
4,700.00	65.54	88.71	4,566.15	7.57	335.61	335.69	10.00	10.00	0.00
4,750.00	70.54	88.71	4,584.85	8.62	381.95	382.05	10.00	10.00	0.00
4,800.00	75.54	88.71	4,599.43	9.69	429.75	429.86	10.00	10.00	0.00
4,850.00	80.54	88.71	4,609.79	10.80	478.64	478.76	10.00	10.00	0.00
4,900.00	85.54	88.71	4,615.85	11.91	528.24	528.37	10.00	10.00	0.00
4,940.54	89.59	88.71	4,617.57	12.83	568.73	568.87	10.00	10.00	0.00
4,944.83	89.59	88.71	4,617.60	12.92	573.01	573.16	0.00	0.00	0.00
LP (MSU #524)									
5,000.00	89.59	88.71	4,618.00	14.17	628.17	628.33	0.00	0.00	0.00
5,100.00	89.59	88.71	4,618.71	16.42	728.14	728.32	0.00	0.00	0.00
5,200.00	89.59	88.71	4,619.42	18.68	828.11	828.32	0.00	0.00	0.00
5,300.00	89.59	88.71	4,620.14	20.93	928.08	928.32	0.00	0.00	0.00
5,400.00	89.59	88.71	4,620.85	23.19	1,028.05	1,028.32	0.00	0.00	0.00
5,500.00	89.59	88.71	4,621.56	25.44	1,128.03	1,128.31	0.00	0.00	0.00
5,600.00	89.59	88.71	4,622.28	27.70	1,228.00	1,228.31	0.00	0.00	0.00
5,700.00	89.59	88.71	4,622.99	29.95	1,327.97	1,328.31	0.00	0.00	0.00
5,800.00	89.59	88.71	4,623.70	32.21	1,427.94	1,428.31	0.00	0.00	0.00
5,900.00	89.59	88.71	4,624.42	34.46	1,527.91	1,528.30	0.00	0.00	0.00
6,000.00	89.59	88.71	4,625.13	36.72	1,627.89	1,628.30	0.00	0.00	0.00
6,100.00	89.59	88.71	4,625.84	38.97	1,727.86	1,728.30	0.00	0.00	0.00
6,200.00	89.59	88.71	4,626.56	41.23	1,827.83	1,828.30	0.00	0.00	0.00
6,300.00	89.59	88.71	4,627.27	43.48	1,927.80	1,928.29	0.00	0.00	0.00
6,400.00	89.59	88.71	4,627.98	45.74	2,027.77	2,028.29	0.00	0.00	0.00
6,500.00	89.59	88.71	4,628.70	47.99	2,127.75	2,128.29	0.00	0.00	0.00
6,600.00	89.59	88.71	4,629.41	50.25	2,227.72	2,228.29	0.00	0.00	0.00
6,700.00	89.59	88.71	4,630.12	52.50	2,327.69	2,328.28	0.00	0.00	0.00
6,800.00	89.59	88.71	4,630.84	54.76	2,427.66	2,428.28	0.00	0.00	0.00
6,900.00	89.59	88.71	4,631.55	57.01	2,527.64	2,528.28	0.00	0.00	0.00
7,000.00	89.59	88.71	4,632.26	59.27	2,627.61	2,628.28	0.00	0.00	0.00
7,100.00	89.59	88.71	4,632.98	61.52	2,727.58	2,728.27	0.00	0.00	0.00
7,200.00	89.59	88.71	4,633.69	63.78	2,827.55	2,828.27	0.00	0.00	0.00
7,300.00	89.59	88.71	4,634.40	66.03	2,927.52	2,928.27	0.00	0.00	0.00
7,400.00	89.59	88.71	4,635.12	68.29	3,027.50	3,028.27	0.00	0.00	0.00
7,500.00	89.59	88.71	4,635.83	70.54	3,127.47	3,128.26	0.00	0.00	0.00
7,600.00	89.59	88.71	4,636.54	72.80	3,227.44	3,228.26	0.00	0.00	0.00
7,700.00	89.59	88.71	4,637.26	75.05	3,327.41	3,328.26	0.00	0.00	0.00
7,800.00	89.59	88.71	4,637.97	77.31	3,427.38	3,428.26	0.00	0.00	0.00
7,900.00	89.59	88.71	4,638.68	79.56	3,527.36	3,528.25	0.00	0.00	0.00

LEAM Drilling Systems LLC

Planning Report

Database:	EDM 5000.1 Multi_User Db	Local Co-ordinate Reference:	Well #524
Company:	Enhanced Oil Resources, Inc	TVD Reference:	GE 4239.7' + KB 22' @ 4261.70usft (Original Well Elev)
Project:	Roosevelt County, NM	MD Reference:	GE 4239.7' + KB 22' @ 4261.70usft (Original Well Elev)
Site:	Milnesand Unit	North Reference:	Grid
Well:	#524	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)	
8,000.00	89.59	88.71	4,639.40	81.82	3,627.33	3,628.25	0.00	0.00	0.00	
8,100.00	89.59	88.71	4,640.11	84.07	3,727.30	3,728.25	0.00	0.00	0.00	
8,200.00	89.59	88.71	4,640.82	86.33	3,827.27	3,828.25	0.00	0.00	0.00	
8,300.00	89.59	88.71	4,641.54	88.58	3,927.24	3,928.24	0.00	0.00	0.00	
8,400.00	89.59	88.71	4,642.25	90.84	4,027.22	4,028.24	0.00	0.00	0.00	
8,500.00	89.59	88.71	4,642.96	93.09	4,127.19	4,128.24	0.00	0.00	0.00	
8,600.00	89.59	88.71	4,643.67	95.35	4,227.16	4,228.23	0.00	0.00	0.00	
8,700.00	89.59	88.71	4,644.39	97.60	4,327.13	4,328.23	0.00	0.00	0.00	
8,726.92	89.59	88.71	4,644.58	98.21	4,354.04	4,355.15	0.00	0.00	0.00	
PBHL (MSU #524)										

Design Targets										
Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (usft)	+N/-S (usft)	+E/-W (usft)	Northing (usft)	Easting (usft)	Latitude	Longitude	
SHL (MSU #524)	0.00	0.00	0.00	0.00	0.00	956,059.55	781,276.06	33° 37' 28.961 N	103° 24' 33.583 W	
- hit/miss target										
- Shape										
- Point										
LP (MSU #524)	0.00	0.00	4,617.60	12.92	573.01	956,072.47	781,849.07	33° 37' 29.038 N	103° 24' 26.806 W	
- plan misses target center by 0.01usft at 4944.83usft MD (4617.60 TVD, 12.92 N, 573.01 E)										
- Point										
PBHL (MSU #524)	0.00	0.00	4,644.58	98.21	4,354.04	956,157.76	785,630.10	33° 37' 29.545 N	103° 23' 42.087 W	
- plan hits target center										
- Point										