1625 N. French Dr., Hobbs, NM 88240 Energy Mine District II 1301 W Grand Avenue, Artesia, NM 88210 District III 0il Co 1000 Rio Brazos Road, Aztec, NM 87410 1220					Minera Dil Con 1220 So Santa	als and serva outh S a Fe, 1	tion D t. Fran NM 87	ral Reso vivision cis Dr. 505	SEP IOB(2 OGRI	- 3 200 35		Form C-101 June 16, 2008 ate District Office ENDED REPORT			
				0, Houstor	n, TX 77	7002					30 -) 1 5	$\frac{143199}{\text{PI Number}}$	Q2	
	rty Code 03909	/					Property					75	⁶ Well 1	No.	
⁷ Surface	Jal	<u> </u>		Proposed Pool sil-Yates-7			MARTI	<u>un B</u>	_La	ingley M		Proposed Po er 7 Riv		- Grayburg)	
Jul or lot no.	Section	DI Towr	nship	Range	L	ot Idn	Feet fro	om the	North/S	South line	Feet from the	Eas	st/West line	County	
2	31	24		37-E			198	80	NO	RTH	660	V	VEST	LEA	
UL or lot no.	Bottom I Section	Tole L		ion If Differe Range		Surface ot Idn	Feet fro	om the	North/S	outh line	Feet from the	Eas	st/West line	County	
Additiona		Infor	mat							,					
(Type Code N			¹² Well Type (G	Code			e/Rotary R				e	¹⁵ Ground Level Elevation 3251'		
	ultiple VO			¹⁷ Proposed D 3200'	epth			mation -7R	¹⁹ Contractor NA			²⁰ Spud Date NA			
²¹ Propose Hole Si 12-1/4 7-7/8	ize 4''	ng ar	Casi	ement Pro ing Size 5/8" 1/2"		ng weight 24# 10.50#			Setting Do 1,250 3,800)'	6	f Cement 10 50		stimated TOC Surface Surface	
 Prepare Drill 12- Drill 7-7 Set 4-1/2 determ Place we H2S can 	Describe the surface -1/4" sur 7/8" prod 2" to TD 2" to TD ined). ell on tes 1 be pres	e blowd facat face l ductio and st. sent in	ion. hole on ho ceme 1 this	Wention progra Move in ar to a minimu ole 3,100' T ent to surfa s area and a	m, if any nd rig up um dept D and e ce. Perf n H2S c	Use addit o drillin h of 125 valuate forate p	tional shee g rig, sp 50'. Set running orosity ency pla	ets if nec pud wo : 8-5/8' g mud and st	eessary. ell and ' casing logs as imulate	drill and g and cer well as e as nece	l set condu nent. DLL/LDT/ ssary (spec nit Expir	ctor. In /CAL/G 2 fic pro	nstall and to R to TD. Accedure to I	est BPO's. be B Approval	
²³ I hereby cert best of my kno				given above is	true and c	complete t	o the			OIL CC) NSERVA	ATION	DIVISIO	IN	
Signatures Aller Aller					-	Approv	/ed by:		24	S.					
Printed name:	Printed name: Ronnie Young						Title:		PETRO	LEUM EN	IGINEE	R			
Tule. Regulatory Supervisor						Approv	Ю ^р СТ		2008	Expirati					
E-mail Address	s: ryou	ng@	ener	vest.net			ľ								
Date 4-1							CONDITIONS OF APPROVAL BY THE OCD Approval for drilling only, CANNOT produce unitl OCD Santa Fe approve Simultaneous Dedication of Acreage and Pool/Formation.								

