

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

COPY

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

OCD-HOBBS

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. LC-030556B ✓
6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

EnerVest Operating, L.L.C. ✓

3a. Address

1001 Fannin, Suite 800
Houston, TX 77002

3b. Phone No. (include area code)

713-495-6537

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FNL and 1980' FWL, Sec-7, T-23S, R-37E

Unit F

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

8. Well Name and No. Stevens B-7 #8 ✓

9. API Well No. 30-025-38766 ✓

10. Field and Pool or Exploratory Area
Jalmat & Langley Matix (Y-7R-Q) ✓

11. Country or Parish, State
Lea 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 checked="" 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 type="checkbox"/> Other |
| | <input type="checkbox"/> Change Plans | <input type="checkbox"/> Plug and Abandon | <input type="checkbox"/> Temporarily Abandon | |
| | <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 recompleat 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 recompleat 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.)

- Surface hole size changed from 11" to 12-1/4".
- Production casing size changed from 5-1/2" to 4-1/2".
- Cement volume changed - please see attached (5 pages) DRILLING PROGRAM for further details.

RECEIVED

APR 07 2008

HOBBS OCD

Provide NAC time for surface casing to inspector.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Bridget Helfrich

Title Regulatory Tech.

Signature

Bridget Helfrich

Date 03/26/2008

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

APPROVED

Approved by

Chris Williams

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Title

Office

APR 2 2008

WESLEY W. INGRAM

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

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.

| | | | | | | | | | |
|--|---|--------------------------------|---------------------------|-------------------|---|-------------------|----------------|----------|---------|
| WELL | Stevens B7 #8 | | | | ENERVEST | | | | |
| TYPE | VERTICAL | RIG | UNION DRILLING TEXAS #201 | | DATE | 3/25/2008 | | | |
| FIELD | JALMAT | COUNTY | LEA COUNTY, NEW MEXICO | | ELEVATION | 3,370' | | | |
| GAS/OIL | GAS | MUD | Nova | | CEMENT | Rising Star | | | |
| LOCATION | 1,980' FNL & 1,980' FWL SEC 7 T23S R37E | | | | SBHT | 99° F | | | |
| COMMENTS | OBJECTIVE FORMATION: QUEEN SANDSTONE & DOLOMITE | | | | | | | | |
| NOTE | | | | | | | | | |
| MUD- LOGGER | SURVEYS | WOB/GPM BIT | FORMATION DEPTHS | VERTICAL DEPTH | MUD WEIGHT | OPEN HOLE LOGS | CEMENT | WELLHEAD | REMARKS |
| 14" CONDUCTOR | | | | 40' | | | | | |
| INCLINATIONS 5K/300 400' & 1,250' 10K/350 11" HOLE 15K/450 TYPE 2 INSERT NO MUD LOGGER BHA #1 RED BEDS | | | | | 8.5 - 8.8 PPG NATIVE LEAD: 415 Sks 35:65 6 POZ C GEL (1.90 Yld, 12 8 PPG) TAIL: 195 Sks Class "C" 2% CaCl2 (1.35Yld, 14 8 PPG) (100 % Excess) FLOAT COLLAR & TEXAS PATTERN SHOE TOP OUT: IF NEEDED | | | | |
| 8-5/8" 24# J55 STC | | | | 1,250' | | | | | |
| INCLINATIONS 1,800', 2,800', 3,800' 10K/350 7-7/8" HOLE OR AS NEEDED HCC 506ZX 15K/500 BHA #2 NO MUD LOGGER | | | | | 9.8 - 10.1 PPG BRINE | | | | |
| 20K/500 | | | | 2,000' | | | | | |
| 22K/500 | | | | 2,400' | < ADD STARCH FOR 15 - 20 CC WL | | | | |
| PRIMARY OBJECTIVES | | | | | | | | | |
| POS LR - DEPLETION TANSIL (DOLO / ANHYD) > | | | | 2,733' | < POS LOST RETURNS 2,700' - 3,600' | | | | |
| 25K/500 YATES (SS / DOLO) > | | | | 2,898' | OPEN HOLE LOGS: HALLIBURTON TD TO SC. GR / LITHO DENSITY / DUAL LATEROLOG TD TO SURFACE: GR / NEUTRON | | | | |
| SEVEN RIVERS (SS / DOLO) > | | | | 3,175' | < POSSIBLE LOST RETURNS | | | | |
| PENROSE (LOWER QUEEN) > | | | | | LEAD: 350 SKS 50:50 POZ:C (11.8 PPG 2.56 CF/SK) TAIL: 300 SKS CLASS "C" (14.8 PPG 1 33 CF/SK) (20% EXCESS OVER CALIPER) CEMENT TO SURFACE FLOAT SHOE, 1 JT, FLOAT COLLAR | | | | |
| 4-1/2 15.50# J55 LTC | | | | 3,800' | | | | | |
| | | | | | | | | | |
| | | | | | OFFICE | HOME | | | |
| AFE # | C0-1107-293 | REGULATORY | RONNIE YOUNG | | (713) 495-6530 | | | | |
| EV # | 45176.006 | SAFETY, HEALTH & ENVIRONMENTAL | ELROY ARDOIN | | (713) 495-6534 | | (337) 654-1992 | | |
| API # | 30-025-38764 | GEOLOGIST | ROGER TREJO | | (713) 495-5317 | | (281) 265-5973 | | |



