

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



Fasken Oil & Ranch LTD
Ling Federal #4

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

RECEIVED
17 PM 12 41

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☒ Working, ~~Royalty or Overriding Royalty~~ Interest Owners
- [B] ☒ Offset Operators, ~~Leaseholders or Surface Owner~~
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kellahin & Kellahin
Attorneys At Law
706 Gonzales Rd.
Santa Fe, NM 87501

Signature: *[Handwritten Signature]*

Title: _____

Date: 12/17/07

e-mail Address: _____

5786

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

December 17, 2007

HAND DELIVERED

RECEIVED
DEC 17 PM 12 42

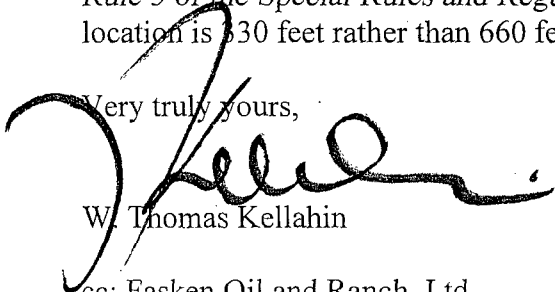
Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Application of Fasken Oil and Ranch, Ltd.
for approval of a unorthodox gas well location for its
Ling Federal Well No. 4, Unit *6* *I*
API # (Pending)
1660 feet FSL and 2310 feet FEL
E/2 320-acre dedication, Section 31
T19S, R34E, Lea County, New Mexico
Quail Ridge-Morrow Gas Pool

Dear Ms. Fesmire:

On behalf of Fasken Oil and Ranch, Ltd, please find enclosed our referenced administrative application that is being filed in accordance with Division Rule 104.F and Rule 5 of the Special Rules and Regulations for the Quail Ridge-Morrow Gas Pool. This location is 530 feet rather than 660 feet from the west side of this spacing unit.

Very truly yours,


W. Thomas Kellahin

cc: Fasken Oil and Ranch, Ltd.
Attn: Jimmy D. Carlile

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF FASKEN OIL & RANCH, LTD. FOR
APPROVAL OF AN UNORTHODOX OIL WELL LOCATION
LEA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now FASKEN OIL AND RANCH, LTD. ("Fasken") and by and through its attorneys, Kellahin & Kellahin, and in accordance with Division General Rule 104.F, applies to the New Mexico Oil Conservation Division ("Division") for approval of an unorthodox gas well location for its Ling Federal Well No. 4, to be located 1660 feet FSL and 2310 feet FEL (Unit J) of Section 31, T19S, R34E, Lea County New Mexico to be drilled as a Morrow well subject to the Quail Ridge-Morrow Pool rules and if successful dedicated to a standard 320-acre gas spacing unit consisting of the E/2 of this section.

In support, Fasken states:

- (1) Fasken is the proposed operator of the Ling Federal Well No. 4 to be drilled to the Morrow formation and completed in the Quail Ridge-Morrow Gas Pool (pool code 83280). Fasken has filed an APD and is awaiting approval-there is not API yet issued.
- (2) The well is to be located 1660 feet FSL and 23100 feet FEL (Unit j) Section 31, T19S, R34E, at a unorthodox gas well location for the Morrow formation, dedication to the E/2 of this section. See Form C-102 attached as Exhibit "A"
- (3) Fasken now desires approval to drill and produce this well at an unorthodox gas well location for any Morrow gas production.
- (4) This well, if successful, will be 330 feet from the western boundary of is spacing unit instead of 660 feet as required by Division Rule 104.

TECHNICAL EVIDENCE

- (5) The proposed location for this well is based upon a combination of topographical and geological reasons. See summary attached as Exhibit "B"

(6) Because of topographical reasons, the BLM required that the location be moved north of the best geological location in order to avoid a potential sand dune lizard habitat to the south.

(7) The geological evidence demonstrates that this proposed Morrow well should encounter a thicker part of the Middle Morrow A and B sands than would be encountered at any standard location in the E/2 of Section 31:

- (a) See Locator map attached as Exhibit "C"
- (b) See three well cross-section attached as Exhibit "D"
- (c) See Morrow structure map attached as Exhibit "E"
- (d) See Middle "A" Morrow gross isopach attached as Exhibit "F"
- (e) See Middle "B" Morrow gross isopach attached as Exhibit "G"

NOTIFICATION

(10) All of Section 31, except for the NE/4NW/4, is subject to Federal oil & gas lease NM-14496.


(11) The W/2 of this section has been communitized and is currently dedicated to the Federal Ling #2, located in Unit L and operated by Fasken.

(11) The subject spacing unit E/2 of Section 31 and the encroached upon spacing unit the W/2 of Section 31 are both operated by Fasken. Notice is being sent to all the working interest owners in the W/2 of Section 31, See Exhibits "H" and "I":

(12) Approval of this application will afford the owners and the applicant the opportunity to produce their just and equitable share of the gas in the Morrow formation, will promote the orderly development in this area, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be approve by the Division.

Respectfully Submitted:



W. Thomas Kellahin

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

API Number	Pool Code 83280	Pool Name Quail Ridge;Morrow
Property Code	Property Name LING FEDERAL	Well Number 4
OGRID No. 151416	Operator Name FASKEN OIL AND RANCH, LTD	Elevation 3623'

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	31	19 S	34 E		1660	SOUTH	2310	EAST	LEA

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

The figure is a survey plat divided into four quadrants by a central vertical and horizontal line. The top-left quadrant contains a handwritten 'Com # NMM 72624' and a bracket pointing to a small rectangle labeled '10474'. The top-right quadrant contains handwritten coordinates: 'Lat - N32°36'50.25"', 'Long - W103°35'54.26"', 'NMSPEC - N 587870.846', 'E 767628.242', and '(NAD-83)'. The bottom-left quadrant contains a handwritten '2' next to a point and a 'standup 320' label. The bottom-right quadrant contains a 'standup 320' label. The central vertical line is labeled '1660' and the central horizontal line is labeled '3618.6'. The top-right quadrant also contains handwritten '14496' and '14496'. The bottom-right quadrant contains handwritten '3622.1', '3626.3', and '2310'. The bottom-left quadrant contains handwritten '3618.6' and '3630.0'. The bottom-right quadrant contains a handwritten '2' and a 'standup 320' label. The bottom-right quadrant also contains a handwritten '320' and a 'standup 320' label. The bottom-right quadrant also contains a handwritten '320' and a 'standup 320' label.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jimmy D. Carlile 12/12/07
 Signature Date

Jimmy D. Carlile
 Printed Name
jimmyc@for1.com

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.

NOVEMBER 15 2007
 Date Surveyed

GARY L. JONES
 Signature of Professional Surveyor

GARY L. JONES
 NEW MEXICO
 7977
 PROFESSIONAL SURVEYOR

W.O. 12/13/07

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

800-631-6989

EXHIBIT

A

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature Kimberly Carter Date 12/12/07

Jimmy D. Carlile
Printed Name
jimmyc@for1.com

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.

NOVEMBER 15 2007

Date Surveyed _____
Signature & Seal of _____
Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

Fasken Oil and Ranch, Ltd.

Ling Federal No. 4

Geology

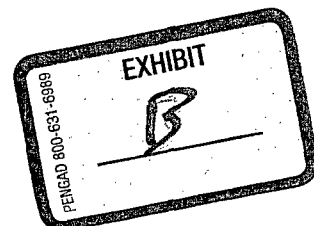
Fasken Oil and Ranch, Ltd.'s Ling Federal No. 4 is proposed at 1660' FSL and 2310' FEL of Section 31, T19S, R34E, Lea County, New Mexico. The well is proposed as a 13,700' Morrow test in the Quail Ridge; Morrow (gas) Pool.

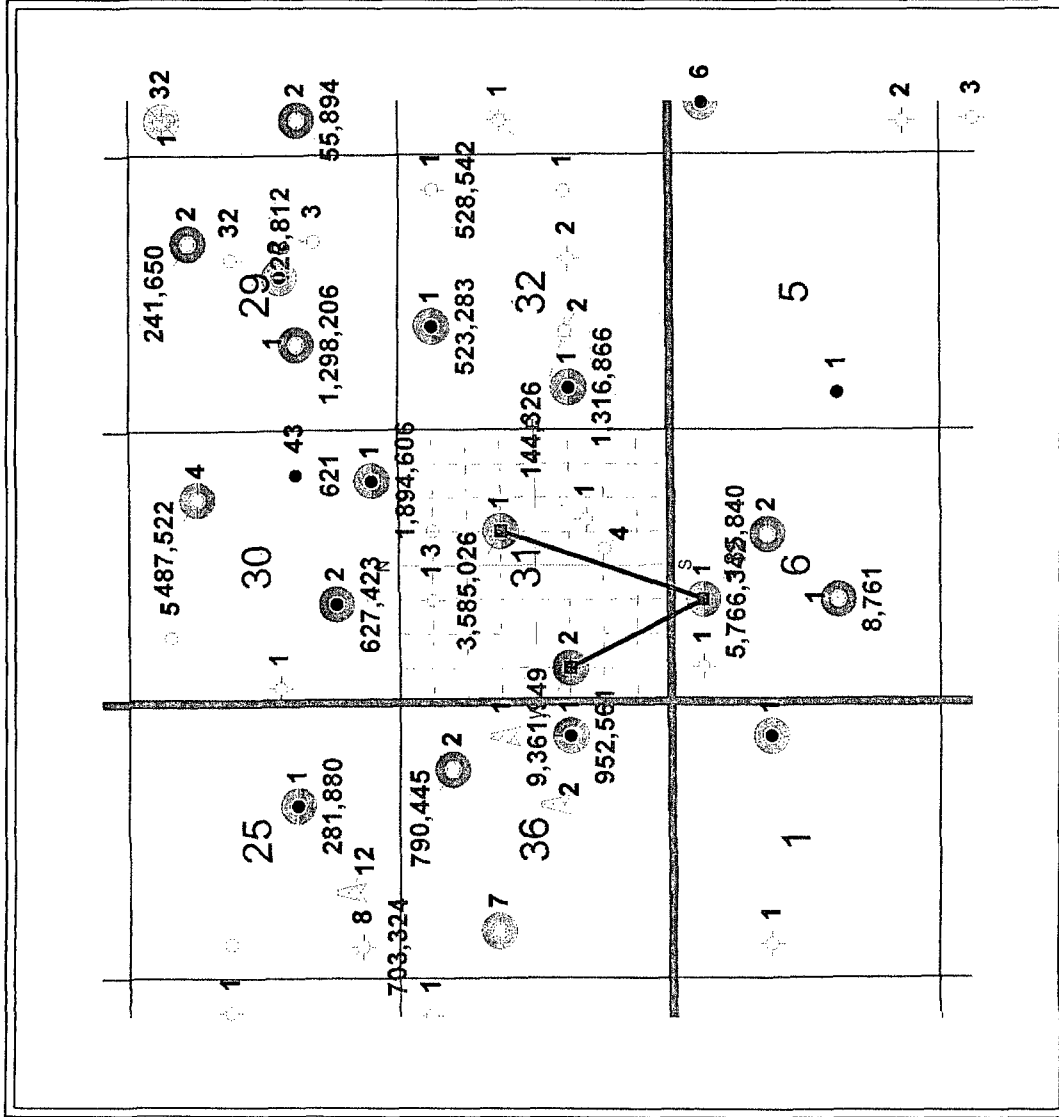
Fasken has concluded through material balance analysis that there is an additional 2 BCF of gas that has not been recovered from the Morrow in this area. Even though the 3 nearest wells (Fasken's Ling Federal Nos. 1 and 2, and the Matador Fed 6 Com No. 1) have made 18,712 MMCFG, we do not believe the last remaining well (Ling Federal No. 2) will recover these remaining reserves. Waste will occur as a result of not drilling this proposed well.