DISTRICT I Energy, Minerals and Natural Resources Department 1625 N. FRENCH DR., HORBS, NM 88210 Form C-102 Revised October 12, 2005 DISTRICT II OIL CONSERVATION DIVISION Submit to Appropriate District Office 1301 W. GRAND AVENUE, ARTESIA, NM 88210 State Lease - 4 Copies 1220 SOUTH ST. FRANCIS DR. Fee Lease - 3 Copies DISTRICT III Santa Fe, New Mexico 87505 1000 Rio Brazos Rd., Aztec, NM 87410 DISTRICT IV WELL LOCATION AND ACREAGE DEDICATION PLAT □ AMENDED REPORT 1220 S. ST. FRANCIS DR., SANTA FE, NM 87505 API Number Pool Code Pool Name 30-025-Jalmat (Tansil-Yates-7 Rivers) Gas 92.40 Property Code Property Name Well Number MARTIN B 5 303909 OGRID No. **Operator** Name Elevation **EnerVest Operating** 43199 3251 Surface Location UL or lot No. Lot Idn Feet from the Section Township Range North/South line East/West line Feet from the County 37-E 2 31 24-S 1980 NORTH 660 WEST LEA Bottom Hole Location If Different From Surface UL or lot No. Section Lot Idn Feet from the North/South line Township Range Feet from the East/West line County Dedicated Acres Joint or Infill **Consolidation** Code Order No. 156.19 NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION LOT 1 OPERATOR CERTIFICATION I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organisation either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. #3 ±υ 980 38.09 AC LOT 2 9-2:08 #1 Date -660'-38.10 AC SURVEYOR CERTIFICATION LOT I bereby certify that the well location shown on this plat 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. GEODETIC COORDINATES NAD 27 NME Y=429407.6 N anning X=848293.0 E LD J. EID CUST 5 LAT.=32.175549' N Date Survayed MEH LONG.=103.207670° W 220 38.12 AC Signeture & al of LOT4 Professional Suryeyer '0B BOLESHO Certificate No. GARY EIDSON 12641 RONALD J. EIDSON 3239 38.13 AC

State of New Mexico



VICINITY MAP

16	15	14	13	18	17	16	15	14	13	18	17	16		
EII				(ı 								
21	22	23	TEAGUE S	WITCH	20	21	22	23	24	19	20	21		
28	27	26	25	30	29	28	27	26	25	30	29	28		
33	34	35	DEEPWELL J8 36	S 31	32 20	33 T	³⁴ 23 S	35	36	31	32	33		
4	3	2	1	6	SI.1	T T +	23 S 24 S 3	2	3	6	5	4		
9	10	11	12 F=1	7 [51]	8	9	10	11	12	7	8	MEXICO		
18	15 MGED	± ⊈_}}≵4	36	R 37	17 COOPER	16 FAST	15	14	13 ¹³ E	на 18 С	17	, NEW	TEXAS	
21		5	24	J/ 19	20 FLYING	21	22	23	24	19	20	COUNTY		
28	22 100 27 M	26	25	30	J14 10 129 15 15 15 15 15 15 15 15 15 15	28	27 FL VIII	1.	25 DOLLARHI	30 F G	29	LEA		
33	<u>M</u> , 34	JS	36	31	32 	33 NRICHARD	SON 34 ¥		J14 36	DOLLARH DE	32	33		
4	3	2	JID JID	6 1 S	5	4	3		S S	6	5	4		ļ
9	10	11	12	7 LL		9	10 LEA COUNTI JAL_AP	11	12	7	8 11	9		
16	15	14 S.T.	13	18	JAL	SCH			13 S1	18 128	DOLLARHIDE	16		
					4	ST 128		4.] [

SCALE: 1" = 2 MILES

SEC. <u>31</u> TWP. <u>24</u>—S RGE. <u>37</u>—E SURVEY <u>N.M.P.M.</u> COUNTY <u>LEA</u> STATE <u>NEW MEXICO</u> DESCRIPTION <u>1980' FNL & 660' FWL</u> ELEVATION <u>3251'</u> OPERATOR <u>EnerVest Operating</u> LEASE <u>MARTIN B</u>



PROVIDING SURVEYING SERVICES SINCE 1946 JOHN WEST SURVEYING COMPANY 412 N. DAL PASO HOBBS, N.M. 88240 (505) 393-3117

LOCATION VERIFICATION MAP



ELEVATION <u>3251</u>

OPERATOR EnerVest Operating

LEASE MARTIN B

U.S.G.S. TOPOGRAPHIC MAP JAL NORTHWEST, N.M.

