

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

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

2. Name of Operator
Fasken Oil and Ranch, Ltd.

3. Address and Telephone No.
303 W. Wall, Suite 1800, Midland, TX 79701 (915) 687-1777

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
710' FNL, 1160' FWL Sec. 10, T21S, R24E

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JUN 27 2006

OCD-ARTESIA

5. Lease Designation and Serial No.
NM010567

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Pegasus "10" Federal No. 12

9. API Well No.
30-015-34714

10. Field and Pool, or Exploratory Area
Cemetery Morrow

11. County or Parish, State
Eddy, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
- ☒ Subsequent Report
- ☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
- ☐ Recompletion
- ☐ Plugging Back
- ☐ Casing Repair
- ☐ Altering Casing
- ☒ Other Spud, set casing
- ☐ Change of Plans
- ☐ New Construction
- ☐ Non-Routine Fracturing
- ☐ Water Shut-Off
- ☐ Conversion to Injection
- ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

05/03-05/06/06 JW Drilling Rig No. 5 spud 17 1/2" hole @ 12:30 am CDT 05/03/06. Drilled to 410'. Ran and set 13 3/8" 48#/ft H-40 ST&C casing @ 400.26'. Cemented with 10 bfw, 200 sx Class "H" with 10% A-10B, 1% CaCl₂m 10# sx Gilsonite and 1/4#/sx Cello Flake (S.w. 14.6 ppg, yield 1.52 ft³/sx) plus 400 sx Class "C" with 2% CaCl₂(s.w. 14.8 ppg, yield 1.32 ft³/sx). 13 3/8" cementing job witnessed by Mr. Kent Caffall with BLM.

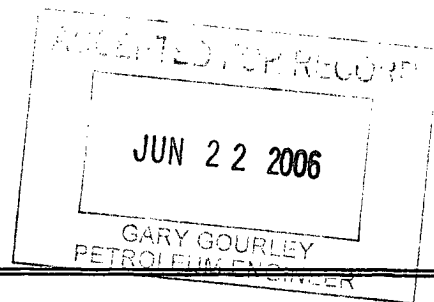
1" Cementing Detail

Plug # 1: Tagged TOC @ 208' with 1" tubing. Cemented with 25 Sx Class "C" with 4% CaCl₂ (s.w. 15.1 ppg, yield 1.2 ft³/sx).

Plug #2: WOC 2 hrs., tagged at 144'. Cemented w/50 sx Class "C" w/4% CaCl₂ (s.w.15.1 ppg, yield 1.2 ft³/sx).

Plug #3: WOC 2 hrs., tagged at 76'. Cemented w/25 sx Class "C" w/4% CaCl₂ (s.w.15.1 ppg, yield 1.2 ft³/sx).

Plug #4: WOC 2 hrs., tagged at 75'. Cemented w/15 sx Class "C" w/4% CaCl₂ (s.w.15.1 ppg, yield 1.2 ft³/sx). (Cont)



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

Signed Melvin Holcomb Title Engineering Tech. Date 6/15/2006

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, 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.

*See Instruction on Reverse Side

Pegasus "10" Federal No. 1
30-015-34714
Form 3160-5 Cont.

Plug #5: WOC 2 hrs., tagged at 75'. Cemented w/15 sx Class "C" w/4% CaCl₂ (s.w. 15.1 ppg, yield 1.2 ft³/sx).

Plug #6: WOC 2 hrs., tagged at 75'. Received approval from Kent Cafall with BLM to pour ready mix concrete.

Pressure tested BOP, choke manifold and casing to 1000 psig. WOC 16 1/2 hrs.

05/07-05/13/06 Continued drilling to 3015'. Ran and set 9 5/8" 36.0#/ft J-55 LT&C casing @ 3002.90'. Cemented with 600 sx BJ Lite "C" with 5# gilsonite, 1% CaCl₂ and 1/4# Celloflake (s.w. 12.5 ppg, yield 2.1 ft³/sx) and 200 sx Class "C" with 2% CaCl₂ (s.w. 14.8 ppg, yield 1.32 ft³/sx). Circulated 200 sx excess cmt. Pressure tested BOP, choke manifold and casing to 1000 psig for 30 min. WOC 19 1/4 hours.

05/14-06/06/06 Continued drilling to 10,075'. Ran and set 5 1/2" 17.00# N-80 LT&C casing @ 10,074.73'. Cemented with 10 bfw, 500 gals Mud Clean II, 10 bfw, 1100 sx BJ Super "C" cement with 0.2% FL-52A, 1.1% FL-25 and 0.3% SMS (s.w. 13.2 ppg, yield 1.57 ft³/sx). Released Rig @ 9:00am CDT 06/04/06. TOC per temperature survey @ 5227'; PBTD @ 9884'.