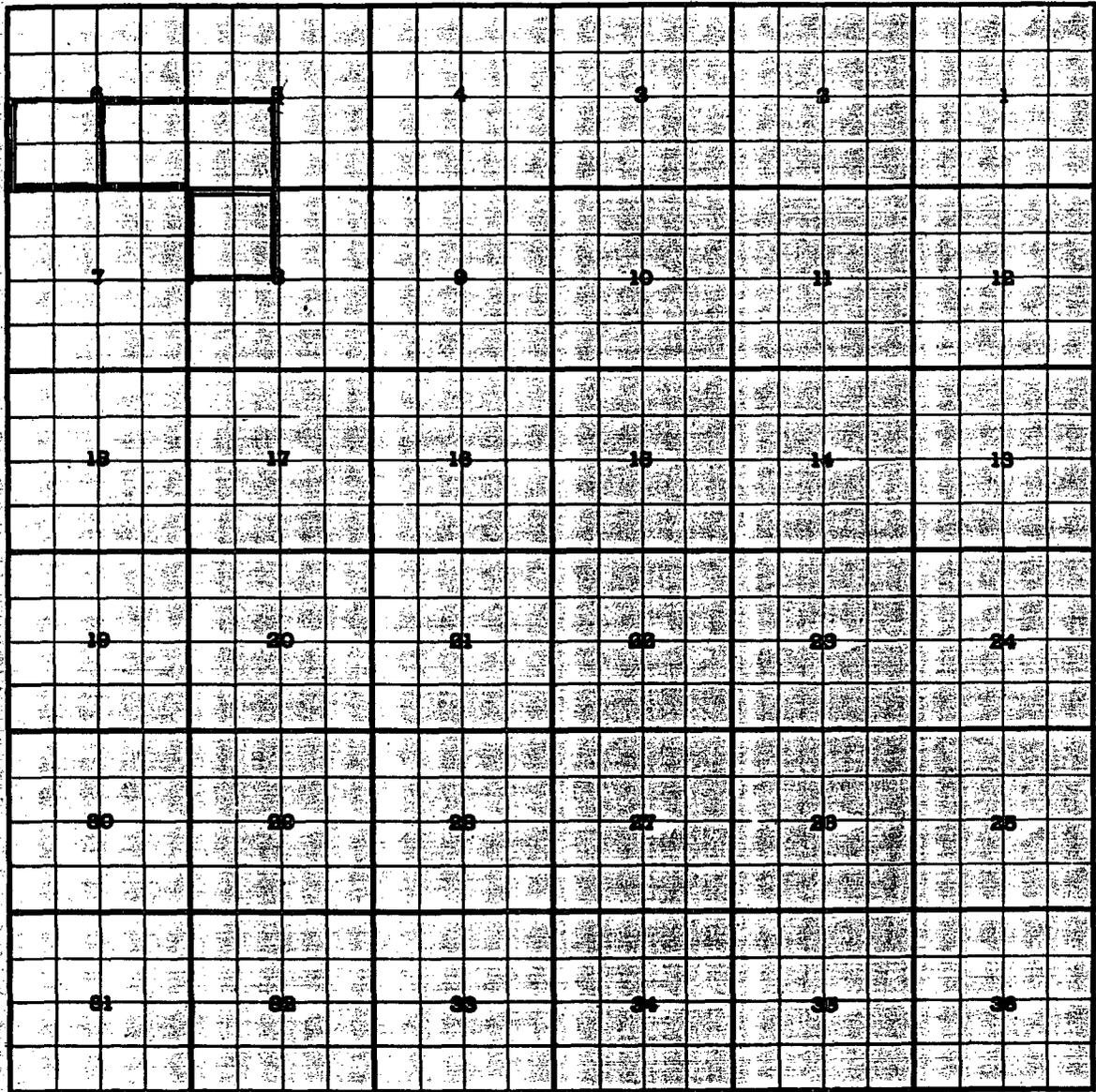


County Eddy Pool Foster Draw - Delaware Gas

TOWNSHIP 21 South, RANGE 27 East, NEW MEXICO PRINCIPAL MERIDIAN



Desc: NW/4 sec 8 (R-8945, 5-31-89)

Ext: ^{SW} 1/4 Sec. 5, ^{SE} 1/4 Sec. 6 (R-10343, 4-24-95) Ext: ^{SW} 1/4 Sec. 6 (R-11300, 1-4-00)

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/26/00 14:18:17
OGOMES -TQFY
PAGE NO: 2

Sec : 01 Twp : 21S Rng : 26E Section Type : NORMAL

36 40.59 Federal owned	35 40.66 Federal owned	34 41.07 Federal owned	33 41.14 Federal owned A
37 40.94 Federal owned	38 41.01 Federal owned	39 41.19 Federal owned	40 41.26 Federal owned A

PF01 HELP PF02
PF07 BKWD PF08 FWD PF03 EXIT PF04 GoTo PF05 PF06
 PF09 PRINT PF10 SDIV PF11 PF12

163.20

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/26/00 14:18:11
OGOMES -TQFY
PAGE NO: 1

Sec : 01 Twp : 21S Rng : 26E Section Type : NORMAL

20 29.49 Federal owned	21 38.99 Federal owned	28 39.01 Federal owned	19 29.85 Federal owned A	22 39.39 Federal owned	27 39.41 Federal owned	18 30.28 Federal owned	23 39.93 Federal owned	26 40.06 Federal owned A A A A	17 30.85 Federal owned A	24 40.29 Federal owned	25 40.42 Federal owned
29 39.02 Federal owned			30 39.42 Federal owned			31 40.19 Federal owned			32 40.56 Federal owned		

PF01 HELP PF02
PF07 BKWD PF08 FWD PF03 EXIT PF04 GoTo PF05 PF06
PF09 PRINT PF10 SDIV PF11 PF12

State of New Mexico
Oil Conservation Division
Attention: Mr. Michael E. Stogner
2040 South Pacheco
Santa Fe, New Mexico 87505

RECEIVED
MAY 22 2000

RE: Unorthodox Drilling Location Application
Avalon 1 Federal #3
T21S, R26E, Sec. 1: Lots 35,36,37,38
Eddy County, New Mexico