PROVIDING SURVEYING SERVICES SINCE 1946 **JOHN WEST SURVEYING COMPANY** 412 N DAL PASO HOBBS, N.M 88240 (505) 393–3117



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WELL	Martin E	3 #5			ENE	RVE	ST					
TYPE	VERTICAL		RIG	FELDERHOFF BR	FELDERHOFF BROS. #25				DATE 8/29/2008			
IELD	JALMAT				LEA COUNTY, NEW MEXICO							
SAS/OIL	GAS		MUD	VENTURE MUD			CEMENT		RISING S			
			SEC 31 T24S R37E				SBHT		99° F			
OMMENTS	OBJECTIVE P	ORMATIO	N: TANSILL, YATES									
IOTE												
MUD-	SURVEYS	WOB/GPM	FORMATION	VERTICAL		MUD	OPEN HOLE	CEMENT	r WELLHEAD	REMARKS		
LOGGER	SUIVEIO	BIT	DEPTHS	DEPTH		WEIGHT	LOGS					
					m		<u> </u>					
			14" CONDUCTO	R 40'	L					······		
I	NCLINATIONS 400' & 1,250'		12-1/4" HOL			85-88	PPG NATIVI	=				
	400 & 1,250	15K/450	12-1/4 HUL			0.5 - 0.0	FFONAIM	_				
	TYP	E 2 INSER	ГВІТ									
NO MUD	LOGGER	1 - 8" DC	RED BED	S		LEAD:			C.GEL (1.90 Yld,			
	6" D	C'S AS NEE	DED			TAIL:	195 Sks Clas (100 % Exc		CaCl2 (1.35Yld,	14.6 PPG)		
							•		XAS PATTERN S	SHOE		
						TOP OU	T: IF NEED	ΞD				
			8-5/8" 24# J55 ST	<u>'C</u> _ 1,250'						· · · ·		
INCLINAT 1 800' 2	10NS ,800', 3,800'	15K/350	7-7/8" HOL	E		9 .8 - 10.	1 PPG BRINI	E				
OR AS N		SEC FMH3		_								
		15K/350										
		30-60 IBS										
NO MUD	LOGGER											
		15K/350		2,000'								
		4514/050		2 400'			ARCH FOR 1					
		15K/350		2,400'		ADD 51		15 - 20 0				
			PRIMARY OBJECTIVES	<u>6</u>								
POS LR -	DEPLETION		TANSILL (DOLO / ANHY	D) > 2,700'	<	POS LO	ST RETURN	S 2,700'	- 3,600'			
		15K/350	YATES (SS / DOLO	O) > 2,853'			OLE LOGS:					
			,						SITY / DUAL L	ATEROLOG		
		~		0) > 3,070'		TD TO S	SURFACE: (GR / NEU	JTRON			
		5	EVEN RIVERS (SS / DOL	3,070		POSSIB	LE LOST RE	TURNS				
										= ·		
						LEAD:			:C (11.8 PPG) ' (14.8 PPG 1.1			
						TAIL:			R CALIPER)	55 UF/3K)		
							CEMENT T					
							FLOAT SHO	E, 1 JT, F	LOAT COLLAR			
			4-1/2 10.50# J55 LT	C 3,200'								
		1					OFFIC		HOME			
AFE #		REGULATOR		RONNIE YOUNG			(713) 495-		(227)854 40	0.2		
EV #			ALTH & ENVIRONMENTAL	ELROY ARDOIN			(713) 495-		(337)654-19			
API #	30-025-	GEOLOGIST		ROGER TREJO			(713) 495-	JJ 17	(281) 265-59	ฮเง		



MARTIN B #5 - 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
	· ·			
2,700	556	Tansill	Primary	(Dolomite & Anhydrite)
2,853	403	Yates	Primary	(Sandstone & Dolomite)
3,070	186	Seven Rivers	Primary	(Sandstone & Dolomite)
3,515	-259	B/7R	Primary	(Anhydrite, SS & Dolomite)
	- <u>,</u>			

3 Estimated Depths of Anticipated Fresh Water, Oil and Gas

MD	SS	Formation	Objective	Fluid Type
2,700	556	Tansill	Primary	(Oil/Gas)
2,853	403	Yates	Primary	(Oil/Gas)
3,070	186	Seven Rivers	Primary	(Oil/Gas)
3,515	-259	B/7R	Primary	(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.



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"	0-3,200'	4-1/2"	10.50#	J-55	LTC/New	1.16 / 2.50 / 1.86

5 Cement Program

8-5/8" Surface Casing	LEAD 415 SX, 35/65/6, C/Poz/Gel, 1.90 cf/sk, 12.8 PPG
100% XS	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 nippled 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



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. Anticipated Start Date is September 15, 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.



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 attendence 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:	Drop Totco ev	Survey every 500' or bit trip Drop Totco every trip out to check the angle. Max inclination = 3° Call Houston if survey is >= 3°					
Mud Disposal:	Closed Loop system will be used. Haul off all cuttings and fluids.						
BHA #1	Surface	BIT - 8" DC - 6" DC's as needed					
BHA #2	Production	BIT - DC - STAB - DC - STAB - DC's as needed (30-60)					

BIT PROGRAM

Surface	12-1/4"	Smith F29	RPM 90	WOB 35k
Production	7-7/8"	FMH3655ZM	100-110	10-15k