

New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Brett F. Woods, Ph.D.
Acting Cabinet Secretary

J. Daniel Sanchez
Acting Division Director
Oil Conservation Division



October 3, 2011

Kim Tyson
Fasken Oil & Ranch, LTD.
303 West Wall Street
Suite 1800
Midland, TX 79701

Re: Administrative Order SWD-1252

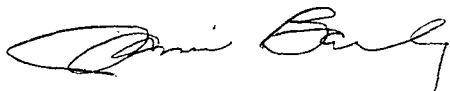
Shell Federal Well No. 2 (API 30-015-22717)
3300 FSL, 660 FWL, Lot 13 of Irregular Sec 5, T21S, R24E, NMPM, Eddy County
Dispose into the Devonian formation, Approximate Depths: 10250 to 11000

You have submitted a request on behalf of Fasken Oil & Ranch, LTD., for an extension of this disposal permit beyond the one year deadline to commence injection for the reasons outlined in the attached correspondence.

The Division finds that granting this request to extend this injection permit is in the interest of conservation and will prevent waste and protect the environment.

All requirements of the above referenced injection permit and agreements in the application remain in full force and effect.

The deadline to commence injection is hereby extended until October 26, 2012.

A handwritten signature in black ink, appearing to read "Jami Bailey".

JAMI BAILEY
Director

Cc: Oil Conservation Division – Artesia
File: SWD-1252



Jones, William V., EMNRD

From: Kim Tyson [kimt@forl.com]
Sent: Tuesday, September 20, 2011 1:28 PM
To: Jones, William V., EMNRD
Subject: RE: Shell Federal No. 2 - SWD Permit No. 1252
Attachments: Shell Federal #2 - SWD Permit.pdf

William,

I have provided answers to your questions below.

Nothing has changed in the ½ mile Area of review. No new wells have been drilled and all of the ownership remains the same.

Operator Name - Fasken Oil and Ranch, Ltd.

OGRID – 151416

Rule 5.9 Status - Fasken Oil and Ranch, Ltd. was not listed as an operator who is subject to the part 5.9 rule.

Operator Address and e-mail – 303 West Wall St., Ste. 1800, Midland, TX 79701; use kimt@forl.com for the e-mail address.

API Number – 30-015-22717

Legal description of the well – 3300' FSL & 660' FWL, Section 5, T21S, R24E

Fasken Oil and Ranch, Ltd. requests a one year extension.

Disposal Permit number & date issued – Administrative Order SWD-1252 and it was issued on 10-26-2010.

I have attached a copy of the SWD permit.

No sundry notices have been submitted as of yet for the work to convert this well to an SWD due to waiting on the re-entry permit.

Please call me at 432-687-1777 or e-mail me if you should need more information.

Thanks for your help concerning this matter.

Kim Tyson

From: Jones, William V., EMNRD [<mailto:William.V.Jones@state.nm.us>]
Sent: Tuesday, September 20, 2011 10:22 AM
To: kimt@forl.com
Cc: Ezeanyim, Richard, EMNRD
Subject: RE: Shell Federal No. 2 - SWD Permit No. 1252

Kim –

I can run this by Richard and probably this will be fine, but

Here are a few things that would help us justify this and write an extension letter:

Statement as to whether anything has changed in the ½ mile Area of Review – are there any new wells that were drilled this year and has land ownership changed? Ask your engineer and landman.

Operator Name and OGRID

Rule 5.9 Status – you can get this from the OCD web site.

Operator Address and email for us to use.

API of well involved

Legal description of the well

Length of time for the extension you want

Disposal Permit number and date it was issued

A copy of the permit

Copies of any federal/OCD well work "Sundrys" since the permit was issued.

Some of this is below.

Regards,

Will

From: Kim Tyson [<mailto:kimt@forl.com>]

Sent: Tuesday, September 20, 2011 8:07 AM

To: Jones, William V., EMNRD

Subject: Shell Federal No. 2 - SWD Permit No. 1252

William,

I am writing this e-mail to request an extension for our SWD permit No. 1252 for the Shell Federal No. 2 that is due to expire on 10-26-11. We are currently in the process of getting our application to re-enter approved with the Bureau of Land Management. They have told us that they hope to have it approved at the beginning of October, but just in case that does not happen I am requesting an extension for the SWD permit. As soon as we receive that permit to re-enter operations will commence and we be converting this well to an SWD well.

If you have any questions or need any additional information please call me at 432-687-1777 or e-mail me at kimt@forl.com.

Thanks for your help concerning this matter.

Kim Tyson

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