Gentlemen:

In the matter of the request by Bonneville Fuels Corporation for the administrative approval of the unorthodox drilling location for the Avalon 1 Federal #3 well, please be advised that the undersigned has no objection to the drilling of the subject well in accordance with the application filed by Bonneville, which includes the following:

1. Directionally drilling said well from the following Unorthodox Surface Location required by Topography:

2762' FSL & 2075' FEL, Lot 31, Unit 'O',

2. Directionally drilling to an Orthodox Location in the Foster Draw Delaware Gas Pool, which meets the 660' setback requirements (1993' FSL & 2008' FWL, Lot 35, Unit 'S'), then continuing to directionally drill until reaching the anticipated, orthodox, bottom hole total depth location (1666' FSL & 1530' FWL, Lot 35, Unit 'S'), and
3. That said well be permitted to produce at capacity and without restriction from any portion of the wellbore which is orthodox by meeting the minimum 660' setback requirements.

The undersigned does hereby waive all objection to the administrative approval of this matter as described herein.

Company: MARALO, LLC

By: 
Name(print) JOE C. PULIDO
Title : MANAGER
Date: MAY 18, 2000

CMD : ONGARD 08/31/04 12:40:38
 OG6CLOG C105-WELL COMPLETION OR RECOMP CASING LOG OGWMS -TQFY

OGRID Identifier : 151416 FASKEN OIL & RANCH LTD
 Prop Identifier : 32155 AVALON 1 FEDERAL
 API Well Identifier : 30 15 31199 Well No : 003
 Surface Locn - UL : 31 Sec : 1 Twp : 21S Range : 26E Lot Idn :
 Multiple comp (S/M/C) : S TVD Depth (Feet) : 6368 MVD Depth (Feet) : 6368
 Spud Date : 01-11-2001 P/A Date :
 Casing/Linear Record:

S Size	Grade Weight (lb/Ft)	Depth(ft) Top-Liner	Depth(ft) Bot-Liner	Hole Size (inches)	Cement (Sacks)	TOC	Code
13.375	54.0	9999.0	710.0	17.500	1100		C
9.625	40.0	0.0	1800.0	12.250	725		C

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
 PF07 PF08 PF09 COMMENT PF10 TLOG PF11 PF12

CMD : ONGARD 08/31/04 12:40:47
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TQEX

OGRID Idn : 151416 API Well No: 30 15 31199 APD Status(A/C/P) : A
Opr Name, Addr: FASKEN OIL & RANCH LTD Aprvl/Cncl Date : 01-01-2003
303 W WALL
STE 1900

MIDLAND, TX 79701-5116
Prop Idn: 32155 AVALON 1 FEDERAL Well No: 3

U/L Sec Township Range Lot Idn North/South East/West

Surface Locn : 31 1 21S 26E FTG 2762 F S FTG 2075 F E
OCD U/L : API County : 15

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C) : G Cable/Rotary (C/R) : R
Lease typ(F/S/P/N/J/U/I) : F Ground Level Elevation : 3191

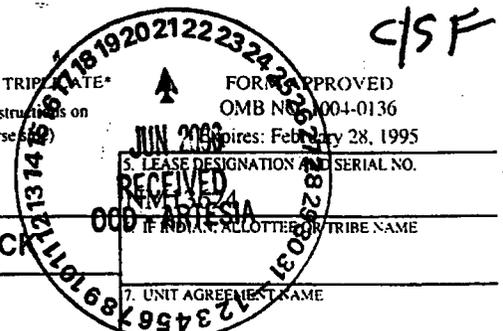
State Lease No: Multiple Comp (S/M/C) : S
Prpsd Depth : 4662 Prpsd Frmtn : FOSTER DRAW DELAWARE GAS

E0009: Enter data to modify record
PF01 HELP PF02 PF03 EXIT PF04 GOTO PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPlicate*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995



APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK **DRILL** **DEEPEN**

b. TYPE OF WELL
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
Bonneville Fuels Corporation 2678

3. ADDRESS AND TELEPHONE NO.
1700 Broadway Street, Suite 1150, Denver CO 80290 303 863-1555

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. *)
At Surface: **2762 FSL 2075' FEL (Lot 31) UNORTHODOX LOCATION**
At proposed prod. zone: **1900' FSL 1900' FWL (Lot 35)**

5. LEASE DESIGNATION AND SERIAL NO.
Avalon 1 Federal #3 25726

6. IF INDIAN ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
20-015-31199

10. FIELD AND POOL OR WILDCAT
Foster Draw Delaware Gas

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec 1 T21S R26E NMPM

12. COUNTY OR PARISH
Eddy

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
2.5 miles

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
Surf. (Unorthodox) **113'**
Bottom Hole Orthodox **660'**

16. NO. OF ACRES IN LEASE
406.3

17. NO. OF ACRES ASSIGNED TO THIS WELL
163

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
Surf. **2887'**
Orthodox **B.H. 2233'**

19. PROPOSED DEPTH
4662' MD/1096 TVD

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3191 GR 3207 DF

22. APPROX. DATE WORK WILL START*
6/01/2000

**SUBJECT TO
LIKE APPROVAL
BY STATE**

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH (MD)	QUANTITY OF CEMENT
17.5"	J-55 13 3/8"	54.5	700' WITNESS	610 sx
12 1/4"	J-55 8 5/8"	32	2644' WITNESS	950 sx
7 7/8"	J-55 5 1/2"	15.5	4662' MD	590 sx

Attached find 8 pt Drilling Plan and 13 pt Surface Use Plan and their respective attachments.

