Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
DEC 27 2010
HOBBSOCD

FORM APPROVED
OMB NO. 1004-0137
Expires July 31, 2010

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.

SUBMIT IN TRIPLICATE - Other instructions on page 2

5. Lease Serial No.
NM-86151

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
[X] Oil Well [ ] Gas Well [ ] Other

8. Well Name and No.
Blue Quail Federal 3

2. Name of Operator
Enervest Operating, LLC Attn: Shirley Galik

9. API Well No.
30-025-39818

3a. Address
1001 Fannin St. Ste 800 Houston, Tx 77002

3b. Phone No. (*include area code*)
713-495.1514

10. Field and Pool, or Exploratory Area
Sand Dunes, Bone Springs

4. Location of Well (*Footage, Sec., T., R., M., or Survey Description*)
Sec 7, T23S-R32E Unit N
660' FSL & 1980' FWL

11. County or Parish, State
Lee County NM

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
[x] Subsequent Report	[ ] Alter Casing	[ ] Fracture Treat	[ ] Reclamation	[ ] Well Integrity
[ ] Final Abandonment Notice	[ ] Casing Repair	[ ] New Construction	[ ] Recomplete	[x] Other Gas Sample
	[ ] Change Plans	[ ] Plug and Abandon	[ ] Temporarily Abandon	
	[ ] 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 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 final site is ready for final inspection.)

Attached is a gas sample report for the Blue Quail Federal #3.

14. I hereby certify that the foregoing is true and correct
Name (*Printed/Typed*) Shirley Galik
Signature Shirley Galik
Title Sr. Regulatory Tech
Date 12/23/10

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
Title PETROLEUM ENGINEER
Date APR 12 2011
Office

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, makes 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.

Laboratory Services, Inc.
2609 West Marland
Hobbs, New Mexico 88240

Telephone: (575) 397-3713

FOR: EnerVest
Attention: William Pilkington
P. O. Drawer M
Jal, New Mexico 88252

SAMPLE: Casing Gas
IDENTIFICATION Blue Quail Fed. #3
COMPANY: EnerVest
LEASE:
PLANT:

SAMPLE DATA:
DATE SAMPLED: 12/21/10 10:24 am
ANALYSIS DATE: 12/22/10
PRESSURE – PSIG 145
SAMPLE TEMP. °F
ATMOS. TEMP. °F 67

GAS (XX) LIQUID ( )
SAMPLED BY: Dustin Armstrong
ANALYSIS BY: Vickie Sullivan

REMARKS: H2S = 1.2 PPM

COMPONENT ANALYSIS

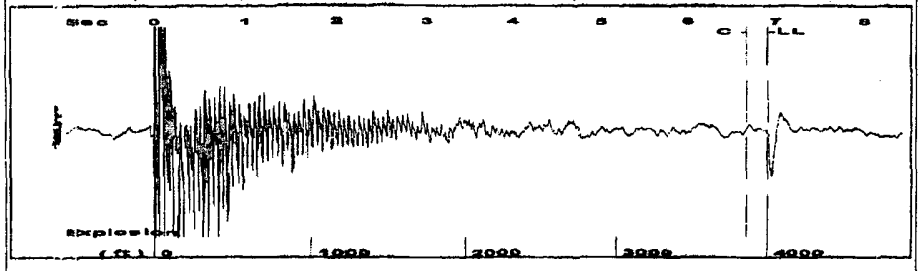
COMPONENT		MOL PERCENT	GPM
Hydrogen Sulfide	(H2S)		
Nitrogen	(N2)	5.111	
Carbon Dioxide	(CO2)	13.060	
Methane	(C1)	67.041	
Ethane	(C2)	7.952	2.122
Propane	(C3)	4.160	1.144
I-Butane	(IC4)	0.528	0.172
N-Butane	(NC4)	1.245	0.392
I-Pentane	(IC5)	0.256	0.093
N-Pentane	(NC5)	0.319	0.115
Hexane Plus	(C6+)	0.328	0.142
		100.000	4.180

BTU/CU.FT. – DRY	1023
AT 14.650 DRY	1019
AT 14.650 WET	1002
AT 14.73 DRY	1025
AT 14.73 WET	1007

MOLECULAR WT. 23.8864

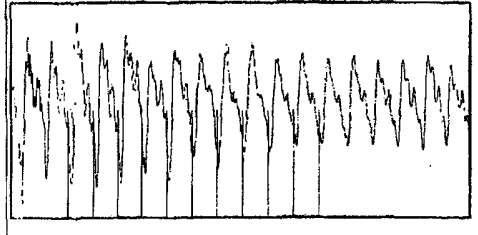
SPECIFIC GRAVITY –
CALCULATED 0.828
MEASURED

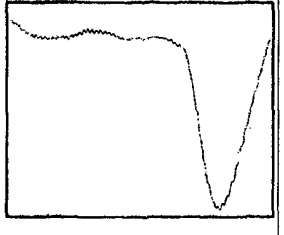
Group: Enervest Operating Well: Blue Quail Federal #3 (acquired on: 12/22/10 11:10:44)



Filter Type High Pass | Automatic Collar Count Yes | Time 6.911 sec
Manual Acoustic Velo 1156.99 ft/s | Manual JTS/sec 18.3824 | Joints 127.262 Jts
Depth 4004.95 ft