Our proposed location should encounter the thicker part of the Middle Morrow A and B sands and the eastern edge of the Middle Morrow C sand, which is critical to recover a substantial amount of this left behind natural gas. Any shallower zones encountered with shows (Delaware, Bone Spring, Wolfcamp) should be tested in this well bore to prevent waste.

The proposed location does not encroach on, nor drain, other leases even though it is less than 660' from the quarter section line. The location has been moved north of our best proposed location because of potential sand dune lizard habitat to the south. The Bureau of Land Management has given their approval of this location.

Dexter Harmon
Geologist





Fasken Oil & Ranch, Ltd.

Lea County, New Mexico

Ling Fed #4 Morrow

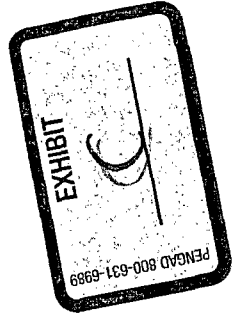
POSTED WELL DATA

● Well Number
PRODUCTION - G_MORROW (MCF)

By: DLH



September 18, 2007



FASKEN
LING FEDERAL
1980 FNL 1980 FWL
T19S R34E S31



TD : 13.656
ELEV_KB : 3.629

MATADOR
FEDERAL 6 COM
660 FNL 1980 FWL
T20S R34E S6

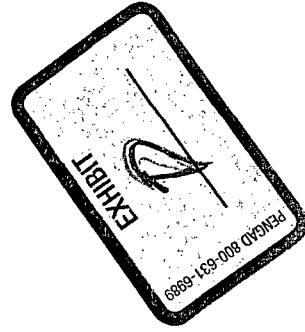
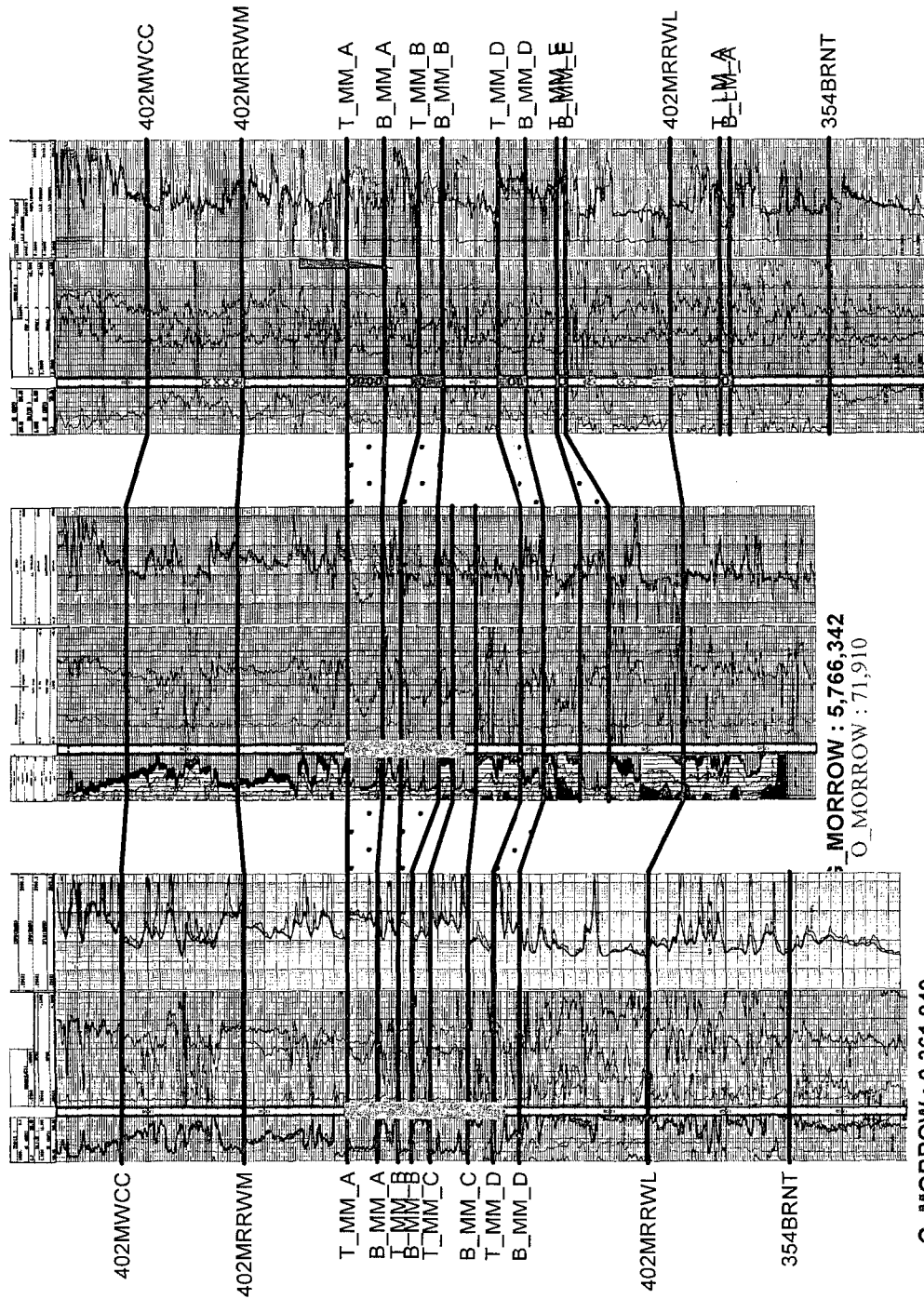


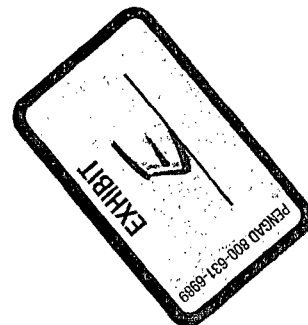
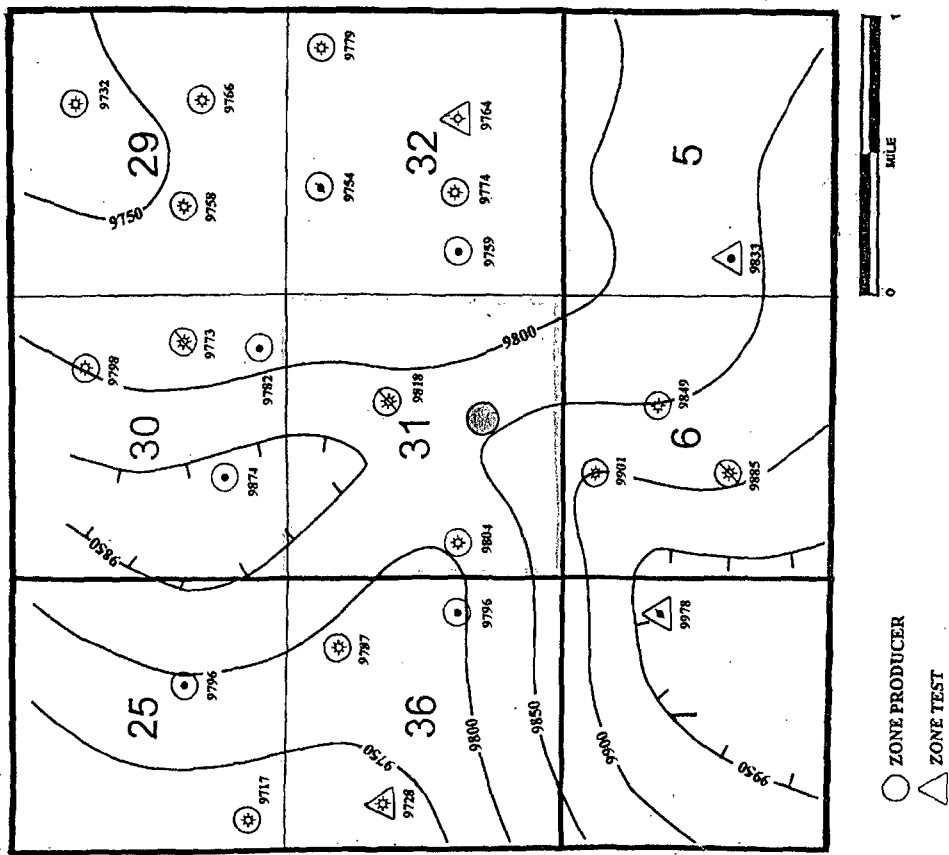
TD : 13.645
ELEV_KB : 3.633