8 Pt Drilling Plan		13 Pt Surface Use Plan		
Exhibit #1	BOP Requirements	Exhibit A	Topo & Vicinity Map	Exhibit I H2S Monitor Layout
Exhibit #2	Choke Manifold	Exhibit B	Vicinity Map	Exhibit J Berm & Catchment
Exhibit #3	H2S Safety Plan	Exhibit C-1	Loc Verification Map	Exhibit K Arch. Inspection
Exhibit #3a	H2S Monitoring Layout	Exhibit C-2	C-102 Acreage Dedication Plat	
Exhibit #4	Directional Drill Plan	Exhibit D	Layout of Prod. Facilities	
		Exhibit E	Lease Stips for NM13624	
		Exhibit F	Pipeline ROW plan	
		Exhibit G	Cut & Fill Diagram	
		Exhibit H-1	Pad Layout	
		Exhibit H-2	Rig Equipment	

Notify OCD at SPUD & TIME to witness cementing the casing.

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

CARLEND CONTROLLED WATER BASIN

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. R. A. Schwering, P. E.
SIGNED: *[Signature]* TITLE: **Operations Mgr. SENM** DATE: **5/10/00**

PERMIT NO. _____ APPROVAL DATE _____

Application approval 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.
CONDITIONS OF APPROVAL, IF ANY:
APPROVED BY: **(ORIG. Sgd.) ARMANDO A. LOPEZ** TITLE: **Acting Assistant Field Manager, Lands And Minerals** DATE: **JUN 19 2000**

***See Instructions On Reverse Side**

EXHIBIT C-2
State of New Mexico

DISTRICT I
P.O. Box 1960, Hobbs, NM 88241-1960

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 22, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name <i>Foster Draw: Dehance Gas</i>
Property Code	Property Name AVALON 1 FEDERAL	Well Number 3
OGED No. <i>002678</i>	Operator Name BONNEVILLE FUELS CORPORATON	Elevation 3193

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 31	1	21 S	26 E		2762	SOUTH	2075	EAST	EDDY

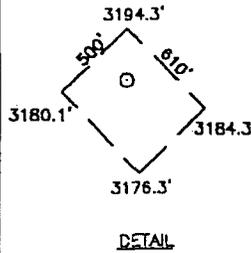
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 35	1	21 S	26 E		1993	SOUTH	2008	WEST	EDDY

Dedicated Acres <i>163.20</i>	Joint or Infill	Consolidation Code	Order No.
----------------------------------	-----------------	--------------------	-----------

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

20 29.49 AC.	19 29.85 AC.	18 30.28 AC.	17 30.85 AC.
21 38.99 AC.	22 39.39 AC.	23 39.93 AC.	24 40.29 AC.
28 39.01 AC.	27 39.41 AC.	26 40.06 AC.	25 40.42 AC.
29 39.02 AC.	30 39.42 AC.	31 40.19 AC.	32 40.56 AC.
36 40.59 AC.	35 40.66 AC.	34 41.07 AC.	33 41.14 AC.
37 40.94 AC.	38 41.01 AC.	39 41.19 AC.	40 41.26 AC.



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

R.A. Schwering
Signature
R.A. Schwering P.E.
Printed Name
Operator
Title
3/6/2000
Date

SURVEYOR CERTIFICATION

I hereby 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.

DECEMBER 9, 1999

Date Surveyed
Signature & Seal of Professional Surveyor

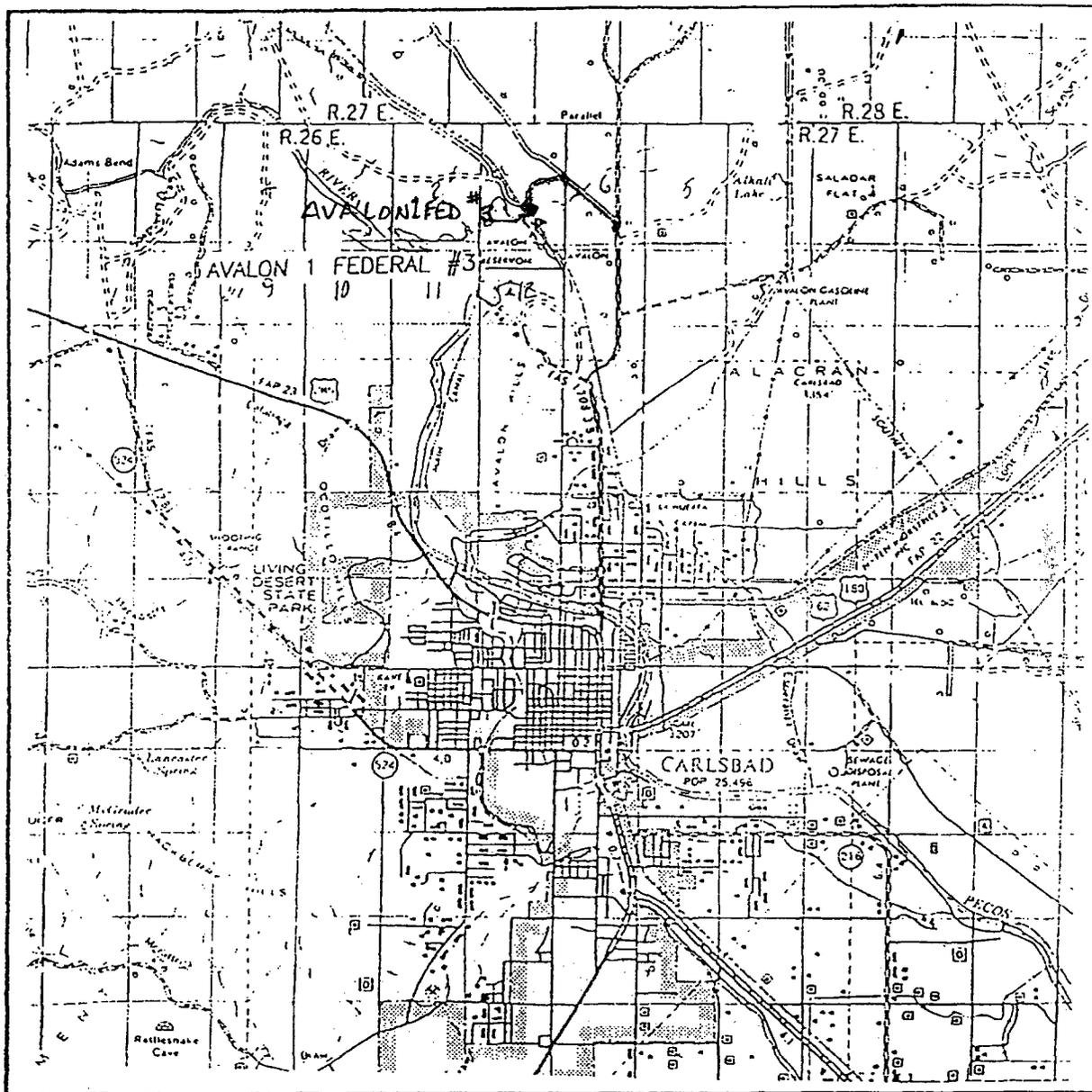
Ronald J. Eidson
12-14-99
99-11-10B2

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

↑
Acreage Dedication = 163.20 ac.
Lots 35, 36, 37 & 38.