EnerVest Operating, Ltd.
Drilling Plan
Jalmat Area
1,980' FNL & 1,980' FWL
Lea County, NM

Rig Telephone #:
Rig FAX #:

Sec 7 T23S R37E
GL = 3,370'

Stevens B7 #8 - DRILLING PROGRAM

1 Geologic Name of Surface Formation & Directions to Well

Quaternary

Directions to well:

2 Estimated Tops of Important Geologic Markers

| MD | SS | Formation | Objective | Rock Type |
|--------|------|--------------|-----------|----------------------------|
| 2,733' | 660' | Tansil | Primary | (Dolomite & Anhydrite) |
| 2,898' | 495' | Yates | Primary | (Sandstone & Dolomite) |
| 3,175' | 218' | Seven Rivers | Primary | (Sandstone & Dolomite) |
| | | Queen | Primary | (Anhydrite, SS & Dolomite) |
| | | Penrose | Primary | (Lower Queen) |
| | | Grayburg | | (Dolomitic SS) |

3 Estimated Depths of Anticipated Fresh Water, Oil and Gas

| MD | SS | Formation | Objective | Fluid Type |
|--------|------|--------------|-----------|------------|
| 2,733' | 660' | Tansil | Primary | (Oil/Gas) |
| 2,898' | 495' | Yates | Primary | (Oil/Gas) |
| 3,175' | 218' | Seven Rivers | Primary | (Oil/Gas) |
| | | Queen | Primary | (Oil/Gas) |
| | | Penrose | Primary | (Oil/Gas) |
| | | Grayburg | | (Oil/Gas) |

No other formations are expected to give up oil, gas or fresh water in measurable quantities. Setting 8-5/8" casing to 1,250' and circulating cement back to the surface will protect the surface fresh water sand. All zones containing commercial quantities of oil or gas will have cement circulated across them by cementing the 4-1/2" production casing back to at least the 8-5/8" casing shoe. Cement volumes will be pumped to provide cement back to surface.