FASKEN
LING FEDERAL
1980 FNL 1980 FEL
T19S R34E S31

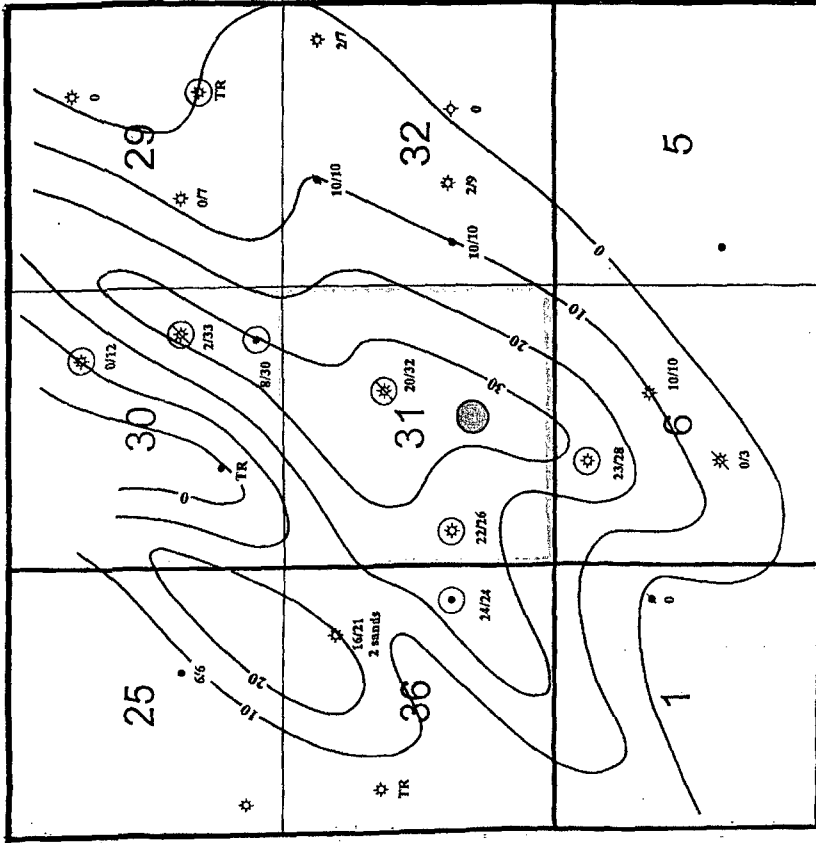


TD : 13.690
ELEV_KB : 3.652





STEVEN ZEMKOSKI ZEMCO OIL & GAS	P.O. BOX 50051 MIDLAND, TX 79710 (432) 683-7527
LING AREA T-19S R-34E LEA COUNTY, NM MORROW STRUCTURE	
CI = 50'	9-07 SZ



○ ZONE PRODUCER

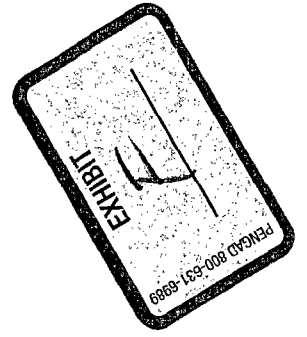
△ ZONE TEST

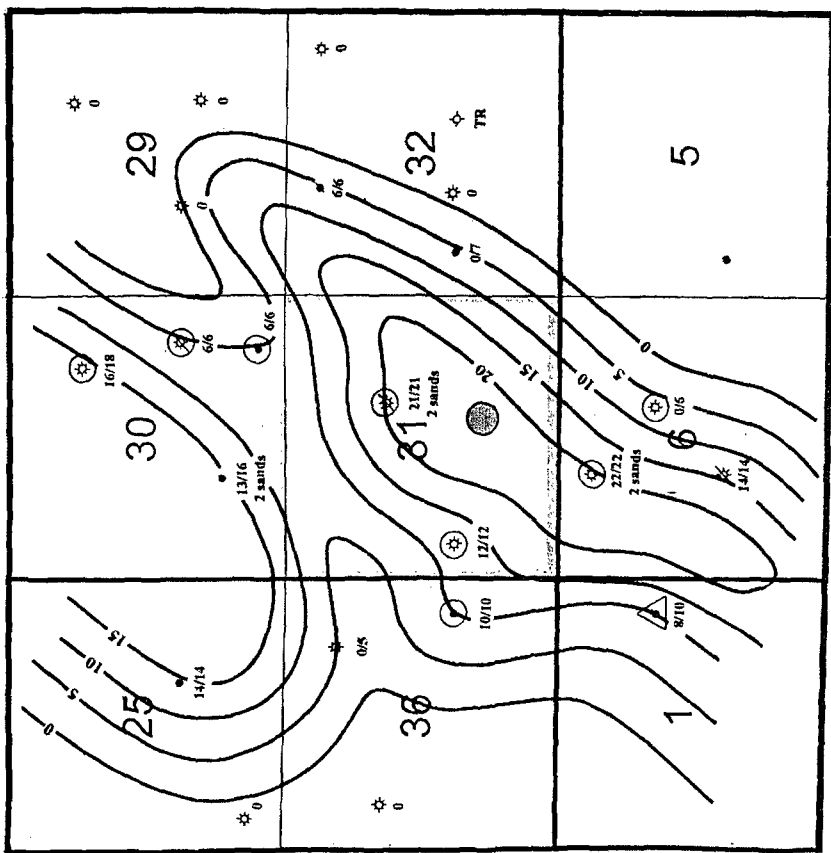
ONLY MORROW
PENETRATIONS SHOWN

NET ± 8% CROSSPLOT
GROSS ± 6%



<p>STEVEN ZEIMKOSKI ZEIMCO P.O. BOX 50851 MIDLAND, TX 79710 (432) 683-7527 OIL & GAS</p>	<p>LING AREA T-19S R-34E LEA COUNTY, NM MIDDLE MORROW "A" GROSS ISOPACH</p>
<p>CI = 10'</p>	<p>9-07 SZ</p>





○ ZONE PRODUCER

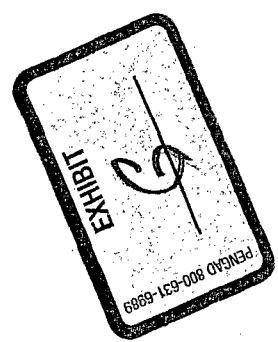
△ ZONE TEST

NET ≥ 8% CROSSPLOT
GROSS ≈ 6%

ONLY MORROW
PENETRATIONS SHOWN



	STEVEN ZENKOSKI P.O. BOX 50851 MIDLAND, TX 79710 (432) 683-7527
LING AREA T-19S R-34E LEA COUNTY, NM MIDDLE MORROW "B" GROSS ISOPACH	
CI = 5'	9-07 SZ



ROBERT ANGEVINE
202 HELEN GREATHOUSE CIRCLE
MIDLAND TX 79707

BROOKS OIL AND GAS INTERESTS
LTD
PO BOX 23314
SANTA FE NM 87502-3314

CHESAPEAKE PERMIAN, LP
PO BOX 960161
OKLAHOMA CITY OK 73196-0161

THE HENRY TRUST
JAMES & BILLIE JEAN HENRY,
TRUSTEES
3104 SHELL AVE
MIDLAND TX 79705

ATTN: OBO JIB
MAGNUM HUNTER PRODUCTION INC
CIMAREX ENERGY CO
15 EAST 5TH ST STE 1000
TULSA OK 74103-4346

RKC INC
7500 E ARAPAHOE RD STE 380
CENTENNIAL CO 80112-6116



KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

December 17, 2007 — Jan 17, 08

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

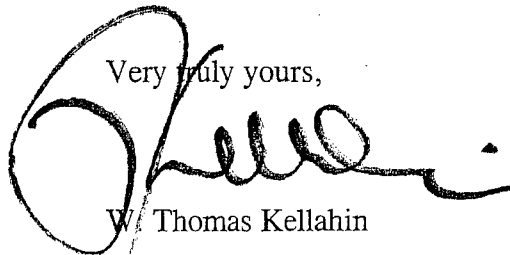
**NOTICE OF THE FOLLOWING NEW MEXICO OIL CONSERVATION
DIVISION ADMINISTRATIVE CASE:**

*Re: Administrative Application of Fasken Oil and Ranch, Ltd. for approval of
unorthodox gas well location for its Ling Federal Well No. 4, Unit G, Section 31,
T19S, R34E, Lea County, New Mexico.*

Dear Party:

On behalf of Fasken Oil and Ranch, Ltd., please find enclosed a copy of its referenced administrative application. If you have no objection, then there is nothing for you to do. If you are willing to waive objection, please sign this letter as indicated and return it to me. However, should you have any objection to the Division approving this application, then it will be necessary for you to file a written objection with the New Mexico Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the date of this letter. Failure to file a timely objection will preclude you from objecting at a later date.