EXHIBIT 'B'

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 1 TWP. 21-S RGE. 26-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 2762' FSL & 2075' FEL

ELEVATION 3193

OPERATOR BONNEVILLE FUELS CORPORATION

LEASE AVALON 1 FEDERAL

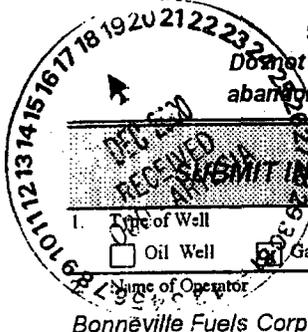
JOHN WEST ENGINEERING
 HOBBS, NEW MEXICO
 (505) 393-3117

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Cons. Division
811 S. 1st Street
Artesia, NM 88210-2804

FORM APPROVED
OMB No. 1004-0135
MAY 1996

CSIT



SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

7. If Unit or CA/Agreement, Name and/or No.
8. Well Name and No.
Avalon 1 Federal #3
9. API Well No.
30 015 31199
10. Field and Pool, or Exploratory Area
Foster Draw Delaware Gas
11. County or Parish, State
Eddy County, NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other
 Name of Operator
 Bonneville Fuels Corporation
 3a. Address
 1700 Broadway, Ste 1150, Denver CO 80290
 3b. Phone No. (include area code)
 303 863-1555 ext. 204
 4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 Unorthodox Surface Location: 2762' FSL 2075' FEL Sec 1 T21S, R26E NMPM
 Orthodox Top of Pay Location: 1997' FSL & 2007' FWL (3350.5' FEL)
 Orthodox Bottom-Hole Location: 1573' FSL & 1309' FWL (4058' FEL)

12. CHECK 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 checked="" 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 Operations (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 Brand under which the work will be performed or provide the Bond No on file with ELM/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 site is ready for final inspection.)

Bonneville Fuels Corporation respectfully requests several alterations in the drilling plan for the subject well after the vertical well reaches a TD @ 1800':

- Run & Set 9-5/8" 36# J-55 ST&C casing in 12-1/4" hole to 1800' (immediately below all cavernous lost circulation zones).
- Cement 9-5/8" casing to surface with:
 200 sx. Class 'H' cement w/ 10% A-10B + 10#/sx. Gilsonite + 1/2#/sx. Cello-Flakes + 1% CaCl2 @ 14.6 PPG @ 1.52 cu.ft./sx. foll/w/
 325 sx. 50% 'C' cement + 50% Poxmix 'A' w/ 10% Gel + 10#/sx. Gilsonite + 1/2 #/sx. Cello-Flakes + 2% CaCl2 @ 11.9 PPG @ 2.50 cu ft./sx. foll/w/
 200 sx. Class 'C' cement w/ 2% CaCl2 + 1/4 #/sx. Cello-Flakes.
 Perform remedial cementing as necessary until 9-5/8" casing is cemented to surface.
- NL BOPE & Test Casing & BOPE as per original permit.
- Drill 8-3/4" Hole to T.D. @ 5032' MD (3830' TVD) per attached revised directional plan which reaches the top of proposed pay in an orthodox location.
- Log and DST well as necessary. Run & Set 4-1/2" 11.6# J-55 LT&C casing.
- Cement well to approx. 1000' TVD per the original well plan based on caliper volumes obtained from electric logs with Super 'C' cement w/ additives.
 A copy of the Revised Directional Plan and the Unorthodox Surface Location NMOCD order are attached.
 Feel free to call BFC at the above-referenced number if you have any questions.
 BFC plans to spud in approx. 15 Days & request timely approval of this Sundry Notice.

**SUBJECT TO
LIKE APPROVAL
BY STATE**

14. Name (Printed/Typed) Ron Millet
 Signature *[Signature]*
 Title Drilling Manager
 Date December 8, 2000

THIS SPACE FOR FEDERAL OR STATE USE
 Approved by (ORIG. SGD.) DAVID H. GLASS
 Title PETROLEUM ENGINEER
 Date DEC 12 2000

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, 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.

UNI STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Corps. Division
811 S. 1st Street
Artesia, NM 88210-2834

FORM APPROVED
1004-0135
Expires July 31, 1996

CISF

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter an abandoned well. Use Form 3160-3 (APD) for such proposals.

Case Serial No.
30210-2834

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

Bonneville Fuels Corporation

3a. Address

1700 Broadway, Ste 1150, Denver CO 80290

3b. Phone No. (include area code)

303 863-1555 ext. 204

8. Well Name and No.

Avalon 1 Federal #3

9. API Well No.

30 015 31199

10. Field and Pool, or Exploratory Area

Foster Draw Delaware Gas

11. County or Parish, State

Eddy County, NM

Unorthodox Surface Location: 2782' FSL 2075' FEL Sec 1 T21S, R26E NMPM
Orthodox Top of Pay Location: 1997' FSL & 2007' FWL (3350.5' FEL)
Orthodox Bottom-Hole Location: 615' FSL & 684' FWL (4704' FEL)

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input 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 checked="" type="checkbox"/> Subsequent Report	<input 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 checked="" type="checkbox"/> Other Status
	<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 Operations (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 site is ready for final inspection.)