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4 Casing Program

| Hole Size | Interval | OD Casing | Weight | Grade | Conn./New? | Bur/Col/Tens |
|-----------|----------|-----------|--------|-------|------------|--------------------|
| 12-1/4" | 0-1,250' | 8-5/8" | 24# | J-55 | STC/New | 2.00 / 2.40 / 1.94 |
| 7-7/8" | 0-3,800' | 4-1/2" | 11.60# | J-55 | LTC/New | 1.16 / 2.50 / 1.86 |

5 Cement Program

8-5/8" Surface Casing
100% XS

LEAD 415 SX, 35/65/6, C/Poz/Gel, 1.90 cf/sk, 12.8 PPG
TAIL 195 SX, Class "C", 1.35 cf/sk, 14.8 PPG

4-1/2" Production Csg

LEAD 350 SKS 50:50 POZ:C (11.8 PPG 2.56 CF/SK)
TAIL 300 SKS CLASS "C" (14.8 PPG 1.33 CF/SK)

6 Minimum Specifications for Pressure Control & Wellhead Equipment

The blowout preventer equipment (BOPE) shown in Exhibit #9 will consist of a double ram-type (2,000 psi WP) preventer. This unit will be hydraulically operated and the ram type preventer will be equipped with blind rams on bottom and 4-1/2" drill pipe rams on top. The BOPE will be nipped up on the 8-5/8" surface casing and tested to 2,000 psi by a third party. 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 (Exhibit #10) will include a kelly cock and floor safety valve, choke lines and a choke manifold (Exhibit #11) and will have a 2,000 psi WP rating.

A 2,000 psi WP Larkin Type Wellhead will be used.

7 Types and Characteristics of the Proposed Mud System

The surface hole will be drilled with a fresh water mud.
The production hole will be drilled with saturated brine water.

| DEPTH | TYPE | WEIGHT | VISCOSITY | WATER LOSS |
|-----------|--------|--------|-----------|------------|
| 0-1,250' | FW Mud | 8.7 | 28 | N.C. |
| 1,250'-TD | Brine | 10 | 30 | 12 cc |



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Drilling Plan

Jalmat Area

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Lea County, NM

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GL = 3,370'

Sufficient mud materials will be kept at the well site to maintain mud properties and meet minimum lost circulation and weight increase requirements at all times.

8 Auxillary Well Control and Monitoring Equipment

- A. Kelly cock will be kept in the drill string at all times.
- B. A full opening drill pipe-stabbing valve with proper drill 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 a GR-Dual Laterolog Litho Density log run from TD to the surface casing shoe.
- B. A GR-Neutron will be run to surface.
- C. No mud logger will be used.
- D. No conventional coring is anticipated.
Further testing procedures will be determined after the 4-1/2" production casing has been cemented at TD, based on drill shows and log evaluation.

10 Abnormal conditions, Pressure, Temperatures and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottom hole at TD is 97°F and the estimated maximum bottom hole pressure is 1,700 psi. Lost returns have been experienced in offset wells. Losses have occurred below 2,700'.

11 Anticipated Starting Date and Duration of Operations

Road and location work will not begin until approval has been received from the BLM. Anticipated Start Date is January 1, 2008.

Once commenced, drilling operations should be finished in approximately 12 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made to install permanent facilities.



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12 Safety

Conduct Tour Safety Meetings with all crews and record topics of these meetings on the IADC and morning reports. Document all personnel in attendance and topics of these Safety Meetings. Keep these documents on file in company representative's office for inspection.

13 Notes

Stamp, Code and Sign all Invoices

H₂S Area? If yes, attach contingency plan.

Inclinations: Survey every 500' or bit trip
Drop Totco every trip out to check the angle. Max inclination = 3°
Call Houston if survey is $\geq 3^\circ$

Mud Disposal: Closed Loop system will be used. Haul off all cuttings and fluids.

BHA #1 **Surface** BIT-2 DC-STAB-DC as needed (60' Pendulum)

BHA #2 **Production** BIT-DC-STAB-DC-STAB-DC as needed (30/60 Pendulum)

BIT PROGRAM

| | | | RPM | WOB |
|-------------------|----------------|-----------|------------|------------|
| Surface | 12-1/4" | Smith F29 | 90 | 35k |
| Production | 7-7/8" | FMH3655ZM | 100-110 | 15-25k |