

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
New Mexico State Conservation Division
1625 N. French Drive
Albuquerque, NM 88240

FORM APPROVED
OMB No. 1004-0135
Expires: January 31, 2004

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.
NM 14332

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Bilbrey Federal #1

9. API Well No.
30-025-27472

10. Field and Pool, or Exploratory Area
Bilbrey Morrow

11. County or Parish, State
Lea County, New Mexico

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
JKM Energy LLC

3a. Address
26 E. Compress Road, Artesia, NM 88210

3b. Phone No. (include area code)
505-748-2854

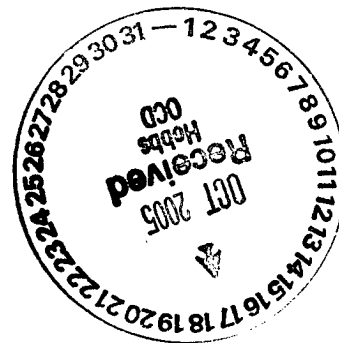
4. Location of Well (Footage, Sec., T. R., M., or Survey Description)
Surface Location -660' FNL & 1980 FWL Unit C
Bottomhole Location- 660' FNL & 660' FWL
Section 4: T22S-R32E

12. CHECK 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 Sidetrack to new location
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

3. 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 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 site is ready for final inspection.)

JKM Energy plans to plug well back to 12250', cut window in 7" casing, sidetrack to a new location 660' FNL, 660' FWL, Section 4: T22S-R32E, run 4 1/2" long string and test the Morrow formation. Attachments show our plans in greater detail.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Jack Matthews

Title
Managing Member

Signature
Jack Matthews

Date
October 6, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (Signature)
DAVID E. GLASS

Name (Printed/Typed)
DAVID E. GLASS

Office
PETROLEUM ENGINEER

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.

Date
OCT 14 2005

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 next page)

KE OCT 18 2005

0+6 - NMOCD, P.O. Box 1980 1 - Engr. DBW
Hobbs, NM 88240 1 - Foreman CRM 1 - File
1 - Midland Admin Unit - Mr. J. A.
1-H.O. Woods-Midland NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

(Stat

Am 1-10
urseries
Effective 1-

All distances must be from the outer boundaries of the Section.

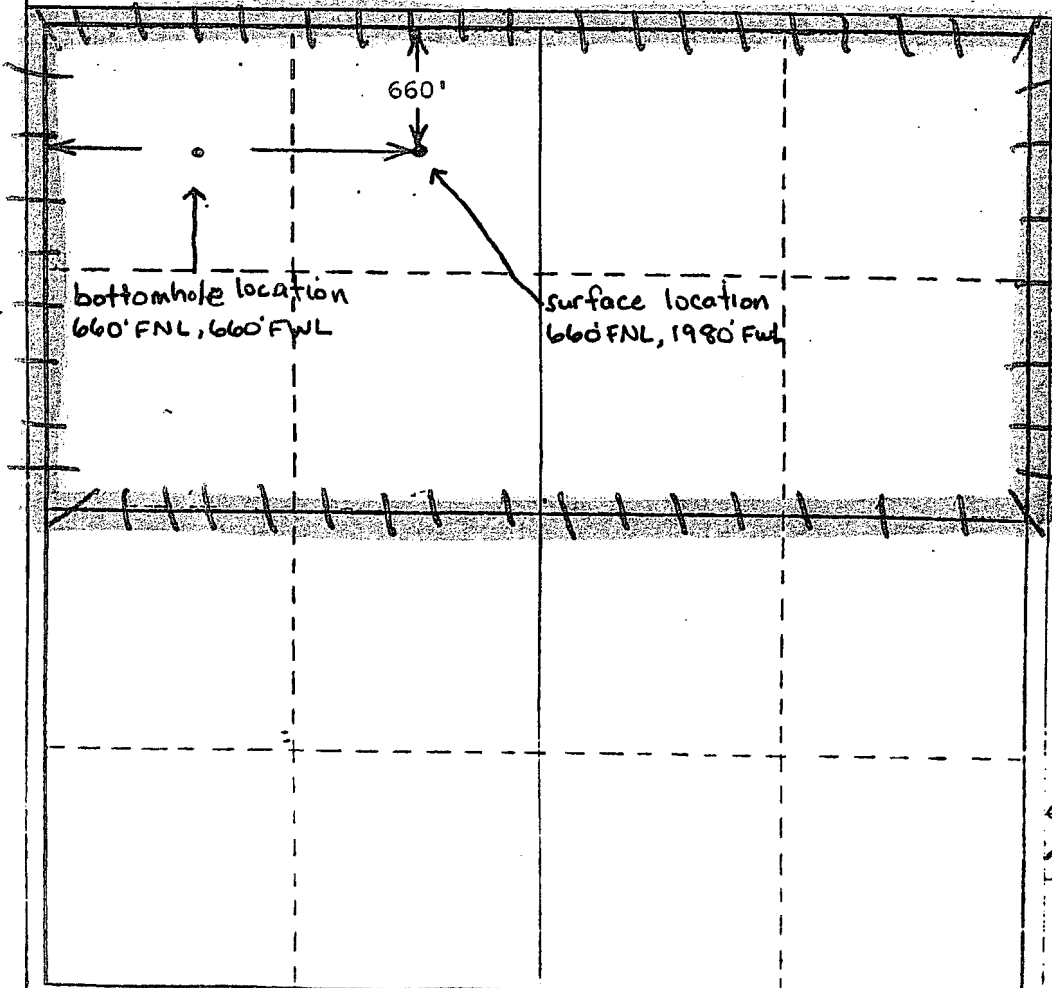
Operator Getty Oil Company			Lessee Bilbrey Fed Com		Well No. 1
Unit Letter C	Section 4	Township 22S	Range 32E	County Lea	
Actual Footage Location of Well: 1980 feet from the west line and 660 feet from the north line					
Ground Level Elev. 3791.9	Producing Formation Atoka Morrow		Pool Bilbrey Undesignated		Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Dale R. Crockett
Name

Dale R. Crockett

Position

Area Superintendent

Company

Getty Oil Company

Date

September 19, 1984

I hereby certify that the well shown on this plat was plotted notes of actual surveys made under my supervision, and it is true and correct to the knowledge and belief.