The subject well spudded @ 12:30 AM 1/11/01. A 17 1/2" surface hole was drilled to 710'. Ran 17 jts - 13 3/8" 54.5#, STC casing on 1/14/01 and cemented with 200 sks Thix-set cement + 10% A10B + 1/4 #/sk flocele + 10% LCM followed by 400 sks 50:50 Poz "C" + 2% CaCl and 200 sks Class "C" + 2% CaCl. Cement did not circulate. Temperature survey TOC was 308'. Ran 1" tubing and cemented to surface with 350 sks Class "C" + 3% CaCl in six stages. Drilled 12 1/4" hole to 1800'. Ran 40 jts 9 5/8", 40#, J-55, LTC casing on 1/17/01 and cemented with 150 sks "H" + 10% A10B + 1% CaCl + 1/4 #/sk flocele + 10% Gilsonite followed by 250 sks 50:50 Poz + 10% gel + 3% A10B + 1/4 #/sk flocele and 250 sks Class "C" + 2% CaCl. Cement did not circulate. Temperature survey TOC was 825'. Ran 1" tubing and cemented to surface with 75 sks Class "C" containing 3% CaCl. Circulated 29 sks cement to pit. Directionally drilled from 1865' to 4579' (directional survey attached). Evaluation of logs and other data indicated well non commercial. On 2/6/01 contacted Mr. Jim Amos with the Carlsbad, NM BLM office and requested permission to retain the well bore for either conversion to disposal or redrill in new direction. Verbal permission was granted by Mr. Amos to TA well for a period not to exceed 6 months. On 2/6/01, a CIBP was run on wireline, set at 1750', and pressure tested to 200 PSI for 30 min. A metal plate was welded on the casing flange and the well SI as temporarily abandoned.

14. Name (Printed/Typed) R. L. Millet Title
Signature *R. L. Millet* Drilling Manager
Date February 23, 2001

THIS SPACE FOR FEDERAL OR STATE USE

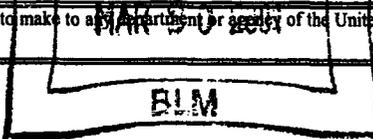
Approved by _____ Title _____ Date _____

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 (ORIG. SGD.) DAVID R. GLASS

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.

(Instructions on reverse)



0151

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

NM13624

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WORK

OIL WELL GAS WELL DRY Other _____

7. UNIT AGREEMENT NAME

1b. TYPE OF WELL

NEW WELL WORK OVER DEEFEN PLUG BACK DIFF RESVR. Other _____

8. FARM OR LEASE NAME, WELL NO.

Avalon 1 Federal #3

2. NAME OF OPERATOR

Bonneville Fuels Corporation

9. API WELL NO.

3001531199

3. ADDRESS AND TELEPHONE NO.

1700 Broadway, Suite 1150 Denver CO 80290 303 863-1555 ext-204

10. FIELD AND POOL OR WILDCAT

Foster Draw Delaware Gas

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*

At Surface 2762 FSL 2075 FEL

At top prod. Interval reported below

11. SEC. T. R. M. OR BLOCK AND SURVEY OR AREA

Sec 1 T21S R26 E

At total depth

615' FSL, 684 FWL

14. PERMIT NO.

DATE ISSUED

12. COUNTY OR PARISH

Eddy

13. STATE

NM

15. DATE SPUDDED

1/11/2001

16. DATE T.D. REACHED

2/02/01

17. DATE COMPL. (Ready to prod.)

NA

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

3193 Gr

19. ELEV. CASINGHEAD

3193

20. TOTAL DEPTH, MD & TVD

6368 MD 4579 TVD

21. PLUG, BACK T.D., MD & TVD

TD
MD TVD

22. IF MULTIPLE COMPL., HOW MANY*

→

23. INTERVALS DRILLED BY

→

ROTARY TOOLS

6368'

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD AND TVD)*

Not Completed CIBP set @ 1750' TA'd 2/6/2001

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

LD/CN/GR A/GR

27. WAS WELL CORED

No

23. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
13 3/8 J-55	54	710	17 1/2"	Surf, 800 sx + 300 sx 1" top job	
9 5/8" J-55	40#	1800	12 1/4"	Surf, 650 sx +75 sx 1" top job	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)					
NA	NA	TA					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
	0		→	0	0	0	0
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL--BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)	
		→	0	0	0		

34. DISPOSITION OF GAS (Solid, used for fuel, vented, etc.)

NA

35. LIST OF ATTACHMENTS

Directional Survey Logs: LD/CN/GR A/GR measured & TVD

36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

[Signature]

TITLE Drilling Manager

DATE

2/26/01

* (See Instructions and Spaces for Additional Data on Reverse Side)

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, cored intervals, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

Avalon 1 Federal #3

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS	
				NAME	MEAS. DEPTH
Cherry Canyon	2369 MID	5204 MID			
	2334 TVD	3798 TVD			
Brushy Canyon	5204 MID	6276 MID			
	3798 TVD	4512 TVD			
Zone Springs	6276 MID	4512 TVD			

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	VERT. DEPTH

MAR 1 2 2011

SPERRY-SUN DRILLING SERVICES

CERTIFIED SURVEY WORK SHEET

OPERATOR:	Bonneville Fuels Corp.
WELL:	Federal 1, Avalon #3
FIELD:	
RIG:	Nabors #398
LEGALS:	Sec. 1 - T21S - R26E
COUNTY:	Eddy
STATE:	New Mexico
CAL. METHOD:	Minimum Curvature
MAG. DECL. APPLIED:	9.1°
VERTICAL SEC. DIR. :	231.275°

SSDS Job Number :	CA-MJ-10008
Start Date of Job :	01/18/2001
End Date of Job :	02/02/2001
Lead Directional Driller:	Larry Sledge
Other SSDS DD's :	Bill Haines
SSDS MWD Engineers :	Charlie Brister Kevin Hoshall

	Main Hole	1st Side Track	2nd Side Track	3rd Side Track	4th Side Track
	Tie On	Tie On	Tie On	Tie On	Tie On
Well Head	0.00				
Surface Casing	0.00				
KOP	1800.00				
First Survey Depth	1822.00				
Last Survey Depth	1822.00	MWD			
	6368.00	MWD	KOP-ST1	KOP-ST2	KOP-ST3
First Survey Depth					
Last Survey Depth	SS	MWD	MWD	MWD	MWD
Bit Extrapolation to TD	SS	MWD	MWD	MWD	MWD
	T.D.	T.D.	T.D.	T.D.	T.D.