Very truly yours,

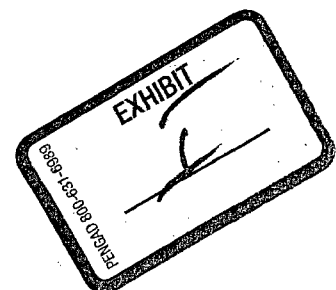


W. Thomas Kellahin

WAIVER OF OBJECTION:

By: _____ with authority for
and on behalf of _____

Date: _____



DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

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 - Engineering Bureau -
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- [1] **TYPE OF APPLICATION - Check Those Which Apply for [A]**
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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kellahin & Kellahin
Attorneys At Law
 706 Gonzales Rd.
 Santa Fe, NM 87501

Signature:

Title: _____

Date: 12/17/09

e-mail Address: _____

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

December 17, 2007

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2007 DEC 17 PM 12 42

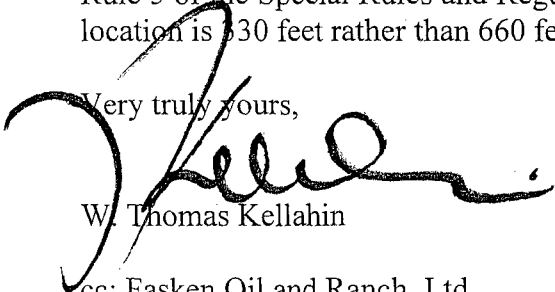
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Very truly yours,



W. Thomas Kellahin

cc: Fasken Oil and Ranch, Ltd.
Attn: Jimmy D. Carlile

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

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APPROVAL OF AN UNORTHODOX OIL WELL LOCATION
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(11) The subject spacing unit E/2 of Section 31 and the encroached upon spacing unit the W/2 of Section 31 are both operated by Fasken. Notice is being sent to all the working interest owners in the W/2 of Section 31, See Exhibits "H" and "I":

(12) Approval of this application will afford the owners and the applicant the opportunity to produce their just and equitable share of the gas in the Morrow formation, will promote the orderly development in this area, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be approve by the Division.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 83280	Pool Name Quail Ridge;Morrow
Property Code	Property Name LING FEDERAL	Well Number 4
OGRID No. 151416	Operator Name FASKEN OIL AND RANCH, LTD	Elevation 3623'

Surface Location

UL or lot No. J	Section 31	Township 19 S	Range 34 E	Lot Idn	Feet from the 1660	North/South line SOUTH	Feet from the 2310	East/West line EAST	County LEA
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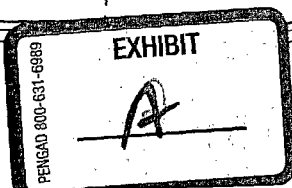
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 320	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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date 12/12/07 Jimmy D. Carlile Printed Name jimmyc@forl.com
	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. NOVEMBER 12 2007 Date Surveyed Signature & Seal of Gary L. Jones Professional Surveyor 7977 W.C. International, Inc. 113 Certificate No. Gary L. Jones 7977 BASIN SURVEYS



Fasken Oil and Ranch, Ltd.

Ling Federal No. 4

Geology

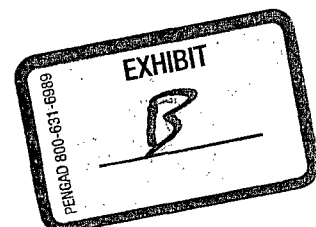
Fasken Oil and Ranch, Ltd.'s Ling Federal No. 4 is proposed at 1660' FSL and 2310' FEL of Section 31, T19S, R34E, Lea County, New Mexico. The well is proposed as a 13,700' Morrow test in the Quail Ridge; Morrow (gas) Pool.

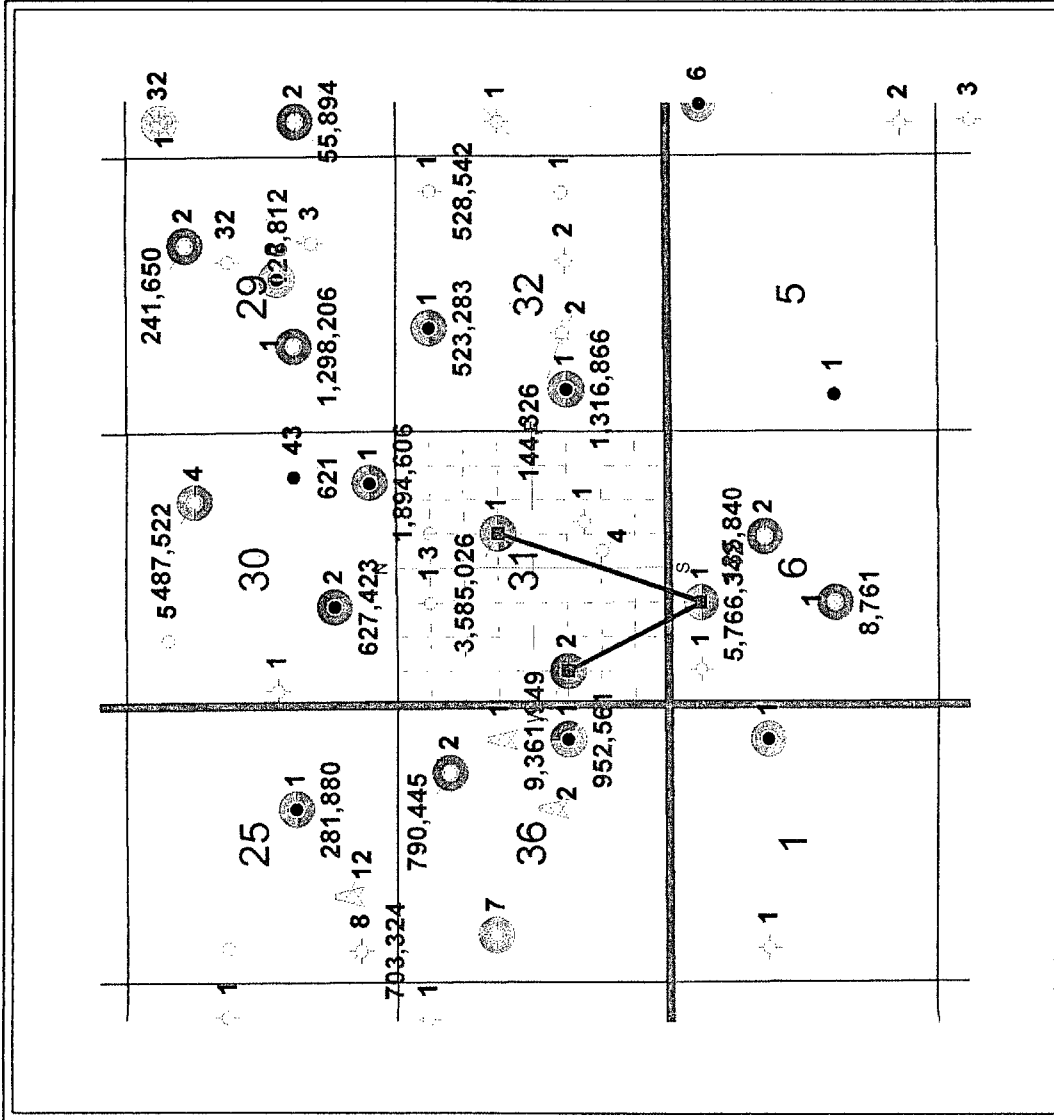
Fasken has concluded through material balance analysis that there is an additional 2 BCF of gas that has not been recovered from the Morrow in this area. Even though the 3 nearest wells (Fasken's Ling Federal Nos. 1 and 2, and the Matador Fed 6 Com No. 1) have made 18,712 MMCFG, we do not believe the last remaining well (Ling Federal No. 2) will recover these remaining reserves. Waste will occur as a result of not drilling this proposed well.

Our proposed location should encounter the thicker part of the Middle Morrow A and B sands and the eastern edge of the Middle Morrow C sand, which is critical to recover a substantial amount of this left behind natural gas. Any shallower zones encountered with shows (Delaware, Bone Spring, Wolfcamp) should be tested in this well bore to prevent waste.

The proposed location does not encroach on, nor drain, other leases even though it is less than 660' from the quarter section line. The location has been moved north of our best proposed location because of potential sand dune lizard habitat to the south. The Bureau of Land Management has given their approval of this location.

Dexter Harmon
Geologist





Fasken Oil & Ranch, Ltd.

Lea County, New Mexico

Ling Fed #4 Morrow

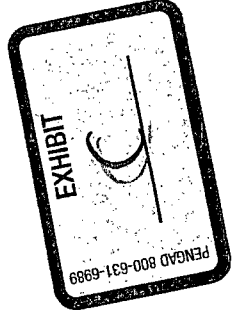
POSTED WELL DATA

● Well Number
○ PRODUCTION - G_MORROW (MCF)

