

Form 3160-5
(June 2015)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0137
Expires: January 31, 2018**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

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator Vernon E. Faulconer, Inc.

3a. Address P.O. Box 7995 Tyler, TX 75711

3b. Phone No. (include area code)
(903) 581-43824. Location of Well (Footage, Sec., T., R., M., or Survey Description)
660' FSL & 660' FEL Sec. 19, T21S, R27E

5. Lease Serial No. NM354323

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.
NM061P35-85C523

8. Well Name and No. CHALLENGER-RAYROUX #1

9. API Well No. 30-015-24596

10. Field and Pool or Exploratory Area
Carlsbad; Wolfcamp East11. Country or Parish, State
Eddy County, 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 type="checkbox"/> Alter Casing	<input type="checkbox"/> Hydraulic Fracturing	<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 checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plats	<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.)

Well is Shut In due to Force Majeure notice from Transwestern Pipeline Company & DCP. See attached documents. According to the notice, the original timeline for coming back online was set to be February 1, 2016, but our DCP contact has advised us that Transwestern is saying the completion date for the repairs is "indefinite".

NM OIL CONSERVATION
ARTESIA DISTRICT

AUG 09 2016

RECEIVED

Approved to shut in well for 12 Months.
Submit 5th day production startup via sundry
notice.

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

Karen Charles

Title Production Analyst

Signature

Karen Charles

Date

01/29/2016

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Charles Nimmer

PETROLEUM ENGINEER

Title

Date

AUG - 3 2016

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

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.

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

Notice Type Description:	Force Majeure
Notice Identifier:	54856
Critical Notice Description:	Critical notice
Posting Date/Time:	Dec 22 2015 10:28AM
Notice Status Description:	Supersede
Required Response Indicator Description:	No response required
Response Date/Time:	
TSP:	7933047
TSP Name:	TRANSWESTERN PIPELINE COMPANY, LLC
Notice Effective Date/Time:	Dec 22 2015 10:18AM
Notice End Date/Time:	Feb 1 2016 8:59AM
Notice Text:	<p>December 22, 2015</p> <p>To: All Transwestern Pipeline Customers</p> <p>Subject: Crawford Lateral - Force Majeure Event</p> <p><u>Revision 1</u> - In-service date has been extended to February 1, 2016. Please see underlined below.</p> <p>Due to ILI results on the Crawford Lateral, Transwestern has isolated the pipeline to perform anomaly repairs.</p> <p>Therefore, effective December 11, 2015, the total capacity for the Crawford Lateral will be reduced from 60,000 MMBtu/d to 0 MMBtu/d.</p> <p>The following interconnects will be limited to no flow:</p> <p>Agave Hardstick: POI - 78395 DCPCrawford: POI -500267</p> <p><u>Based on currently available information, the estimated in-service date for the Crawford Lateral has been extended to February 1, 2016.</u></p> <p>Transwestern reserves the right to revise the estimated in-service date for the Crawford Lateral. Please continue to monitor Transwestern's website for updates and schedule changes.</p>
Reason:	



DCP Midstream
5718 Westheimer Road
Suite 1900
Houston, TX 77057

713-735-3600

January 13, 2016

Vernon E. Faulconer
Attn: Julie Lippman
P. O. Box 7995
Tyler, TX 75711

RE: DCP Avalon System - Force Majeure Event
DCP's File No. BIG002000*, Meter No. 38199562,
State K 33 #1 Lease

Dear Ms. Lippman,

This is to inform you that due to ILI results on the Transwestern Pipeline Crawford Lateral, Transwestern has isolated the pipeline to perform anomaly repairs. Therefore, effective December 11, 2015, Transwestern has limited the total capacity for the Crawford Lateral from 60,000 MMBtu/d to 0 MMBtu/d.

The following interconnects will be limited to no flow:

DCP Crawford: POI -500267

This action has caused DCP to curtail takes into our Avalon Gas Gathering System. Based on currently available information, the estimated in-service date for the Crawford Lateral and DCP's return to gas takes is February 1, 2016.

DCP reserves the right to revise the estimated in-service date for the Avalon System. We will continue to monitor Transwestern's website for updates and schedule changes, and will keep you updated regarding the return to service of the Avalon system.

We thank you for your commitment to DCP and regret any burden this shutdown places on you, your company, and its operations. If you have additional questions, please contact Thomas Frisbie at the (713) 268-7498.

Sincerely,

A handwritten signature in black ink, appearing to read "David A. Griesinger".

David A. Griesinger
Managing Director

Karen Charles

From: Diane Burnett
Sent: Thursday, January 28, 2016 4:40 PM
To: Karen Charles; Robbie Anglin
Subject: FW: DCP Force Majeure - State CDP; Burton Ranch CP; Hackberry Hills, Eddy County, NM
Attachments: DCPNMShutInDec15.xlsx

From: Julie Lippman
Sent: Monday, January 25, 2016 1:43 PM
To: Jean Crawley; Tom Markel; Wentzel Bouwer; Diane Burnett; Raymond Wells; Clay Alexander; Cindy Boatman; Buddy Sloan
Cc: David Enright
Subject: DCP Force Majeure - State CDP; Burton Ranch CP; Hackberry Hills, Eddy County, NM

To All:

I thought it would be beneficial to prepare one clean email with all of the following information. If there is anyone that is not listed and should be included on the distribution, please let me know.

Raymond has confirmed that the Burton Ranch CP and Hackberry Hills #1 sales meters have been shut-in by DCP due to the Transwestern (downstream pipeline) repairs (the same reason the State CDP has been shut-in). I have requested DCP to provide a force majeure letter to cover these meters also. The State CDP was shut in 12/11/15 and the Hackberry Hills #1 was shut in 12/12/15; neither point has had sales since these dates. The Burton Ranch CP was shut in 12/18/15-12/29/15. DCP then allowed us to flow this meter to pack the line. DCP shut in the meter again on 1/9/16 and it has not flowed since this date. I have attached a spreadsheet with this information also.

My DCP supply rep advised that Transwestern said the completion date for the repairs is "indefinite". According to Raymond, the DCP production foreman said it would be "next year" and that DCP was looking for alternative markets. I have requested my rep to provide me with any updates as he receives them. Raymond is also looking for alternative markets for the wells.

I will continue to keep everyone updated as I receive information and have Raymond to do the same. If you need any additional information at this time, please let me know.

Julie Lippman

Marketing Manager
Vernon E. Faulconer, Inc.
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jlippman@vefinc.com