Paul Mathew
Member

Member
Member
Member

9-1-85

DRILLING PROGRAM

Attached to Form 3160-3
JKM Energy LLC
Bilbrey Fed Com #1
660' FNL and 1980' FWL
Section 4-T22S-R32E
Lea County, New Mexico

1. **Geologic Name of Surface Formation:**

Quaternary

2. **Estimated Tops of Important Geologic Markers:**

Quaternary	Surface	Strawn	13271'
Lamar	4820'	Atoka	13412'
Delaware	4902'	Morrow	14053'
Bone Spring	8804'	Barnett	14985'
Wolfcamp	11634'		

3. **Estimated Depths of Anticipated Fresh Water, Oil or Gas:**

Fresh water, if present, should be shallower than 500'.

Delaware	7000'	Oil	Atoka	13400'	Gas
Bone Spring	9300'	Oil	Morrow	14500'	Gas
Wolfcamp	12000'	Oil			

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by the 13 3/8 casing set at 533'.

4. **Casing Program:**

Hole Size	Interval	OD Casing	Wt.	Grade	Type	
17 1/2"	0 - 533'	13 3/8"	48#	H-40	STC	Existing
12 1/4"	0 - 4850'	9 5/8"	36#	S-80, K55	LTC	Existing
8 1/2"	0 - 12961'	7"	26#	S-95, N80	LTC	Existing
6 1/8"	0 - 15428'	4 1/2"	13.5#	Mav 95-110	LTC	Proposed

Our general plan is to set a CIBP + 35' cement at 13385' (Model D permanent packer is at 13395'), CIBP + 35' cement at 12550' (Top of 4 1/2" liner is at 12620'), cut a window at 12250' in the 7" casing and sidetrack to TVD 15105' / MD 15428' at a bottom hole location of 660' FNL, 660' FWL. Will log and run 4 1/2" long string to TD to test Morrow and or Atoka. See attached well bore schematics (3) and proposed directional drilling plan.

5. Cement Program:

13 3/8" Surface Casing: Cemented to surface with 500 sx, circ 150 sx.

9 5/8" Intermediate Casing: Cemented to surface with 3250 sx. Circ 500 sx.

7" Intermediate Casing: Cemented to surface with 2450 sx. Circ 355 sx.

4 1/2" Production Casing: Cement to 12300', tack bottom in. *TOC designed for 12300' – our intent is to cut and pull casing just outside of the window cut in the 7" casing at 12250' when the Morrow and/or Atoka deplete.

6. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit 1 will consist of a double ram-type preventer and a bag-type (Hydril) preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on bottom and pipe rams on top. This BOP will be nipped up on the 7" casing and used continuously until TD is reached.

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. Other accessories to the BOP equipment will include a full opening ball valve with 10,000 psi WP rating.

7. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with brine mud weighted with barite if/as necessary. The well reached TD 15105' with a 13.5 ppg mud (Atoka) when originally drilled.

8. Auxiliary Well Control and Monitoring Equipment:

A. A full opening 10000 psi WP ball-type valve with proper pipe connections will be on the rig floor at all times.

9. Logging, Testing, and Coring Program:

A. The electric logging program will consist of Dual Laterolog Micro SFL and Spectral Density Dual Spaced Neutron Log.

B. Further testing procedures will be determined after the 4 1/2" production casing has been cemented at TD based on drill shows, log evaluation, and drill stem test results.