[1.5 to 2.5 (Sec)]





Analysis Method: Manual

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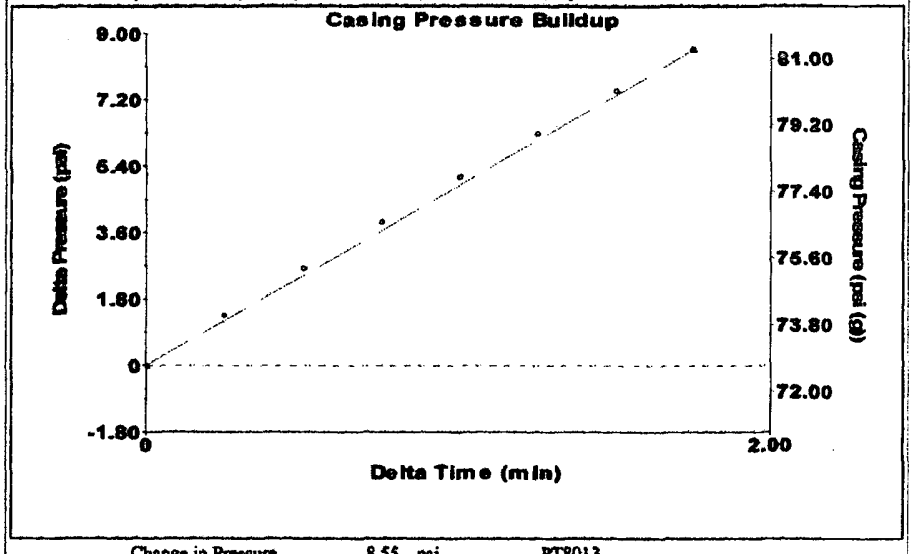


Change in Pressure 8.55 psi | PT8013 Range 0 - ? psi
Change in Time 1.75 min

Group: Enervest Operating Well: Blue Quail Federal #3 (acquired on: 12/22/10 11:10:44)

Production

	Current	Potential	
Oil	40	43.2	BBL/D
Water	300	323.8	BBL/D
Gas	40.0	43.2	Mscf/D

IPR Method Vogel
PBHP/SBHP 0.20
Production Efficiency 92.7

Oil 40 deg.API
Water 1.05 Sp.Gr.H2O
Gas 0.81 Sp.Gr.AIR

Acoustic Velocity 1159.01 ft/s

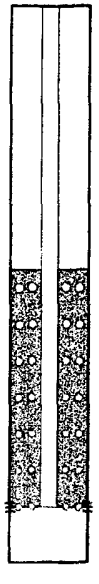
Formation Submergence
Total Gaseous Liquid Column HT (TVD) 4619 ft
Equivalent Gas Free Liquid HT (TVD) 919 ft

Acoustic Test

Casing Pressure
72.7 psi (g)
Casing Pressure Buildup
8.6 psi
1.75 min
Gas/Liquid Interface Pressure
83.2 psi (g)

Liquid Level Depth
4004.95 ft

Pump Intake Depth
8624.00 ft
Formation Depth
8625.00 ft



Producing

Annular Gas Flow
316 Mscf/D
% Liquid
20 %

Liquid Stream Below Tubing
Oil 0 %
Water 100 %

Liquid Below Tubing
47 %

Pump Intake
393.4 psi (g)
Producing BHP
393.6 psi (g)
Static BHP
2000.0 psi (g)

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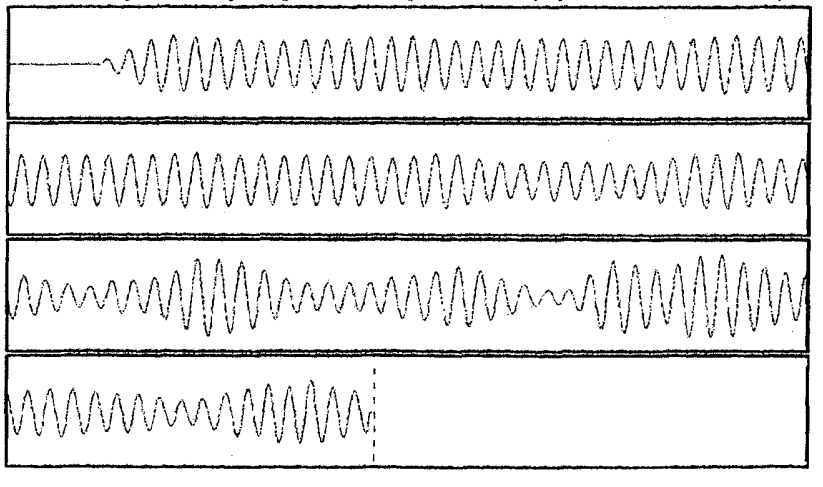

Acoustic Velocity	1159.01	ft/s	Joints counted	118	
Joints Per Second	18.4145	jts/sec	Joints to liquid level	127.262	
Depth to liquid level	4004.95	ft	Filter Width	16.3824	20.3824
Automatic Collar Count	Yes		Time to 1st Collar	0.256	6.664