Print Name :		Print Name :	
Sign Name :		Sign Name :	
Print Name :		Print Name :	
Sign Name :		Sign Name :	

Examples of Survey Types:

Tie On: MWD, ESS, Gyro, SS

Tie On to Surface Casing (Assumed Vertical), Tie On to existing MWD Survey (prior drilled hole)
 Sperry Sun Drilling Services (SSDS) Measurement While Drilling (MWD) Survey's
 Sperry Sun Drilling Services (SSDS) Electronic Survey System (ESS) Survey's
 Gyro Survey's ; Provided by third party vendor, or by Sperry Sun Drilling Services (SSDS)
 Single Shot (SS) Survey's ; Provided by Sperry Sun Drilling Services (SSDS) or third party vendor.

RECEIVED
OCD - ARTES A

**New Mexico
Eddy County
Sec. 1-T21S-R26E
Federal 1 Avalon #3 - MWD SURVEY**

SURVEY REPORT

7 February, 2001

sperry-sun
DRILLING SERVICES
A Halliburton Company

Survey Ref: svy3252

Sperry-Sun Drilling Services

Survey Report for Federal 1 Avalon #3 - MWD SURVEY

New Mexico

Eddy County
Sec. 1-T21S-R26E

Measured Depth (ft)	Incl.	Azim.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
0.00	0.000	0.000	0.00	0.00 N	0.00 E	0.00	
1822.00	2.000	303.100	1821.63	17.36 N	26.64 W	9.92	0.11
1886.00	3.500	257.500	1885.56	17.55 N	29.48 W	12.02	3.97
1981.00	11.200	232.600	1979.73	11.31 N	39.66 W	23.86	8.59
2076.00	17.200	233.000	2071.78	2.76 S	58.22 W	47.15	6.32
2172.00	22.800	236.000	2161.96	21.72 S	85.00 W	79.90	5.93
2267.00	29.000	238.100	2247.38	44.20 S	119.85 W	121.15	6.60
2363.00	34.700	239.400	2328.89	70.43 S	163.16 W	171.35	5.98
2458.00	40.300	239.400	2404.23	99.86 S	212.92 W	228.58	5.89
2554.00	46.600	238.800	2473.89	133.76 S	269.53 W	293.96	6.58
2648.00	50.500	239.400	2536.10	169.93 S	329.98 W	363.74	4.18
2744.00	55.400	241.500	2593.93	207.66 S	396.63 W	439.34	5.39
2839.00	60.600	241.100	2644.25	246.35 S	467.26 W	518.65	5.49
2934.00	63.200	239.700	2689.00	287.74 S	540.11 W	601.38	3.03
3029.00	65.100	239.400	2730.42	331.07 S	613.81 W	685.98	2.02
3125.00	66.400	239.000	2769.85	375.89 S	688.99 W	772.67	1.41
3220.00	67.100	240.600	2807.35	419.79 S	764.43 W	858.99	1.71
3315.00	66.400	240.800	2844.85	462.51 S	840.55 W	945.10	0.76
3411.00	66.300	240.200	2883.36	505.81 S	917.08 W	1031.89	0.58
3504.00	65.200	239.500	2921.56	548.40 S	990.41 W	1115.74	1.37
3600.00	65.000	239.200	2961.98	592.79 S	1065.32 W	1201.95	0.35
3695.00	64.500	238.500	3002.50	637.23 S	1138.85 W	1287.12	0.85
3790.00	63.800	237.300	3043.92	682.66 S	1211.28 W	1372.04	1.35
3885.00	63.500	234.600	3086.09	730.32 S	1281.80 W	1456.88	2.57
3920.00	63.500	234.800	3101.71	748.42 S	1307.36 W	1488.14	0.51
4013.00	62.200	231.800	3144.16	797.85 S	1373.71 W	1570.83	3.19
4108.00	60.500	231.300	3189.70	849.69 S	1439.00 W	1654.19	1.85
4203.00	60.800	230.800	3236.27	901.74 S	1503.40 W	1737.00	0.56
4298.00	59.600	229.900	3283.48	954.34 S	1566.87 W	1819.42	1.51
4395.00	59.300	229.500	3332.78	1008.37 S	1630.58 W	1902.93	0.47
4490.00	58.900	229.200	3381.57	1061.47 S	1692.43 W	1984.40	0.50
4586.00	56.600	228.600	3432.79	1114.84 S	1753.61 W	2065.51	2.45
4681.00	54.700	226.900	3486.40	1167.56 S	1811.67 W	2143.79	2.49
4777.00	54.400	226.500	3542.08	1221.19 S	1868.58 W	2221.74	0.46
4873.00	53.400	225.000	3598.64	1275.31 S	1924.14 W	2298.94	1.64
4968.00	54.000	224.100	3654.88	1329.87 S	1977.85 W	2374.98	0.99
5063.00	52.800	223.200	3711.52	1385.05 S	2030.50 W	2450.57	1.47
5158.00	52.300	222.300	3769.29	1440.43 S	2081.69 W	2525.16	0.92
5253.00	51.600	221.400	3827.84	1496.15 S	2131.61 W	2598.95	1.05
5348.00	50.600	222.100	3887.50	1551.31 S	2180.83 W	2671.87	1.20

Continued...