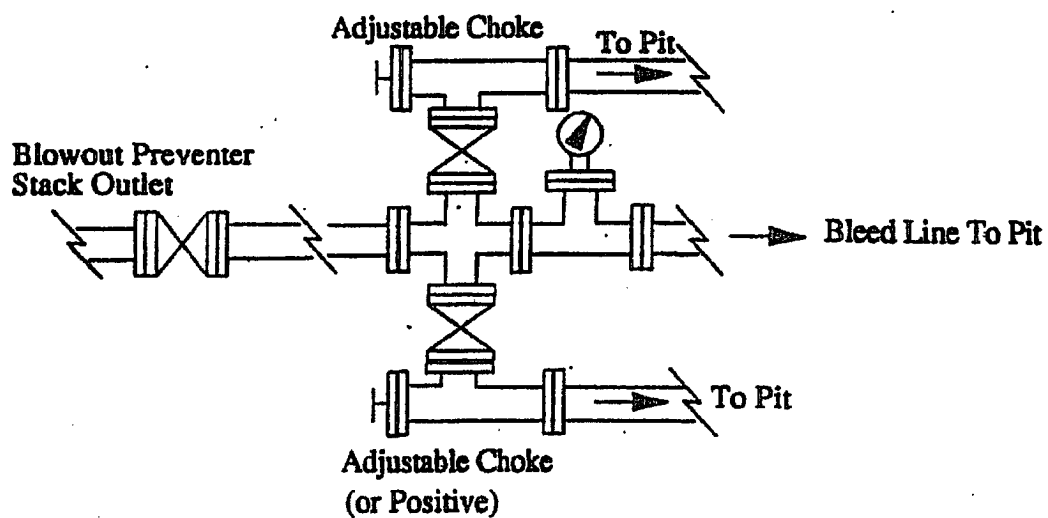
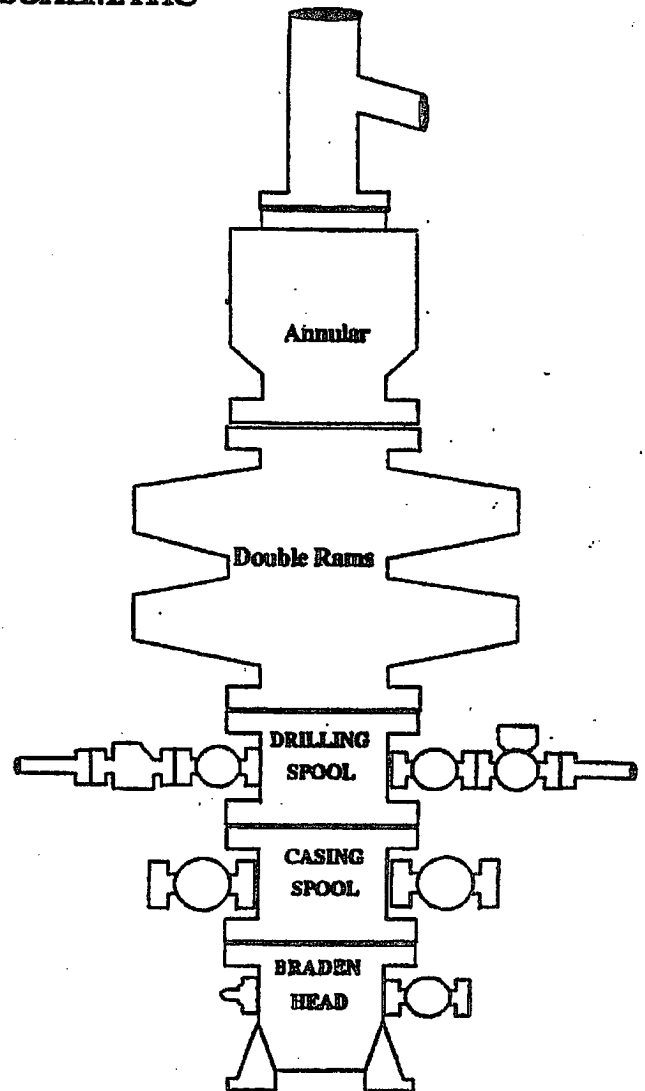
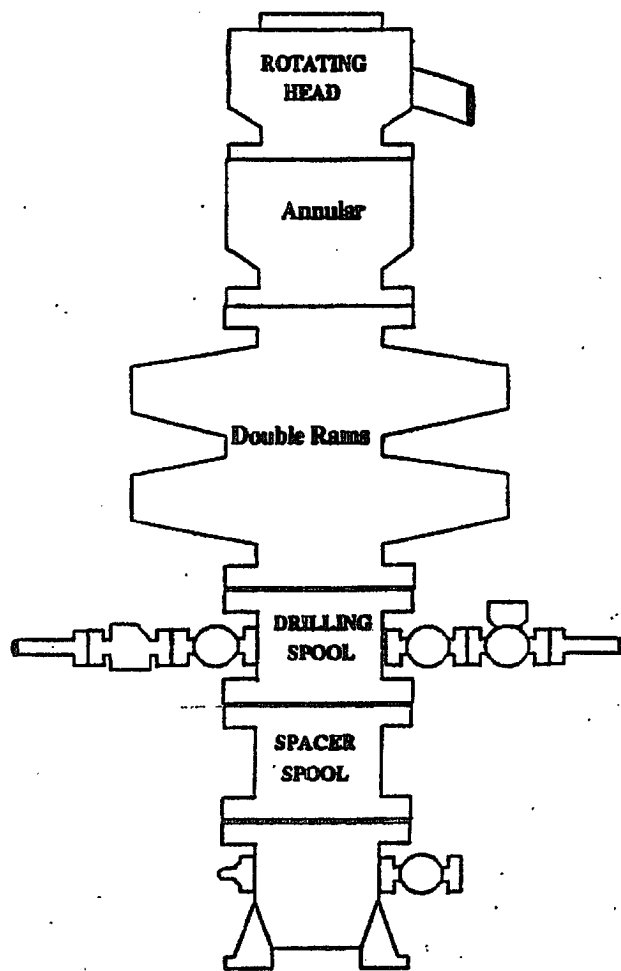
10. Abnormal Conditions, Pressures, Temperatures, and Potential Hazards:

The original well required 13.5 ppg mud after drilling the Atoka. The drilling crew will be drilled on proper well control procedure prior to cutting into the Atoka.

11. Anticipated Starting Date and Duration of Operations:

Location and road work will not begin until approval has been received from the BLM. Once commenced, the drilling operation should be finished in approximately 30 days.

BOPE SCHEMATIC



30-025-27472
 C-4-225-52e
 Lda, NM

3815.6'
 3791.9'

17 1/2"

12 1/4"

8 1/2"

13 3/4" / 48 / HV / LTC @ 500'
 500' HLC = 500' Ccm 500'

9 5/8" / 36 / 500 / K95 / LTC @ 4850'
 3000 HLC = 500' Ccm 500'

2 jts. 27 1/8" / 6.5 / N80 / ?
 420 jts. 27 3/8" / 4.7 / N80 / EVE-ABC
 G-22 seal assembly

Current Configuration

OV 8022'

TOL 12620'

6 1/8"

Mod 1 D - 13375'

Mod 1 D, DR 1/3, 30-4
 14250'

Ram 13600'

CL = 100' CBL 100'
 TDF = 15056'

7" / 26 / MHT 5, 575 / 115 / LTC @ 12301'

11. 570 HLC - 11 (EVE-5)
 225 HLC - 11 (EVE-5)

- 12620-60' (11)
- 13714-26' (11)
- 14627-36', 14547-55' (11)
- 14565-70', 14572-60' (11)
- 14689, 14697-702' (11)
- 14706-04', 14744-56' (11)
- 14777-30' (11) Seal *
- 14781-34' (11)
- 14781-34' (11)