By: DLH



September 18, 2007



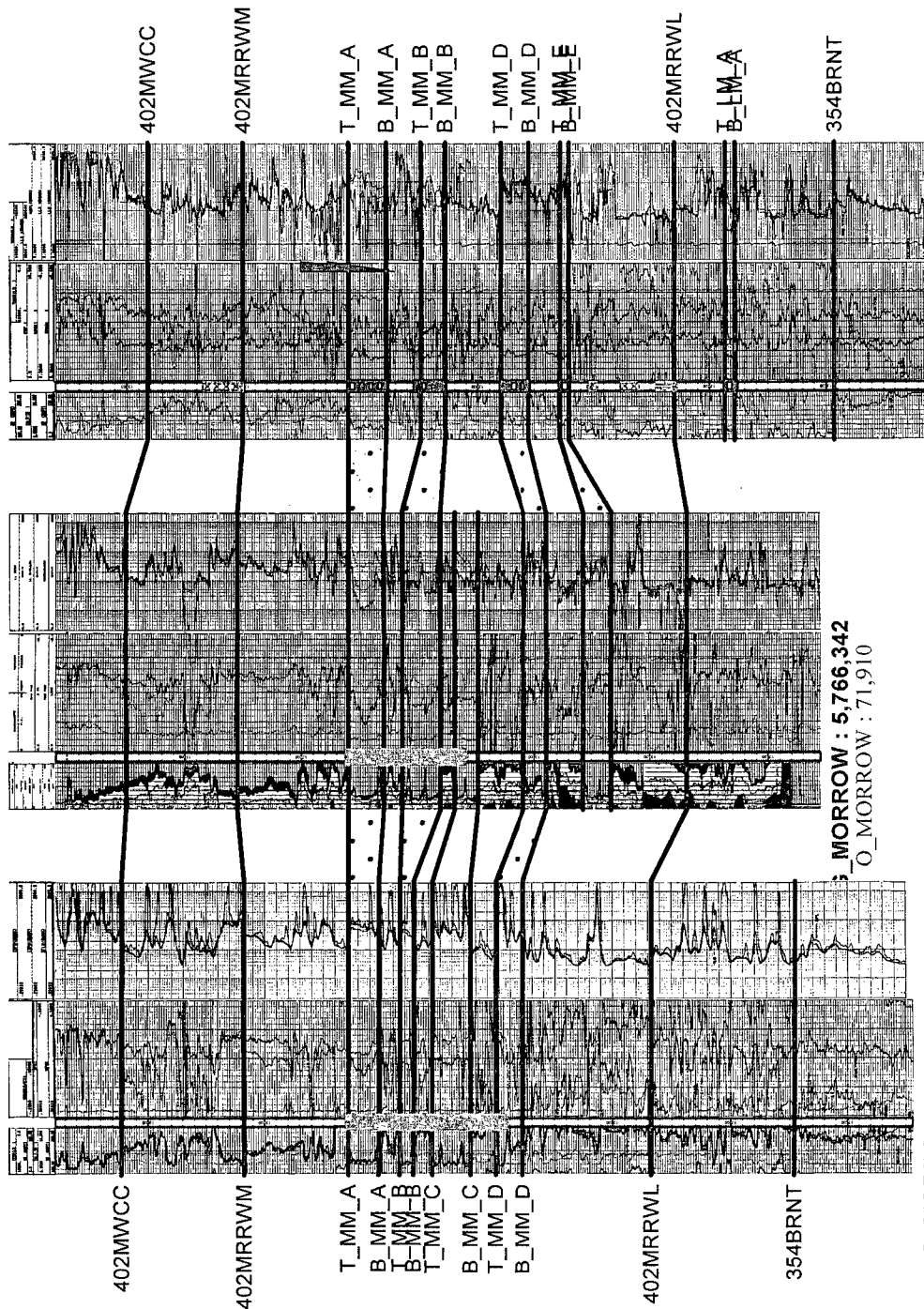
FASKEN
LING FEDERAL
1980 FSL 660 FWL
T19S R34E S31
TD : 13.656
ELEV_KB : 3,629



MATADOR
FEDERAL '6' COM
660 FNL 1980 FWL
T20S R34E S6
TD : 13.645
ELEV_KB : 3,633



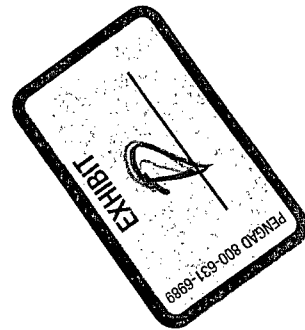
FASKEN
LING FEDERAL
1980 FNL 1980 FEL
T19S R34E S31
TD : 13.690
ELEV_KB : 3,652

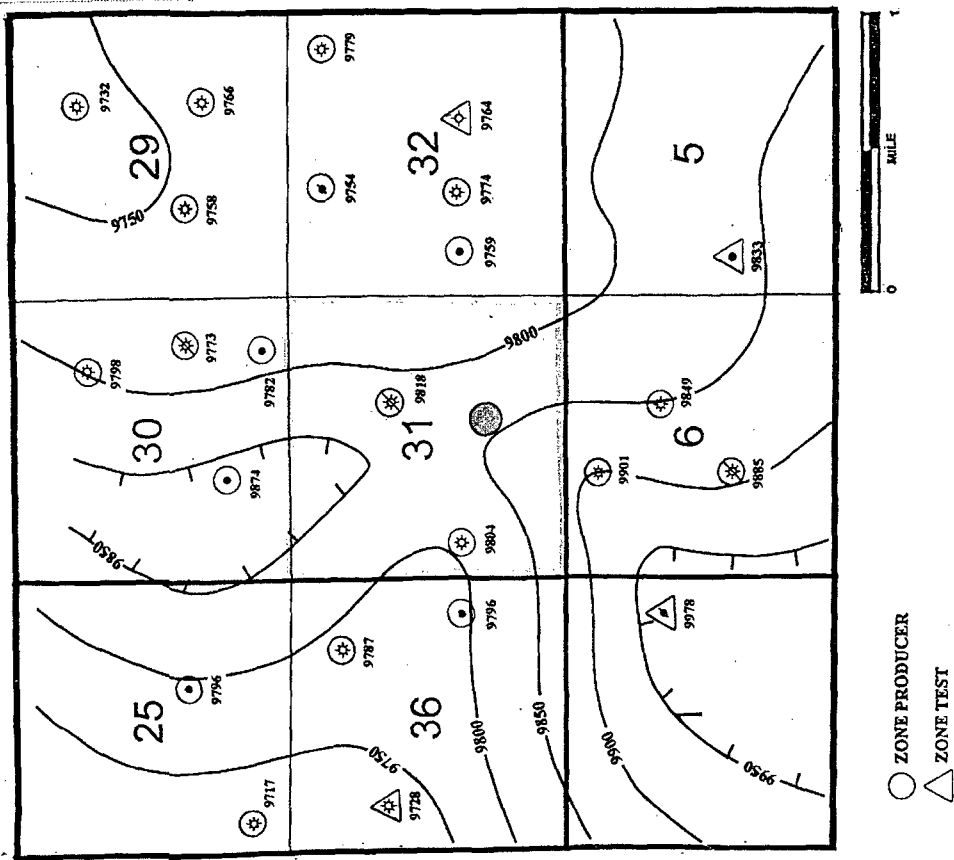


G_MORROW : 3,585,026
O_MORROW : 118,393

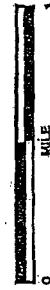
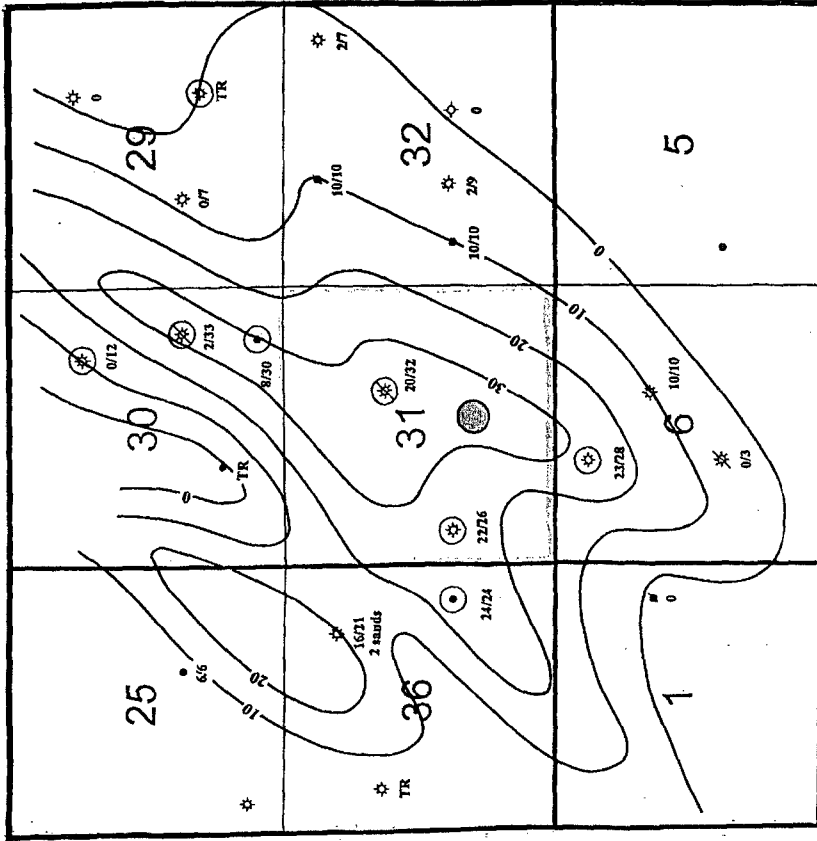
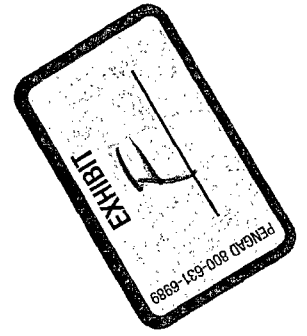
G_MORROW : 5,766,342
O_MORROW : 71,910

G_MORROW : 9,361,949
O_MORROW : 147,830





STEVEN ZEIMKOSKI P.O. BOX 50851 MIDLAND, TX 79710 (432) 683-7527 ZEMCO OIL & GAS	LING AREA T-19S R-34E LEA COUNTY, NM MORROW STRUCTURE	CI = 50' 9-07 SZ
--	--	---------------------