Sperry-Sun Drilling Services

Survey Report for Federal 1 Avalon #3 - MWD SURVEY

New Mexico

Eddy County
Sec. 1-T21S-R26E

Measured Depth (ft)	Incl.	Azlm.	Vertical Depth (ft)	Northings (ft)	Eastings (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)
5444.00	50.100	221.100	3948.76	1606.58 S	2229.91 W	2744.73	0.96
5539.00	49.600	220.700	4010.01	1661.47 S	2277.45 W	2816.16	0.62
5635.00	48.900	220.900	4072.68	1716.52 S	2324.97 W	2887.67	0.75
5731.00	48.700	220.600	4135.91	1771.24 S	2372.12 W	2958.69	0.31
5830.00	48.500	219.300	4201.38	1828.17 S	2419.80 W	3031.50	1.01
5922.00	46.800	219.500	4263.36	1880.70 S	2462.96 W	3098.03	1.85
6018.00	46.800	218.800	4327.71	1933.84 S	2506.22 W	3165.03	0.54
6112.00	45.400	217.800	4394.27	1988.12 S	2549.10 W	3232.43	1.64
6207.00	44.400	217.200	4461.56	2041.32 S	2589.92 W	3297.56	1.14
6300.00	43.000	216.500	4528.80	2092.73 S	2628.46 W	3359.79	1.59
6305.00	42.900	216.500	4532.46	2095.47 S	2630.48 W	3363.08	2.00
6368.00	42.790	216.800	4578.65	2129.84 S	2656.05 W	3404.53	0.37

All data is in feet unless otherwise stated. Directions and coordinates are relative to True North. Vertical depths are relative to RKB. Northings and Eastings are relative to Wellhead.

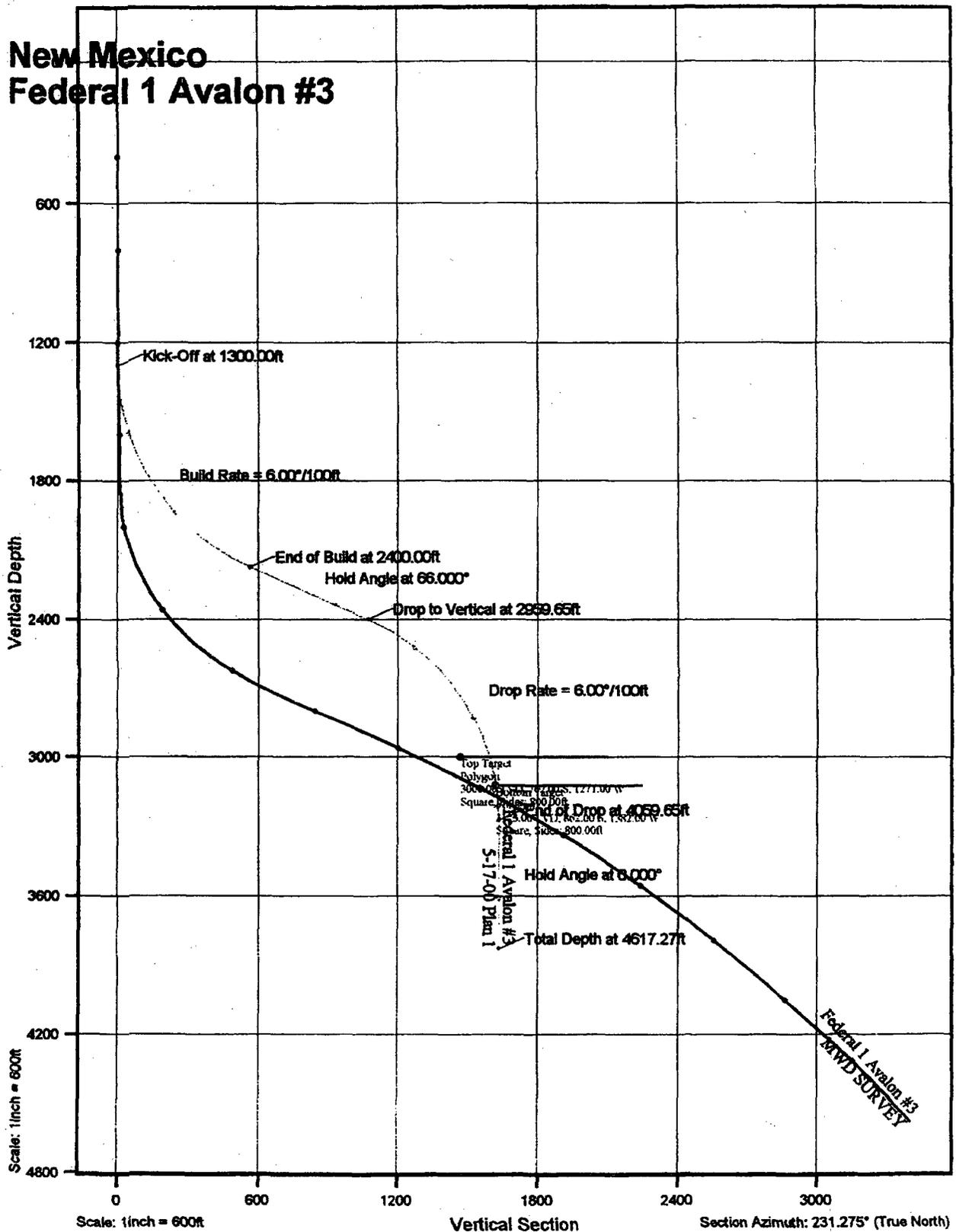
The Dogleg Severity is in Degrees per 100 feet.

Vertical Section is from Wellhead and calculated along an Azimuth of 231.275° (True).

Based upon Minimum Curvature type calculations, at a Measured Depth of 6368.00ft., The Bottom Hole Displacement is 3404.53ft., in the Direction of 231.275° (True).