14781-34' / 13.5 / 575 / LTC
 100 Pcs A + 300 H

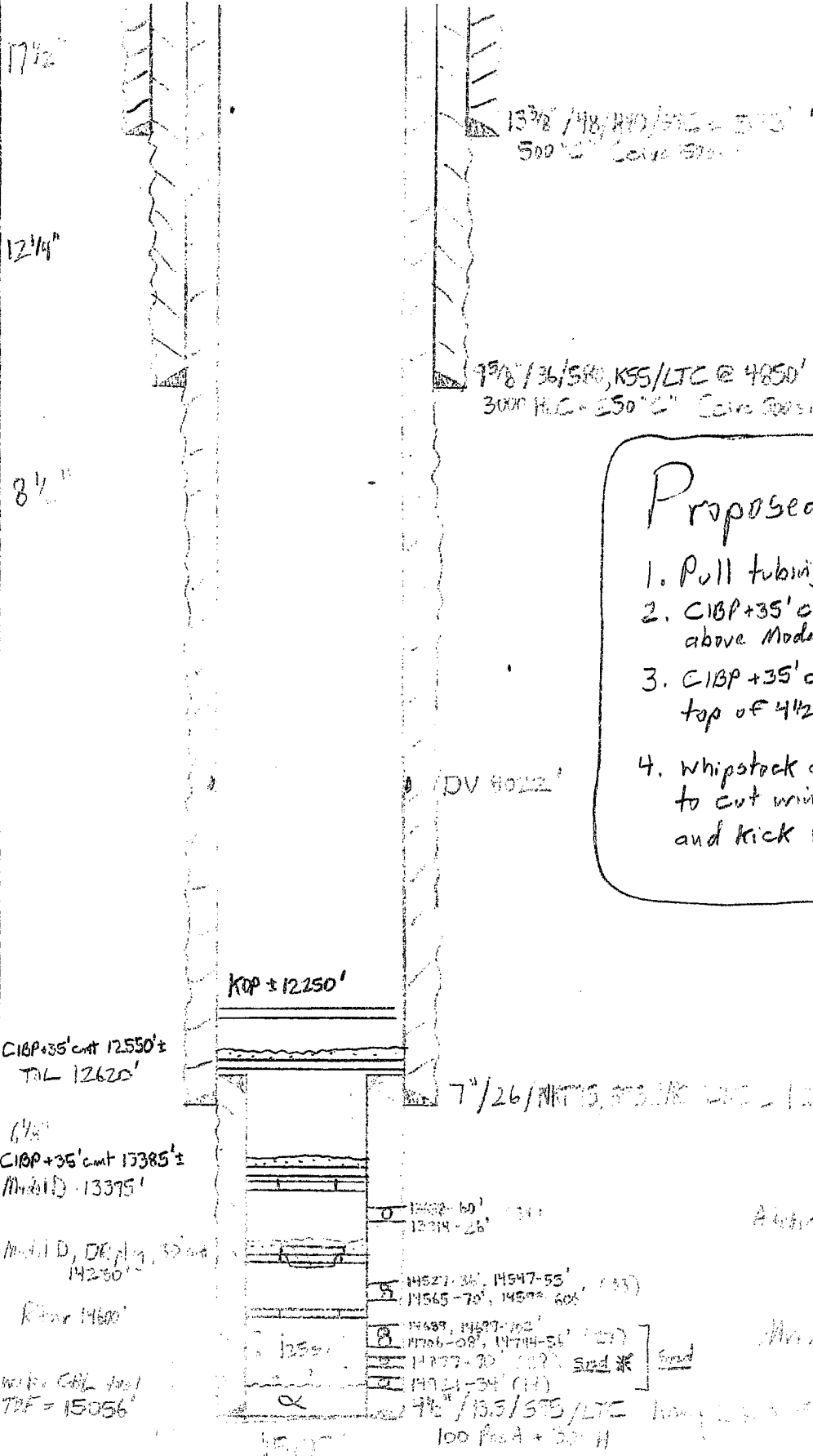
At 1100'

At 1100'

* Connected depth: 14781-34'

30-025-27472
 C-4-256-S2e
 Log NM
 30-025-27472

3815.6'
 3771.9'



Proposed Plug Back

1. Pull tubing.
2. CIBP+35' cement 13385' inside 4 1/2" liner above Model D packer 13395'
3. CIBP+35' cement 12550', 70' above top of 4 1/2" liner @ 12620'.
4. Whipstock and other tools required to cut window inside 7" casing and kick well off 12250'±.

* Corrected depth: 14757.51'

B. Ibrey, Field Gen. 1
 50' FNL, 1200 FNL
 C-4-225-32e
 Lea, NM
 30-025-27472

23.7' AGL
 H.B. 3815.6'
 3791.9'

42-380: 700 SHEETS DYE-FAST, 15 GAUGE
 42-380: 100 RECT/CLED WHITE 15 GAUGE
 42-380: 100 RECT/CLED WHITE 15 GAUGE
 100-0011-1

17 1/2"

12 1/4"

8 1/2"

13 3/8" / 48 / H40 / STC @ 533'
 500 "C" Coire 1505x

9 5/8" / 36 / 580, K95 / LTC @ 4850'
 3000 HLC + 250 "C" Coire 5005x

Proposed Long String
 Configuration

DV 8022'

DVT 001 12300'±

KOP ± 12250'

CIRP + 35' cmt 12550'±
 TOL 12620'

6 1/8"
 CIRP + 35' cmt 13385'±
 Mod 1 D 13395'

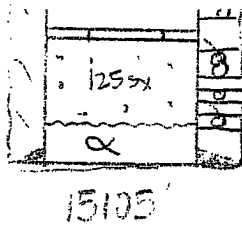
M-t. 1 D, DR plug, 30' and
 14230'

Rtnr 14600'

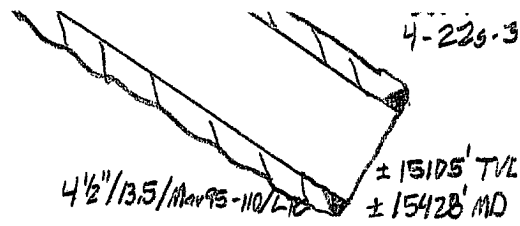
α = wire CBL tool
 T95 = 1500'

BHL 660' FNL
 660' FNL
 4-225-3

Rtnr 14600'
 α = W/L x CBL top!
 TDF = 15056'