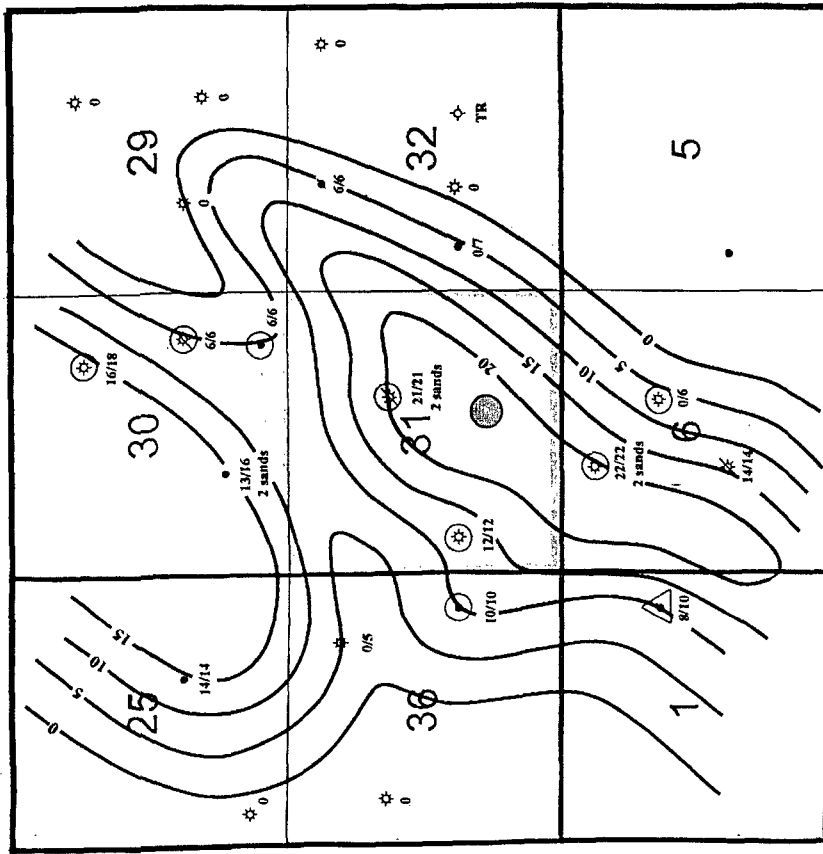
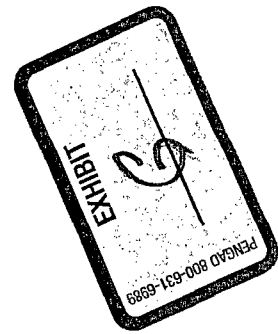


ONLY MORROW
PENETRATIONS SHOWN

- ZONE PRODUCER
- △ ZONE TEST

NET ≥ 8% CROSSPLOT
GROSS $\frac{2.1}{6.70}$

 ZENCO OIL & GAS	STEVEN ZEMKOSKI P.O. BOX 53831 MIDLAND, TX 79710 (432) 683-7527
LING AREA T-19S R-34E LEA COUNTY, NM MIDDLE MORROW "A" GROSS ISOPACH	
CI = 10'	9-07 SZ



○ ZONE PRODUCER

△ ZONE TEST

NET ≥ 8% CROSSPLOT
GROSS ≥ 6%

ONLY MORROW
PENETRATIONS SHOWN



<p>ZEMKO OIL & GAS</p>	<p>STEVEN ZEMKOSKI P.O. BOX 50851 MIDLAND, TX 79710 (432) 683-7527</p> <p>LING AREA T-19S R-34E LEA COUNTY, NM</p> <p>MIDDLE MORROW "B" GROSS ISOPACH</p> <p>CI - 5' 9-07 SZ</p>
---------------------------------------	---

ROBERT ANGEVINE
202 HELEN GREATHOUSE CIRCLE
MIDLAND TX 79707

BROOKS OIL AND GAS INTERESTS
LTD
PO BOX 23314
SANTA FE NM 87502-3314

CHESAPEAKE PERMIAN, LP
PO BOX 960161
OKLAHOMA CITY OK 73196-0161

THE HENRY TRUST
JAMES & BILLIE JEAN HENRY,
TRUSTEES
3104 SHELL AVE
MIDLAND TX 79705

ATTN: OBO JIB
MAGNUM HUNTER PRODUCTION INC
CIMAREX ENERGY CO
15 EAST 5TH ST STE 1000
TULSA OK 74103-4346

RKC INC
7500 E ARAPAHOE RD STE 380
CENTENNIAL CO 80112-6116



KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

December 17, 2007

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

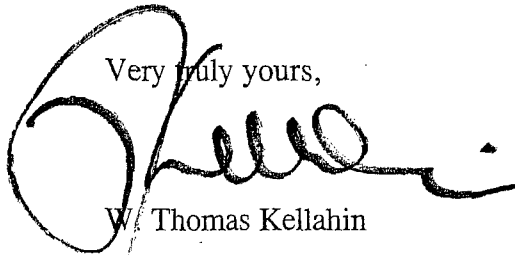
**NOTICE OF THE FOLLOWING NEW MEXICO OIL CONSERVATION
DIVISION ADMINISTRATIVE CASE:**

*Re: Administrative Application of Fasken Oil and Ranch, Ltd. for approval of
unorthodox gas well location for its Ling Federal Well No. 4, Unit G, Section 31,
T19S, R34E, Lea County, New Mexico.*

Dear Party:

On behalf of Fasken Oil and Ranch, Ltd., please find enclosed a copy of its referenced administrative application. If you have no objection, then there is nothing for you to do. If you are willing to waive objection, please sign this letter as indicated and return it to me. However, should you have any objection to the Division approving this application, then it will be necessary for you to file a written objection with the New Mexico Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the date of this letter. Failure to file a timely objection will preclude you from objecting at a later date.

Very truly yours,

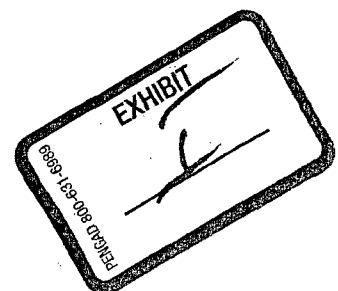


W. Thomas Kellahin

WAIVER OF OBJECTION:

By: _____ with authority for
and on behalf of _____

Date: _____



DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____

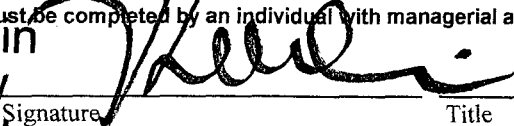
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☒ Working, ~~Royalty or Overriding Royalty~~ Interest Owners
- [B] ☒ Offset Operators, ~~Leaseholders or Surface Owner~~
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Kellahin & Kellahin
Attorneys At Law
706 Gonzales Rd.
Santa Fe, NM 87501

Print or Type Name _____ Signature  Title _____ Date **12/17/09**

e-mail Address _____

RECEIVED
2007 DEC 17 PM 12:41

KELLAHIN & KELLAHIN
Attorney at Law

W. THOMAS KELLAHIN
706 GONZALES ROAD
SANTA FE, NEW MEXICO 87501

TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

December 17, 2007

HAND DELIVERED

RECEIVED
2007 DEC 17 PM 12 41

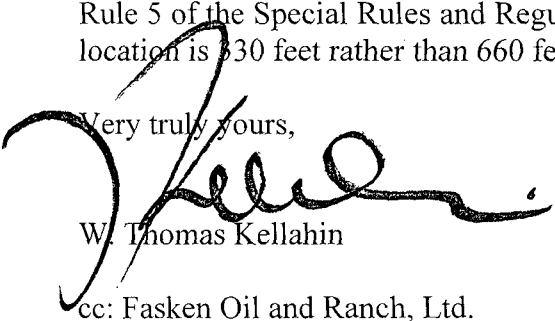
Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Re: Administrative Application of Fasken Oil and Ranch, Ltd.
for approval of a unorthodox gas well location for its
Ling Federal Well No. 4, Unit G
API # (Pending)
1660 feet FSL and 2310 feet FEL
E/2 320-acre dedication, Section 31
T19S, R34E, Lea County, New Mexico
Quail Ridge-Morrow Gas Pool

Dear Ms. Fesmire:

On behalf of Fasken Oil and Ranch, Ltd, please find enclosed our referenced administrative application that is being filed in accordance with Division Rule 104.F and Rule 5 of the Special Rules and Regulations for the Quail Ridge-Morrow Gas Pool. This location is 530 feet rather than 660 feet from the west side of this spacing unit.

Very truly yours,



W. Thomas Kellahin

cc: Fasken Oil and Ranch, Ltd.
Attn: Jimmy D. Carlile

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION OF FASKEN OIL & RANCH, LTD. FOR
APPROVAL OF AN UNORTHODOX OIL WELL LOCATION
LEA COUNTY, NEW MEXICO**

ADMINISTRATIVE APPLICATION

Comes now FASKEN OIL AND RANCH. LTD. ("Fasken") and by and through its attorneys, Kellahin & Kellahin, and in accordance with Division General Rule 104.F, applies to the New Mexico Oil Conservation Division ("Division") for approval of an unorthodox gas well location for its Ling Federal Well No. 4, to be located 1660 feet FSL and 2310 feet FEL (Unit J) of Section 31, T19S, R34E, Lea County New Mexico to be drilled as a Morrow well subject to the Quail Ridge-Morrow Pool rules and if successful dedicated to a standard 320-acre gas spacing unit consisting of the E/2 of this section.

In support, Fasken states:

- (1) Fasken is the proposed operator of the Ling Federal Well No. 4 to be drilled to the Morrow formation and completed in the Quail Ridge-Morrow Gas Pool (pool code 83280). Fasken has filed an APD and is awaiting approval-there is not API yet issued.
- (2) The well is to be located 1660 feet FSL and 23100 feet FEL (Unit j) Section 31, T19S, R34E, at a unorthodox gas well location for the Morrow formation, dedication to the E/2 of this section. See Form C-102 attached as Exhibit "A"
- (3) Fasken now desires approval to drill and produce this well at an unorthodox gas well location for any Morrow gas production.
- (4) This well, if successful, will be 330 feet from the western boundary of is spacing unit instead of 660 feet as required by Division Rule 104.

TECHNICAL EVIDENCE

- (5) The proposed location for this well is based upon a combination of topographical and geological reasons. See summary attached as Exhibit "B"

(6) Because of topographical reasons, the BLM required that the location be moved north of the best geological location in order to avoid a potential sand dune lizard habitat to the south.