SPERRY-SUN DRILLING SERVICES VERTICAL SECTION

**New Mexico
Federal 1 Avalon #3**



District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-104B
March 19, 2001

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit 1 copy of the final affected wells list along with 1 copy of this form per number of wells on that list to appropriate District Office

Change of Operator Name

OGRID: 2078
Effective Date: 7/1/02

Previous Operator Name and Information:

Name: Bonneville Fuels Corporation
Address: 1700 Broadway #1150
Address: 4
City, State, Zip: Denver Co 80290

New Operator Name and Information:

New Name: Carbon Energy Corporation (USA)
Address: 1700 Broadway
Address: Suite 1150
City, State, Zip: Denver Co 80290

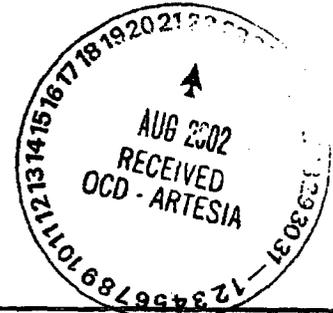
I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

Signature: Dawn G. Meek

Printed name: Dawn G. Meek

Title: Accountant

Date: 7/23/02 Phone: 303 7852619



NMOCD Approval	
Signature:	<u>Jim W. Seem</u>
Printed Name:	<u>District Supervisor</u>
District:	_____
Date:	AUG 29 2002

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-104A
August 11, 2000

Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Submit 1 copy of the final affected wells
list along with 2 copies of this form per
number of wells on that list to
appropriate District Office

Change of Operator

Previous Operator Information:

OGRID: 002678
Name: Carbon Energy Corporation (USA)
Address: 1700 Broadway
Address: Suite 1150
City, State, Zip: Denver, CO 80290

New Operator Information:

Effective Date: January 1, 2003
New Ogrid: 151416
New Name: Fasken Oil and Ranch, Ltd.
Address: 303 West Wall, Suite 1800
Address: _____
City, State, Zip: Midland, TX 79701

I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information on this form and the attached list of wells is true and complete to the best of my knowledge and belief.

New Operator
Signature: *Sally Kvasnicka*
Printed name: Sally Kvasnicka
Title: Land Manager
Date: 3-24-03 Phone: (915) 687-1777



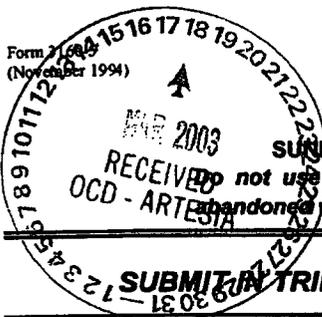
Previous operator complete below:

Previous Operator: Carbon Energy Corporation (USA)
Previous OGRID: 2678
Signature: *Todd S. McDonald*
Printed Name: Todd S. McDonald
Vice President

NMOCD Approval	
Signature:	<u><i>Jim W. Gunn</i></u>
Printed Name:	<u>SUPERVISOR, DISTRICT II</u>
District:	_____
Date:	<u>APR 1 2003</u>

30-015-31199

UNITED STATES **Oil Cons.**
 DEPARTMENT OF THE INTERIOR **N.M. Div-Dist. 2**
 BUREAU OF LAND MANAGEMENT **1301 W. Grand Avenue**
Artesia, NM 88210



SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Carbon Energy Corporation (USA)

3a. Address **1700 Broadway, Ste 1150, Denver CO 80290**

3b. Phone No. (include area code) **303 863-1555 ext. 213**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
LOT. 31
 Unorthodox Surface Location: **2762' FSL 2075' FEL Sec 1 T21S, R26E NMPM**
 Bottom-Hole Location: **615' FSL & 684' FWL**

5. Lease Serial No.
NM 13624

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No.
Avalon 1 Federal #3

9. API Well No.
30 015 31199

10. Field and Pool, or Exploratory Area
Foster Draw Delaware Gas

11. County or Parish, State
Eddy County, NM

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input 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 checked="" type="checkbox"/> Subsequent Report	<input 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 checked="" 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 Operations (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 recompletes 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 site is ready for final inspection.)

Carbon Energy Corporation (USA) respectfully requests to continue the TA Status of this well 1 year until 2/01/2004.

On 2/6/2001 this well was Temporarily Abandoned when a CIBP was placed at 1750' in the 9-5/8" Casing (Set @ 1800'). The 9-5/8" casing was cemented to surface w/ 725 sx. cement. The CIBP was tested to 200 PSIG f/ 30 min. & the casing was left standing full of water.

On 1/17/2001 Mr. Bill Hansen (Representing Carbon Energy Corporation (USA)) met with Mr. Gerry Guye (NMOCDD rep.) at the Avalon 1 Fed. #3 wellsite. The casing was observed to still be standing full of water after the cover was removed. The locking cover was re-installed on the well.

Mr. Guye assessed that he was content with the facility condition and would support a 1 year extension of the TA status. Mr. Guye can be reached at (505) 748-1283.

Carbon Energy Corporation (USA) is of the opinion that a revised directional plan & re-entry of this well will result in commercial production.

14. Name (Printed/Typed) **R. A. Schwering, P.E.**

Signature *R.A. Schwering* Title **Production Manager**

Date **January 21, 2003**

THIS SPACE FOR FEDERAL OR STATE USE

Approved by **(ONG. 99D.) JOE G. LARA** Title **Petroleum Engineer** Date **3/17/03**

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 **CFO**

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.

NMOCD

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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

3. Lease Designation and Serial No.

NM 13624

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Avalon "1" Federal No. 3

9. API Well No.

30-015-31199

10. Field and Pool, or Exploratory Area

Foster Draw Delaware

11. County or Parish, State

Eddy, NM

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

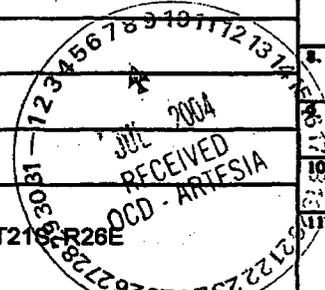
Fasken Oil and Ranch, Ltd.

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)

Surface: 2762' FSL, 2075' FEL Bottom Hole: 615' FSL, 684' FWL Sec. 1; T218S, R26E



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

TYPE OF SUBMISSION

TYPE OF ACTION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other convert to SWD

- 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.)

Fasken Oil and Ranch, Ltd. proposes to convert the Avalon "1" Federal No. 3 to salt water disposal. An application to convert this well is being filed with the New Mexico Oil Conservation Division. A copy of this application is attached. Please see the attached procedure for specific details of the work.

SUBJECT TO
LIKE APPROVAL
BY STATE

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

Signature: [Signature] Title: Regulatory Affairs Coordinator Date: 6/29/2004

(This space for Federal or State office use)

Approved by: (ORIG. SGD.) ALEXIS C. SWOBODA Title: PETROLEUM ENGINEER Date: JUL 06 2004

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