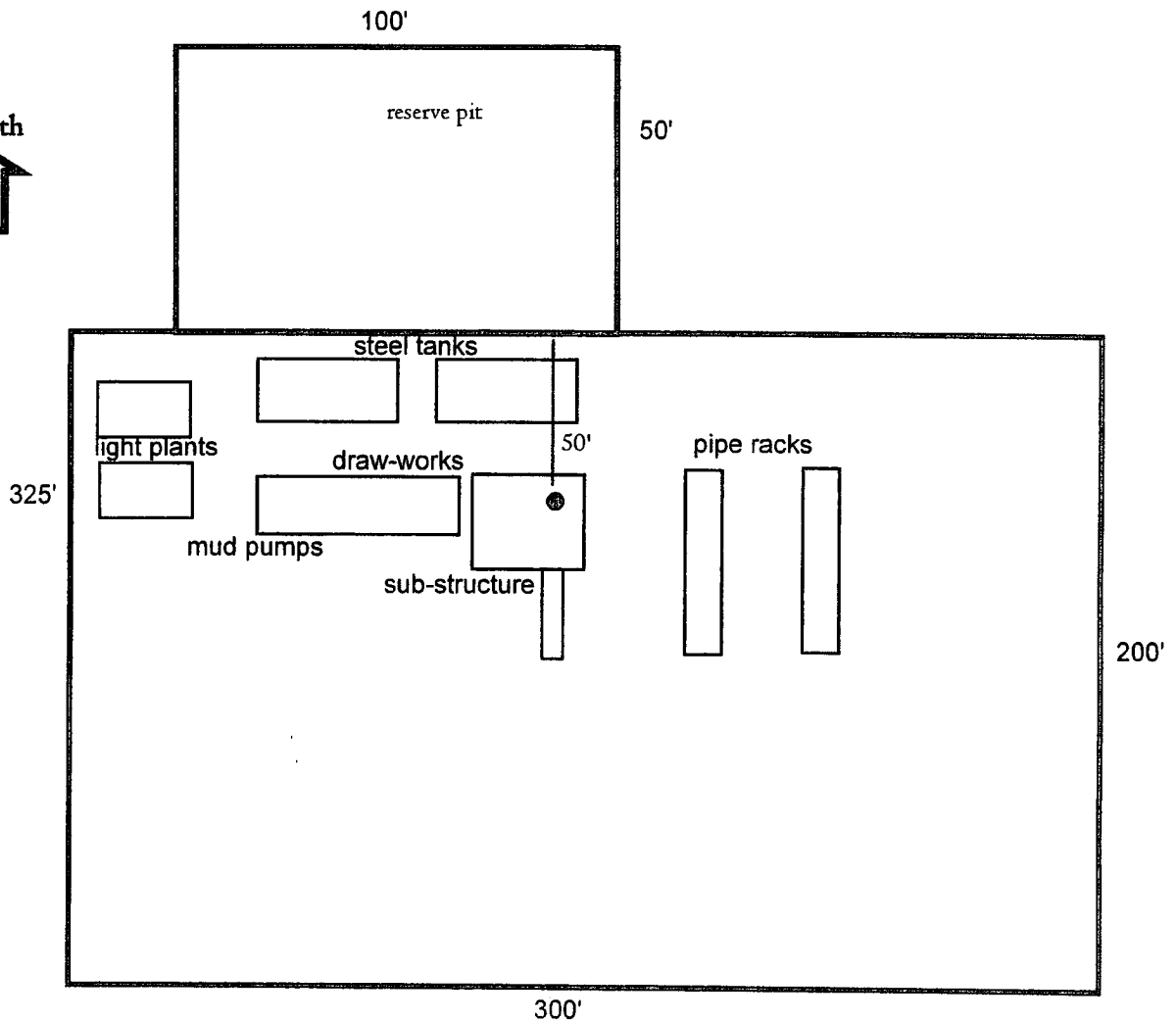
"Sketch Not To Scale"



Well Site Lay-Out Plat

(Deep)

North



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: **JKM Energy LLC**

Telephone: **505-748-2854**

e-mail address:

Address: **26 E. Compress Road, Artesia, NM 88210**

Facility or well name: **Bilbrey Federal #1**

API #: _____ U/L or Qtr/Qtr **N/2** Sec **4** T **22S** R **32E**

County: **Lea**

Latitude _____

Longitude _____

NAD: 1927 ☐ 1983 ☐

Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness **12** mil Clay ☐ Volume _____ bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

(0 points)

0 points

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

(0 points)

0 points

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

(0 points)

0 points

Ranking Score (Total Points)

0 points

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility _____ (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: **August 30, 2005**

Printed Name/Title: **Jack Matthews/President**

Signature *Jack Matthews*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: _____

Printed Name/Title

Signature

OCT 20 2005

ORIGINAL SIGNED BY
PAUL F. KAUTZ
PETROLEUM ENGINEER

[illegible]



Date: 8/10/2005 Time: 14:25:34 Page: 2
Co-ordinate(N/E) Reference: Site: Section 4, T22-S, R32-E, Grid Nort
Vertical (TVD) Reference: SITE 0.0
Section (VS) Reference: Well (0.00N;0.00E;270.00Azi)
Plan: Plan #1 081005

PathFinder

Planning Report

Company: JKM Operating
 Field: Bilbrey Fed Com #1
 Site: Section 4, T22-S, R32-E
 Well: Bilbrey Fed Com #1
 Wellpath: Original Hole Sidetrack

Date: 8/10/2005 Time: 14:25:34 Page: 3
 Co-ordinate(NE) Reference: Site: Section 4, T22-S, R32-E, Grid Nort
 Vertical (TVD) Reference: SITE 0.0
 Section (VS) Reference: Well (0.00N,0.00E,270.00Azi)
 Plan: Plan #1 081005