(7) The geological evidence demonstrates that this proposed Morrow well should encounter a thicker part of the Middle Morrow A and B sands than would be encountered at any standard location in the E/2 of Section 31:

- (a) See Locator map attached as Exhibit "C"
- (b) See three well cross-section attached as Exhibit "D"
- (c) See Morrow structure map attached as Exhibit "E"
- (d) See Middle "A" Morrow gross isopach attached as Exhibit "F"
- (e) See Middle "B" Morrow gross isopach attached as Exhibit "G"

NOTIFICATION

(10) All of Section 31, except for the NE/4NW/4, is subject to Federal oil & gas lease NM-14496.

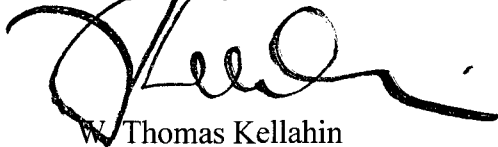
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(11) The subject spacing unit E/2 of Section 31 and the encroached upon spacing unit the W/2 of Section 31 are both operated by Fasken. Notice is being sent to all the working interest owners in the W/2 of Section 31, See Exhibits "H" and "I":

(12) Approval of this application will afford the owners and the applicant the opportunity to produce their just and equitable share of the gas in the Morrow formation, will promote the orderly development in this area, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste and protect correlative rights.

WHEREFORE, Applicant requests that this application be approve by the Division.

Respectfully Submitted:



W. Thomas Kellahin

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

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

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 83280	Pool Name Quail Ridge;Morrow
Property Code	Property Name LING FEDERAL	Well Number 4
OGRID No. 151416	Operator Name FASKEN OIL AND RANCH, LTD	Elevation 3623'

Surface Location

UL or lot No. J	Section 31	Township 19 S	Range 34 E	Lot Idn	Feet from the 1660	North/South line SOUTH	Feet from the 2310	East/West line EAST	County LEA
--------------------	---------------	------------------	---------------	---------	-----------------------	---------------------------	-----------------------	------------------------	---------------

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
Dedicated Acres 320	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

<p>Com # NNMM 72624</p>		<p>10474</p>	<p>Lat - N32°36'50.25" Long - W103°35'54.26" NMSPCE - N 587870.846 E 767628.242 (NAD-83)</p>	<p>14496</p>	<p>14496</p>
<p>standup 320</p>	<p>2</p>	<p>14496</p>	<p>3622.1' 3626.3'</p>	<p>2310'</p>	<p>standup 320</p>
		<p>3618.6'</p>	<p>3630.0'</p>	<p>1660'</p>	

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Jimmy D. Carlile 12/12/07
Signature Date

Jimmy D. Carlile
Printed Name
jimmyc@forl.com

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.

NOVEMBER 15, 2007
Date Surveyed

GARY L. JONES
Signature of Professional Surveyor
7977

W.O. 10/10/07 13

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

EXHIBIT
A
PENCAD 800-531-6888

Fasken Oil and Ranch, Ltd.

Ling Federal No. 4

Geology

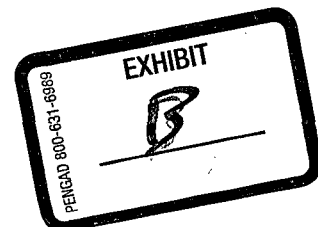
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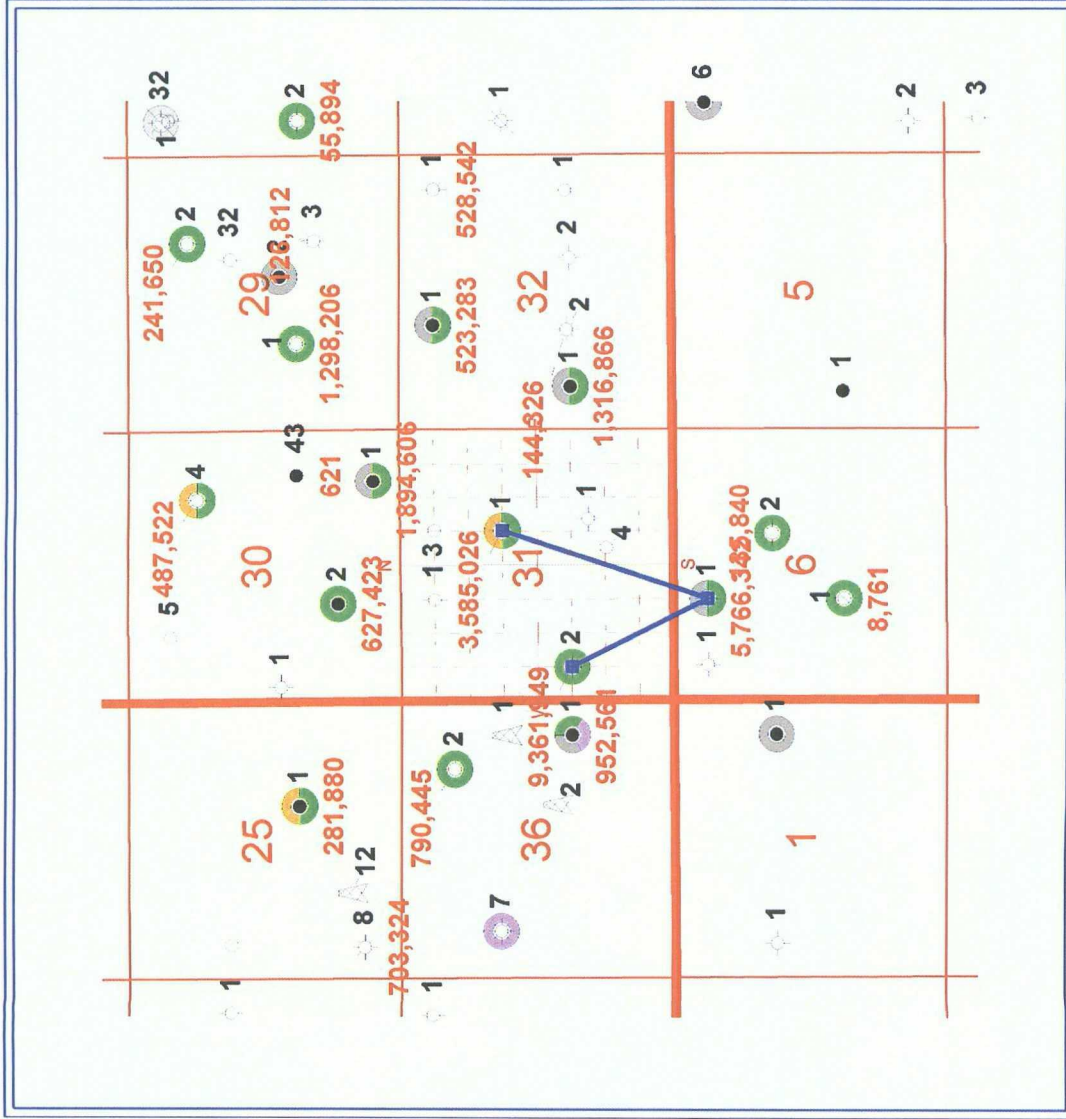
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Dexter Harmon
Geologist





Fasken Oil & Ranch, Ltd.

Lea County, New Mexico

Ling Fed #4 Morrow

POSTED WELL DATA

Well Number

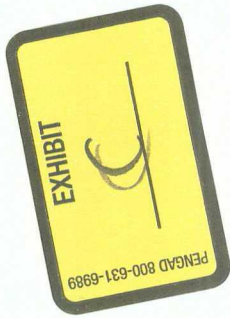
PRODUCTION - G_MORROW (MCF)