Survey

MD ft	Incl deg	Azlm deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
7000.00	0.00	270.00	7000.00	0.00	0.00	0.00	0.00	0.00	0.00	
7100.00	0.00	270.00	7100.00	0.00	0.00	0.00	0.00	0.00	0.00	
7200.00	0.00	270.00	7200.00	0.00	0.00	0.00	0.00	0.00	0.00	
7300.00	0.00	270.00	7300.00	0.00	0.00	0.00	0.00	0.00	0.00	
7400.00	0.00	270.00	7400.00	0.00	0.00	0.00	0.00	0.00	0.00	
7500.00	0.00	270.00	7500.00	0.00	0.00	0.00	0.00	0.00	0.00	
7600.00	0.00	270.00	7600.00	0.00	0.00	0.00	0.00	0.00	0.00	
7700.00	0.00	270.00	7700.00	0.00	0.00	0.00	0.00	0.00	0.00	
7800.00	0.00	270.00	7800.00	0.00	0.00	0.00	0.00	0.00	0.00	
7900.00	0.00	270.00	7900.00	0.00	0.00	0.00	0.00	0.00	0.00	
8000.00	0.00	270.00	8000.00	0.00	0.00	0.00	0.00	0.00	0.00	
8100.00	0.00	270.00	8100.00	0.00	0.00	0.00	0.00	0.00	0.00	
8200.00	0.00	270.00	8200.00	0.00	0.00	0.00	0.00	0.00	0.00	
8300.00	0.00	270.00	8300.00	0.00	0.00	0.00	0.00	0.00	0.00	
8400.00	0.00	270.00	8400.00	0.00	0.00	0.00	0.00	0.00	0.00	
8500.00	0.00	270.00	8500.00	0.00	0.00	0.00	0.00	0.00	0.00	
8600.00	0.00	270.00	8600.00	0.00	0.00	0.00	0.00	0.00	0.00	
8700.00	0.00	270.00	8700.00	0.00	0.00	0.00	0.00	0.00	0.00	
8800.00	0.00	270.00	8800.00	0.00	0.00	0.00	0.00	0.00	0.00	
8900.00	0.00	270.00	8900.00	0.00	0.00	0.00	0.00	0.00	0.00	
9000.00	0.00	270.00	9000.00	0.00	0.00	0.00	0.00	0.00	0.00	
9100.00	0.00	270.00	9100.00	0.00	0.00	0.00	0.00	0.00	0.00	
9200.00	0.00	270.00	9200.00	0.00	0.00	0.00	0.00	0.00	0.00	
9300.00	0.00	270.00	9300.00	0.00	0.00	0.00	0.00	0.00	0.00	
9400.00	0.00	270.00	9400.00	0.00	0.00	0.00	0.00	0.00	0.00	
9500.00	0.00	270.00	9500.00	0.00	0.00	0.00	0.00	0.00	0.00	
9600.00	0.00	270.00	9600.00	0.00	0.00	0.00	0.00	0.00	0.00	
9700.00	0.00	270.00	9700.00	0.00	0.00	0.00	0.00	0.00	0.00	
9800.00	0.00	270.00	9800.00	0.00	0.00	0.00	0.00	0.00	0.00	
9900.00	0.00	270.00	9900.00	0.00	0.00	0.00	0.00	0.00	0.00	
10000.00	0.00	270.00	10000.00	0.00	0.00	0.00	0.00	0.00	0.00	
10100.00	0.00	270.00	10100.00	0.00	0.00	0.00	0.00	0.00	0.00	
10200.00	0.00	270.00	10200.00	0.00	0.00	0.00	0.00	0.00	0.00	
10300.00	0.00	270.00	10300.00	0.00	0.00	0.00	0.00	0.00	0.00	
10400.00	0.00	270.00	10400.00	0.00	0.00	0.00	0.00	0.00	0.00	
10500.00	0.00	270.00	10500.00	0.00	0.00	0.00	0.00	0.00	0.00	
10600.00	0.00	270.00	10600.00	0.00	0.00	0.00	0.00	0.00	0.00	
10700.00	0.00	270.00	10700.00	0.00	0.00	0.00	0.00	0.00	0.00	
10800.00	0.00	270.00	10800.00	0.00	0.00	0.00	0.00	0.00	0.00	
10900.00	0.00	270.00	10900.00	0.00	0.00	0.00	0.00	0.00	0.00	
11000.00	0.00	270.00	11000.00	0.00	0.00	0.00	0.00	0.00	0.00	
11100.00	0.00	270.00	11100.00	0.00	0.00	0.00	0.00	0.00	0.00	
11200.00	0.00	270.00	11200.00	0.00	0.00	0.00	0.00	0.00	0.00	
11300.00	0.00	270.00	11300.00	0.00	0.00	0.00	0.00	0.00	0.00	
11400.00	0.00	270.00	11400.00	0.00	0.00	0.00	0.00	0.00	0.00	
11500.00	0.00	270.00	11500.00	0.00	0.00	0.00	0.00	0.00	0.00	
11600.00	0.00	270.00	11600.00	0.00	0.00	0.00	0.00	0.00	0.00	
11700.00	0.00	270.00	11700.00	0.00	0.00	0.00	0.00	0.00	0.00	
11800.00	0.00	270.00	11800.00	0.00	0.00	0.00	0.00	0.00	0.00	
11900.00	0.00	270.00	11900.00	0.00	0.00	0.00	0.00	0.00	0.00	
12000.00	0.00	270.00	12000.00	0.00	0.00	0.00	0.00	0.00	0.00	
12100.00	0.00	270.00	12100.00	0.00	0.00	0.00	0.00	0.00	0.00	
12200.00	0.00	270.00	12200.00	0.00	0.00	0.00	0.00	0.00	0.00	
12250.00	0.00	270.00	12250.00	0.00	0.00	0.00	0.00	0.00	0.00	

PathFinder

Planning Report

Company: JKM Operating	Date: 8/10/2005	Time: 14:25:34	Page: 4
Field: Bilbrey Fed Com #1	Co-ordinate(NE) Reference: Site: Section 4, T22-S, R32-E, Grid Nort		
Site: Section 4, T22-S, R32-E	Vertical (TVD) Reference: SITE 0.0		
Well: Bilbrey Fed Com #1	Section (VS) Reference: Well: (0.00N,0.00E,270.00Azi)		
Wellpath: Original Hole Sidetrack	Plan: Plan #1 081005		

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
12300.00	1.50	270.00	12299.99	0.00	-0.65	0.65	3.00	3.00	0.00	
12400.00	4.50	270.00	12399.85	0.00	-5.89	5.89	3.00	3.00	0.00	
12500.00	7.50	270.00	12499.29	0.00	-16.34	16.34	3.00	3.00	0.00	
12600.00	10.50	270.00	12598.04	0.00	-31.98	31.98	3.00	3.00	0.00	
12700.00	13.50	270.00	12695.85	0.00	-52.77	52.77	3.00	3.00	0.00	
12800.00	16.50	270.00	12792.43	0.00	-78.65	78.65	3.00	3.00	0.00	
12900.00	19.50	270.00	12887.52	0.00	-109.55	109.55	3.00	3.00	0.00	
13000.00	22.50	270.00	12980.87	0.00	-145.38	145.38	3.00	3.00	0.00	
13100.00	25.50	270.00	13072.22	0.00	-186.05	186.05	3.00	3.00	0.00	
13200.00	28.50	270.00	13161.31	0.00	-231.44	231.44	3.00	3.00	0.00	
13225.17	29.26	270.00	13183.35	0.00	-243.60	243.60	3.00	3.00	0.00	End of Build @ 29.26° Inc
13300.00	29.26	270.00	13248.63	0.00	-280.17	280.17	0.00	0.00	0.00	
13400.00	29.26	270.00	13335.88	0.00	-329.04	329.04	0.00	0.00	0.00	
13500.00	29.26	270.00	13423.12	0.00	-377.91	377.91	0.00	0.00	0.00	
13600.00	29.26	270.00	13510.37	0.00	-426.78	426.78	0.00	0.00	0.00	
13700.00	29.26	270.00	13597.61	0.00	-475.65	475.65	0.00	0.00	0.00	
13800.00	29.26	270.00	13684.86	0.00	-524.52	524.52	0.00	0.00	0.00	
13900.00	29.26	270.00	13772.10	0.00	-573.39	573.39	0.00	0.00	0.00	
14000.00	29.26	270.00	13859.35	0.00	-622.26	622.26	0.00	0.00	0.00	
14100.00	29.26	270.00	13946.59	0.00	-671.13	671.13	0.00	0.00	0.00	
14200.00	29.26	270.00	14033.84	0.00	-720.00	720.00	0.00	0.00	0.00	
14300.00	29.26	270.00	14121.08	0.00	-768.87	768.87	0.00	0.00	0.00	
14400.00	29.26	270.00	14208.33	0.00	-817.74	817.74	0.00	0.00	0.00	
14500.00	29.26	270.00	14295.57	0.00	-866.61	866.61	0.00	0.00	0.00	
14600.00	29.26	270.00	14382.82	0.00	-915.48	915.48	0.00	0.00	0.00	
14700.00	29.26	270.00	14470.07	0.00	-964.35	964.35	0.00	0.00	0.00	
14800.00	29.26	270.00	14557.31	0.00	-1013.22	1013.22	0.00	0.00	0.00	
14900.00	29.26	270.00	14644.56	0.00	-1062.09	1062.09	0.00	0.00	0.00	
15000.00	29.26	270.00	14731.80	0.00	-1110.96	1110.96	0.00	0.00	0.00	
15100.00	29.26	270.00	14819.05	0.00	-1159.82	1159.82	0.00	0.00	0.00	
15200.00	29.26	270.00	14906.29	0.00	-1208.69	1208.69	0.00	0.00	0.00	
15300.00	29.26	270.00	14993.54	0.00	-1257.56	1257.56	0.00	0.00	0.00	
15400.00	29.26	270.00	15080.78	0.00	-1306.43	1306.43	0.00	0.00	0.00	
15427.76	29.26	270.00	15105.00	0.00	-1320.00	1320.00	0.00	0.00	0.00	PBHL Bilbrey Fed Com #1

Targets

Name	Description Dip. Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	← Latitude → Deg Min Sec	← Longitude → Deg Min Sec
PBHL Bilbrey Fed Com #1 -Plan hit target		15105.00	0.00	-1320.00	0.00	-1320.00	30 59 24.324 N	105 55 59.297 W

Annotation

MD ft	TVD ft	
12250.00	12250.00	KOP @ 12250' w/ 3° Build Rate
13225.17	13183.35	End of Build @ 29.26° Inclination

JKM Operating

Bilbrey Fed Com #1

Section 4, T22-S, R32-E

Lea County, New Mexico

Plan #1 081005



SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	270.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	12250.00	0.00	270.00	12250.00	0.00	0.00	0.00	0.00	0.00	
3	13225.17	29.26	270.00	13183.35	0.00	-243.60	3.00	270.00	243.60	
4	15427.76	29.26	270.00	15105.00	0.00	-1320.00	0.00	0.00	1320.00	PBHL Bilbrey Fed Com #1