By: DLH

0 3,486 6,972 10,458

FEET

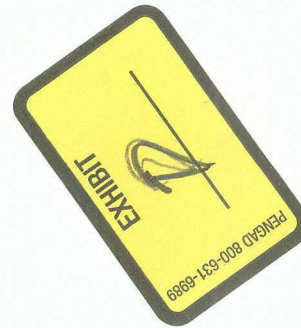
September 18, 2007

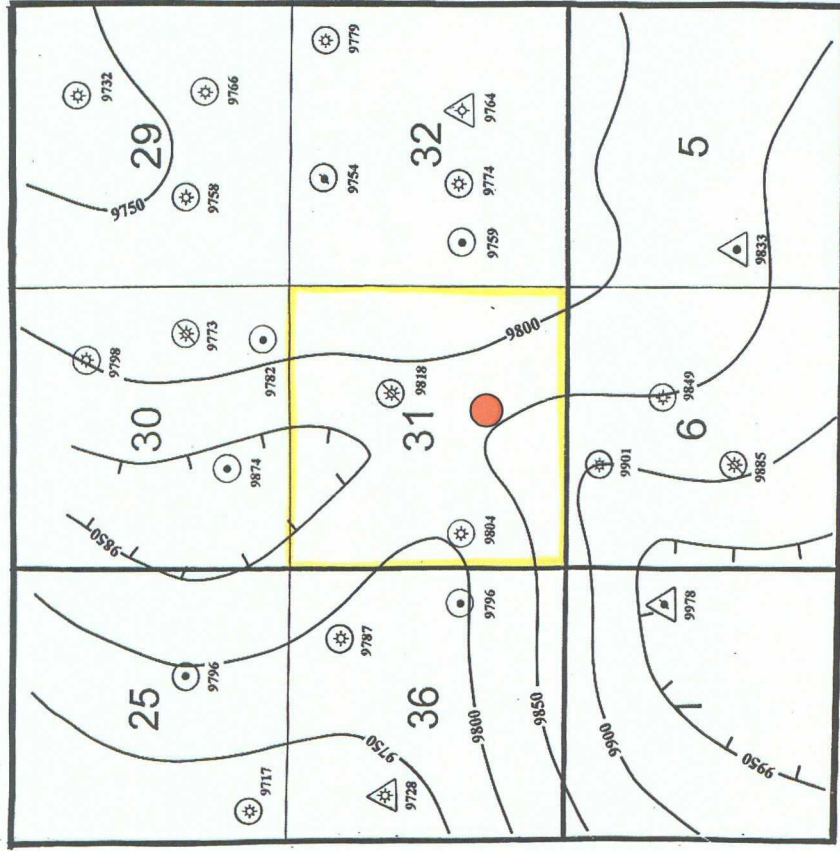


TD : 13,656
ELEV_KB : 3,629

TD : 13,645
ELEV_KB : 3,633

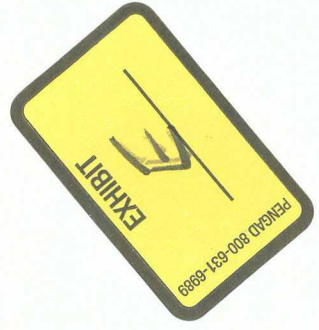
TD : 13,690
ELEV_KB : 3,652

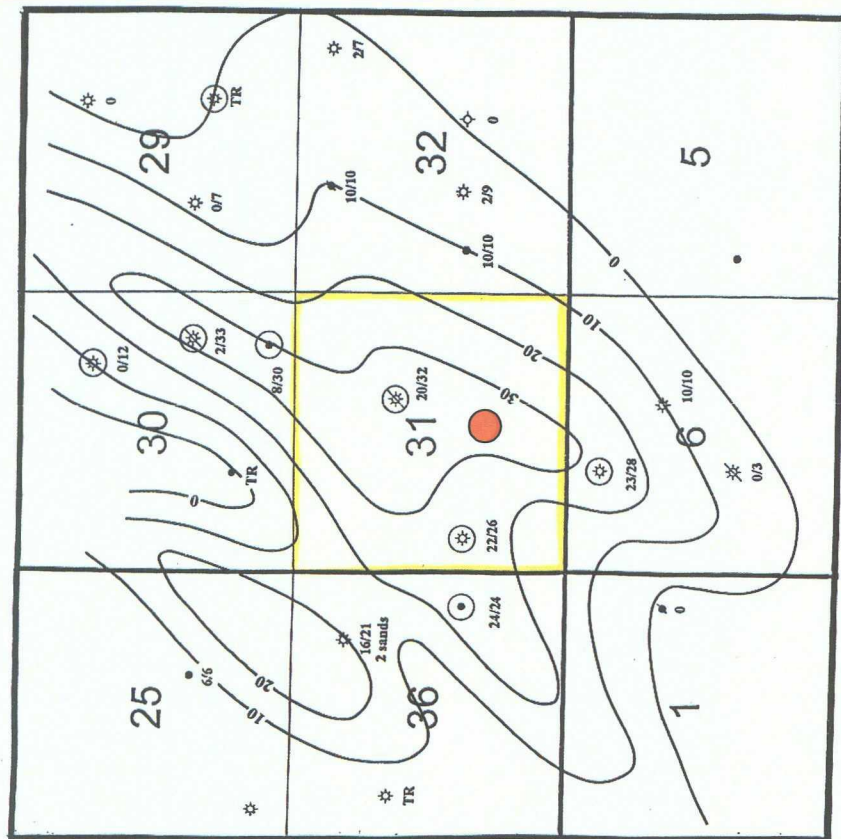




○ ZONE PRODUCER
 △ ZONE TEST

	STEVEN ZEMKOSKI P.O. BOX 50851 MIDLAND, TX 79710 (432) 683-7527
LING AREA T-19S R-34E LEA COUNTY, NM MORROW STRUCTURE	
CI = 50'	9-07 SZ






○ ZONE PRODUCER

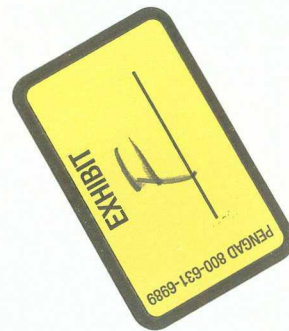
△ ZONE TEST

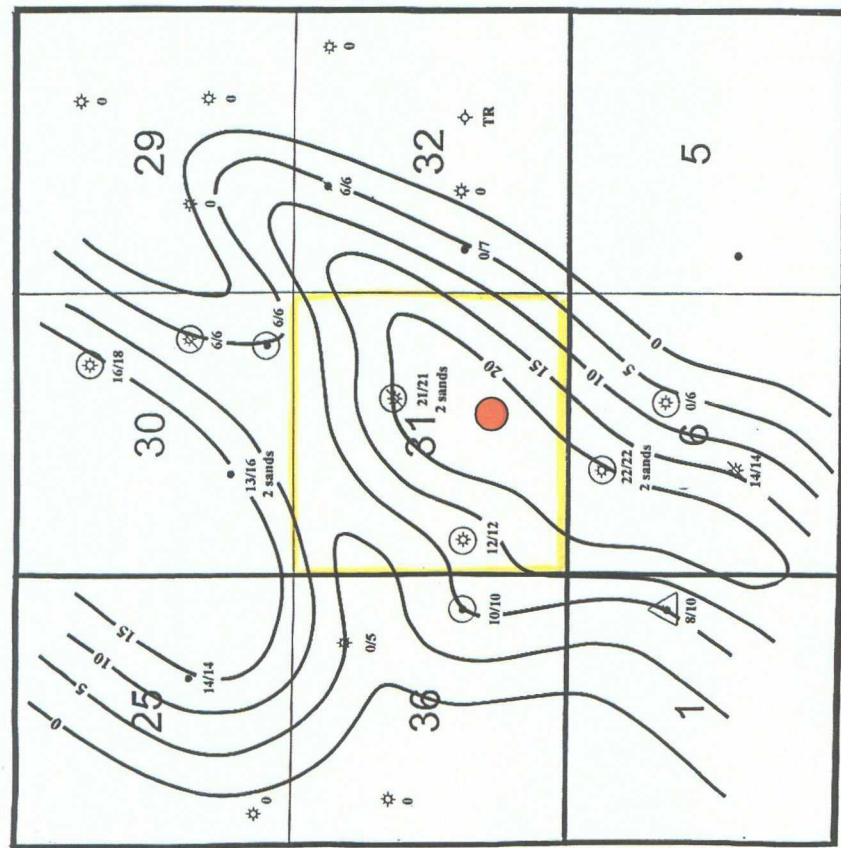
NET ≥ 8% CROSSPLOT
GROSS $\approx 6\%$

ONLY MORROW
PENETRATIONS SHOWN



 ZEMCO OIL & GAS	STEVEN ZEMKOSKI P.O. BOX 50851 MIDLAND, TX 79710 (432) 683-7527
LING AREA T-19S R-34E LEA COUNTY, NM MIDDLE MORROW "A" GROSS ISOPACH	
CI = 10'	9-07 SZ





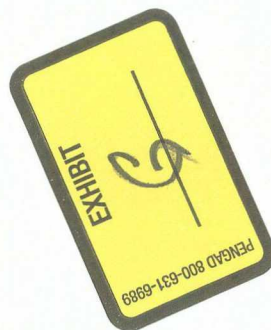
○ ZONE PRODUCER

△ ZONE TEST

ONLY MORROW
PENETRATIONS SHOWN

NET > 8% CROSSPLOT
GROSS $\approx 69\%$

ZEMCO OIL & GAS	STEVEN ZEMKOSKI P.O. BOX 50851 MIDLAND, TX 79710 (432) 683-7527
LING AREA T-19S R-34E LEA COUNTY, NM	
MIDDLE MORROW "B" GROSS ISOPACH	
CI = 5"	9-07 SZ



ROBERT ANGEVINE
202 HELEN GREATHOUSE CIRCLE
MIDLAND TX 79707

BROOKS OIL AND GAS INTERESTS
LTD
PO BOX 23314
SANTA FE NM 87502-3314

CHESAPEAKE PERMIAN, LP
PO BOX 960161
OKLAHOMA CITY OK 73196-0161

THE HENRY TRUST
JAMES & BILLIE JEAN HENRY,
TRUSTEES
3104 SHELL AVE
MIDLAND TX 79705

ATTN: OBO JIB
MAGNUM HUNTER PRODUCTION INC
CIMAREX ENERGY CO
15 EAST 5TH ST STE 1000
TULSA OK 74103-4346

RKC INC
7500 E ARAPAHOE RD STE 380
CENTENNIAL CO 80112-6116



KELLAHIN & KELLAHIN
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TELEPHONE 505-982-4285
FACSIMILE 505-982-2047
TKELLAHIN@COMCAST.NET

December 17, 2007

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

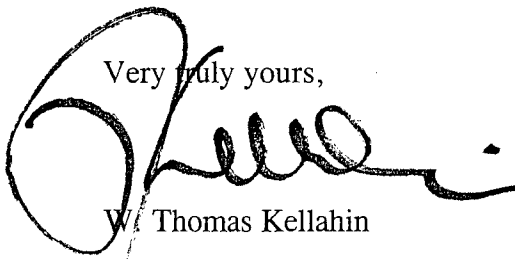
**NOTICE OF THE FOLLOWING NEW MEXICO OIL CONSERVATION
DIVISION ADMINISTRATIVE CASE:**

*Re: Administrative Application of Fasken Oil and Ranch, Ltd. for approval of
unorthodox gas well location for its Ling Federal Well No. 4, Unit G, Section 31,
T19S, R34E, Lea County, New Mexico.*

Dear Party:

On behalf of Fasken Oil and Ranch, Ltd., please find enclosed a copy of its referenced administrative application. If you have no objection, then there is nothing for you to do. If you are willing to waive objection, please sign this letter as indicated and return it to me. However, should you have any objection to the Division approving this application, then it will be necessary for you to file a written objection with the New Mexico Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the date of this letter. Failure to file a timely objection will preclude you from objecting at a later date.

Very truly yours,



W. Thomas Kellahin

WAIVER OF OBJECTION:

By: _____ with authority for
and on behalf of _____

Date: _____