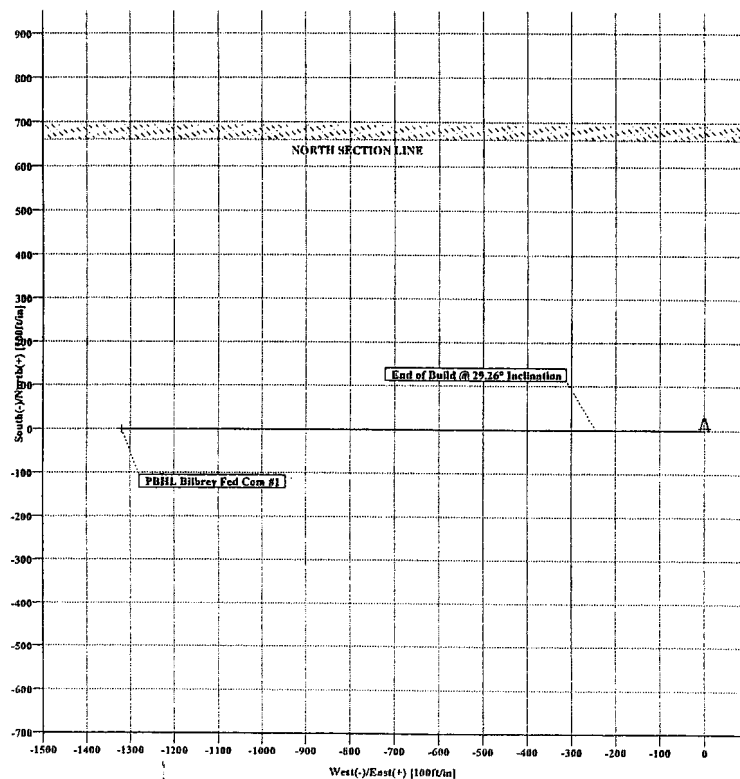
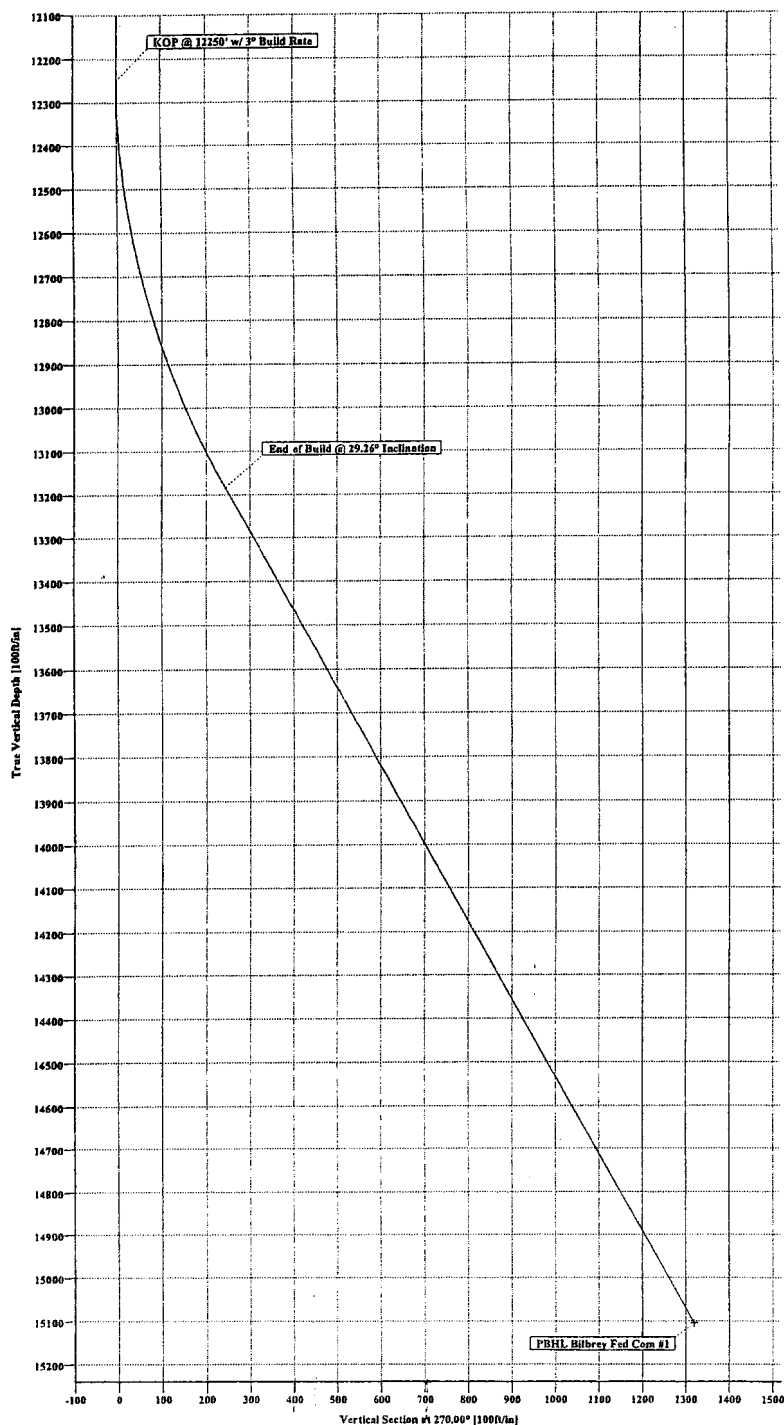
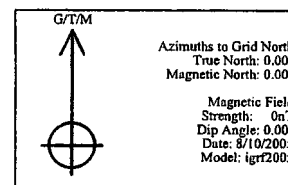
SITE DETAILS

Section 4, T22-S, R32-E
Lea County, New Mexico
Ground Level: 0.00
Positional Uncertainty: 0.00
Convergence: 0.00

WELLPATH DETAILS

Original Hole Sidetrack

Rig:	SITE	0.00ft
Ref. Datum:		
V. Section Angle	Origin +N/-S	Origin +E/-W
270.00°	0.00	0.00
		Starting From TVD
		15105.00



JKM Energy LLC
26 E. Compress Road, Artesia, NM 88210
505-748-2854

September 22, 2005

Oil Conservation Division
1625 North French Drive.
Hobbs, NM 88240

Attention: Donna Mull

Re: Bilbrey Federal #1
660' FNL & 1980' FWL, Unit C
Section 4: T22S, R32E
Lea County, New Mexico

Dear Donna:

We plan to complete this well in the Morrow which is sweet and we don't anticipate cutting any formations that contain H2S gas during the drilling of the above referenced well. Therefore, we do not believe that an H2S contingency plan is necessary.

If you have questions or need further information, please call.

Sincerely,



Amy Reid
Land Department

/ar